

27 June 2013

Key findings of the annual Investment Trends 2013 Germany Contracts for Difference & Foreign Exchange Report:

- **The number of CFD traders in Germany remained steady at 43,000, after growing 34% in the previous 12 months**
- **The German CFD and FX markets have become increasingly fragmented with many of the larger more established providers losing market share over the past two years**
- **New clients are focusing more on financial strength and security of providers**
- **60% of CFD traders use a smart phone/tablet in relation to CFD trading, up from 40% in the previous year**

The number of CFD traders in Germany remained steady

The third annual Germany CFD & FX report recently released by Investment Trends found that the number of Contracts for Difference (CFD) traders remained steady at 43,000, after growing 34% in the previous year. Following a fall in market volatility and the demise of WorldSpreads and FXdirekt bank, CFD trader numbers have remained flat due to a falling number of new users and a large increase in the number of traders leaving the industry.

The number of FX traders in Germany grew marginally by 3% to 30,000, after growing by 32% in the previous year.

The German CFD and FX markets have become increasingly fragmented with many of the larger more established providers losing market share over the past two years

CMC Markets continued to lose market share between May 2012 and April 2013 but maintained its position as the largest CFD provider in Germany (22% primary share, down from 25% in April 2012). IG Markets was in second position with a primary market share of 12% (down from 13%), and RBS marketindex was third at 8% (down from 10%).

‘The German CFD and FX markets have become increasingly fragmented with many providers entering these markets over the last two years,’ said Senior Analyst Uwe Helmes.

Comdirect bank and DAB bank have increased their primary market shares in the German CFD space to 7% (up from 4%) and 3% (since launch in mid-2012), respectively.

‘The conventional brokers have done well in attracting clients new to CFD trading,’ said Senior Analyst Helmes. ‘Because they have so many existing relationships with clients who trade other financial products, they are able to leverage on this. Many clients who start trading CFDs decide to do this through the broker they use to trade other products.’

‘FX providers who offer MetaTrader were relatively more successful in attracting frequent traders as well as switchers,’ said Helmes. ‘This has enabled certain providers such as Activtrades and FXCM to gain some primary market share over the past 12 months’.

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About Investment Trends:

Investment Trends is a leading specialist market research organisation in the global wealth management industry

Top 6 CFD providers (by primary market share*)	April 2013 (Year on year change)	Top 6 FX providers (by primary market share*)	April 2013 (Year on year change)
CMC Markets	22% (-3% pts)	CMC Markets	13% (-3% pts)
IG Markets	12% (-1% pts)	Activtrades	9% (+1% pt)
RBS marketindex	8% (-2% pts)	IG Markets	9% (steady)
comdirect bank	7% (+2% pts)	RBS marketindex	7% (-1% pt)
WH Selfinvest	6% (+1% pt)	comdirect bank	6% (+2% pts)
flatex	6% (-2% pts)	flatex	6% (-1% pt)

* Proportion of active traders using each organisation as their main provider

New clients are focusing more on financial strength and security of providers

'In the past 12 months, traders have become more price-sensitive, and have been looking for tighter spreads and lower commissions,' said Mr Helmes.

'However, clients will have even more considerations going forward. Future potential traders are increasingly focusing on financial strength and security when selecting a new CFD provider.'

The report found that almost half (47%) of those who are likely to open a new CFD account in the next 12 months said that financial strength and security of provider is a very important consideration – a likely consequence of the demise of FXdirekt bank and WorldSpreads.

Most CFD and FX traders now using a smart phone or tablet in relation to their trading

Mobile trading is starting to become a mainstream activity in the CFD and FX space. 60% of CFD traders now use a smart phone or tablet in relation to their trading (up from 40% in the previous year). The most used device for this purpose is the Android phone (used by 26% of CFD traders) followed by the iPhone (25%) and iPad (17%).

In the FX market, use of smart phones/tablets in relation to trading has also increased significantly to 56%, from 33% in the previous year.

'There is still more appetite for mobile trading,' said Senior Analyst Helmes. 'While more than half of CFD and FX traders already use their mobile device for trading, there is another 22% of CFD and FX traders who intend to start doing so over the next 12 months.'

ABOUT THE REPORT

The *Investment Trends* April 2013 Germany CFD & FX Report provides a detailed analysis of the CFD and FX markets in Germany, examining people currently trading CFDs and/or FX, as well as the next wave of potential future traders.

The report is based on a survey of 14,343 retail investors in Germany undertaken between March and April 2013, which includes 2,554 active CFD traders and 2,417 FX traders. This study is the largest and most extensive study conducted on the Germany CFD and FX market, with respondents coming from Investment Trends' opt-in panel, clients of many major German brokers and specialist CFD and FX providers, and clients of survey supporters with extensive databases of active investors, e.g. Börse-Go, Der Aktionär, OnVista Media, Wallstreet:Online, ARIVA and TRADERS'.

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Investment Trends is the leading researcher in the retail CFD, FX and Online Broking markets globally. We combine our analytical rigour and strategic thinking with the most advanced research and statistical techniques to help our clients gain 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 large number of global banking organisations, all major CFD and FX providers and online brokers as well as industry regulators, investment platform providers, industry associations and financial planning software providers.

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