Definition of Algorithmic Trading
Also included the expressions automated trading, algo trading, black-box trading and robo trading.

There is no unified definition of algorithmic trading (AT). Some definitions are broad and unspecific: trading using algorithms, trading programs. Others specify AT as opposed to high-frequency trading (HTF), emphasizing that algorithms are only entrusted with the execution of a business decision – however the decision of its acceptance is still up to people. This definition then entirely excludes HFT (that most of professionals consider a part of AT).

We therefore consider the best definition of algorithmic trading to be one that stipulates AT are all operations at stock exchanges and similar markets (such as OTC markets), in which a previously programmed algorithm takes care of an algorithmic execution of a business instruction (purchase, sale, stock-exchange listing). A sub-section of thus defined AT are business models in which a computer (specifically speaking, an algorithm) itself decides whether a business instruction will be sent to the stock exchange at all, based on previously entered settings (algorithmic decision-making) – this is where HFT belongs.