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FOR IMMEDIATE RELEASE

Investment Trends has recently released its **2015 Australia CFD Report**, an annual in-depth study of Australian CFD traders' attitudes and investing habits, based on a survey of more than **15,000 traders and investors** concluded in June 2015. Key highlights include:

- **CFD trader numbers are up for the second year running despite turbulence in the FX market**
- **IG and CMC Markets strengthen their lead**
- **Nearly half of current CFD traders in the market for a new provider do not know which one they would choose**
- **Future CFD traders call for share trading to be available on CFD platforms**

CFD trader numbers are up for the second year running despite turbulence in the FX market

The number of active CFD traders increased again with 43,000 unique Australian investors placing at least one trade on CFDs in the year to June 2015, up from 42,000 a year ago.

"The 2% growth for the second consecutive year means the Australian CFD industry has nearly recovered from the contraction seen back in 2012/2013, when the global leveraged trading industry was marred by volatility drought," said Irene Guiamatsia, Senior Analyst at Investment Trends.

The number of investors who intend to place their first CFD trade over the coming year (next wave traders) increased by 25% to 15,000 in 2015 over the same period, in line with the growing population of frequent online share traders which the CFD market largely feeds from.

"The healthy state of the industry in the midst of challenges posed by the January 2015 Swiss Franc crisis is a laudable outcome," said Guiamatsia. "Our research shows there was an underlying shift in product usage with fewer trading CFDs over FX at the benefit of trading CFDs over shares and indices."

IG and CMC Markets strengthen their lead

IG and CMC Markets together dominate the Australian CFD market, with a combined 56% share of primary relationships, up from 50% in 2014.

The Swiss Franc crisis highlighted the importance of segregation of client money and broker's financial strength for many, with both elements surging in importance as drivers for selecting a CFD provider among new and seasoned traders alike.

"Traders most often felt they could find these elements of security in the top two players, owing to their solid reputation and global clout," said Guiamatsia. "Going forward, providers' credentials and product disclosure statements are likely to be scrutinised more intently."

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About Investment Trends:

Investment Trends is the leading specialist market research organisation in the global online investment industry

Nearly half of current CFD traders in the market for a new provider do not know which one they would choose

Trader loyalty increased in the past year with only 13% (down from 16% in 2014) of active CFD traders ceasing to use a provider and continuing elsewhere.

Industry-wide, switching activity is likely to remain low in the next 12 months, based on current stated intentions. About one in three (down from 40%) current traders are saying they are at least “somewhat likely” to open a new account in the coming year (potential switchers).

CFD providers have the opportunity to promote their strengths to potential switchers as nearly half of them (45%) have yet to decide which provider they would choose. For those potential switchers, price is becoming less important but other factors are emerging.

Future CFD traders call for share trading to be available on CFD platforms

An overwhelming proportion (61%) of next wave CFD traders say access to equities within their CFD trading platform is one of the most important features when selecting their future provider, ahead of price.

The demand for multi-asset platform from next wave traders is unique to the Australian environment: For example, only 14% of Singaporean and 3% of German next wave traders value having access to direct equities on the same platform.

The second most-used CFD provider, CMC Markets, already provides access to direct listed equities, albeit on a different platform. Market leader IG does not provide direct equities in Australia, but launched its stockbroking offering in the UK two years ago.

“The Australian case is of particular interest in light of the global trend that has seen a transformation of leveraged products providers into multi-asset brokerages,” said Guiamatsia.

About the report

This report provides a detailed analysis of the Australian CFD market, examining attitudes and behaviour of current and next wave CFD traders.

Based on a survey of more than **15,000** traders and investors, the Investment Trends June 2015 Australia Contracts for Difference Report is the largest and most comprehensive independent study of the CFD market in Australia.

About Investment Trends:

Investment Trends is the leading researcher in the online stockbroking, CFD and retail FX markets globally. We combine our analytical rigour and strategic thinking with the most advanced research and statistical techniques to help our clients gain a competitive advantage.

We have over 10 years experience in researching the Australian retail wealth management and global broking markets from which we provide new insights and decision making support to over 200 leading financial service businesses globally.

Investment Trends’ clients include a number of global banking organisations, all major CFD providers and online brokers as well as industry regulators, investment platform providers, industry associations and financial planning software providers.

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