



ONLINE SHARE TRADING

Report No. 1

April 2009

IN THIS INAUGURAL REPORT WE EXPLORE ...

- ★ Online share trading under the microscope
- ★ Australia's Best Value for Online Share Trading
- ★ Australian sharemarket: two sides to the story
- ★ Share trading popular online
- ★ D.I.Y. tricks of the trade
- ★ All you can eat or D.I.Y.?
- ★ Cheap but far from cheerful
- ★ How to choose an online share trading account
- ★ One size does not fit all
- ★ Top 3 awarded 5 stars

ONLINE SHARE TRADING UNDER THE MICROSCOPE

Headlines of doom and gloom have been in abundance since the global share market began to slide a year ago. In that short time gains made from the bull market of the previous four and a half years were badly eroded. The ASX200 dropped to its lowest point in March 2009, posting a loss of 53.94% in value relative to the peak of the market in November 2007.

Despite the current market downturn, share trading still has considerable appeal, especially among online traders. Many believe that opportunities arise out of hardship and are spurred on to make money out of the bear market so they are ready to run with the bulls when the market lifts.

Second in importance only to trader knowledge is a good, flexible broking account. There are 36 of them marketed by 17 institutions, all of which have been researched and rated by CANSTAR CANNEX for the value they offer customers.

In our first *online share trading star ratings*, we cut through the confusion to rate what matters to traders. We divided investor categories into three – Investor, trading 10 times a year, Sophisticated, 4 trades a month, and Active, at 40 trades a month. Many broking accounts cater for one particular segment of the market, making it imperative to choose the account that fits the type of investor you are.

AUSTRALIA'S BEST VALUE FOR ONLINE SHARE TRADING

CommSec performed strongly across all three categories nationwide to take the overall award for Online Share Trading – Best Value Australia.

CANSTAR CANNEX congratulates CommSec on this achievement.



AUSTRALIAN SHAREMARKET: TWO SIDES TO THE STORY

There's no doubt the current market downturn has hurt a lot of investors and it's fair to say that the majority of investment pain has been felt by the superannuation industry which saw the value of its equity spike into the red.

With the share market still showing no signs of coming out of hibernation, why would any sane person want to throw good money after bad in this market?

The answer lies in the long term view which has always been the major attraction of buying and selling on the share market. Things are no different in this downturn. Many believe in the long-term viability of investments.

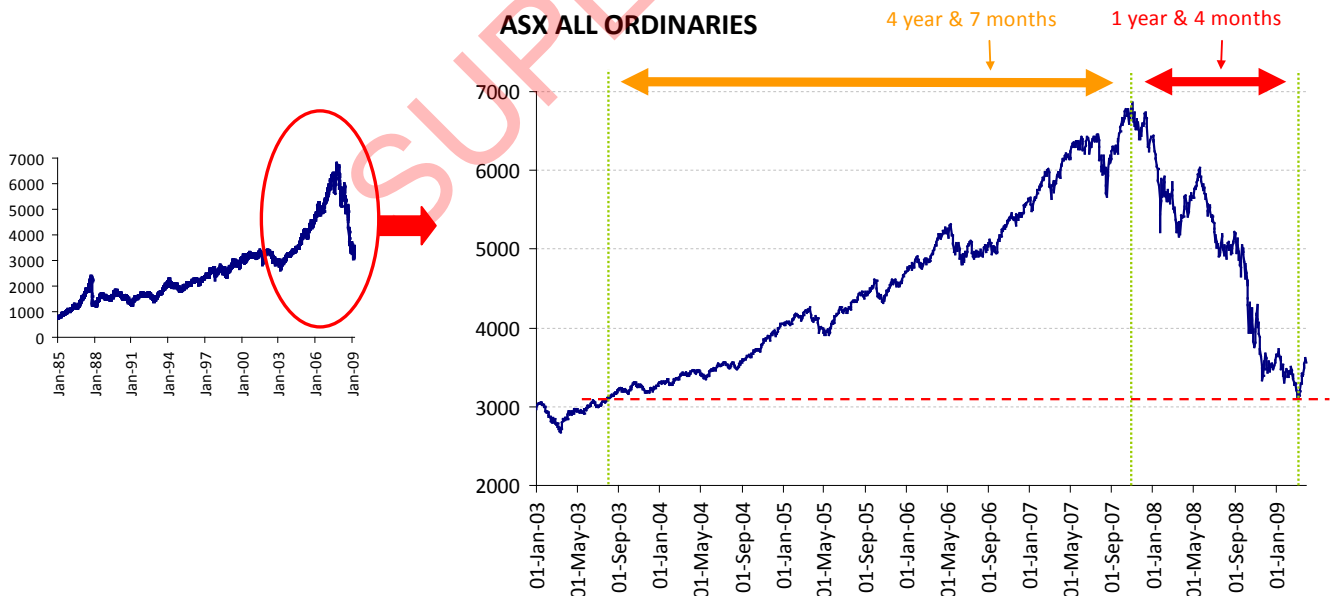
Short Term Pain

If you were unlucky enough to buy at the peak of the market (Nov. 07) and sold at the lowest point in the last 12 months, you would have lost 54.60% of your investment over that 16 months. Generally speaking, if you invested in the last 1-3 years, you would notice your portfolio was in the red.

Long Term Gain

Looking at the bigger picture still shows a healthy return over 20 years. If you held stock since 1985 and sold at the perfect time, the peak of the market (Nov. 07), you would have gained a return on your 23-year investment of 830%. That's the equivalent of 10.26% return per year. Even if you sold at the lowest point in the last 12 months (March 09), you will still have made 322% on your investment over 24 years, or 6.14% return per year. And this is before dividend payments.

The latest figures for the ASX200 show an average payment of 9.15% dividend yield. The long-term investment remains attractive. The ASX200 figures may also indicate that (at today's deflated stock prices) new investors entering the market are enjoying positive gearing on their investment, with margin loan rates being around 7.9%, as at 1st April 2009.





SHARE TRADING POPULAR ONLINE

With over 16 million internet users in Australia, it's not surprising online share trading was introduced and has been eagerly embraced. This new way of trading, driven largely by cost cutting, has changed the face of share trading in Australia.

One of the drawbacks of trading online is Straight Through Processing (STP) which means there is no human intervention between the click of a mouse and the market floor where you can buy or sell as you wish. This is one example of the high efficiency push to drive the costs of trading down to new levels. Brokerage rates online give significant savings over phone brokerage.

Brokerage Fee - Online Vs Phone

	Avg Transaction Number	Avg Transaction Value	Phone is x% more expensive than online
Investor	10/year	\$5,000	88.37%
Sophisticated Investor	4/month	\$35,000	136.09%
Active Traders	40/month	\$15,000	92.38%

source: www.canstarcannex.com.au 01/04/2009

D.I.Y. TRICKS OF THE TRADE

Ready access to research and the ability to buy and sell immediately have combined to drive the do-it-yourself market towards trading shares online. In the last ten years, popularity has surged and there are now more than 36 online trading accounts in Australia. There's no doubt we love the D.I.Y. concept where you don't have to rely on anyone else to get the job done. The emergence of targeted software and technologies such as faster internet broadband connection are making online share trading even more appealing.

As with any do-it-yourself pursuit, there are a few tricks of the trade to be aware of. CANSTAR CANNEX's assessment found that different brokers and platforms targeted different customer groups. Brokerage fees are greatly affected by the number of trades you make. Whether you make only 10 orders per year or 40 a month, using the wrong trading platform will cost you unnecessarily. The bottom line is to be aware that certain brokers cater to certain markets

All accounts have fee variations when you trade at higher balances. For instance, at low balances, the fee is typically based on a fixed dollar cost. On higher balances, the fee is based on a percentage of the transaction value. For example, up to \$15,000, the fee is \$15. For transactions over \$15,000, the fee is 0.1%.

The number of trades per month also affects the fee structure.

For instance:

- 7 of the 36 online share trading accounts we assessed have a lower brokerage fee when you trade frequently within a calendar month.
- 13 out of 19 online share trading accounts which charge a monthly fee will lower or waive that fee when you trade frequently within a calendar month (typically in excess of 10 orders a month).

ALL YOU CAN EAT OR D.I.Y.?

The first basic to look at is the difference between full-service brokers and non-advisory brokers to determine which would best suit at this stage of your investing activities.

Full-service brokers

Pros

- Gives full advice and recommendations on what to buy
- Alerts customers of risks associated with investments

Cons

- Usually charges higher brokerage fee
- Can encourage buying and selling to reap more commission

Non-advisory brokers

Pros

- You can act on your own research
- You instruct online or phone broker to buy or sell
- Brokerage fees are cheaper if you do it yourself

Cons

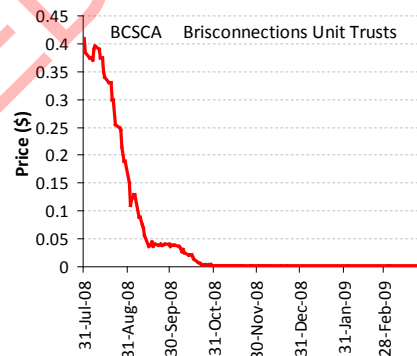
- You are responsible for your own education
- Miss something in the fine print and it could cost big money

CHEAP BUT FAR FROM CHEERFUL

What could go wrong with buying 0.1 cent shares? Surely the price could not go down any further and what about the potential upside?

An ugly example of buying online without a higher level of knowledge is the saga of BrisConnections (BCSCA), currently being played out in the courts and media.

For those share traders who have been living under a rock, BrisConnections is a Queensland toll-road builder currently constructing \$4.8 billion worth of roads, including the Brisbane Airport link.



Shares in the company launched at \$1 and are now trading at 0.1 cent. What tripped investors up was that the shares were sold as stapled securities last July, with \$1 paid on application and two further obligatory instalments of \$1 each payable in nine months and 18 months.

Hundreds of investors bought stocks at low prices, lured by the promise of dividends, but even these have now dried up, and the investors face the dire prospect of having to pay the first dollar-per-share instalment on April 29. In more recent times, speculators have bought believing that the price could only go one way.

Let's say you were prepared to take a \$500 flutter and purchased 500,000 shares for \$500. You would now be expected to cough up \$500,000 before the end of the month.

Some unit holders claim they were unaware of future obligations when they purchased the shares on the Stock Market. Whatever the outcome of court injunctions and unit holder meetings, the take-home message for onlookers is to beware of buying into what looks like a good deal without proper consultation. A good broker would have pointed out that this was a stapled unit investment and what that really meant. An online trader, on the other hand, would be flying blind and could easily be trapped, if he had not done his own homework, as many were.

To protect investors, ASIC has now regulated that investors must acknowledge that they understand that an obligation attaches for further installments. Hopefully we will not see the like again.



HOW TO CHOOSE AN ONLINE SHARE TRADING ACCOUNT

Listing the features you really need is a great start to looking for the right share broking account. Because products are targeted to different investor types, it is challenging to find a product that works for you. Ask yourself how many times you intend to trade per year, how much will you trade, what will you buy and how are you going to use those investments.

For example, other than shares, are you likely to invest in managed funds, international shares, futures and even contracts for differences (CFDs)?

Do you really need a dynamic trading platform when you only trade 10 times a year?

Do you need charting software?

To make navigating the world of online share trading accounts easier, we have broken down online share investors into three common profiles - Investor, Sophisticated and Active. The definitions below should help you work out where you fit in.

	Average Number of transaction	Average Transaction Value	Securities traded	Special Requirements
Investor	10/year	\$5,000	shares	Education
Investors buy and sell shares occasionally and use a long term strategy to review their investment portfolios. Comprehensive investment tools are not the most important factor in selecting the best broker for them, but educational tools that are simple to use and cost-effective are important to them.				
Sophisticated Investor	(4/month)	\$35,000	shares, managed funds	Fundamental Research
Sophisticated Investors buy and sell shares & derivatives more frequently than investors. The latest market information, fundamental analysis data/reports are used to determine portfolio holdings. The comprehensiveness of research tools are an important factor when selecting the best broker for them.				
Active Trader	(40/month)	\$15,000	shares, derivatives	Dynamic trading platform, charting
Active Investors buy and sell shares very frequently . The latest market information is used to determine portfolio holdings. Cost is an important factor for them due to high trading frequency. The availability of derivatives, dynamic trading platforms, and charting are also key considerations this trading group.				

OTHER FEATURES EXPLAINED

In your journey to ultimate investing wisdom you may come across these terms which you will need to know all about.

Conditional order

A type of order that will be submitted or canceled if set criteria are met, which are defined by the investor.

Market depth and market details

'Market depth' displays the total aggregated number of buyers and sellers for a security on the ASX, based on the buy/sell prices and total quantities. Priority is ranked on a price/time basis. 'Market detail' displays in detail the individual price and quantity for each buyer and seller in the market. Priority is ranked on a price/time basis.

Guarantee 'at market' order placement

This feature provides some form of certainty that your order will be processed quickly enough to be able to secure the order at the preferred price. This is useful for active traders when they spot an opportunity in a split second and would like to secure this price. Different brokers may offer variations of this guarantee. As an example, Bell Direct offers '2 second placement guarantee' or free brokerage.



ONE SIZE DOES NOT FIT ALL

Blown-out costs can kill, or at least, severely wound, share investing profitability. Annual costs of your share broking account have to be factored in to your overall portfolio. As with many other things in the world, features or service come at a price. The canny will know what features and services to pay for and what to exclude. Apart from annual brokerage fees, some accounts charge on-going monthly fees for extra features and services. This mainly affects the sophisticated or active investor but the amount you can save in all three profiles is astonishing so it pays to scrutinize costs.

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

TOP 3 AWARDED 5 STARS

CANSTAR CANNEX has awarded 5 stars for outstanding value to the top three online trading accounts in each investor category.



Investor
Bell Direct - Silver
CommSec - Share Trades Internet Preferred
First Prudential Markets - FP Online

Sophisticated Investor
CommSec - Share Trades Internet Preferred
Morrison Securities - htmlIRESS
NAB Online Trading - Premium

Active Trader
Bell Direct - WebIRESS
First Prudential Markets - WebIRESS
Morrison Securities - WebIRESS

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online share trading star rating

I N V E S T O R

Basic Investors buy and sell shares occasionally and use a long term strategy to review their investment portfolios. Comprehensive investment tools are not the most important factor in selecting the best broker for them, but educational tools that are simple to use and cost-effective are important to them.

Product Name	Fees [▲]			Market Data			Market Research			Other Info				
	Standard brokerage	Ongoing fee	Rebate of ongoing fee available	Dynamic	Live	Market Depth	Daily Market Report	Broker Recommendations Available	Company financial report available	Any account for settlement	Past contracts available online	Phone Order Available	Mobile Phone Order Available	Email Support Avail

★★★★★ outstanding value Listed Alphabetically

Bell Direct - Silver	\$15.00	Nil	✗	✗	✓*	✓	✓	✓	✓	✗	✓	✓	✓	✓
CommSec - Share trades Internet Preferred	\$19.95	Nil	✗	✗	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
First Prudential Markets - FP Online	\$15.00	Nil	✗	✗	✓	✓	✗	✗	✗	✗	✗	✓	✗	✓

★★★★ excellent value

Bell Direct - Gold	\$15.00	\$10/m	✗	✗	✓	✓	✓	✓	✓	✗	✓	✓	✓	✓
CommSec - CommSecIRESS	\$19.95	\$82.5/m	✓	✓	✓	✓	✓	✓	✓	✓	✗	✗	✓	✓
E*Trade - Trading Account	\$32.95	Nil	✗	✗	✓	✓	✓	✓	✓	✗	✓	✓	✗	✓
Morrison Securities - htmlIRESS	\$20.00	Nil	✗	✗	✓	✓	✓	✗	✗	✗	✓	✓	✗	✓
NAB OnLine Trading - Premium	\$29.95	\$9.95/m	✓	✗	✓	✓	✓	✓	✓	✗	✓	✓	✗	✓
NAB OnLine Trading - Casual	\$29.95	Nil	✗	✗	✗	✗	✓	✓	✓	✗	✓	✓	✗	✓
netwealth - Standard Share Trade	\$17.99	Nil	✗	✗	✓*	✓*	✗	✓*	✓*	✗	✓	✓	✗	✓
St George (E*Trade) - directshare Trading Account	\$32.95	Nil	✗	✗	✓	✓	✓	✓	✓	✗	✓	✓*	✗	✓
Westpac Broking - Integrated Account	\$24.95	Nil	✗	✗	✓	✓	✗	✓*	✓	✗	✓	✓	✗	✓

★★★ strong value

BankWest - Casual	\$27.00	Nil	✗	✗	✗	✗	✓	✗	✓	✗	✓	✓	✗	✓
BankWest - Premium	\$27.00	\$9.95/m	✗	✗	✓	✓	✓	✓	✓	✗	✓	✓	✗	✓
EasyStreet - EasyBroking	\$26.00	Nil	✗	✗	✓	✓	✗	✗	✗	✗	✓	✓	✗	✓
Suncorp - Share Trade	\$23.95	Nil	✗	✗	✓*	✓*	✓	✓*	✓*	✓	✓	✓	✗	✓

★★ average value

BankWest - Professional	\$27.00	\$77/m	✗	✓	✓	✓	✓	✓	✓	✗	✓	✓	✗	✓
CMC Markets Stockbroking - Trading Account	\$19.95	\$55/m	✓	✓	✓	✓	✓	✓	✓	✗	✓	✓	✗	✓
E*Trade - E*TRADE Pro	\$32.95	\$79.9/m	✓	✓	✓	✓	✓	✓	✓	✗	✓	✓*	✗	✓
E*Trade - Power E*TRADE	\$32.95	\$79.9/m	✓	✓	✓	✓	✓	✓	✓	✗	✓	✓*	✗	✓
First Prudential Markets - webIRESS	\$15.00	\$93.5/m	✓	✓	✓	✓	✗	✗	✓	✗	✗	✓	✗	✓
Macquarie Bank - Macquarie DirecTrade	\$39.95	Nil	✗	✗	✓	✓	✓	✗	✗	✗	✗	✓	✗	✓
Minc - htmlIRESS	\$33.00	\$5.5/m	✗	✗	✓	✓	✗	✗	✗	✗	✗	✓	✗	✓
NAB OnLine Trading - Professional	\$29.95	\$77/m	✓	✓	✓	✓	✓	✓	✓	✗	✓	✓	✗	✓
netwealth - Trading Pro	\$23.50	\$77/m	✓	✓	✓	✓	✗	✗	✓	✗	✓	✓	✗	✓
OneTrade - Basic	\$17.95	\$15/m	✗	✗	✓	✓	✗	✗	✗	✗	✓	✓	✗	✓
St George (E*Trade) - directshare Power	\$32.95	\$79.9/m	✓	✓	✓	✓	✓	✓	✓	✗	✓	✓*	✗	✓
Suncorp - TradePro	\$23.95	\$77/m	✓	✓	✓	✓	✓	✓*	✓	✓	✓	✓	✗	✓
Westpac Broking - Trader Pro	\$29.95	\$79/m	✓	✓	✓	✓	✗	✓*	✓	✓	✓	✓	✗	✓

★ satisfactory value

Amscot Discount Stockbroking - amscotOnline	\$14.85	\$77/m	✓	✓	✓	✓	✗	✗	✓	✗	✗	✓	✗	✓
Bell Direct - WebIRESS	\$15.00	\$79/m	✗	✓	✓	✓	✓	✓	✓	✗	✓	✓	✓	✓
Macquarie Bank - Macquarie DirecTrade Plus	\$39.95	\$150/m	✓	✓	✓	✓	✓	✗	✓	✗	✗	✓	✗	✓
Minc - webIRESS	\$33.00	\$87.45/m	✓	✓	✓	✓	✗	✗	✓	✗	✗	✓	✗	✓
Morrison Securities - webIRESS	\$20.00	\$110/m	✓	✓	✓	✓	✓	✗	✓	✗	✓	✓	✗	✓
OneTrade - Pro	\$17.95	\$112.75/m	✓	✓	✓	✓	✗	✗	✓	✗	✓	✓	✗	✓

your guide to product excellence

- ★ additional fees apply
- ▲ different pricing may apply on higher balance



online share trading star rating

S O P H I S T I C A T E D I N V E S T O R

Sophisticated Investors buy and sell shares & derivatives more frequently than basic investors. The latest market information, fundamental analysis data/reports are used to determine portfolio holdings. The comprehensiveness of research tools are an important factor when selecting the best broker for them.

Product Name	Fees [▲]			Market Data			Market Research			Other Info				
	Standard brokerage	Ongoing fee	Rebate of ongoing fee available	Dynamic	Live	Market Depth	Daily Market Report	Broker Recommendations Available	Company financial report available	Any account for settlement	Past contracts available online	Phone Order Available	Mobile Phone Order Available	Email Support Avail

★★★★★ outstanding value Listed Alphabetically

CommSec - Share trades Internet Preferred	\$19.95	Nil	×	×	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Morrison Securities - htmlIRESS	\$20.00	Nil	×	×	✓	✓	✓	×	×	×	✓	✓	×	✓
NAB OnLine Trading - Premium	\$29.95	\$9.95/m	✓	×	✓	✓	✓	✓	✓	×	✓	✓	×	✓

★★★★ excellent value

CommSec - CommSecIRESS	\$19.95	\$82.5/m	✓	✓	✓	✓	✓	✓	✓	✓	✓	×	×	✓
E*Trade - E*TRADE Pro	\$32.95	\$79.9/m	✓	✓	✓	✓	✓	✓	✓	×	✓	✓	×	✓
E*Trade - Trading Account	\$32.95	Nil	×	×	✓	✓	✓	✓	✓	×	✓	✓	×	✓
EasyStreet - EasyBroking	\$26.00	Nil	×	×	✓	✓	×	×	×	×	✓	✓	×	✓
NAB OnLine Trading - Casual	\$29.95	Nil	×	×	×	×	✓	✓	✓	×	✓	✓	×	✓
NAB OnLine Trading - Professional	\$29.95	\$77/m	✓	✓	✓	✓	✓	✓	×	✓	✓	✓	×	✓
St George (E*Trade) - directshare Power	\$32.95	\$79.9/m	✓	✓	✓	✓	✓	✓	×	✓	✓	✓	×	✓
St George (E*Trade) - directshare Trading Account	\$32.95	Nil	×	×	✓	✓	✓	✓	✓	×	✓	✓	×	✓

★★★ strong value

BankWest - Professional	\$27.00	\$77/m	×	✓	✓	✓	✓	✓	✓	×	✓	✓	×	✓
BankWest - Premium	\$27.00	\$9.95/m	×	×	✓	✓	✓	✓	✓	×	✓	✓	×	✓
BankWest - Casual	\$27.00	Nil	×	×	×	×	✓	×	✓	×	✓	✓	×	✓
CMC Markets Stockbroking - Trading Account	\$19.95	\$55/m	✓	✓	✓	✓	✓	✓	×	✓	✓	✓	×	✓
E*Trade - Power E*TRADE	\$32.95	\$79.9/m	✓	✓	✓	✓	✓	✓	×	✓	✓	✓	×	✓
Minc - htmlIRESS	\$33.00	\$5.5/m	×	×	✓	✓	×	×	×	×	✓	✓	×	✓
Morrison Securities - webIRESS	\$20.00	\$110/m	✓	✓	✓	✓	✓	×	✓	×	✓	✓	×	✓

★★ average value

Bell Direct - WebIRESS	\$15.00	\$79/m	×	✓	✓	✓	✓	✓	✓	×	✓	✓	✓	✓
Bell Direct - Gold	\$15.00	\$10/m	×	×	✓	✓	✓	✓	✓	×	✓	✓	✓	✓
Bell Direct - Silver	\$15.00	Nil	×	×	✓	✓	✓	✓	✓	×	✓	✓	✓	✓
First Prudential Markets - webIRESS	\$15.00	\$93.5/m	✓	✓	✓	✓	×	×	×	×	✓	✓	×	✓
First Prudential Markets - FP Online	\$15.00	Nil	×	×	✓	✓	×	×	×	×	✓	✓	×	✓
Minc - webIRESS	\$33.00	\$87.45/m	✓	✓	✓	✓	×	×	×	×	✓	✓	×	✓
netwealth - Trading Pro	\$23.50	\$77/m	✓	✓	✓	✓	×	×	✓	×	✓	✓	×	✓
netwealth - Standard Share Trade	\$17.99	Nil	×	×	✓	✓	×	✓	✓	×	✓	✓	×	✓
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OneTrade - Basic	\$17.95	\$15/m	×	×	✓	✓	×	×	×	×	✓	✓	×	✓
Suncorp - TradePro	\$23.95	\$77/m	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	×	✓
Westpac Broking - Trader Pro	\$29.95	\$79/m	✓	✓	✓	✓	×	✓	✓	✓	✓	✓	×	✓
Westpac Broking - Integrated Account	\$24.95	Nil	×	×	✓	✓	×	✓	✓	×	✓	✓	×	✓

★ satisfactory value

Amscot Discount Stockbroking - amscotOnline	\$14.85	\$77/m	✓	✓	✓	✓	×	×	✓	×	×	✓	×	✓
Macquarie Bank - Macquarie DirecTrade	\$39.95	Nil	×	×	✓	✓	✓	×	×	×	×	✓	×	✓
Macquarie Bank - Macquarie DirecTrade Plus	\$39.95	\$150/m	✓	✓	✓	✓	×	✓	×	×	✓	✓	×	✓
Suncorp - Share Trade	\$23.95	Nil	×	×	✓	✓	✓	✓	✓	✓	✓	✓	×	✓

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online share trading star rating

A C T I V E T R A D E R

Active Investors buy and sell shares very frequently. The latest market information is used to determine portfolio holdings. Cost is an important factor for them due to high trading frequency. The availability of derivatives and dynamic trading platforms are also key considerations this trading group.

Product Name	Fees [▲]			Market Data			Market Research			Other Info				
	Standard brokerage	Ongoing fee	Rebate of ongoing fee available	Dynamic	Live	Market Depth	Daily Market Report	Broker Recommendations Available	Company financial report available	Any account for settlement	Past contracts available online	Phone Order Available	Mobile Phone Order Available	Email Support Avail

★★★★★ outstanding value Listed Alphabetically

Bell Direct - WebIRESS	\$15.00	\$79/m	✗	✓	✓	✓	✓	✓	✓	✗	✓	✓	✓	✓
First Prudential Markets - webIRESS	\$15.00	\$93.5/m	✓	✓	✓	✓	✗	✗	✓	✗	✗	✓	✗	✓
Morrison Securities - webIRESS	\$20.00	\$110/m	✓	✓	✓	✓	✓	✗	✓	✗	✓	✓	✗	✓

★★★★ excellent value

Amscot Discount Stockbroking - amscotOnline	\$14.85	\$77/m	✓	✓	✓	✓	✗	✗	✓	✗	✗	✓	✗	✓
CommSec - CommSecIRESS	\$19.95	\$82.5/m	✓	✓	✓	✓	✓	✓	✓	✓	✓	✗	✗	✓

★★★ strong value

BankWest - Professional	\$27.00	\$77/m	✗	✓	✓	✓	✓	✓	✓	✗	✓	✓	✗	✓
CMC Markets Stockbroking - Trading Account	\$19.95	\$55/m	✓	✓	✓	✓	✓	✓	✓	✗	✓	✓	✗	✓
OneTrade - Pro	\$17.95	\$112.75/m	✓	✓	✓	✓	✗	✗	✓	✗	✓	✓	✗	✓
Suncorp - TradePro	\$23.95	\$77/m	✓	✓	✓	✓	✓	✓*	✓	✓	✓	✓	✗	✓
Westpac Broking - Trader Pro	\$29.95	\$79/m	✓	✓	✓	✓	✗	✓*	✓	✓	✓	✓	✗	✓

★★ average value

E*Trade - E*TRADE Pro	\$32.95	\$79.9/m	✓	✓	✓	✓	✓	✓	✓	✗	✓	✓*	✗	✓
Minc - webIRESS	\$33.00	\$87.45/m	✓	✓	✓	✓	✗	✗	✓	✗	✗	✓	✗	✓
netwealth - Trading Pro	\$23.50	\$77/m	✓	✓	✓	✓	✗	✗	✓	✗	✓	✓	✗	✓

★ satisfactory value

E*Trade - Power E*TRADE	\$32.95	\$79.9/m	✓	✓	✓	✓	✓	✓	✓	✗	✓	✓*	✗	✓
Macquarie Bank - Macquarie DirecTrade Plus	\$39.95	\$150/m	✓	✓	✓	✓	✓	✗	✓	✗	✗	✓	✗	✓
NAB OnLine Trading - Professional	\$29.95	\$77/m	✓	✓	✓	✓	✓	✓	✓	✗	✓	✓	✗	✓
St George (E*Trade) - directshare Power	\$32.95	\$79.9/m	✓	✓	✓	✓	✓	✓	✓	✗	✓	✓*	✗	✓

your guide to product excellence

- ★ additional fees apply
- ▲ different pricing may apply on higher balance

CANSTAR CANNEX Online Share Trading Star Ratings – Methodology

AWARDS TO INSTITUTIONS



CANSTAR CANNEX Star Ratings

The results are reflected in a consumer-friendly 5-star concept. The star ratings from the **CANNEX online share trading star ratings** are described as follows:

- ★★★★★ Outstanding Value
- ★★★★ Excellent Value
- ★★★ Strong Value
- ★★ Average Value
- ★ Satisfactory Value



	Investor	Sophisticated Investor	Active Trader
Price (w_1)	50%	50%	60%
Feature (w_2)	50%	50%	40%

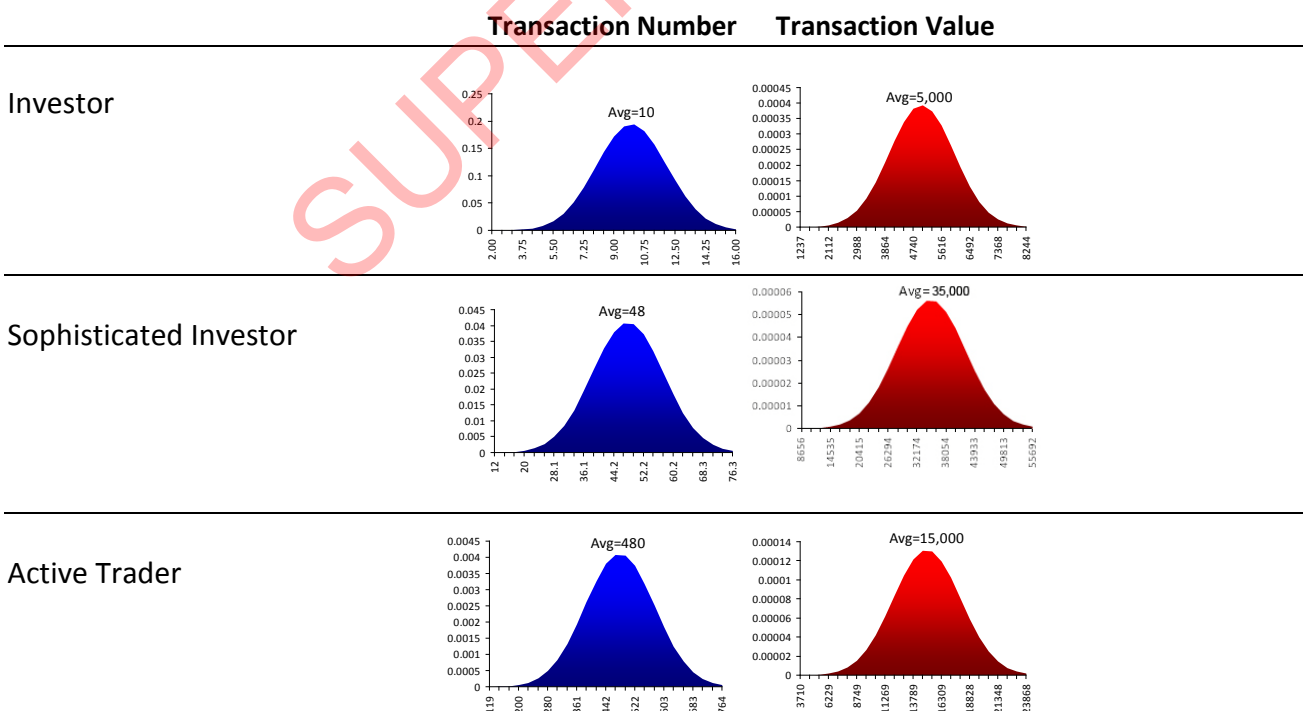
TOTAL STAR RATINGS SCORE (T) = w_1 PRICING SCORE (P) + w_2 FEATURES SCORE (F)

Profile Descriptions

	Average Number of transaction	Average Transaction Value	Securities traded	Requirements
Investor	10/year	\$5,000	shares	-
Investor buys and sells shares occasionally and using a long term strategy to review their investment portfolio. The comprehensiveness of investment tools are not the most important factor in selecting the best broker for them, but education tools, simple to use and cost are some of the important factors for them.				
Sophisticated Investor	4/month	\$35,000	shares, managed funds	-
Sophisticated Investor buys and sells shares & derivatives more frequently than investor and latest market information, fundamental analysis data/report are used to determine portfolio holding. The comprehensiveness of research tools are an important factor in selecting the best broker for them and due to higher trading frequency, cost is also an important factor for them.				
Active Trader	40/month	\$15,000	shares, derivatives	Dynamic trading platform
Active Investor buys and sells shares very frequently and latest market information is used to determine portfolio holding. Cost is an important factor for them due to high trading frequency. The availability of derivatives and dynamic trading platform also become one of key considerations for them.				

Pricing Score

Total costs (brokerage costs, ongoing costs) in using the share trading account based on 500 hypothetical trading behaviours specified on below. It includes both online and phone originated orders (80% online and 20% phone).



Feature Score

Over 200 pieces of information are assessed in CANSTAR CANNEX online share trading star rating

Online Share Trading - Feature Weightings

Feature Categories	Investor	Sophisticated Investor	Active Trader	Descriptions
Account Services	5%	3%	2%	Account information, application process, contract administration
Client Services & Support	10%	7%	2%	After hour helpline, online/phone training
Margin Loan	3%	10%	4%	Availability margin loan with online trading
Research - Market	10%	15%	20%	Live stock data, world market, intraday data
General Research	50%	25%	15%	Market research availability
Dynamic Trading Platform	5%	15%	30%	Availability of dynamic data stream
Alerts	30%	25%	15%	Availability of different alerts
Advance Research	10%	25%	20%	Availability of advance sorting and display functionalities
International Market	5%	10%	20%	Availability of international market information
Research - Functionalities	10%	10%	15%	Availability of tools and analysis by independent research house. Also include availability of downloadable historical data, company statistics
Security	2%	2%	2%	Level of online security provided
Settlement Accounts	10%	10%	10%	Flexibilities and restrictions of settlement account
Chartings	10%	15%	15%	Availability of basic and advance chartings
Trading Platform	5%	10%	10%	Trading platform other functionalities, dynamic data, conditional order
Ease of Use	10%	5%	3%	Number of steps to put an order, quote
Education	20%	3%	2%	Availability of education, technical help
Trading Securities/Markets	5%	10%	15%	Availability of different securities and stock exchanges
Local	100%	70%	60%	
International	0%	30%	40%	

How often are products reviewed for star ratings purposes?

All ratings are fully recalculated every twelve months, based on the latest submissions from each institution. CANSTAR CANNEX also monitors changes on an ongoing basis.

Does CANSTAR CANNEX rate other product areas?

CANSTAR CANNEX researches, compares and rates the suite of banking and insurance products listed below. These star ratings use similar methodologies to guarantee quality, consistency and transparency. 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.

Business banking
Car insurance
Health insurance
Home & Contents
Life Insurance
Low-doc home loans
Margin lending
Mortgages
Package banking
Personal loans
Reward programs



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