

# High Frequency Trading Dominates UK Stock Market

By [Washington's Blog](#)

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While high frequency trading makes up somewhere between [50% and 70% of all U.S. stock trades](#), the number is even higher in the UK.

Specifically, a new [report](#) by the Tabb Group shows that high frequency trading represents 77% of all UK stock trades.

As Bloomberg [notes](#):

High-frequency trading accounts for 77 percent of transactions in U.K. markets, according to a study by research firm Tabb Group LLC.

Orders from long-only funds that bet stocks will rise, hedge funds and retail investors account for 23 percent of activity in continuous markets, the group said in a report today. High-frequency trading, in which firms may transact thousands of times a second, accounts for the rest. The practice makes up 35 percent of the 3.9 trillion-euro (\$5.3 trillion) U.K. turnover when over-the-counter transactions and other non-continuous trading is included, Tabb said.

Tabb's data covers what it calls continuous markets where trades occur electronically, including venues where prices are publicly displayed and dark pools, where they aren't. Over-the-counter trading, conducted away from exchanges and alternative systems, isn't included, Tabb said.

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"What the study shows is that so little of the continuous market is natural order flow," Will Rhode, co-author of the report with Miranda Mizen, said in a phone interview. "It's critical for pension funds to have alternative strategies to achieve best execution and alternative sources of liquidity which they trust."

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