

# Algorithmic Trading Market Size is Anticipated to Grow USD 31494 Million, at a CAGR of 12.7% from 2021 to 2028

*The Algorithmic Trading Market Report is segmented into the By Component, Type, Deployment Mode, and Type of Traders & Region*

BANGALORE, INDIA, January 20, 2022 /EINPresswire.com/ -- The global [algorithmic trading market](#) size was valued at \$12,143 million in 2020 and is projected to reach \$31,494 million by 2028, registering a CAGR of 12.7% from 2021 to 2028. Algorithmic trading or automated trading is a form of

automation, in which a computer program is used to execute a defined set of instructions or rules that includes the buying or selling of an asset in regards to the varying market data. The defined sets of instructions or rules are based on timing, quantity, price, or any mathematical model. It offers several benefits to market participants such as it executes trades at the best possible prices; simultaneous automated checks on multiple market conditions; trades timed correctly and instantly; and reduced transaction costs due to lack of human intervention.

COVID-19 pandemic has impacted positively on the growth rate of the algorithmic trading market owing to the increased shift towards algorithmic trading for taking the decisions at a very rapid pace by reducing human errors. For instance, Reserve Bank of Australia, in its recent publication stated that the Covid-19 pandemic may have only furthered the industry's shift toward electronic trading. Also, there is upsurge in popularity of High-Frequency Traders (HFT) during the pandemic; thus, fueling the market growth. For instance, Virtu Financial, one of the leading high-speed traders reported \$784.5 million in net trading income for the first quarter of 2020.

It is expected that the advent of AI in the financial services sector will be a major factor in the growth of the algorithmic trade market size. As a result of developments in artificial intelligence, regulators are also beginning to notice how individuals communicate with the market.

Algorithmic Trading can also analyze every quote and trade in the stock market with the aid of



Algorithmic Trading Market

predefined rules, backtested, and placed at predefined levels. Thus, these systems detect opportunities for liquidity and turn the knowledge into smart trading decisions. These factors are expected to further fuel the algorithmic trade market size.

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[https://reports.valuates.com/request/sample/ALLI-Manu-2M83/Algorithmic\\_Trading\\_Market](https://reports.valuates.com/request/sample/ALLI-Manu-2M83/Algorithmic_Trading_Market)

Cloud-based algorithmic trading platforms are expected to play a major role in algorithmic trade market size growth. This growth is attributed to the various benefits offered, such as maximum profit gains, as cloud-based trading systems help traders automate their trading processes, simple trading data maintenance, cost-effectiveness, scalability, and efficient management. Cloud-based trading works on the model of cloud computing, which uses remote server networks typically accessed over the internet to store, manage, and process data.

The report focuses on the growth prospects, restraints, and algorithmic trading market analysis. The study provides Porter's five forces analysis of the algorithmic trading industry to understand the impact of various factors such as bargaining power of suppliers, competitive intensity of competitors, threat of new entrants, threat of substitutes, and bargaining power of buyers on the algorithmic trading market trends.

On the basis of component, the solution segment exhibited the highest growth in the algorithmic trading market share in 2020, and is expected to maintain its dominance in the upcoming years. The demand for algorithmic trading solutions is mainly driven by its benefits such as reduced transaction costs due to lack of human intervention and instant and accurate trade order placement. In addition, the market players are introducing advanced algorithmic trading solutions to serve various needs of their customers. For instance, in September 2019, BNP Paribas introduced an upgraded FX trading platform with real-time analytics and interactive algorithms. However, the services segment is expected to witness the highest growth, due to an extensive adoption of professional services among end users, as it ensures effective functioning of algorithmic trading solution throughout the process.

Get detailed COVID-19 impact analysis on the Algorithmic Trading Market:

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By deployment mode, the global algorithmic trading market share was dominated by the cloud segment in 2020, and is expected to maintain its dominance in the upcoming years, due to increase in adoption of cloud-based applications by financial institutions to enhance their productivity and efficiency. In addition, the cloud-based algorithmic trading solutions are gaining popularity among the traders as it ensures the effective automation of processes and data maintenance along with cost-friendly management. This factor further propels the growth of the segment during the forecast period.

North America dominates the algorithmic trading market, owing to a number of factors including huge investments in trading technologies and increase in government support for global trading. In addition, extensive presence of algorithmic trading vendors in the region propels the growth of the market. However, Asia-Pacific is expected to witness highest growth rate during the forecast period, due to heavy investments by public and private sectors to enhance their trading technologies, driving the demand for algorithmic trading solutions to automate trading processes.

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### COVID Impact Analysis

The current estimation of 2028 is projected to be higher than pre-COVID-19 estimates. The COVID-19 outbreak has low impact on the growth of the algorithmic trading market, as the adoption of algorithmic trading solutions have increased in the face of unprecedented circumstances. COVID-19 pandemic has significantly fueled the growth rate of the algorithmic trading market, owing to the increased shift toward algo trading for taking the decisions at a very rapid pace by reducing human errors. For instance, Reserve Bank of Australia, in its recent publication stated that the COVID-19 pandemic may have only furthered the industry's shift toward electronic trading.

In addition, the market players have introduced innovative algorithmic trading products during the pandemic to ensure better serving the increased volumes of retail trading. This factor drives the market growth. For instance, in March 2021, Cowen, an American multinational independent investment bank and financial services company launched an algorithmic trading solution to help institutional clients navigate market dynamics caused by increased volumes of retail trading.

### Key Benefits For Stakeholders

- This study includes the analysis, algorithmic trading market trends, and future estimations to determine the imminent investment pockets.

- The report presents information related to key drivers, restraints, and algorithmic trading market opportunity.

- The algorithmic trading market size is quantitatively analyzed from 2020 to 2028 to highlight the financial competency of the industry.

- Porter's five forces analysis illustrates the potency of buyers & suppliers in algorithmic trading market.

- Key Market Segments

### By Component

- Solution

- Services

### By Type

- Stock Markets
- FOREX
- ETF
- Bonds
- Cryptocurrencies
- Others

#### By Deployment Mode

- Cloud
- On-Premise

#### By Type Of Traders

- Institutional Investors
- Long-Term Traders
- Short-Term Traders
- Retail Investors

#### By Region

##### North America

U.S.

Canada

Europe

UK

Germany

France

Spain

Rest of Europe

Asia-Pacific

China

India

Japan

Australia

South Korea

Rest of Asia-Pacific

LAMEA

Latin America

Middle East

Africa

#### Key Market Players

- 63MOONS
- Virtu Financial

- Software AG
- Refinitiv Ltd.
- MetaQuotes Software Corp.
- Symphony Fintech Solutions Pvt Ltd.
- Argo SE,
- Tata Consultancy Services
- Algo Trader AG
- Tethys

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