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SEBI study finds that 7 out of 10 individual intraday traders in equity cash segment make losses

A study conducted by SEBI has found that more than 70% (7 out of 10) of individual intraday traders in equity cash segment have incurred losses in FY 2022-23. The study also noted the surge of over 300% in the number of individuals participating in intraday trading in equity cash segment in FY 2022-23 compared to FY 2018-19.

SEBI has conducted the study analysing the trends in participation and in profits and losses in intraday trading by individuals in equity cash segment. This study has been peer reviewed by a working group with representation from academia, brokers and market experts.

The study covers the periods of FY 2018-19, FY 2021-22 and FY 2022-23, in order to comparatively analyse the trends before and after the pandemic. The study is based on a sample of individual clients of the top-10 stock brokers, accounting for around 86% of the individual client count in the equity cash segment during FY 2022-23.

Some of the major findings of the study are as under:

- Around one (1) in three (3) individuals who trade in equity cash segment, trades intraday.
- Number of individual traders who traded intraday in equity cash segment, rose over 300% in FY 2022-23, as compared to FY 2018-19.

- Share of young intraday traders (age less than 30 years) has grown to 48% in FY 2022-23 as compared to 18% in FY 2018-19.
- 7 out of 10 individual intraday traders (71%) in equity cash segment incurred net loss in FY 2022-23.
- Proportion of loss-makers increased to 80% for traders with very frequent (more than 500 trades in a year) trading activity.
- The percentage of loss-makers among younger traders (age less than 30 years) was higher (76% in FY 2022-23) as compared to other age groups.
- Average number of trades by loss-makers was higher than the profit-makers.
- Over and above the trading losses incurred, loss makers expended an additional 57% of their trading losses as trading costs in FY 2022-23; Profit makers spent 19% of their trading profits as trading costs in FY 2022-23.

The study is expected to enhance awareness among individual traders about the risks involved in intraday trading in equity cash segment. This study is different and distinct from the report dated January 25, 2023 on F&O trading conducted by SEBI earlier.

The [study](http://www.sebi.gov.in) is available on SEBI website www.sebi.gov.in

Mumbai

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