Algorithmic Trading Market to USD 56.2 Bn by 2032, Owing to the Growing Adoption of AI and Machine Learning in Trading

The Algorithmic Trading Market, valued at USD 16.8 Bn in 2023, is projected to reach USD 56.2 Bn by 2032, growing at a 14.42% CAGR from 2024 to 2032.

AUSTIN, TX, UNITED STATES, February 6, 2025 /EINPresswire.com/ -- The SNS Insider report indicates that the Algorithmic Trading Market was valued at USD 16.8 billion in 2023 and is expected to reach USD 56.2 billion by 2032, growing at a CAGR of 14.42% over the forecast period of 2024-2032.

ALGORITHMIC TRADING MARKET

The Algorithmic Trading Market is experiencing notable expansion, driven by the growing need for more efficient, faster, and data-driven trading strategies.

MARKET STASTISTICS

MARKET SIZE IN (2023)	CAGR (2024-2032)	MARKET SIZE BY (2032)
USD 16.8 BN	14.42%	USD 56.2 BN

REGIONAL ANALYSIS

In 2023, North America dominated the algorithmic trading market and accounted for the highest revenue share of 36%.

KEY PLAYERS

AlgoTrader   Bloomberg   Citi

The increasing reliance on AI-powered algorithms for high-speed trading, risk management, and real-time market analysis is driving the growth of the algorithmic trading market.

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Some of Major Keyplayers:

- AlgoTrader – AlgoTrader Trading Platform
- Bloomberg – Bloomberg Trade Order Management Solutions (TOMS)
- Citi – Citi Velocity
- Goldman Sachs – Marquee
- IBM – IBM Algorithmic Trading Solutions
- KCG Holdings – KCG Trading Algorithms
- Microsoft – Azure Machine Learning
- JPMorgan Chase – LOXM Algorithmic Trading
- Barclays – Barclays Liquid Trading Algorithms
- XTX Markets – XTX Trading System
- Two Sigma Investments – Two Sigma's Data-Driven Investment Platform
- Interactive Brokers – IBKR Algorithms

- Tower Research Capital – Tower Trading Systems
- Virtu Financial – VirtuAlgo
- QuantConnect – Lean Algorithmic Trading Engine

By Types of Traders, Institutional Investors Dominate, Retail Investors See Fastest Growth

The institutional investor's segment dominated the market and accounted for a significant revenue share in 2023, Driven by hedge funds, asset management firms, and proprietary trading desks. These organizations use advanced artificial intelligence-based trading models to place high-volume trades, tapping into all economics in their favor, as well as reducing risk.

Retail investors are anticipated to exhibit the fastest CAGR during the forecast period as the emerging adoption of commission-free trading platforms and AI-powered robo-advisors in the coming years is expected to propel the segment growth. Brokerage platforms are offering more accessible algorithmic trading tools to individual traders, automating trade execution and strategy implementation.

By Trading Types: Stock Markets Lead, Cryptocurrencies Register Fastest Growth

The stock segment dominated the market and is expected to register the fastest CAGR during the forecast period. Driven by institutional investors and hedge funds, as the former largely utilize AI-powered trading algorithms for equities and derivatives. Algorithmic trading has improved efficiency and profitability for firms, enabling them to bring large volumes of trades to market with little price slippage.

The cryptocurrency segment is expected to record the fastest CAGR during the forecast period. The explosive expansion of digital assets, along with the emergence of DeFi platforms, has vastly accelerated the uptake of crypto trading algorithmic trading bots.

By Component, Solutions dominate algorithmic trading while services grow with rising demand for automation support.

In 2023, the solutions segment dominated the market and accounted for a revenue share of more than 79%. The segment is further split into platform and software tools. Synalytica's algorithmic trading platform provides free access to a vast database of futures and equities data and a powerful back-testing and trading research platform. The services segment is expected a significant growth during the forecast period. The services segment is split into professional services and managed services.

By Deployment, On-premise trading grows as financial institutions prioritize control and data security.

on-premise segment is expected to gain significant CAGR over the forecast period. The solution

is hosted on a personal computer and runs on the software in the workplace of the business. On-premise solutions allow financial institutions to maintain greater control over their trading environments and data security, which is a driving factor in segment growth.

Algorithmic Trading Market Segmentation:

By Component
- Solution
- Service

By Deployment
- Cloud
- On-premise

By Trading Types
- Foreign Exchange (FOREX)
- Stock Markets
- Exchange-Traded Fund (ETF)
- Bonds
- Cryptocurrencies
- Others

By Types of Traders
- Institutional Investors
- Long-Term Traders
- Short-Term Traders
- Retail Investors

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Regional Landscape

In 2023, North America dominated the algorithmic trading market and accounted for the highest revenue share of 36%, Driven by the presence of numerous financial institutions and technology companies that emphasize more on advanced trading solutions. Use of AI and ML technologies has also improved the efficiency and accuracy of trade. With some regulatory backing and a favorable competitive ecosystem that forces innovation, North America has become a key region for algorithmic trading.

Recent Developments in the Algorithmic Trading Market (2024)

- In January, Goldman Sachs introduced an AI-driven trading system that enhances market prediction accuracy by analyzing large datasets in real-time.

- In February, NASDAQ launched an advanced machine-learning algorithm to detect fraudulent trading patterns and improve market surveillance.

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