



media release

20 April 2009
FOR IMMEDIATE RELEASE

Online trading popular despite sharemarket downturn CANSTAR CANNEX releases first-ever *online share trading star ratings*.

Belief in the long-term viability of investments continues to shore up the popularity of online share trading in spite of bear market hibernation.

This is not surprising, as Australians have the highest percentage of share ownership in the world – 37% direct share ownership and 67% indirect share ownership mainly through superannuation funds.

Apart from the obvious losses, what the downturn has highlighted is the importance of matching trading methods with trading behaviour to minimise risk and costs.

Investors now have a choice of 36 online broking accounts offered by 17 financial institutions. Accounts are increasingly targeting specialised investor markets, prompting financial services research company CANSTAR CANNEX to research and rate online share trading to determine the value they offer.

“We cut through the confusion to find out what really matters to traders and we found that different trading types value different features,” CANSTAR CANNEX Head of Research Steve Mickenbecker said.

“For instance, an investor who does less than a dozen share trades a year at a value of \$5,000 a time is likely to value a great educational service provided with the share broking account.”

“On the other hand, a dynamic trading platform and charting software are must-haves for the active trader.”

Paying brokerage and on-going fees on the wrong account can cruel an investor’s portfolio so it pays to scrutinise costs.

In order to compare online trading accounts, CANSTAR CANNEX rated them according to three profiles, Investor, Sophisticated Investor and Active Trader.

“We classed Investors as those who buy and sell shares occasionally, perhaps 10 times a year and use a long term strategy to review their investment portfolio,” Mr Mickenbecker said.

“The Sophisticated Investor buys and sells share and derivatives more frequently, say, 4 per month averaging \$35,000 in value.”

“At the top end of the market, we consider an Active Trader to buy and sell shares and derivatives at the rate of 40 a month, valued at around \$15,000 per trade.”

CANSTAR CANNEX found different brokers and platforms targetted different investor groups. Thus brokerage fees varied greatly by the number of trades made.

Investors are warned that using the wrong trading platform will cost unecessarily, said CANSTAR CANNEX.

This is how much you could save by choosing the lowest cost instead of the most expensive accounts.

Difference in Annual Costs			How much you can save
	Minimum	Maximum	
Investor	\$198	\$2,328	\$2,130
Sophisticated Investor	\$1,102	\$4,914	\$3,811
Active Trader	\$8,002	\$17,935	\$9,933

Source: CANSTAR CANNEX, April 2009

Looking at online trading accounts that suit the three defined invesor profiles, CANSTAR CANNEX awarded its inaugural Best Value accolades to CommSec which performed strongly across all three categories nationwide.



<p>Investor Bell Direct - Silver CommSec - Share Trades Internet Preferred First Prudential Markets - FP Online</p>
<p>Sophisticated Investor CommSec - Share Trades Internet Preferred Morrison Securities - htmlIRESS NAB Online Trading - Premium</p>
<p>Active Trader Bell Direct - WebIRESS First Prudential Markets - WebIRESS Morrison Securities - WebIRESS</p>

“The bottom line for D.I.Y. investors is to be aware of the variances of online trading accounts and to match services and features with what you really need at your current trading level,” Mr Mickenbecker said.

Consumers can download the CANSTAR CANNEX *online share trading star ratings* report on www.canstarcannex.com.au

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About CANSTAR CANNEX:

Founded in 1992, CANSTAR CANNEX Pty Limited is Australia and New Zealand's premier researcher of retail finance information for over 350 institutions such as Banks, Building Societies, Credit Unions, Finance Companies, Brokers, Mortgage Originators, Life Companies and finance related Internet Portals.

CANSTAR CANNEX customers use the extensive database for competitor analysis as well as a means of disseminating their product range. This information is also distributed to print and electronic media for publication and to Agents, Accountants, Brokers and Internet Portals for use in advising their clients.

What are the CANSTAR CANNEX star ratings?

CANSTAR CANNEX researches, compares and rates the suite of banking and insurance products listed below. Results are freely available to consumers who use the star ratings as a guide to product excellence. The use of similar star ratings logos also builds consumer recognition of quality products across all categories. Please access the CANSTAR CANNEX website at www.canstarcannex.com.au if you would like to view the latest star ratings reports of interest.

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Credit cards
Deposit accounts
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Life Insurance
Low-doc home loans
Margin lending
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