

Interactive Brokers' Founder Changed Trading Forever. What He Sees Next.

Thomas Peterffy, the billionaire founder and chairman of Interactive Brokers, on 24-hour trading, stablecoins, tariffs, and the economy.

By David Wignall

Updated Oct 02, 2025, 11:59 am EDT / Original Oct 02, 2025, 2:30 am EDT

Thomas Peterffy, founder and chairman of [Interactive Brokers](#) Group, created the first fully automated algorithmic trading system in 1987. It was a computer, plugged into a Nasdaq terminal, that could place orders faster than any human. Soon after the system started running, a Nasdaq representative told Peterffy to shut it down. All orders had to be manually typed, the representative said.

Not to be deterred, Peterffy and his team came up with a solution: a robot with rubber fingers that typed so quickly it sounded like a machine gun. “They didn’t know what to say about that, because it followed the rules,” Peterffy says.

Algorithmic trading and the rubber-fingered robot are just two of Peterffy’s many innovations. Born during a bombing raid in Budapest in 1944, Peterffy immigrated to the U.S. in 1965. He taught himself English, then taught himself to code. He invented an options-pricing model—a predecessor to Black-Scholes—and created the first hand-held computers for floor traders. He also pioneered infrastructure that made electronic trading possible, and launched Interactive Brokers in 1977.

Peterffy, 81, owns roughly 67% of Interactive Brokers, which went public in 2007 and recently had a market capitalization of around \$114 billion. The company joined the [S&P 500 index](#) in August.

A billionaire and outspoken supporter of President Donald Trump's tariffs, Peterffy spoke with *Barron's* twice last month about his company, 24-hour trading, stablecoins, the national debt, and more. An edited version of these conversations follows.

You bought a seat on the American Stock Exchange in 1977, just four years after options began trading on exchanges. What did trading look like then?

I worked at the American Stock Exchange as a market maker in options. On average, we did maybe 30 or 40 trades a day. There were rules as to how trades were supposed to be executed. Everybody in the crowd had to make a market for each one of the series—a bid and an offer, all the time. The specialist was supposed to be able to remember who bid, who offered, how much, and for which contract.

But there was no way to remember that, so we just made up the market at the moment, and there were a lot of disagreements and arguments. It was a situation begging for computerization. But it took them a long time to move to a computer, because the chaos was their livelihood.

We have come a long way since then. Today, there are fractional shares, zero-day options, and zero-commission trades. The firm you started has been at the forefront of many of these developments. What's next?

Let me put it this way: When I see that large investment banks and trading firms report trading profits amounting to about \$200 billion a year, that indicates that the trading public and institutions are losing \$200 billion a year when trading. I'm not saying that those margins could be eliminated, but they could be reduced.

That is an opportunity for Interactive. It just demonstrates how much best execution matters, and how large the hidden cost of trading is.

Interactive now allows customers to trade more than 10,000 stocks and funds nearly 24 hours a day, five days a week. What is the case for round-the-clock trading?

New York Stock Exchange trading hours, from 9:30 a.m. to 4 p.m., are basically an artificial construct. They made sense when we were using open outcry systems and had to route orders to a specific place at a specific time.

Given that today's markets are made by continuously running computerized algorithms, there is no need for such an artificial construct. The interest in trading large U.S. companies is becoming more geographically widespread, and we should enable people in different time zones to execute their investment decisions based on their timing.

NEWSLETTER SIGN-UP

Market Lab

Exclusive data, tables and charts from Barron's Market Lab.

Preview



Subscribe

We expect, in time, that the large stocks with an international following will be trading continuously, with similar liquidity, 24 hours a day. In the future, the night hours won't be very different from the daytime hours, wherever you live.

Trading is like eating—you can eat whenever you want to, and trade whenever you want to. You don't have to sit there constantly watching and reacting to the tape.

Interactive has had a phenomenal few years in terms of revenue, earnings, and the stock price. What is driving this success?

One of the major factors is the phenomenal growth in options markets. Also, [there is] the recognition that our platform is substantially better suited for professional traders and investors than comparable platforms provided by other brokers. We are constantly working to enhance our platform capabilities.

In an interview in May 2023, you predicted a market crash, in part due to “social dissonance” and because the country wasn't on solid

financial footing. Two years later, stocks are higher and we have a different president, but the federal deficit has grown. Do you still foresee a crash?

As long as the economy keeps growing, I don't think the debt is a big problem. It becomes a big problem when the economy stagnates and the debt keeps increasing.

In my adult lifetime, prices have gone up tenfold. In other words, what a dollar bought 60 years ago costs \$10 today. But that didn't really create other problems, right? So, as long as the economy keeps growing, there is nothing wrong with issuing debt and having the Federal Reserve monetize that debt. The debt will show up as increased money supply, and therefore higher prices.

When there is no economic growth, then, of course, the debt becomes a problem.

Recent reports seem to suggest that hiring is slowing. Is economic growth an issue now?

No. The economy has been growing about 3% a year. [In 2023], the economy wasn't growing well, and the Covid-19 money [for stimulus payments] was a crazy thing. The government issued a lot of money at the end of the Covid-19 pandemic.

Now, we have a rapidly growing economy, and the promise of artificial intelligence. That counterbalances, to some extent, all those worries. The economy is doing extremely well—I think reducing regulations and restrictions on business has a lot to do with that.

When the Trump administration announced its “Liberation Day” tariffs in April, [you were a fan](#). How has your view on tariffs evolved since then?

Things seem to be working out. In other words, tariffs aren't creating a real problem. The tariffs haven't filtered through to inflation much, and they put us

on a more even playing field with other countries.

The 15% tariff on European goods doesn't seem to be causing a lot of problems. And the major tariff issue regarding China hasn't been settled yet. That is where the big kick would come from.

Do you still support the tariffs?

I like a more even playing field, yes. [Trump's tariff negotiations] make business planning difficult. I understand it is his negotiating style. He comes in and says he's going to impose 100% tariffs and then eventually it's going to be 20%. He likes to start with a big number.

But it is difficult for businesses to plan when they don't know what they eventually have to pay.

You said in July that Interactive was considering potentially issuing stablecoins. Why?

Stablecoins are a good thing. They facilitate payment, making it easier to transact. You don't have to go to a bank. In other words, the payments are flowing smoothly and immediately.

But other than that, I am not a fan of cryptocurrencies. Even though we offer all these coins because there is demand for them, I don't really see what they do for anybody. Sooner or later, there will be some big disappointment with these coins.

In 2021, traders engineered a "squeeze" of investors who had sold [GameStop](#) and several other stocks short, causing the short sellers to suffer substantial losses. You said afterward that the system had come dangerously close to collapsing. What was the threat?

There is a rule: Brokers may lend the stocks held by their customers on margin, but when the margin loans are repaid, the customers' stocks must be replaced. Brokers have three days to do that. To do so, brokers must borrow the stock

from another broker, or recall the stock they lent to short sellers. If the shorts don't return the stocks, brokers *must* buy them by the morning of the fourth day, prior to the opening of the market.

During the meme-stock craze, customers bought GameStop at \$10 or \$20 or \$30 a share, on margin. Short sellers correctly thought the stock was overvalued and borrowed and sold shares. But the customers kept on buying, driving prices higher. At one point, the short interest exceeded the outstanding float, and as the longs were inciting one another to buy more shares and squeeze the shorts, the stock price went over \$400.

Had the longs been aware of the rule, they would have sold a few shares instead of continuing to buy. The profits realized would have repaid all the margin loans. Selling just one share at \$400 would have repaid margin loans on 38 shares. The brokers would have had to recall all those shares, or *buy* them. But since there were more shares to recall or buy than existed, they would have driven the price to infinity.

All this happened during the presidential transition in January 2021. The old guard at the Securities and Exchange Commission had left, and the new officials hadn't yet been nominated. These were nightmarish times for those who understood the details.

Interactive Brokers had suggested changes to the relevant rules in the past, but they weren't followed through. With the new administration, we again sent in our suggestions.

You were born in Hungary in 1944. You later lived through the Soviet suppression of the Hungarian Revolution. What did your upbringing teach you?

My childhood in Hungary taught me that meritocracy is better than socialism. Under socialism, nobody has any incentive to create anything because they don't enjoy the benefits from their labor. That is a system that can't possibly survive.

So, I'm a little bit worried about what is coming in New York City. [Zohran Mamdani, a self-described democratic socialist, is leading in the mayoral race.] But I don't live there anymore, so I'm not as worried as you should be.

Some young people entering the financial industry will work in the trading world you helped to create. What advice do you have for these people?

Always, always have a plan. Do something every day to follow your plan, and you will get there eventually. Keep looking at your plan, revise it when you need to, but constantly work at it.

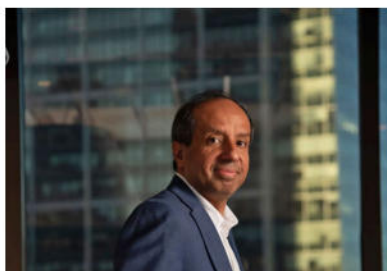
Thank you, Thomas.

Write to editors@barrons.com [✉](#)

READ NEXT



The IPO Market Is Poised to Reopen. Canva, Kraken, Databricks Could Be on Deck.

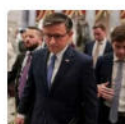


Nvidia, Meta, Alphabet, and SharkNinja? This Manager Thinks All Four Are Winners.

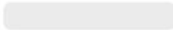


Zillow, Rocket, and CoStar Are Upending Homebuying. How the Stocks Stack Up.

WSJ+ News For You




Congress Approves Bill to Release Epstein Files After Monthslong Fight

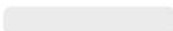
WSJ 



In One of San Francisco's Priciest ZIPs, Buyers Are Moving Fast and Paying Cash

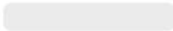
WSJ 

Klimt Painting Becomes the Most Expensive Work of Modern Art at \$236.4 Million

WSJ 




Ukraine Strikes Russia With Atacms After Trump Lifted Long-Range Missile Ban

WSJ 



I Traded Jet Lag for Sea Days on a 14-Night Cruise From Rome to New York

WSJ 

[Go to WSJ+ Dashboard](#)

[Personalize Your Experience](#)