

A quarter of retail traders are looking to quit their day job

The CMC Markets study reveals that for 24% of retail traders, trading is not just a hobby – it's their means to quit their current job

LONDON, UNITED KINGDOM, April 30, 2024 /EINPresswire.com/ -- [CMC Markets](#), a leading global provider of online (“D2C”) trading and (“B2B”) platform technology, today announced the launch of its report ‘[Retail Trading Trends 2024: The rise of influencers, AI and US centricity](#)’. It reveals that for 24% of retail traders, trading is not just a hobby – it’s a strategy to earn enough money to quit their current job.



“

Retail trading has taken a very different shape to where it was five years ago. The pandemic opened the door to a whole new demographic of traders.”

Jochen Stanzl, Chief Market Analyst at CMC Markets

The report offers evidence that the stereotype of the traditional trader is outdated, with individuals from various demographics entering the retail trading market in recent months and years. It is also clear that rising social influences, major macroeconomic challenges, and new technologies are all combining to dramatically alter the retail trading landscape.

Key findings

- The majority of retail traders surveyed (69%) started trading within the last two years or during the pandemic

(28%), reflecting the recent surge in trading popularity

- Influencers hold an incredible sway over today’s retail trader, even more so than family for a third of respondents

- Many traders have a US-centric attitude, following companies like Amazon, Netflix and Apple and with 45% trading most around US markets open and close

- Shorting IPOs running into trouble is a strategy for almost 50% of retail traders, while over half (57%) will trade more if central banks pause or even cut interest rate hikes
- Traders are excited about AI, with the majority (59%) likely to try out AI trading tools

The report is based on an independent survey of over 500 UK retail traders spread across different backgrounds and demographics

Trading is no longer just a hobby

- Today's retail traders want to turn trading into their main income: While a quarter (24%) of retail traders started trading to quit their day job, 46% started trading to build on their current income levels, while a further 31% wanted to make better use of their savings. It's 'just a hobby' for less than 30% of retail traders.

- Trading is already a key source of income for many: Almost a third of retail traders said that trading is responsible for 11 - 20% of their income, while almost a quarter claimed they get 21 - 30% of their income from trading.

What is influencing today's retail traders?

- Digital technologies have transformed the trading landscape: Half of retail traders prefer mobile apps to trade with, yet this is closely followed by online websites (47%). Offline brokers are a thing of the past, and traders primarily obtain market information through influencers instead, with almost 60% more likely to trade when an influencer flags an opportunity.
- Influencers drive trading decisions: While family is the second biggest influence on retail traders, 33% would listen to advice of popular traders and influencers above family members. The most popular traders are Trader Tom in the UK, and Peter Robbins internationally.

The UK vs US: what and where are traders prioritising?

- Many of the stocks and IPOs that interest traders are US-based: 45% of retail traders are more likely to trade around US market opening and closing. What's more, Amazon was cited as the

CMC Markets:
Retail Trading Trends Report 2024

Discover the Impact
of Influencers, AI and
US-Centricity on
retail traders

Download Now

69% of retail investor accounts lose money when spread betting and/or trading CFDs with this provider. You should consider whether you can afford to take the high risk of losing your money.

most watched company (43%), closely followed by Netflix at 38% and Apple at 32%.

- High earners are more interested in Nasdaq: While FTSE100 companies are still of great interest to 34% of traders, 54% of the wealthiest group of retail traders were more interested in Nasdaq 100 companies than any other market.

Retail traders' approach to risk

- Traders are attracted to an unpredictable, erratic market: 48% of traders agree that they tend to trade when there is high volatility in the market. Many (57%) are also looking to trade more if central banks pause or even cut interest rate hikes this year.

- Risk mitigation strategies vary: The most popular strategy for mitigating risk is to properly manage emotions – cited by 35% of retail traders. Other popular strategies include diversifying portfolios and determining exposure beforehand.

The future of retail trading

- AI is likely to become the next trading disruptor: 59% of retail traders are likely to utilise AI tools. Only 4% said they would be very unlikely to engage with AI, with older retail traders the most sceptical of AI technology.

“Retail trading has taken a very different shape to where it was five years ago. The pandemic opened the door to a whole new demographic of traders,” said Jochen Stanzl, Chief Market Analyst at CMC Markets. “Today, as the data shows, retail trading is so much more than a hobby. And most traders are taking advantage of a highly volatile market, following economic calendars to inform their strategy, and managing their emotions well to mitigate risk. For 2024, we found that shorting IPOs will be a priority, as will closely monitoring interest rate changes and major US companies during earnings season. With AI around the corner, retail trading is set to transform even further.”

CMC Markets' 'Retail Trading Trends 2024: The rise of influencers, AI and US centricity', which details further analysis, can be downloaded [here](#).

Methodology

This survey, conducted by Censuswide, surveyed 502 retail traders in the UK. The data was collected in November 2023, and spans a number of backgrounds and demographics.

About CMC Markets

CMC Markets is an execution-only service provider. The material (whether or not it states any opinions) is for general information purposes only, and does not take into account your personal circumstances or objectives. Nothing in this material is (or should be considered to be) financial, investment or other advice on which reliance should be placed. No opinion given in the material constitutes a recommendation by CMC Markets or the author that any particular investment, security, transaction or investment strategy is suitable for any specific person. The material has not been prepared in accordance with legal requirements designed to promote the independence of investment research. Although we are not specifically prevented from dealing before providing this material, we do not seek to take advantage of the material prior to its dissemination.

Spread bets and CFDs are complex instruments and come with a high risk of losing money rapidly due to leverage. The vast majority of retail client accounts lose money when spread betting and/or trading CFDs. You should consider whether you understand how spread bets and CFDs work and whether you can afford to take the high risk of losing your money.

Marketing for CFDs and spread betting is not intended for US citizens as prohibited under US regulation.

Amy Butler
CCgroup Communications Limited
[email us here](#)

This press release can be viewed online at: <https://www.einpresswire.com/article/707442347>

EIN Presswire's priority is source transparency. We do not allow opaque clients, and our editors try to be careful about weeding out false and misleading content. As a user, if you see something we have missed, please do bring it to our attention. Your help is welcome. EIN Presswire, Everyone's Internet News Presswire™, tries to define some of the boundaries that are reasonable in today's world. Please see our Editorial Guidelines for more information.

© 1995-2024 Newsmatics Inc. All Right Reserved.