

High-Frequency Trading

“The use of computer algorithms to manage the trading process.”

(Hendershott et al. 2011)

Algorithmic Trading

Types of Algorithmic Trading

High-Frequency Trading

Algorithmic Agency

Participants

(Hasbrouk and Saar 2011)

Hedge Funds

Banks

Brokers

Other Intermediaries

Goals

(Hasbrouk and Saar 2011)

Profit Maximization

Transaction Cost Minimization

Profit and Short-Term Information

Liquidity and Long-Term Information