

Research & Corporate Development

RETAIL INVESTOR SURVEY 2007

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1. EXECUTIVE SUMMARY

The Retail Investor Survey has been conducted periodically since 1989. The survey findings provide information on trends and characteristics of retail participation in the HKEx markets. The Retail Investor Survey 2007 was conducted from 16 November 2007 to 15 January 2008. The annotations of “Dec 2007” or “2007” are used in contexts, tables and charts for easy reference only. *(Caution is needed in interpreting the findings on derivatives investors because of their small sample size.)*

Retail participation

- 35.8% of the Hong Kong adult population (or 2,024,000 individuals) were retail investors in stocks and/or derivatives (ie futures and options) traded on HKEx. 35.7% of the adult population (or 2,022,000 individuals) were stock investors and 1.6% (or 93,000 individuals) were derivatives investors.
- The retail investor participation rate in the HKEx stock market reached the highest level (35.7%) since the survey series began, up from 28.6% in 2005.
- Stockowners were also up to 32.4% (1,834,000 stockowners) in 2007 from 27.0% in 2005.
- Among all stock investors:
 - 95.5% invested only in stocks (i.e. cash market products), only 4.5% invested also in derivatives;
 - almost all (97.9%) invested in equities and 19.9% invested in warrants; and
 - the majority (85.7%) are stock traders (stock investors who traded during the 12 months preceding the interview), higher than the 82.5% in 2005.
- Among derivatives investors, 97% invested also in stocks and just 3% invested only in derivatives (compared to 10% in 2005).

Investor profile

- The typical Hong Kong retail stock investor was a 42 year-old, with upper secondary or above education, a monthly personal income of about HK\$22,500 and a monthly household income of about HK\$35,000.
- The typical Hong Kong retail derivatives investor was a 42 year-old, with matriculation or above education, a monthly personal income of about HK\$35,000 and a monthly household income of about HK\$55,000.
- Compared with stock investors, derivatives investors comprised a larger proportion of males and individuals with higher work status and higher monthly personal and household income.

Stockholding and trading pattern

- The median market value of stockholdings among all stock investors was HK\$100,000. Warrant investors and stock-and-derivatives investors had a relatively larger value of stockholding (a median of HK\$150,000) than stock investors as a whole.
- Stock investors traded more frequently in 2007 than in 2005 — the median number of stock transactions in 2007 was 10 compared to 5 in 2005. But the median average value per stock transaction was slightly lower in 2007 than in 2005 (HK\$35,000 vs HK\$40,000).

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- Nevertheless, the median implied total stock transaction value per stock trader in the 12-month period was much higher in 2007 than in 2005 (HK\$500,000 vs. HK\$340,000).
 - Warrant investors tended to trade more frequently in the stock market and had higher implied total stock transaction value in the 12-month period than equity investors.
 - Broadly speaking, the higher the value of stocks held by a stock investor, the more frequently he/she tended to trade and the larger his/her deal size.
 - Derivatives investors traded more frequently in 2007 than in 2005 — the median number of derivatives transactions was 10 in 2007 compared to 6 in 2005 while the average contract volume per derivatives transaction was 2 in 2007 compared to 3 in 2005. The median implied total contract volume in the 12-month period (40 contracts) was higher than in 2005 (24 contracts).

Trading channels

- Banks are the main stock trading channel used by stock investors — 63% of stock traders traded *solely* through banks, up from 59% in 2005.
- Compared to stock-only stock traders, a larger proportion of stock-and-derivatives stock traders traded mainly through broker firms.
- Compared to non-online stock traders, a larger proportion of online stock traders traded mainly through banks.
- Compared to stock traders who traded mainly through broker firms, those who traded mainly through banks comprised a higher proportion of younger individuals, individuals with high education level and employed persons. On the other hand, those who traded mainly through broker firms tended to have a higher stockholding value, a higher trading frequency and a higher average value per stock transaction in the 12-month period.
- The majority (55%) of derivatives traders traded derivatives mainly through broker firms, up from 47% in 2005. 48% of them traded *solely* through broker firms (vs 41% in 2005).

Online traders

- 59% of stock traders and 49% of derivatives traders were online traders, the highest levels in record. The majority of them traded online all the time or most of the time.
- Compared to non-online stock traders, the typical online stock trader was younger, with higher education level and higher work status.
- Compared to non-online stock traders, online stock traders had, in median terms, a larger market value of stockholding, a higher stock trading frequency and a higher implied total stock transaction value in the 12 months-month period.
- Compared to non-online derivatives traders, online derivatives traders had, in median terms, a slightly lower derivatives trading frequency, a similar average contract volume per derivatives transaction and implied total contract volume in the 12-month period.

Perceptions of the HKEx markets

- Stock investors were generally positive about the various attributes of the Hong Kong stock market. The perceptions had improved in 2007 compared to 2005, except for “effective regulation of stockbrokers”. On this attribute, stock investors who traded mainly through banks were less positive than those who traded mainly through broker firms.
- Stock investors were most positive about “trading information available in the Hong Kong stock market” and least positive about “effective regulation of insider trading”.
- Derivatives investors were generally positive about the HKEx derivatives market; the perceptions on the various attributes improved as compared to 2005. They were most positive about “fair and orderly derivatives market” and least positive about “derivatives investors are well protected”.
- Retail investors were also positive about the attribute — “HKEx gives priority to the public interest”.

2. INTRODUCTION

The Retail Investor Survey (RIS) has been conducted periodically since 1989.¹ As in prior years, the 2007 survey (RIS2007) was conducted by a market research company on behalf of HKEx.

The objectives of RIS2007 are to assess:

- the incidence of retail participation in HKEx products (including stocks, warrants and derivatives) and the socio-economic profiles of retail investors;
- retail investors' trading channels;
- retail investors' stockholding value, trading pattern and incidence of online trading; and
- retail investors' perception of the various aspects of the HKEx securities and derivatives markets.

It should be noted that the findings on derivatives investors, particularly those relating to their characteristics, are subject to relatively large error due to the small size of the sample of derivatives investors in the survey. Therefore, caution is needed in interpreting the findings of derivatives investors.

¹ Before 2000, it was conducted by the Stock Exchange of Hong Kong (SEHK), now a wholly-owned subsidiary of HKEx.

3. RETAIL PARTICIPATION

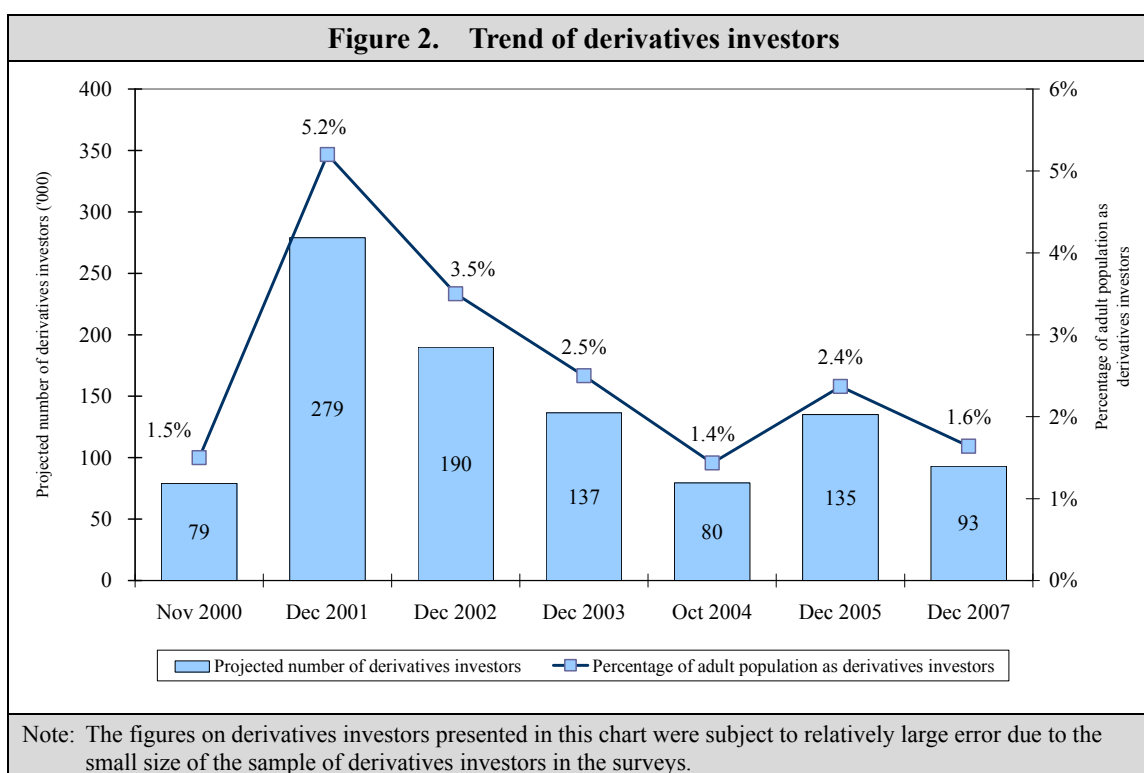
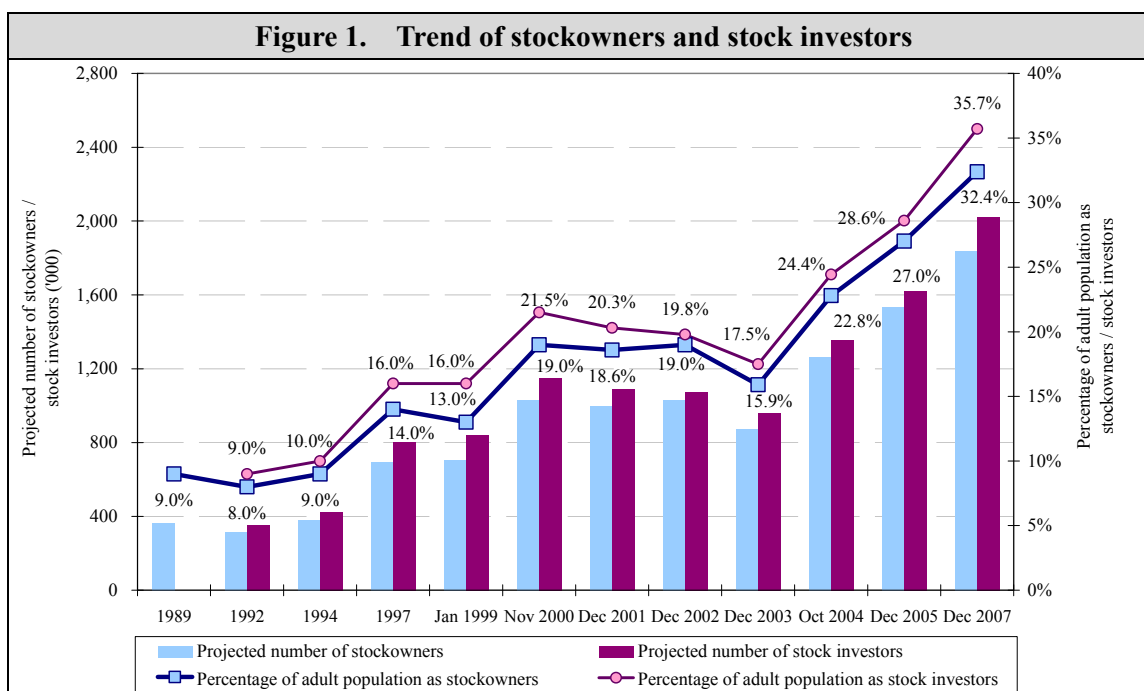
3.1 Types of investor²

- In 2007, 35.8% of the Hong Kong adult population (or 2,024,000 individuals) were retail investors in stocks and/or derivatives (ie futures and options) traded on HKEx.
- Retail participation in the HKEx stock market continued its upward trend since 2003. Stock investors and stockowners reached the highest level since the survey started in 1989, both in number (2.0 million and 1.8 million respectively) and in percentage of adult population (35.7% and 32.4% respectively).
- Retail participation in the HKEx derivatives (ie futures and options) market declined from 2.4% in 2005 to 1.6% in 2007.
- Retail participation in the Mainland China stock markets and other overseas stock markets remained low (6% and 4% respectively) but were higher than the level in 2005 (both about 2%). Retail participation in overseas derivatives market was also low at less than 1%.

Table 1. Types of investors (2007)		
	Projected number of individuals (’000)	Percentage of Hong Kong adult population
Retail investors	2,024	35.8%
Stock investors	2,022	35.7%
Stockowners	1,834	32.4%
Stock traders	1,732	30.6%
Derivatives investors	93	1.6%
Non-investors	3,637	64.2%
Total	5,661	100.0%

Table 2. Investment in securities products* (2005 and 2007)		
	Percentage of Hong Kong adult population	
	Dec 2005	Dec 2007
Stocks or derivatives traded on HKEx	28.8%	35.8%
Stocks traded on Mainland China markets	1.6%	5.6%
Stocks traded on other overseas markets (excluding Mainland China)	2.4%	4.4%
Derivative products traded on overseas markets (including Mainland China)	0.4%	0.9%
* Held at the time of interview or had traded in the 12 months preceding the interview.		

² Please see Glossary for definitions.



3.2 Types of stock investor and derivatives investor

- The majority of stock investors (95.5%) invested only in stocks³ (stock-only investors) and only 4.5% invested also in derivatives (stock-and-derivatives investors).

³ Refer to all cash market products on HKEx.

- Almost all stock investors invested in equities (97.9%) and 63.4% invested only in equities and not warrants or Exchange Traded Funds (ETFs).⁴
- Assessed for the first time in 2007, about 20% of stock investors (or 7.1% of adult population) invested in warrants and 22% of stock investors (or 7.8% of adult population) invested in ETFs.
- In 2007, a smaller proportion of stock investors did not trade during the 12-month period (non-trading stock investors) than in 2005 (14.3% vs 17.5%).
- Among derivatives investors, the proportion invested only in derivatives but not stocks (derivatives-only investors) significantly declined from 10.3% in 2005 to 3.0% in 2007.

Table 3. Types of stock investor (2002 – 2007)					
	As percentage of stock investors (%)				
	Dec 2002	Dec 2003	Oct 2004	Dec 2005	Dec 2007
<i>By stocks/derivatives invested</i>					
Stock-only investors	84.5	86.0	94.6	92.5	95.5
Stock-and-derivatives investors	15.5	14.0	5.4	7.5	4.5
<i>By cash market product invested</i>					
Equity investors	–	–	–	–	97.9
Equity-only stock investors	–	–	–	–	63.4
Warrant investors	–	–	–	–	19.9
Warrant-only stock investors	–	–	–	–	0.7
ETF investors	–	–	–	–	21.9
ETF-only stock investors	–	–	–	–	1.3
<i>By trading status</i>					
Stock traders	60.2	70.4	71.9	82.5	85.7
Non-trading stock investors	39.8	29.6	28.1	17.5	14.3
“–”: Not available.					

Table 4. Types of derivatives investor (2002 – 2007)					
	As percentage of derivatives investors (%)				
	Dec 2002	Dec 2003	Oct 2004	Dec 2005	Dec 2007
Derivatives-only investors	12.6	1.9	7.4	10.3	3.0
Stock-and-derivatives investors	87.4	98.1	92.6	89.7	97.0
Note: Reflecting the nature of derivatives trading, all derivatives investors had derivatives transactions during the past 12 months at the time of the interview, i.e. all are derivatives traders.					

⁴ Given the large difference in market trading value of warrants and ETFs (warrant trading was more than 20 times ETF trading in 2007), the finding of retail participation rate in ETFs (which is higher than that in warrants) may be subject to relatively large error and so would the related findings on this type of investor (see survey limitations in Appendix 1).

4. INVESTOR PROFILE

4.1 Profile of stock investors

- The typical Hong Kong retail stock investor was a 42 year-old, with upper secondary or above education, a monthly personal income of about HK\$22,500 and a monthly household income of about HK\$35,000.
- In comparison to the Hong Kong adult population and non-investors:
 - Stock investors are skewed towards having more male investors (52.5% of the stock investors were male). Nevertheless, the slow rising trend in the proportion of female investors since 2003 continued in 2007.
 - Stock investors also had a higher proportion of individuals who received tertiary or above education, with higher work status, higher monthly personal income and monthly household income.

4.2 Profile of equity, warrant and ETF investors⁵

- The typical equity investor was a 42 year-old, with upper secondary or above education, a monthly personal income of about HK\$22,500 and a monthly household income of about HK\$35,000. Compared with warrant investors and ETF investors, equity investors comprised a larger proportion of individuals who are not engaged in full-time employment (33%).
- The typical warrant investor was a 42 year-old, with matriculation or above education, a monthly personal income of about HK\$22,500 and a monthly household income of about HK\$35,000. Compared with equity investors and ETF investors, warrant investors comprised a larger proportion of males (67%), younger individuals and individuals of higher work status.
- The typical ETF investor was a 47 year-old, with upper secondary or above education, a monthly personal income of about HK\$22,500 and a monthly household income of about HK\$45,000. Compared with equity investors and warrant investors, ETF investors comprised a larger proportion of females (52%), individuals aged 50 or above (36%) and white-collar workers (31%).

4.3 Profile of derivatives investors

- The typical Hong Kong retail derivatives investor was a 42 year-old, with matriculation or above education, a monthly personal income of about HK\$35,000 and a monthly household income of about HK\$55,000.
- Compared with the Hong Kong adult population and with stock investors and non-investors, derivatives investors comprised a larger proportion of males (69.1%) and individuals with higher work status and higher monthly personal and household income.

Note: All the findings on derivatives investors are subject to relatively large error due to the small sample of derivatives investors. Therefore, caution is needed in interpreting the findings on derivatives investors.

⁵ See footnote (4) on page 7 and survey limitations in Appendix 1.

Table 5. Profile of different investor types (2007)

	Adult population	Stock investors	Stock traders	Derivatives investors	Non- investors
Sex					
Male	46.9%	52.5%	53.2%	69.1%	43.8%
Female	53.1%	47.5%	46.8%	31.0%	56.2%
Age					
18 – 19	4.8%	1.0%	1.2%	2.3%	6.9%
20 – 29	14.9%	13.1%	13.5%	9.7%	15.9%
30 – 39	19.2%	22.7%	23.6%	35.3%	17.3%
40 – 49	23.8%	28.7%	30.0%	17.4%	21.1%
50 – 59	15.7%	18.5%	17.7%	21.3%	14.0%
60 or over	21.6%	16.0%	14.1%	13.9%	24.8%
Median	42	42	42	42	42
Education level					
No schooling / kindergarten	4.4%	1.0%	0.8%	2.1%	6.3%
Primary	13.3%	5.6%	5.2%	0.0%	17.6%
Lower secondary	17.6%	15.0%	13.7%	11.5%	19.0%
Upper secondary	30.7%	29.4%	30.2%	28.4%	31.5%
Matriculation	7.2%	7.7%	8.2%	13.0%	6.8%
Tertiary or above	26.3%	40.7%	41.6%	42.9%	18.4%
Refusals	0.4%	0.5%	0.3%	2.1%	0.4%
Occupation					
Managers / administrators / professionals	12.4%	22.4%	24.1%	39.6%	6.8%
White collar	18.6%	25.8%	27.0%	28.3%	14.7%
Blue collar	18.7%	14.0%	14.2%	10.1%	21.2%
Homemakers	20.6%	14.7%	13.6%	2.1%	23.8%
Retirees	15.4%	14.2%	12.7%	7.9%	16.1%
Students	6.8%	1.9%	2.0%	0.0%	9.6%
Unemployed persons	4.3%	2.3%	2.2%	2.1%	5.4%
Others	0.2%	0.1%	0.0%	0.0%	0.2%
Refusals	3.0%	4.6%	4.2%	9.9%	2.2%
Median monthly personal income (HK\$)*	13,750	22,500	22,500	35,000	11,250
Median monthly household income (HK\$)	22,500	35,000	35,000	55,000	16,250
* Among those who were engaged in full-time or part-time employment.					
Note: Numbers may not add up to 100% due to rounding.					

Table 6. Profile of different investor types by selected cash market products (2007)

	Adult population	Stock investors	Equity investors	Warrant investors	ETF investors
Sex					
Male	46.9%	52.5%	52.7%	67.0%	47.7%
Female	53.1%	47.5%	47.3%	33.0%	52.3%
Age					
18 – 19	4.8%	1.0%	1.0%	0.0%	1.0%
20 – 29	14.9%	13.1%	13.0%	18.7%	10.6%
30 – 39	19.2%	22.7%	22.7%	23.4%	21.6%
40 – 49	23.8%	28.7%	28.9%	32.2%	31.1%
50 – 59	15.7%	18.5%	18.5%	15.3%	19.6%
60 or over	21.6%	16.0%	15.8%	10.5%	16.1%
Median	42	42	42	42	47
Education level					
No schooling / kindergarten	4.4%	1.0%	1.0%	1.4%	0.4%
Primary	13.3%	5.6%	5.5%	5.0%	3.6%
Lower secondary	17.6%	15.0%	15.0%	14.8%	15.5%
Upper secondary	30.7%	29.4%	29.3%	26.9%	31.1%
Matriculation	7.2%	7.7%	7.9%	9.1%	7.0%
Tertiary or above	26.3%	40.7%	40.8%	42.1%	41.8%
Refusals	0.4%	0.5%	0.5%	0.6%	0.4%
Occupation					
Managers / administrators / professionals	12.4%	22.4%	22.5%	28.3%	25.9%
White collar	18.6%	25.8%	26.1%	27.2%	31.1%
Blue collar	18.7%	14.0%	13.8%	19.7%	9.1%
Homemakers	20.6%	14.7%	14.6%	12.0%	14.8%
Retirees	15.4%	14.2%	14.3%	6.4%	12.9%
Students	6.8%	1.9%	1.9%	0.5%	0.5%
Unemployed persons	4.3%	2.3%	2.2%	2.0%	0.9%
Others	0.2%	0.1%	0.1%	0.6%	0.0%
Refusals	3.0%	4.6%	4.6%	3.2%	4.8%
Median monthly personal income (HK\$)*	13,750	22,500	22,500	22,500	22,500
Median monthly household income (HK\$)	22,500	35,000	35,000	35,000	45,000

* Among those who were engaged in full-time or part-time employment.

Note: Numbers may not add up to 100% due to rounding.

Figure 3. Investor profile over the years

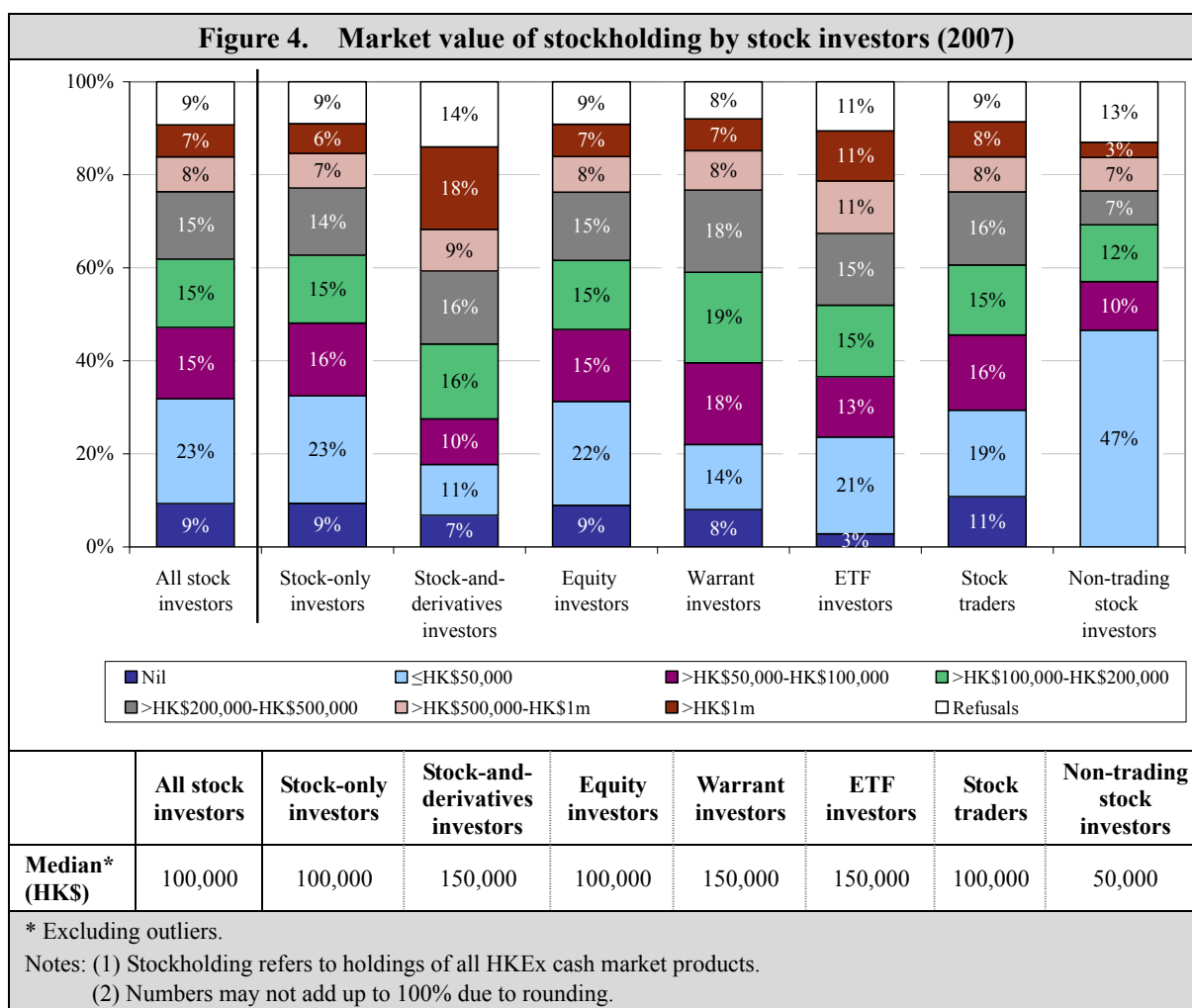


* Not engaged in full time or part-time employment, including students, homemakers, retirees and unemployed persons.
 ** Among those who were engaged in full-time or part-time employment.
 Note: Numbers may not add up to 100% due to rounding.

5. STOCKHOLDING AND TRADING PATTERN

5.1 Stockholding value of stock investors

- The median market value of stockholdings among all stock investors was HK\$100,000.
- ETF investors, warrant investors and stock-and-derivatives investors had a relatively larger value of stockholding (a median of HK\$150,000) than stock investors as a whole.
- Stock investors who did not trade during the 12-month period (non-trading stock investors) had a relatively smaller value of stockholding (a median of HK\$50,000) than stock investors as a whole.



5.2 Trading pattern of stock investors

- In median terms, **stock investors** traded more frequently in 2007 but with a slightly lower average value per stock transaction than in 2005:
 - The proportion of stock investors who did not trade at all in the 12-month period decreased from 17% in 2005 to 14% in 2007;
 - The median number of stock transactions (buying and selling were counted as two transactions) for all stock investors doubled to 10, compared to 5 in 2005;
 - The median average value per stock transaction was HK\$35,000 in 2007, compared to HK\$40,000 in 2005; and
 - The median implied total stock transaction value⁶ per stock trader in 2007 was much higher than in 2005 (HK\$500,000 vs HK\$340,000).
- Compared to stock-only investors, **stock-and-derivatives investors**:
 - Had a much lower proportion who did not trade at all during the 12-month period (3% vs 15%);
 - Tended to trade stocks much more frequently (a median of 48 transactions vs 10);
 - Tended to have a relatively higher average value per stock transaction (a median of HK\$50,000 vs HK\$35,000);
 - Tended to have a higher implied total stock transaction value (HK\$2.4 million vs HK\$0.5 million); and
 - In aggregate contributed 17% of total retail stock trading, compared to 83% by stock-only investors.
- **Warrant investors** tended to be more active traders than equity investors:
 - They had a higher median number of transactions in the 12-month period (30 transactions) than equity investors (10 transactions);
 - They had a similar median average value per stock transaction as equity investors (HK\$35,000); and
 - As a result of higher trading frequency, they had a much larger implied total stock transaction value during the 12-month period (HK\$1.7 million) than equity investors (HK\$0.5 million).
- Stock traders who traded more frequently tended to have a larger deal size and a larger implied total transaction value in the 12-month period. High-frequency stock traders (with more than 10 transactions in the 12-month period)⁷ accounted for about half of all stock traders and contributed 97% of all retail stock trading.

⁶ The implied total stock transaction value during the 12-month period for a respondent was calculated by multiplying the respondent's number of stock transactions by his/her average value per stock transaction. The figure is two-sided, ie both buy and sell sides for a transaction are counted. It must be borne in mind that the figure is subject to estimation error.

⁷ The classification of stock traders into low-, medium- and high-frequency of trading is judgmental. The current classification follows that used in past surveys for comparison purpose. As the market was much more bullish in 2007 than in the previous years, the proportion of "high-frequency" traders was exceptionally high.

Figure 5. Number of stock transactions by stock investors in the past 12 months (1994 – 2007)

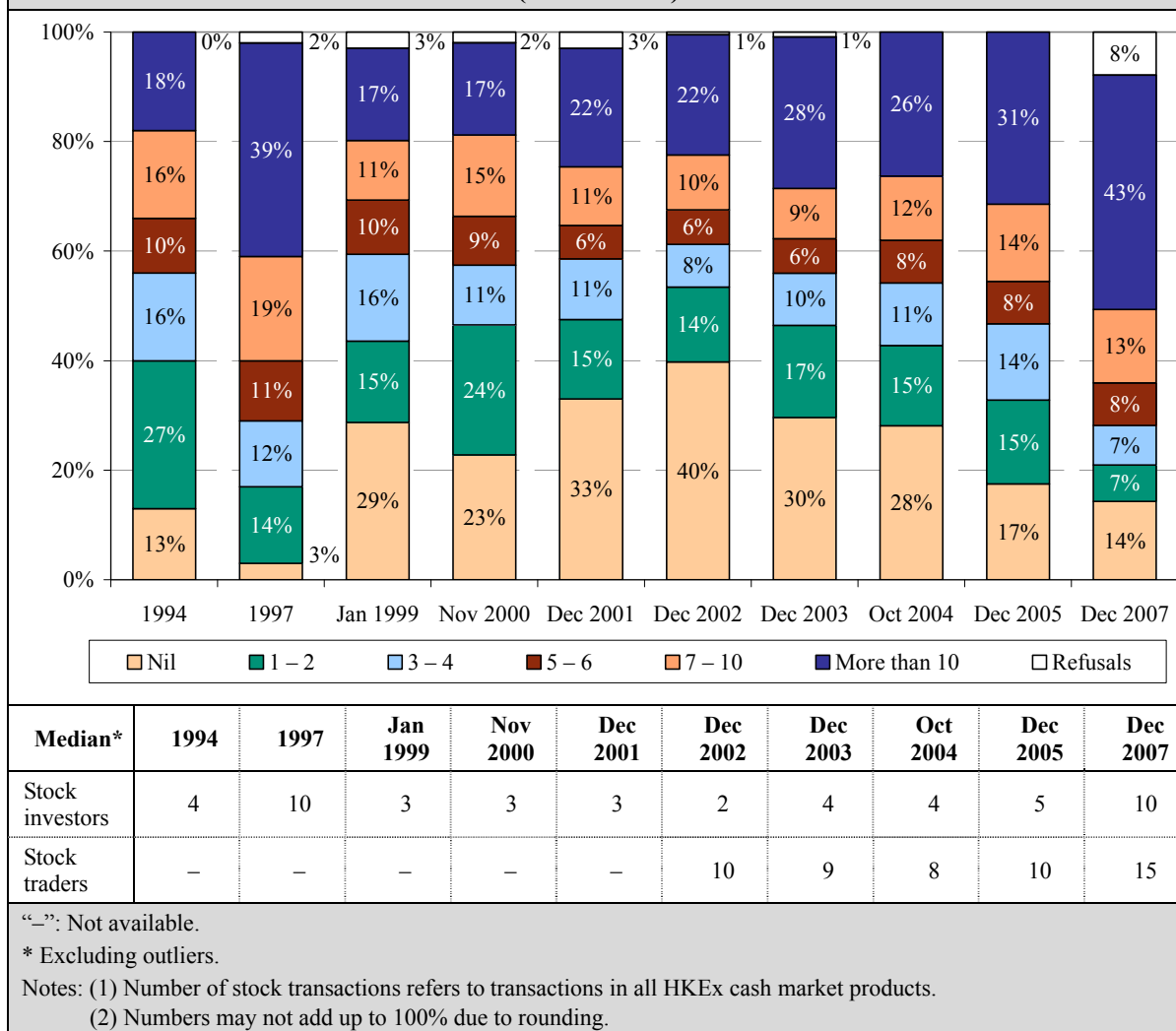
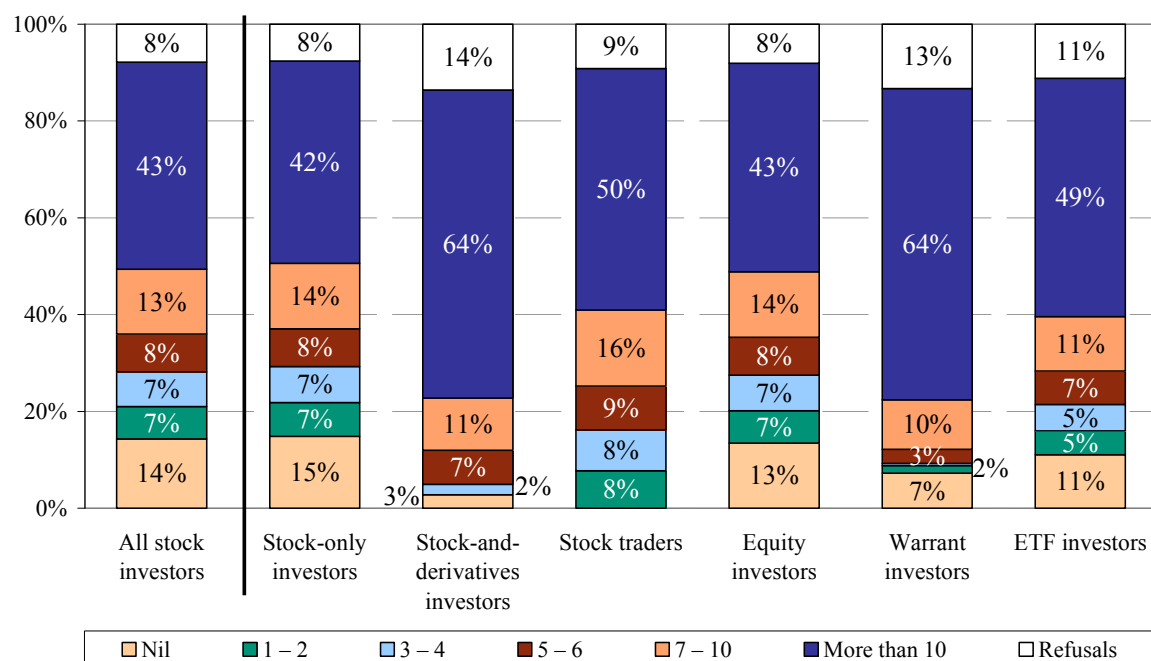


Figure 6. Number of stock transactions in the past 12 months by stock investor type (2007)



	All stock investors	Stock-only investors	Stock-and-derivatives investors	Stock traders	Equity investors	Warrant investors	ETF investors
Median* (incl. non-trading investors)	10	10	48	15	10	30	14
Median* (excl. non-trading investors)	15	14	48	15	15	40	20

* Excluding outliers.

Notes: (1) Number of stock transactions refers to transactions in all HKEx cash market products.

(2) Numbers may not add up to 100% due to rounding.

Figure 7. Average value per stock transaction in the past 12 months of stock traders by type (2005 and 2007)

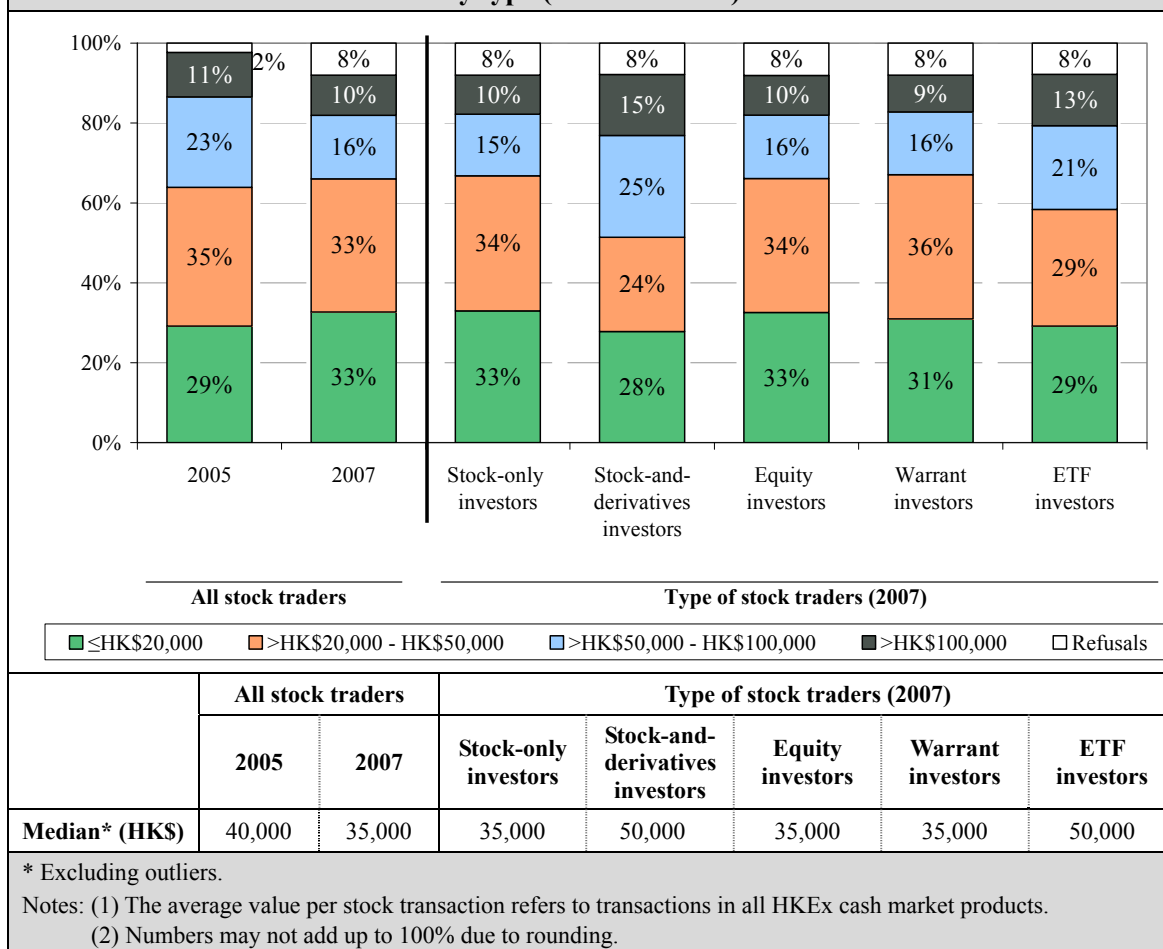


Figure 8. Implied total stock transaction value in the past 12 months of stock traders by type (2005 and 2007)

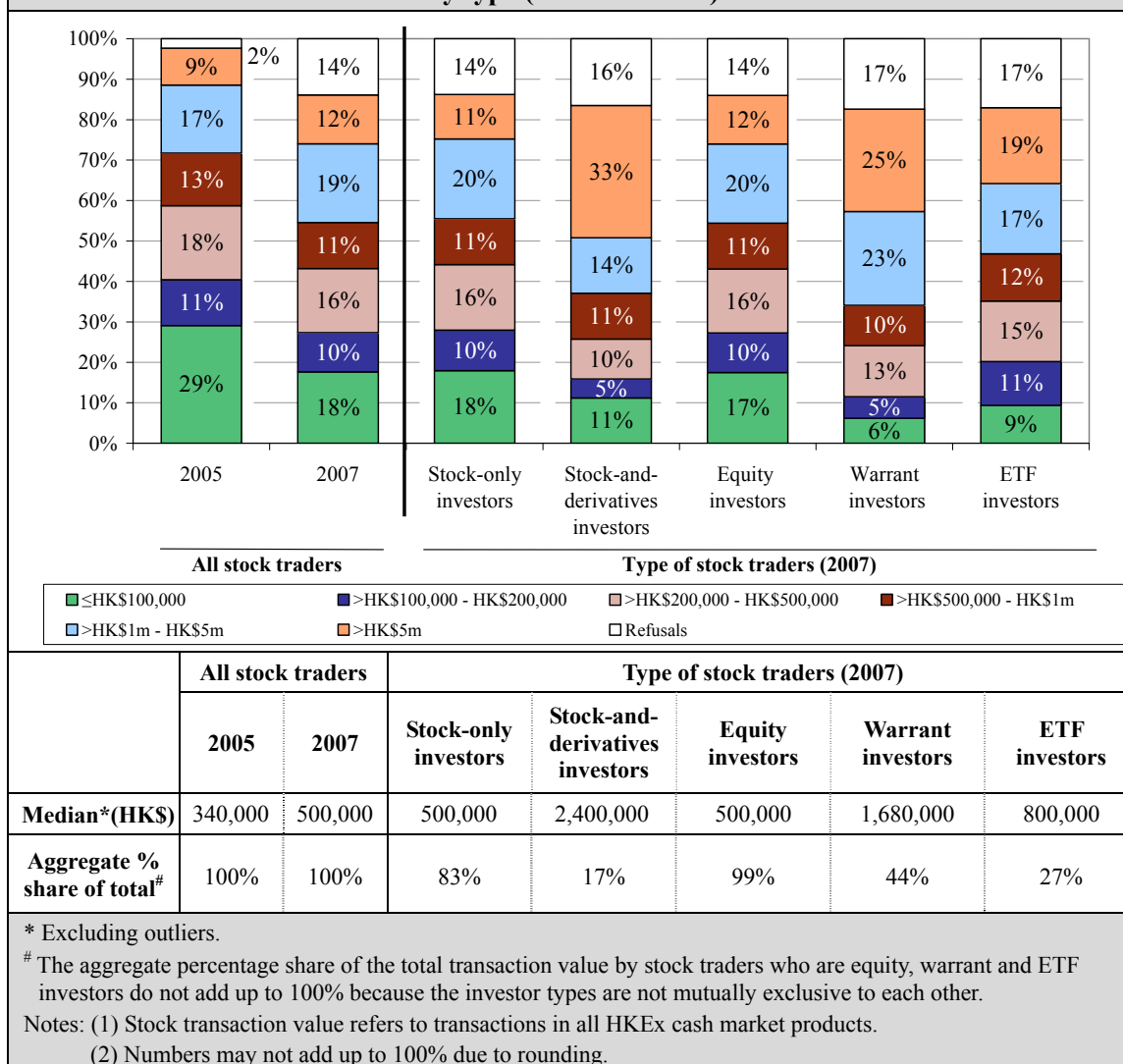


Table 7. Trading pattern of stock traders by trading frequency (2007)				
<i>In the 12-month period preceding the interview</i>	All stock traders	Trading frequency		
		Low (1 – 4 times)	Medium (5 – 10 times)	High (>10 times)
Number as % of all stock traders[#]	100.0%	16.2%	24.7%	49.9%
<i>Average value per stock transaction</i>				
≤ HK\$20,000	32.7%	46.5%	34.3%	29.4%
> HK\$100,000	10.1%	9.5%	9.0%	10.9%
Median* (HK\$'000)	35	20	30	45
<i>Implied total stock transaction value</i>				
≤ HK\$100,000	17.6%	59.8%	26.1%	3.0%
> HK\$1,000,000	31.6%	1.4%	7.3%	59.2%
Median* (HK\$'000)	500	60	270	1,500
<i>Aggregate implied total stock transaction value</i>				
As % of total by all stock traders	100.0%	0.6%	2.7%	96.7%
* Excluding outliers.				
[#] The percentage of low-, medium- and high-frequency stock traders did not add up to 100% due to refusal of some respondents to answer the question.				

5.3 Relationship between stockholding value and trading pattern of stock investors

- Broadly speaking, the higher the value of stocks held by a stock investor, the more frequently he/she tended to trade and the larger his/her deal size. Such relationship was significant in statistical terms, although at a very low degree for relationship with number of transactions (correlation coefficient of 0.17) but at a considerable degree for relationship with deal size (correlation coefficient of 0.47).

Table 8. Number of stock transactions in the past 12 months by market value of stockholding (2007)					
Value of stockholding (HK\$)	Number of stock transactions				
	All stock investors			Stock traders	
	Mean*	Median*	% of nil transactions	Mean*	Median*
Nil	18.4	8	—	18.4	8
≤50,000	21.0	4	29.6%	30.3	10
>50,000 – 100,000	32.9	10	9.7%	36.8	12
>100,000 – 200,000	57.4	12	12.0%	66.0	16
>200,000 – 500,000	51.4	25	7.2%	55.9	30
>500,000 – 1,000,000	69.2	15	13.8%	82.1	20
>1,000,000	107.1	48	6.7%	115.7	50
Refusals	36.6	8	20.2%	49.5	10
Overall	42.9	10	14.3%	50.8	15
Correlation coefficient [#]	0.1691			0.1734	
“—”: Not applicable since by definition, a stock investor must have had stock transactions if he/she was not holding stocks.					
* Excluding outliers.					
[#] Pearson correlation is adopted to generate the correlation coefficient which reflects the strength of association between market value of stockholding (including nil) and number of stock transactions (including nil). Correlation is significant at 0.1% level (2-tailed).					
Note: Stockholding and stock transactions are in respect of all HKEx cash market products.					

Table 9. Stock transaction value by market value of stockholding for stock traders (2007)					
Value of stockholding (HK\$)	Average value per stock transaction (HK\$)*		Implied total stock transaction value (HK\$)*		
	Mean	Median	Mean	Median	Aggregate % share
Nil	40,409	20,000	4,987,477	160,000	12.3%
≤50,000	23,751	15,000	993,600	140,000	4.3%
>50,000 – 100,000	34,609	30,000	1,693,779	360,000	6.4%
>100,000 – 200,000	46,944	50,000	4,611,555	750,000	15.6%
>200,000 – 500,000	72,706	50,000	3,861,677	1,500,000	12.8%
>500,000 – 1,000,000	120,324	100,000	10,262,580	2,500,000	16.4%
>1,000,000	154,639	100,000	15,742,164	6,000,000	26.3%
Refusals	58,123	50,000	5,073,069	420,000	5.8%
Overall	57,854	35,000	4,608,112	500,000	100.0%
Correlation coefficient [#]	0.4714		0.1840		

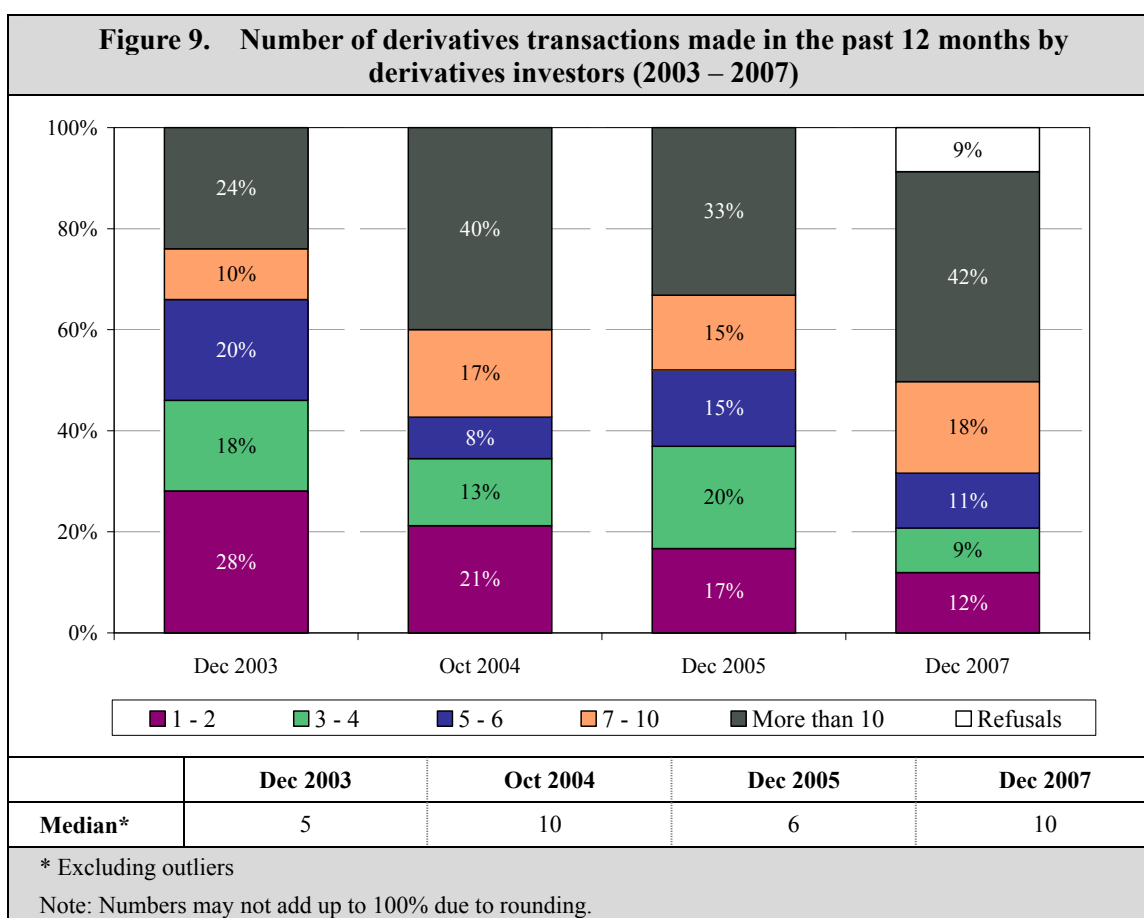
* Excluding outliers.

[#] Pearson correlation is adopted to generate the correlation coefficient which reflects the strength of association between market value of stockholding (including nil) and average value per stock transaction / implied total stock transaction value. Correlation is significant at 0.1% level (2-tailed).

Notes: (1) Stockholding and transactions are in respect of all HKEx cash market products.
(2) Numbers may not add up to 100% due to rounding.

5.4 Trading pattern of derivatives investors

- A larger proportion of derivatives investors⁸ traded more than 10 derivatives transactions in 2007 (42%) than in 2005 (33%). As a result, the trading frequency of derivatives investors increased from a median of 6 derivatives transactions in 2005 to 10 in 2007.
- The median average contract volume per derivatives transaction declined slightly from 3 in 2005 to 2 in 2007. Nevertheless, the proportion of derivatives investors trading more than 20 contracts per transaction on average largely increased from 1% in 2005 to 19% in 2007.
- The median implied total contract volume⁹ per derivatives investor in the 12-month period was higher in 2007 (40 contracts) than in 2005 (24 contracts).¹⁰

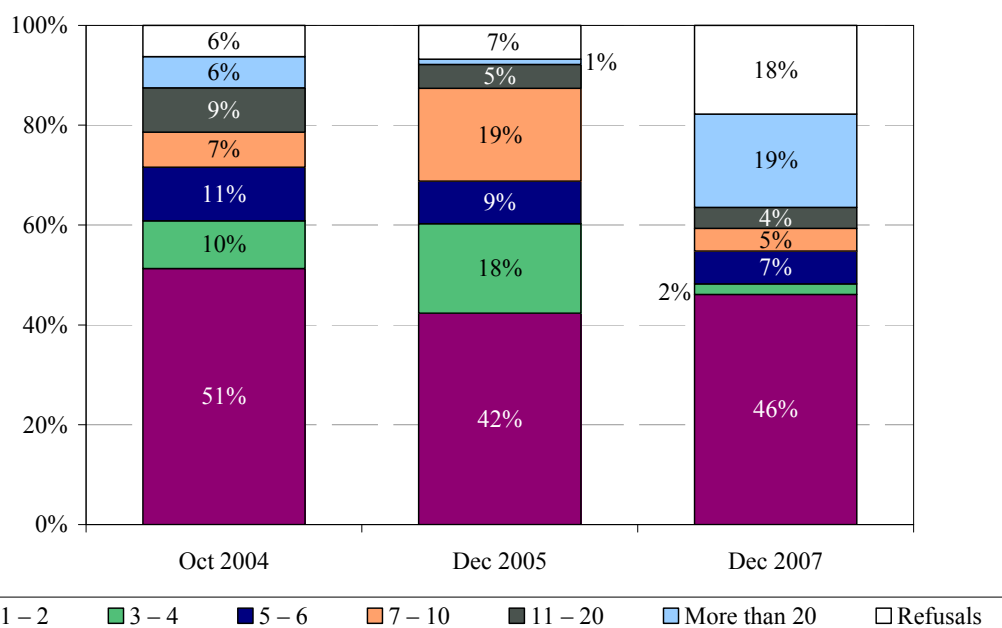


⁸ Reflecting the nature of derivatives trading, all derivatives investors had derivatives transactions during the 12-month period, ie all derivatives investors are derivatives traders.

⁹ The implied total contract volume during the 12-month period for a respondent was calculated by multiplying the respondent's number of derivatives transactions by his/her average number of contracts per derivatives transaction. The figure is two-sided, ie both buy and sell sides for a transaction are counted. It must be borne in mind that the figure is subject to estimation error.

¹⁰ It should be noted that in 2007 a significant proportion of derivatives investors did not provide answers to the questions on number of derivatives transactions made and/or average contract volume per transaction. This would affect the reliability of the results.

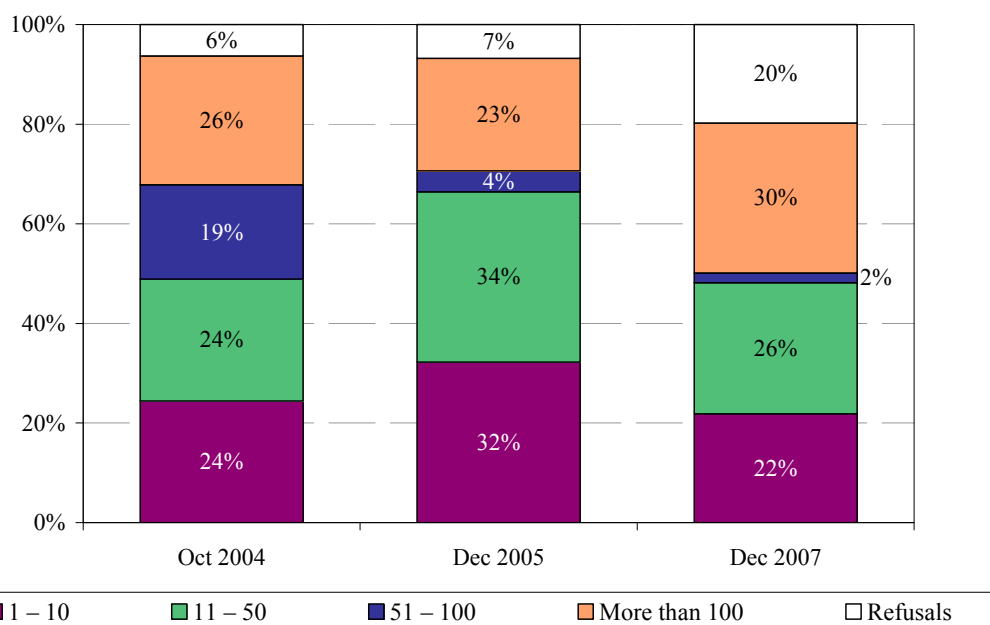
Figure 10. Average contract volume per transaction by derivatives investors in the past 12 months (2004 – 2007)



	Oct 2004	Dec 2005	Dec 2007
Median*	2	3	2

* Excluding outliers.
Note: Numbers may not add up to 100% due to rounding.

Figure 11. Implied total contract volume by derivatives investors in the past 12 months (2004 – 2007)



	Oct 2004	Dec 2005	Dec 2007
Median*	30	24	40

* Excluding outliers.
Note: Numbers may not add up to 100% due to rounding.

6. TRADING CHANNELS

6.1 Stock trading channels

- The majority of stock traders (63%) traded through banks only, up from 59% in 2005. Including stock traders who traded usually through banks, 69% of stock traders used banks as the main stock trading channel (64% in 2005).
- Use of stock trading channel by investor type:
 - Equity investors and warrant investors had a similar pattern in the use of stock trading channel;
 - Compared to stock-only traders, a larger proportion of stock-and-derivatives traders traded stocks through broker firms only (37% vs 22%);
 - Compared to non-online stock traders, a larger proportion of online stock traders traded through banks only (76% vs 45%).
- Compared to those who traded mainly through broker firms, stock traders who traded mainly through banks comprised a larger proportion of younger individuals (17% vs 9% aged below 30; 42% vs 29% aged below 40), individuals with tertiary or above education (45% vs 34%) and employed persons (68% vs 59%).
- Compared to those who traded mainly through banks, stock traders who traded mainly through broker firms tended to have:
 - a higher value of stockholding (a median of HK\$150,000 vs HK\$100,000);
 - a higher frequency of stock transactions in the 12-month period (a median of 16 vs 13);
 - a higher average value per stock transaction (a median of HK\$45,000 vs HK\$30,000); and
 - a higher implied total stock transaction value in the 12-month period (a median of HK\$700,000 vs HK\$500,000).
- Nevertheless, stock traders who traded mainly through banks contributed the majority of total stock trading value (61%), up from 55% in 2005.

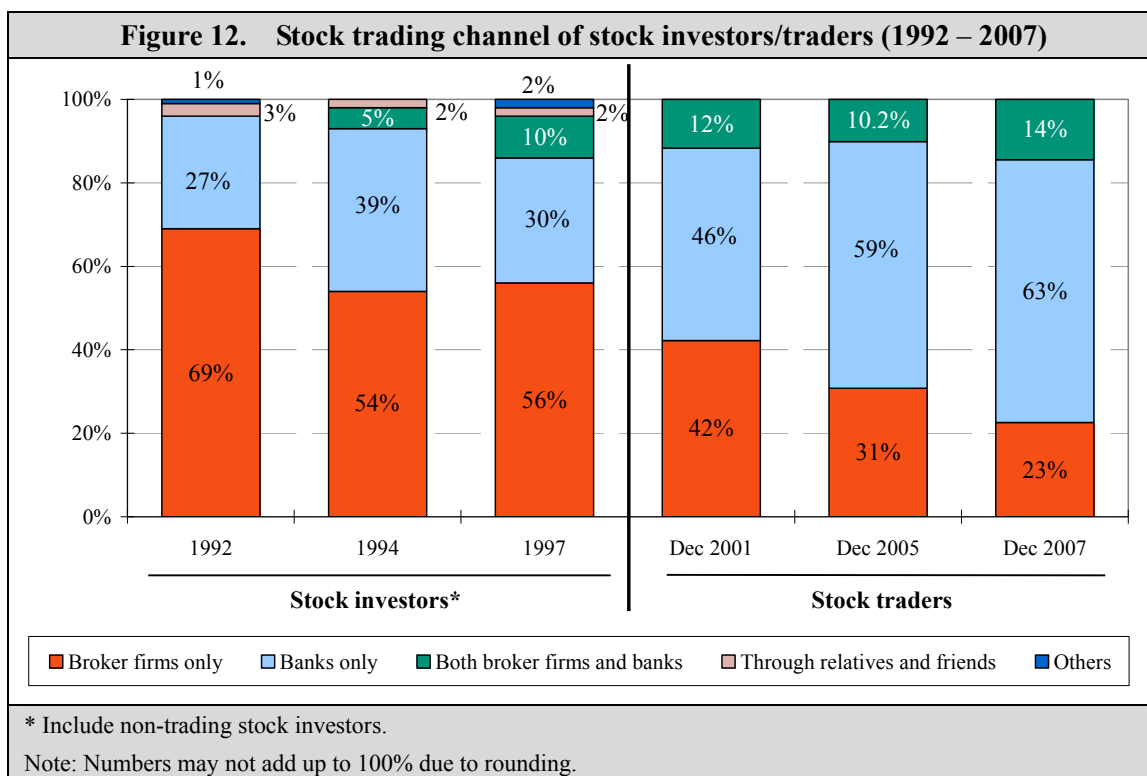
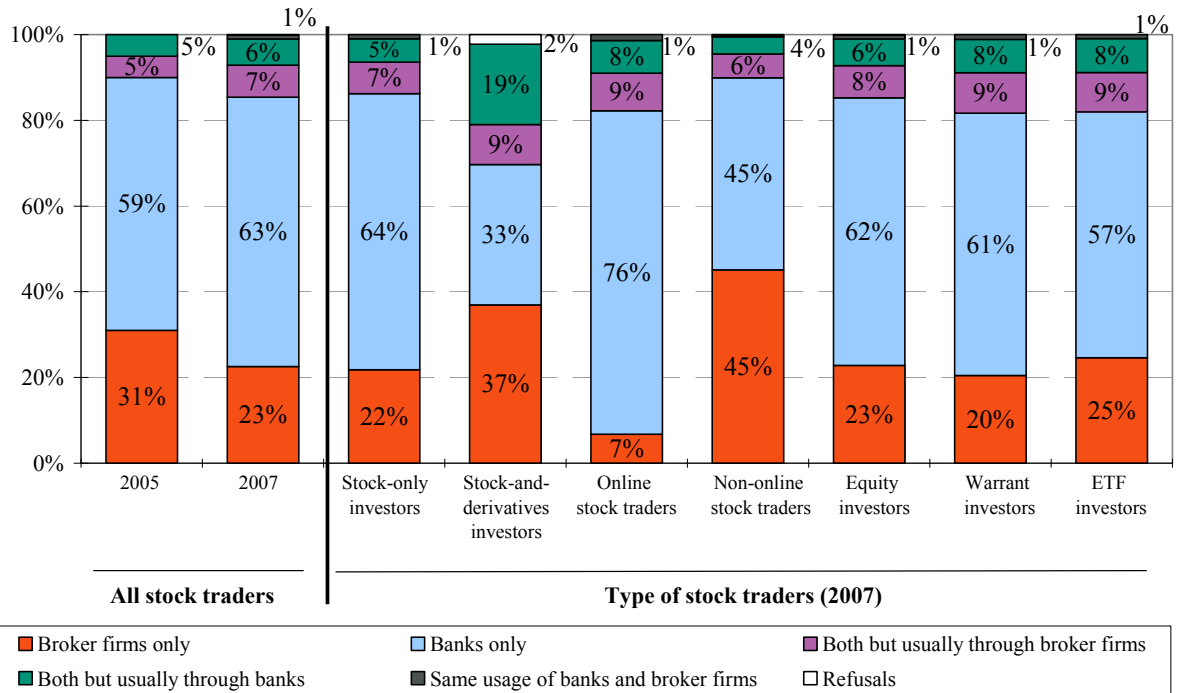


Figure 13. Stock trading channel by stock trader type (2005 and 2007)



Stock trading channels	All stock traders		Type of stock trader (2007)						
	2005	2007	Stock-only investors	Stock-and-derivatives investors	Online stock traders	Non-online stock traders	Equity investors	Warrant investors	ETF investors
Mainly through banks	64.1%	69.0%	69.9%	51.6%	83.1%	48.8%	68.7%	69.0%	65.3%
- Banks only	59.1%	62.9%	64.5%	32.8%	75.5%	44.8%	62.5%	61.2%	57.4%
- Usually through banks	5.0%	6.1%	5.4%	18.8%	7.6%	4.0%	6.2%	7.8%	7.9%
Mainly through broker firms	35.9%	30.0%	29.1%	46.3%	15.6%	50.6%	30.3%	30.0%	33.8%
- Broker firms only	30.8%	22.6%	21.8%	37.0%	6.8%	45.1%	22.8%	20.5%	24.6%
- Usually through broker firms	5.2%	7.4%	7.3%	9.3%	8.8%	5.5%	7.5%	9.5%	9.2%
Same usage of banks and broker firms	0.0%	0.9%	1.0%	0.0%	1.4%	0.3%	0.9%	1.1%	0.9%
Refusals	0.0%	0.1%	0.0%	2.2%	0.0%	0.3%	0.1%	0.0%	0.0%

Note: Numbers may not add up to sub-totals or 100% due to rounding.

Table 10. Profile of stock traders by trading channel (2007)

	Stock traders	
	Trading mainly through banks	Trading mainly through broker firms
Sex		
Male	52.8%	54.3%
Female	47.2%	45.7%
Age		
18 – 19	1.1%	1.5%
20 – 29	15.9%	7.9%
30 – 39	25.4%	19.8%
40 – 49	29.0%	31.2%
50 – 59	17.1%	19.4%
60 or over	11.5%	20.2%
Median	42	47
Education level		
No schooling / kindergarten	0.6%	1.1%
Primary	4.8%	6.0%
Lower secondary	14.1%	13.3%
Upper secondary	27.5%	36.3%
Matriculation	8.0%	8.6%
Tertiary or above	44.9%	34.4%
Refusals	0.2%	0.4%
Occupation		
Managers / administrators / professionals	25.0%	22.1%
White collar	27.6%	25.6%
Blue collar	15.5%	11.1%
Homemakers	13.0%	15.3%
Retirees	10.3%	18.2%
Students	2.3%	1.4%
Unemployed persons	2.2%	2.5%
Refusals	4.0%	3.8%
Median monthly personal income (HK\$)*	22,500	22,500
Median monthly household income (HK\$)	35,000	35,000
* Among those who were engaged in full-time or part-time employment.		
Note: Numbers may not add up to 100% due to rounding.		

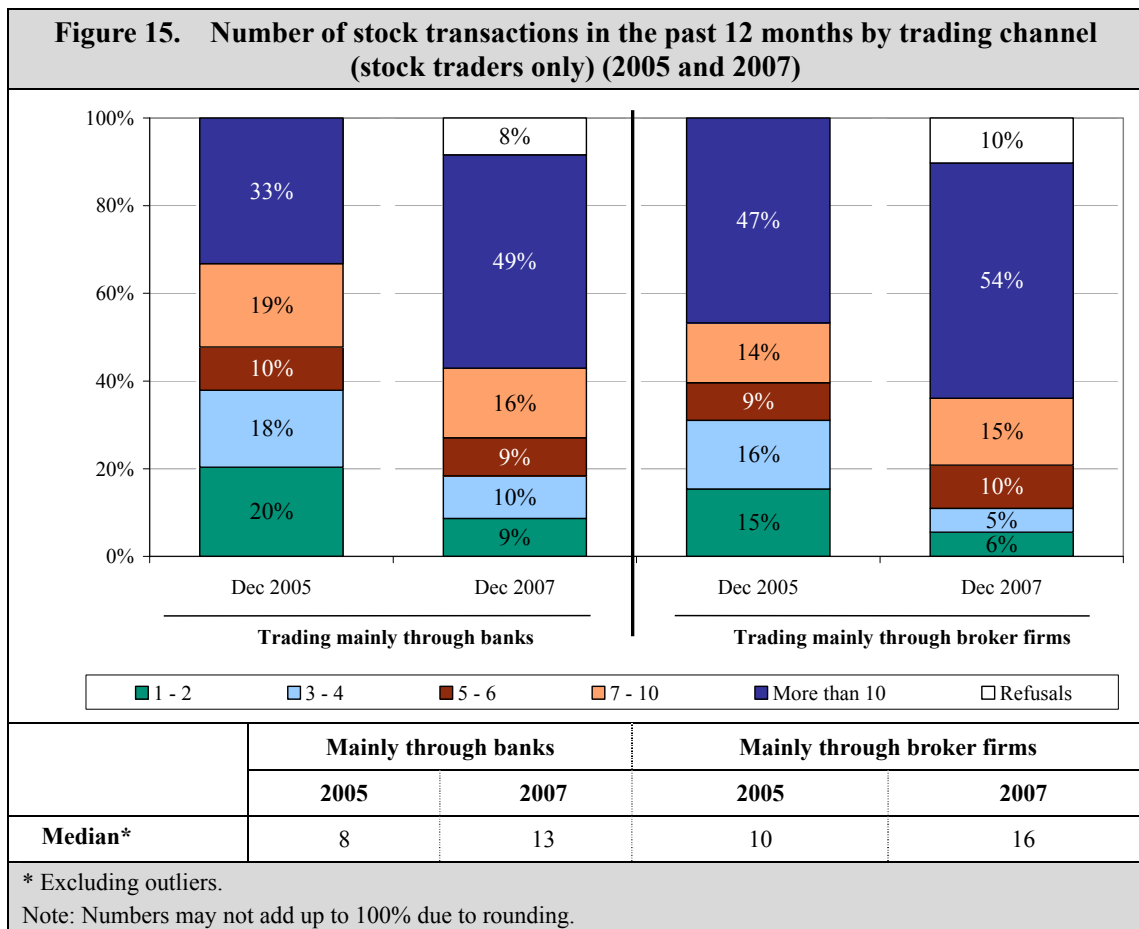
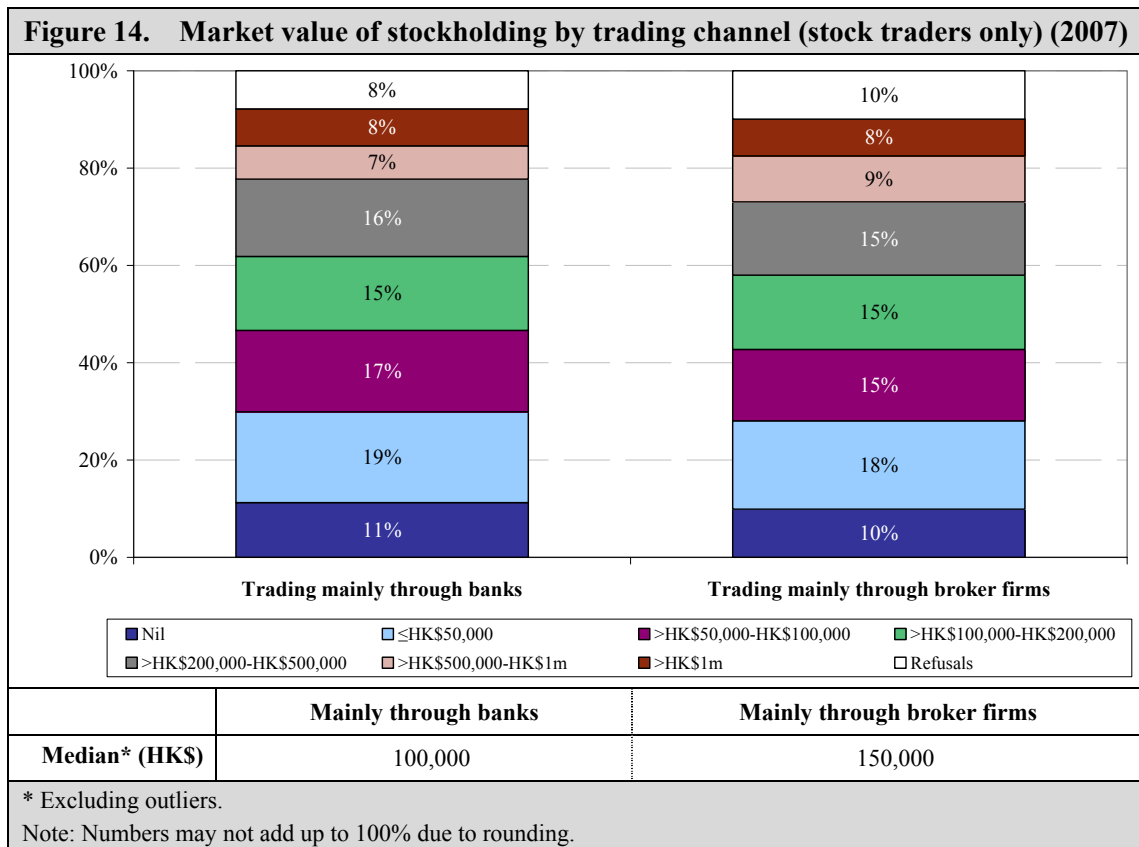


Figure 16. Average value per stock transaction in the past 12 months by trading channel (stock traders only) (2005 and 2007)

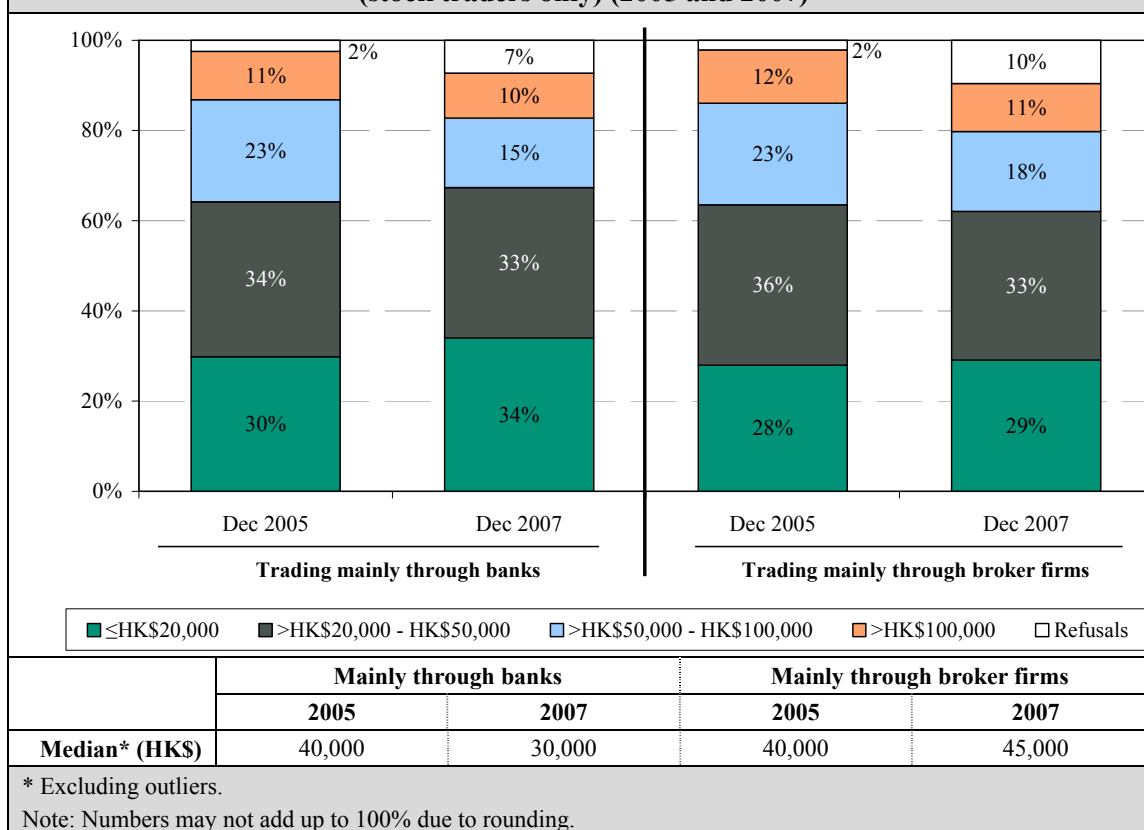
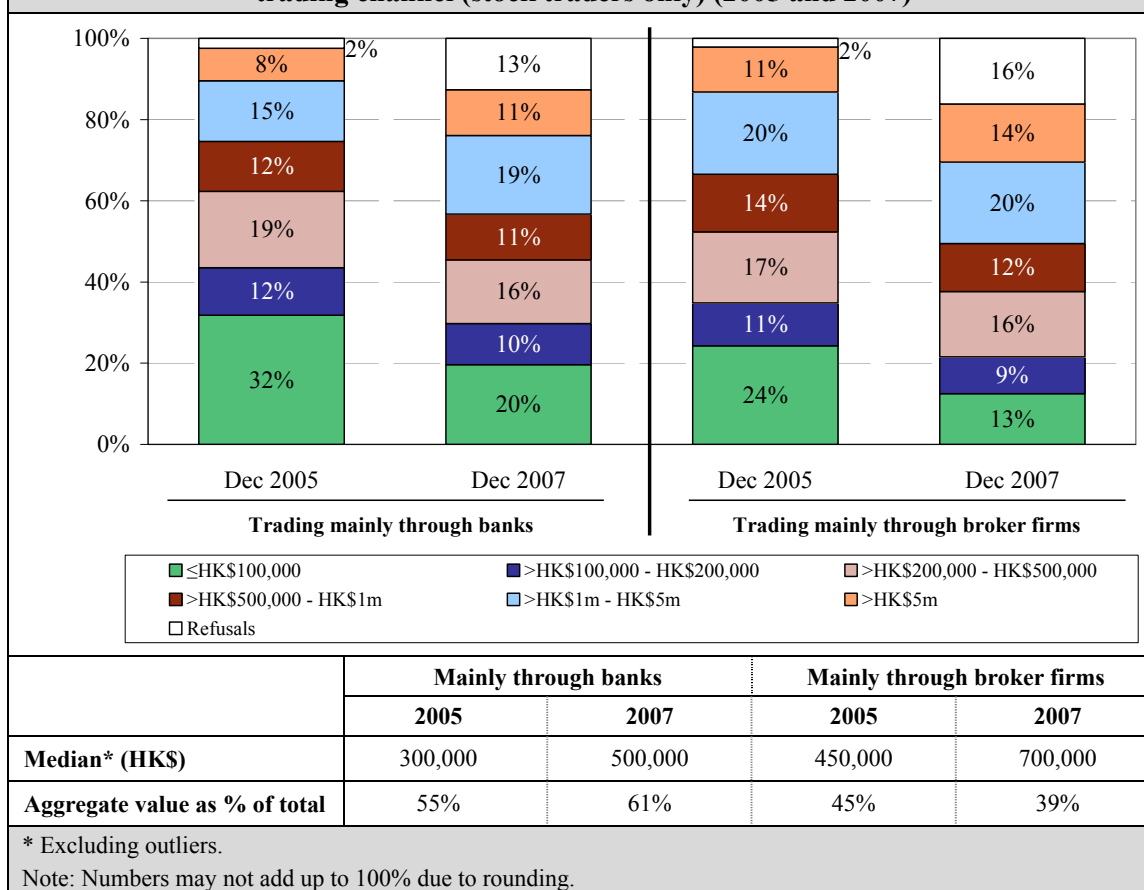


Figure 17. Implied total stock transaction value in the past 12 months by trading channel (stock traders only) (2005 and 2007)



6.2 Derivatives trading channels

- The majority of derivatives investors (55%) used broker firms as the main derivatives trading channel, up from 47% in 2005. 48% of derivatives investors traded solely through broker firms (vs 41% in 2005) while 37% traded solely through banks in 2007 (vs 49% in 2005).
- Compared to those who traded mainly through banks, derivatives investors who traded mainly through broker firms tended to have a higher frequency of derivatives transactions in the 12-month period (a median of 12 transactions vs 8), a lower average contract volume per derivatives transaction (a median of 2 contracts vs 4) and a lower implied total contract volume per derivatives investors in the 12-month period (a median of 28 contracts vs 40).

Note: It should be noted that the findings on derivatives investors are subject to relatively large error due to the small size of the sample of derivatives investors in the survey and the high proportion of null response. Due to the concern of reliability, certain analysis performed for stock investors by stock trading channel were not presented here for derivatives investors by derivatives trading channel. Caution is needed in interpreting the presented findings on derivatives investors.

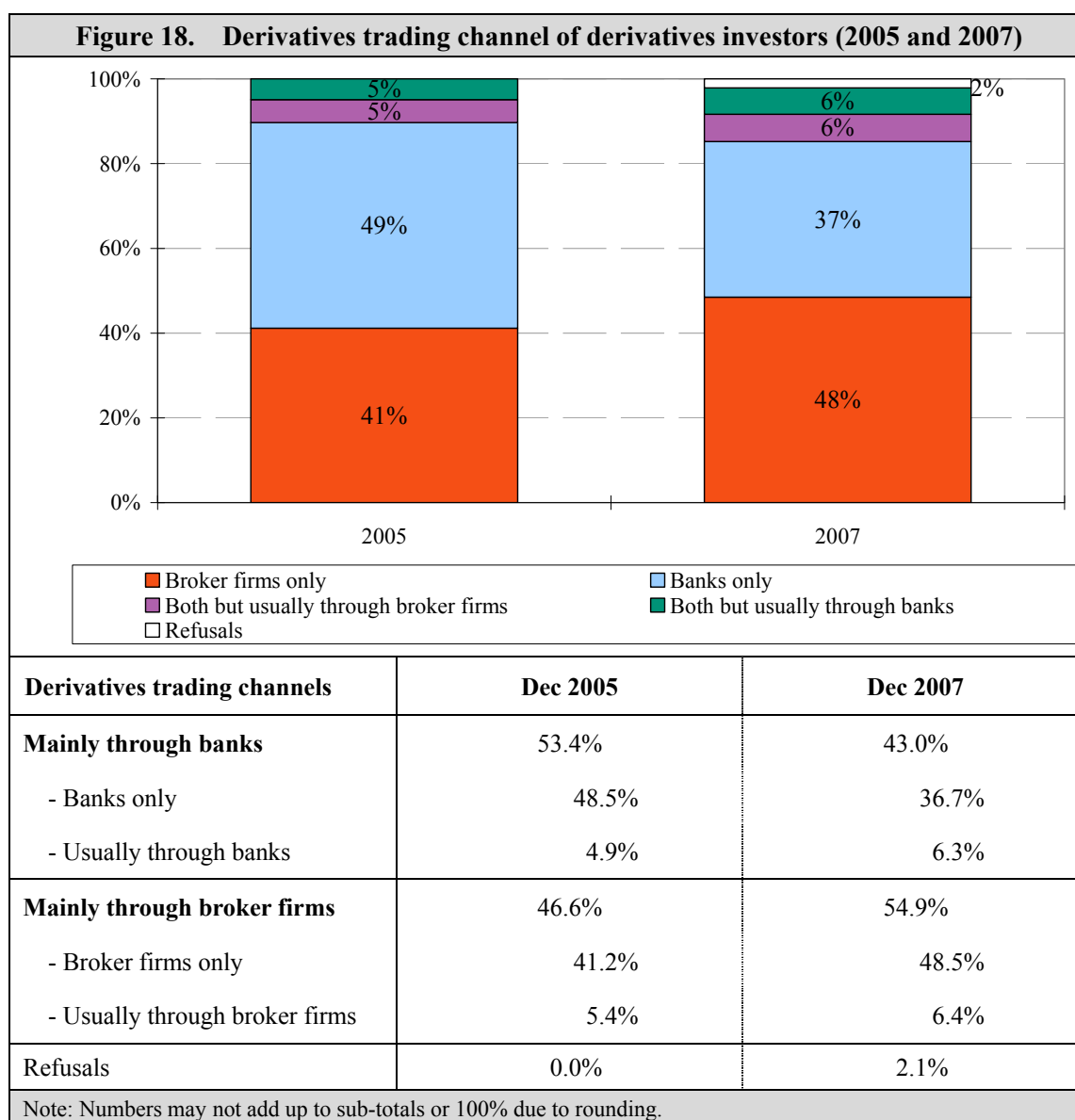


Figure 19. Number of derivatives transactions in the past 12 months by trading channel (2005 and 2007)

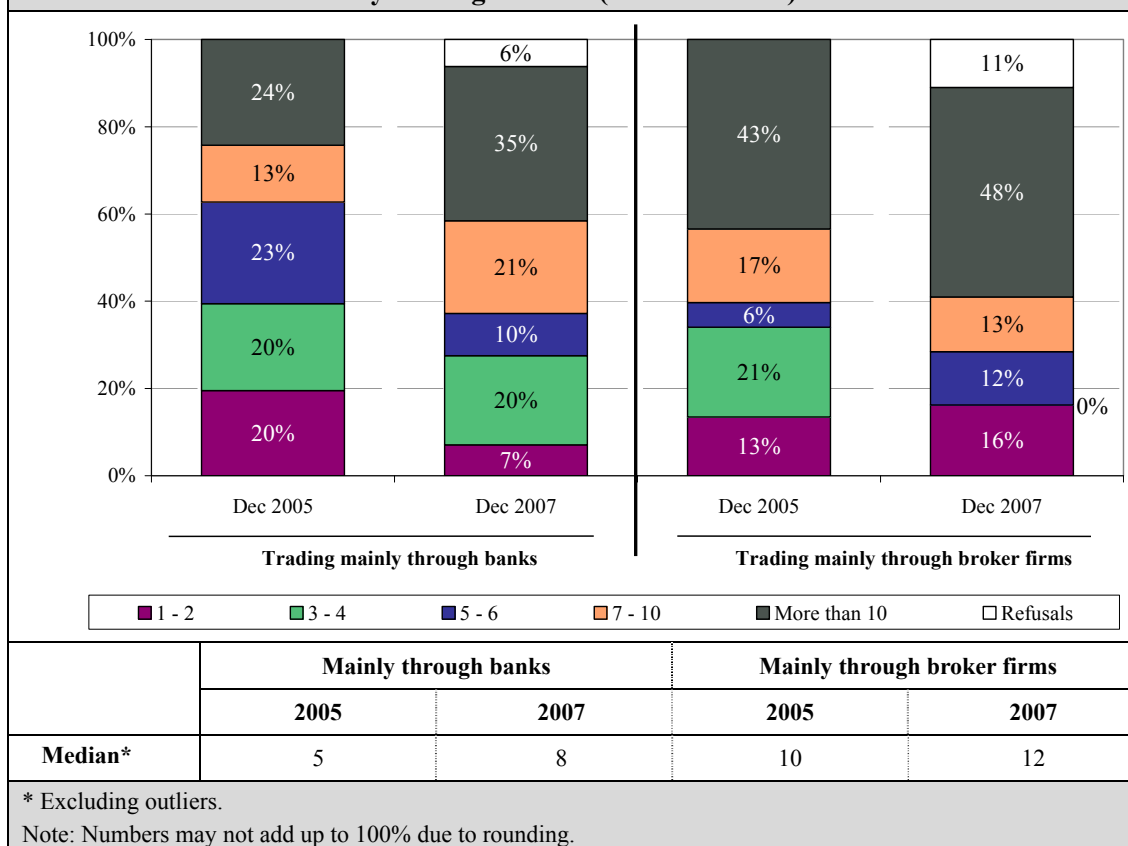


Figure 20. Average contract volume per derivatives transaction in the past 12 months by trading channel (2005 and 2007)

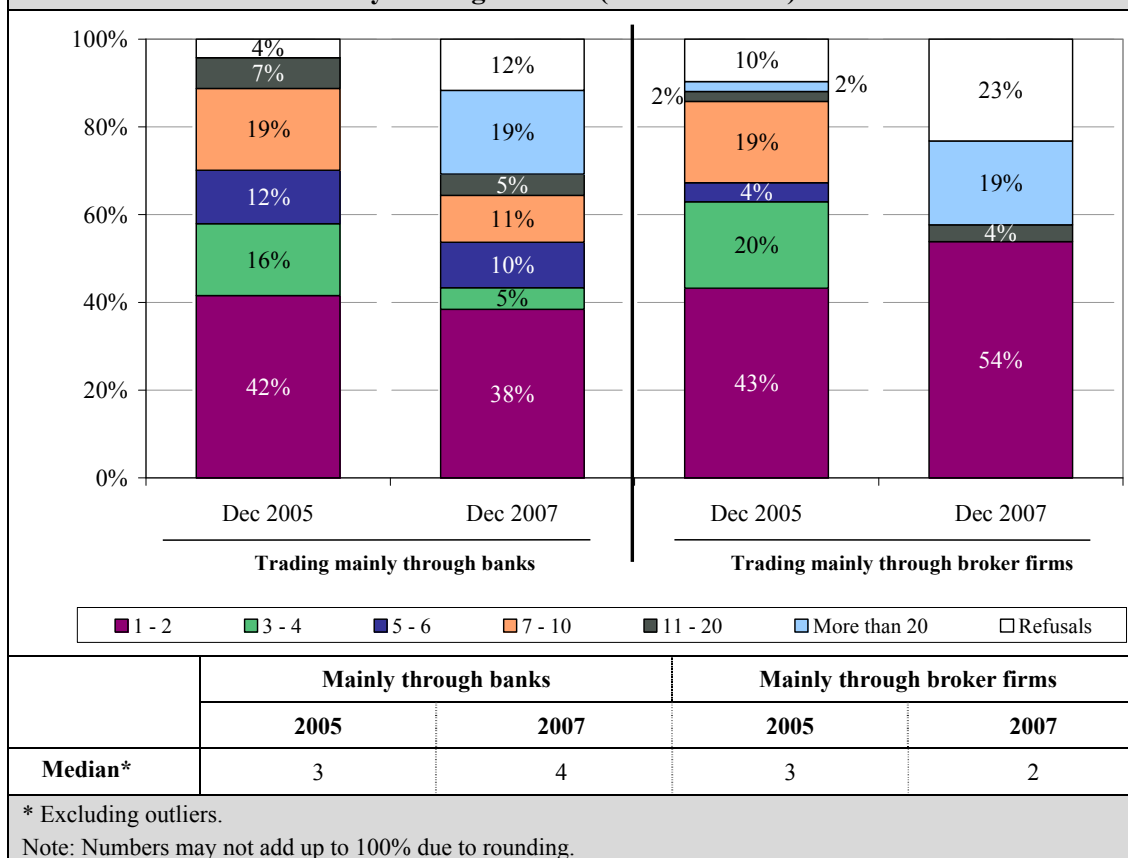
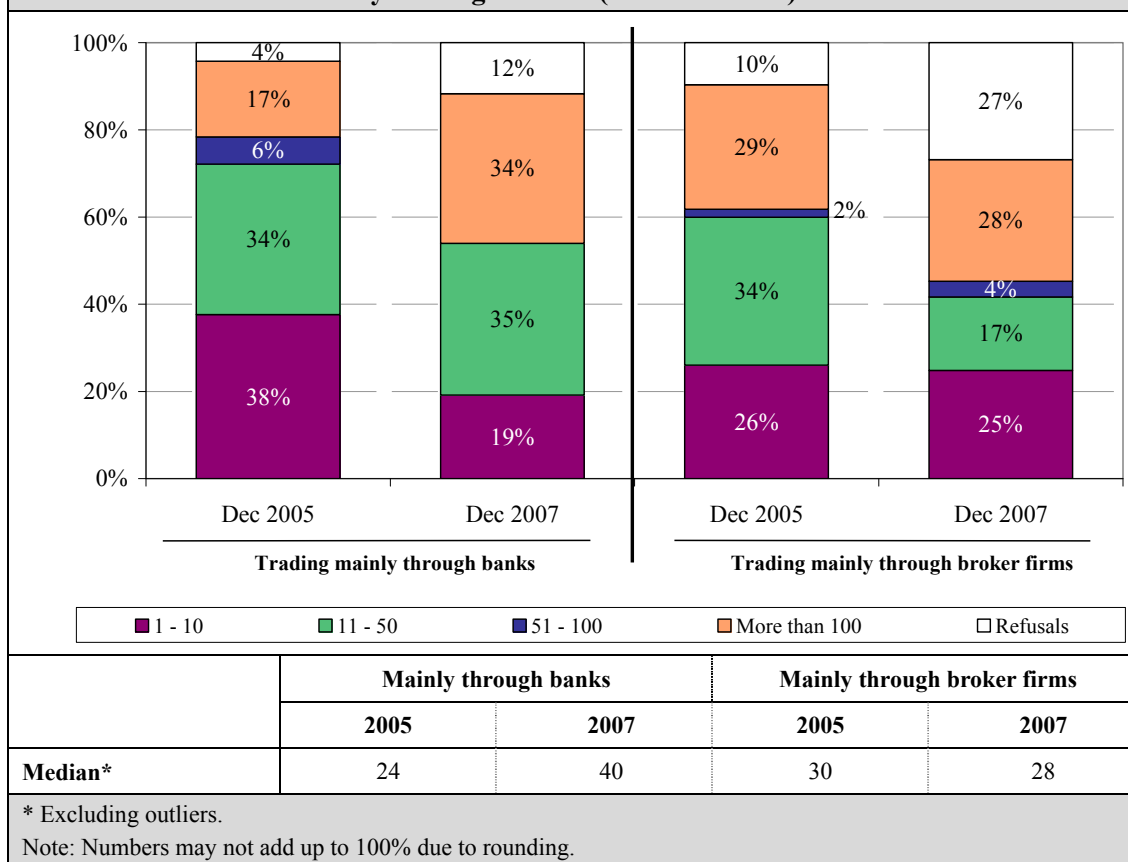


Figure 21. Implied total contract volume of derivatives investors in the past 12 months by trading channel (2005 and 2007)

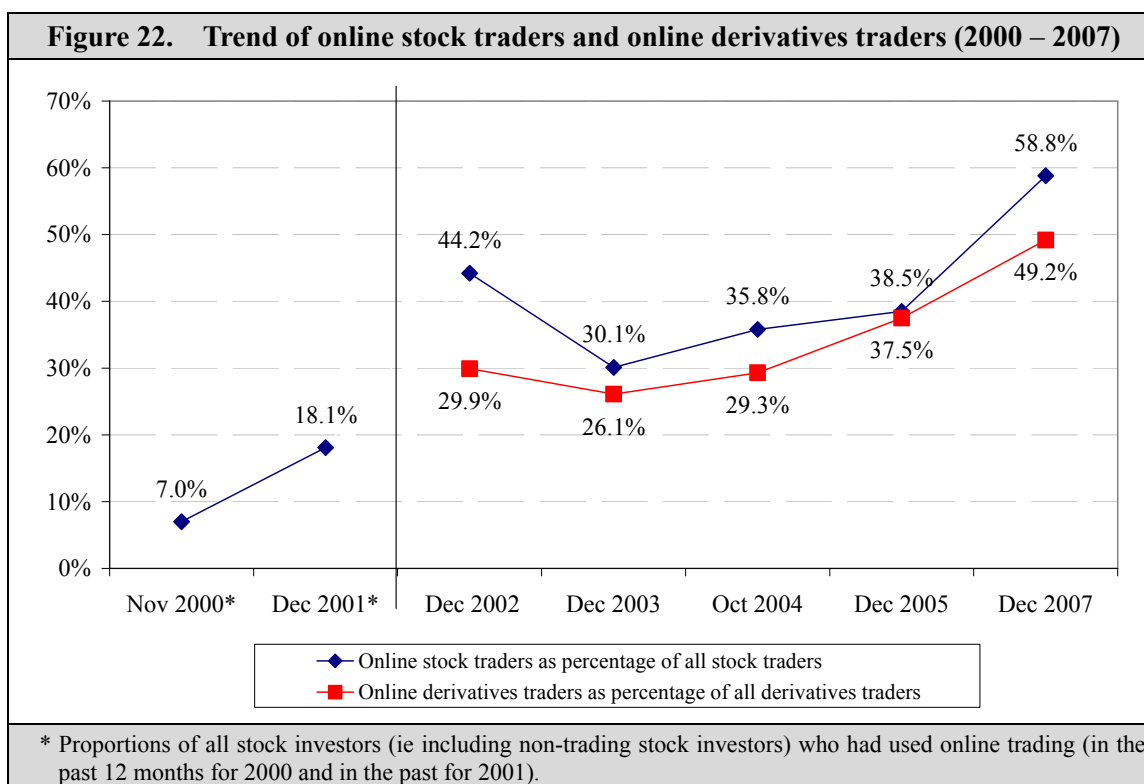


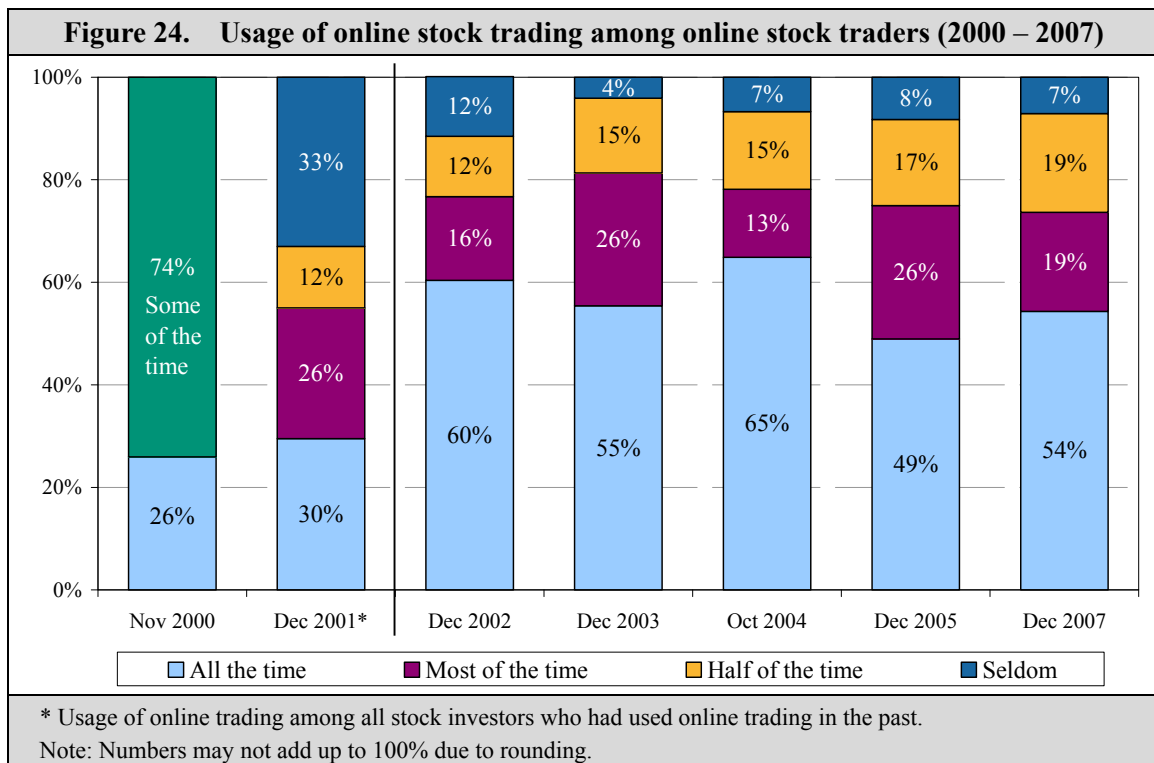
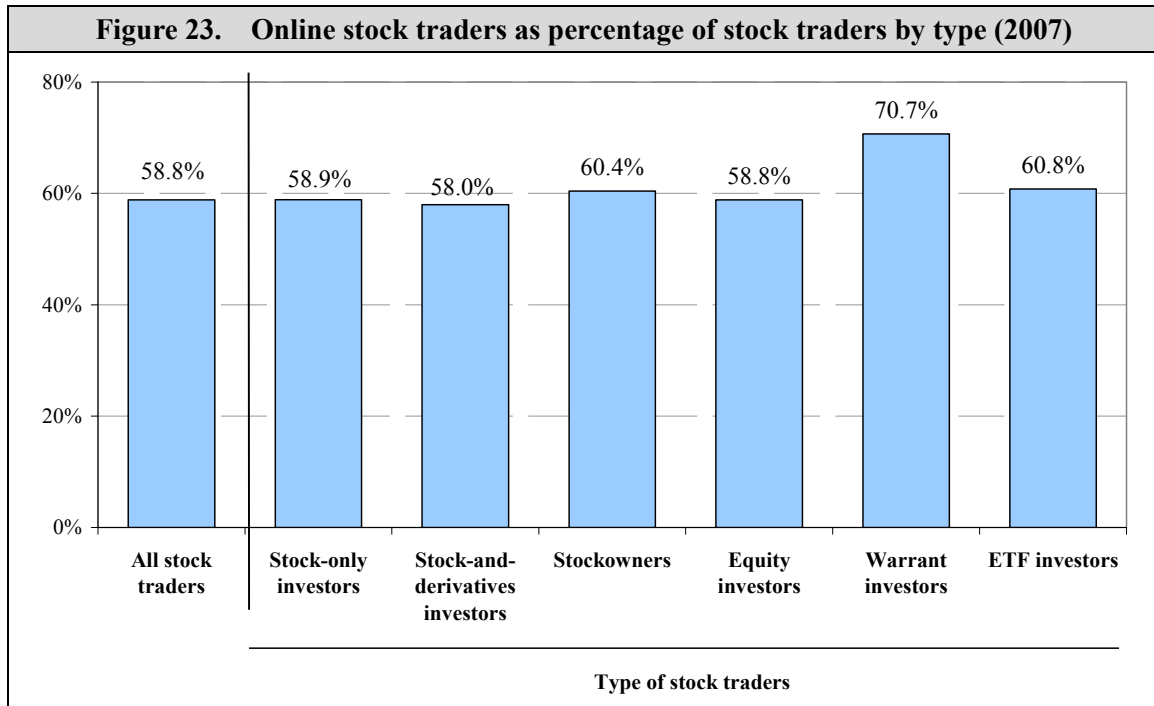
7. ONLINE TRADERS

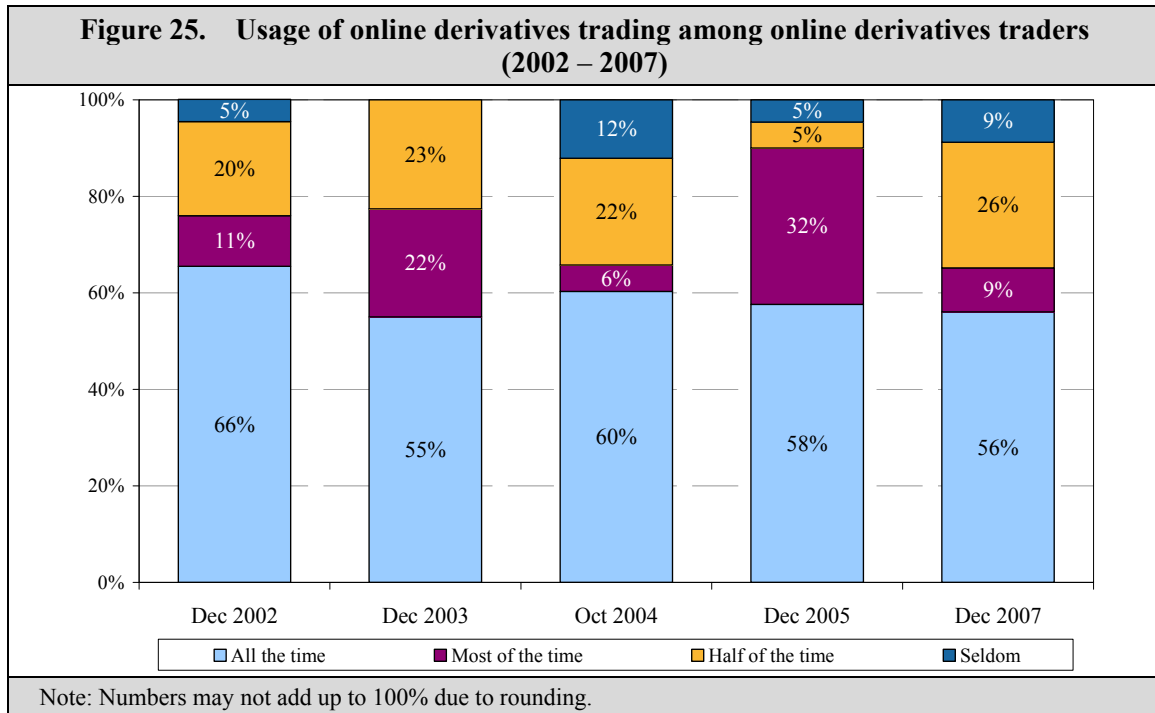
7.1 Incidence and proportion of online stock traders and online derivatives traders

- The uptrend for both online stock traders and online derivatives traders continued in 2007. Online stock traders accounted for 59% of all stock traders in 2007, the highest in record. Online derivatives traders rose to 49% of all derivatives traders in 2007, also the highest in record.
- A larger proportion of warrant investors (71%) were online stock traders as compared to other investor types (about 60%).
- Among online stock traders, 73% traded online all the time or most of the time, similar to the level in 2005 (75%). A slightly larger proportion traded online all the time in 2007 (54%) than in 2005 (49%).
- The proportion of online derivatives traders who traded online all the time or most of the time decreased from 90% in 2005 to 65% in 2007.

Note: It should be noted that the findings on derivatives investors are subject to relatively large error due to the small size of the sample of derivatives investors in the survey. Therefore, caution is needed in interpreting the findings on derivatives investors.







7.2 Profile, trading channels and trading pattern of online stock traders and online derivatives traders

- A typical online stock trader was 42 year-old, with tertiary or above education, a monthly personal income of about HK\$22,500 and a monthly household income of HK\$35,000.
- Compared to non-online stock traders, online stock traders tended to have:
 - Relatively more younger individuals and individuals with higher education level and higher work status;
 - A larger market value of stockholding (a median of HK\$150,000 vs HK\$100,000);
 - Traded mainly through banks (see section 6.1 and Figure 13);
 - Traded more frequently in the 12-month period (a median of 20 transactions vs 10);
 - A lower average value per stock transaction (a median of HK\$30,000 vs HK\$40,000); and
 - A higher implied total stock transaction value in the 12-month period (a median of HK\$600,000 vs HK\$400,000)
- Compared to non-online derivatives traders, online derivatives traders tended to have:
 - Relatively more individuals who made more than 10 derivatives transactions in the 12-month period (47% vs 43%, excluding refusals), although in median terms they had slightly lower trading frequency (8 transactions vs 10);
 - A similar average contract volume per derivatives transaction (a median of 2) and implied total contract volume in the 12-month period (a median of 40 contracts).
- As a whole, online stock traders contributed the majority of total stock trading value (61%) while non-online derivatives investors contributed the majority of total derivatives trading volume (57%).

Note: The sample obtained on online derivatives traders was too small to produce inferential statistics on their profile and trading channels.

Table 11. Profile of online and non-online stock traders (2007)

	Stock investors	Stock traders	Non-online stock traders	Online stock traders		
				Oct 04	Dec 05	Dec 07
Sex						
Male	52.5%	53.2%	50.2%	64.6%	63.3%	55.4%
Female	47.5%	46.8%	49.8%	35.4%	36.7%	44.7%
Age						
18 – 19	1.0%	1.2%	1.1%	0.0%	0.2%	1.2%
20 – 29	13.1%	13.5%	3.8%	13.9%	16.2%	20.2%
30 – 39	22.7%	23.6%	17.4%	40.1%	30.6%	27.9%
40 – 49	28.7%	30.0%	27.8%	34.9%	36.0%	31.5%
50 – 59	18.5%	17.7%	23.2%	8.0%	11.8%	13.9%
60 or over	16.0%	14.1%	26.7%	3.1%	5.2%	5.3%
Median	42	42	47	37	42	42
Education level						
No schooling / kindergarten	1.0%	0.8%	1.6%	0.0%	0.0%	0.2%
Primary	5.6%	5.2%	9.7%	3.4%	2.2%	2.0%
Lower secondary	15.0%	13.7%	20.2%	10.6%	7.0%	9.2%
Upper secondary	29.4%	30.2%	33.2%	23.8%	28.7%	28.1%
Matriculation	7.5%	8.2%	8.4%	5.5%	7.9%	8.1%
Tertiary or above	40.7%	41.6%	26.4%	56.7%	54.3%	52.3%
Refusals	0.5%	0.3%	0.5%	0.0%	0.0%	0.2%
Occupation						
Managers / administrators / professionals	22.4%	24.1%	17.5%	36.4%	31.0%	28.8%
White collar	25.8%	27.0%	21.6%	31.8%	36.3%	30.8%
Blue collar	14.0%	14.2%	15.8%	11.3%	11.0%	13.2%
Homemakers	14.7%	13.6%	17.8%	8.8%	6.7%	10.6%
Retirees	14.2%	12.7%	18.9%	4.5%	7.0%	8.4%
Students	1.9%	2.0%	1.6%	0.4%	0.7%	2.3%
Unemployed persons	2.3%	2.2%	2.9%	1.7%	3.4%	1.7%
Others	0.1%	0.0%	0.0%	0.4%	0.0%	0.0%
Refusals	4.6%	4.2%	3.2%	4.7%	3.8%	4.3%
Median monthly personal income (HK\$)*	22,500	22,500	22,500	22,500	22,500	22,500
Median monthly household income (HK\$)	35,000	35,000	35,000	35,000	45,000	35,000
* Among those who were engaged in full-time or part-time employment. Note: Numbers may not add up to 100% due to rounding.						

Figure 26. Market value of stockholding by online and non-online stock traders (2007)

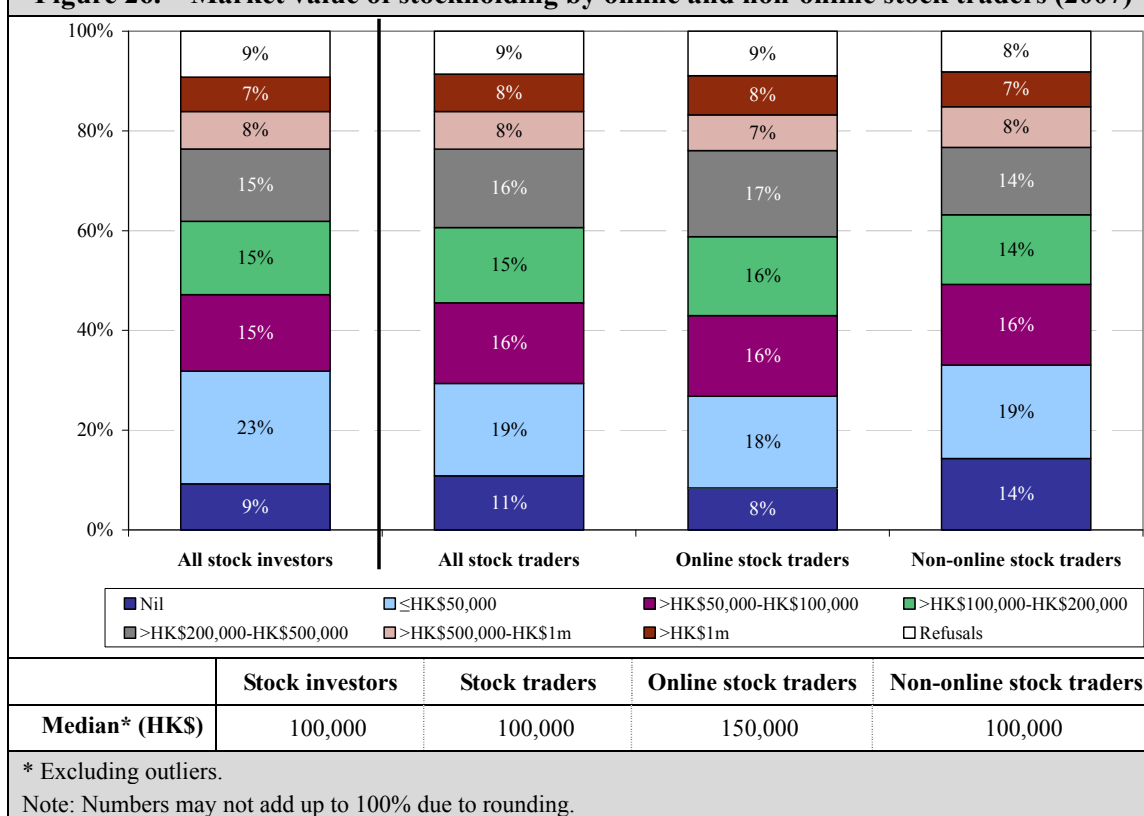


Figure 27. Number of stock transactions in the past 12 months by online stock traders (2002 – 2007)

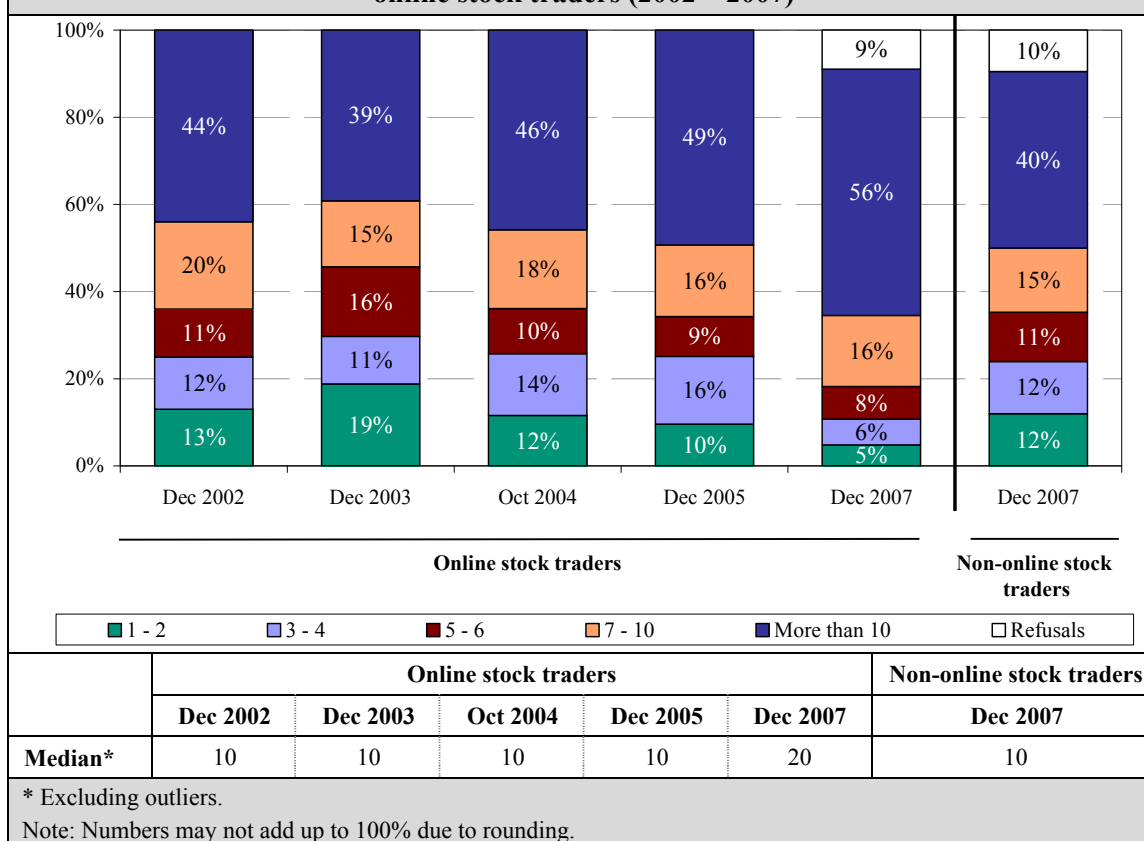


Figure 28. Average value per stock transaction in the past 12 months by online and non-online stock traders (2007)

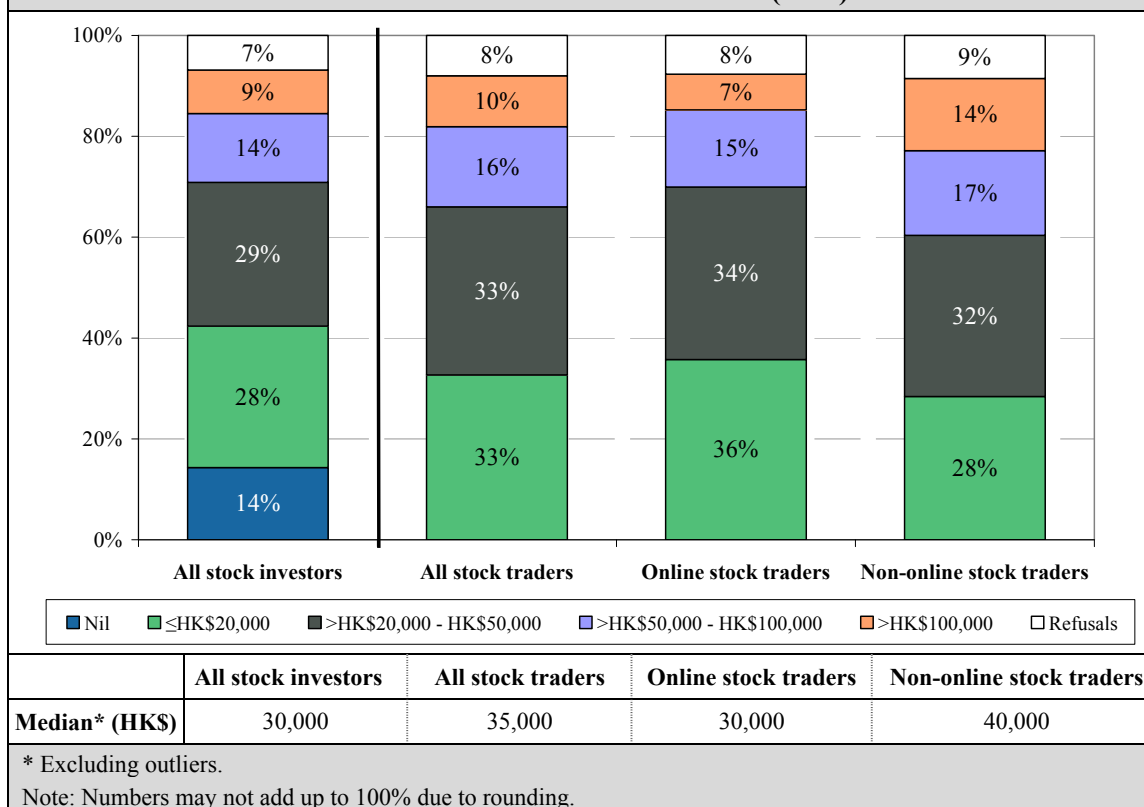
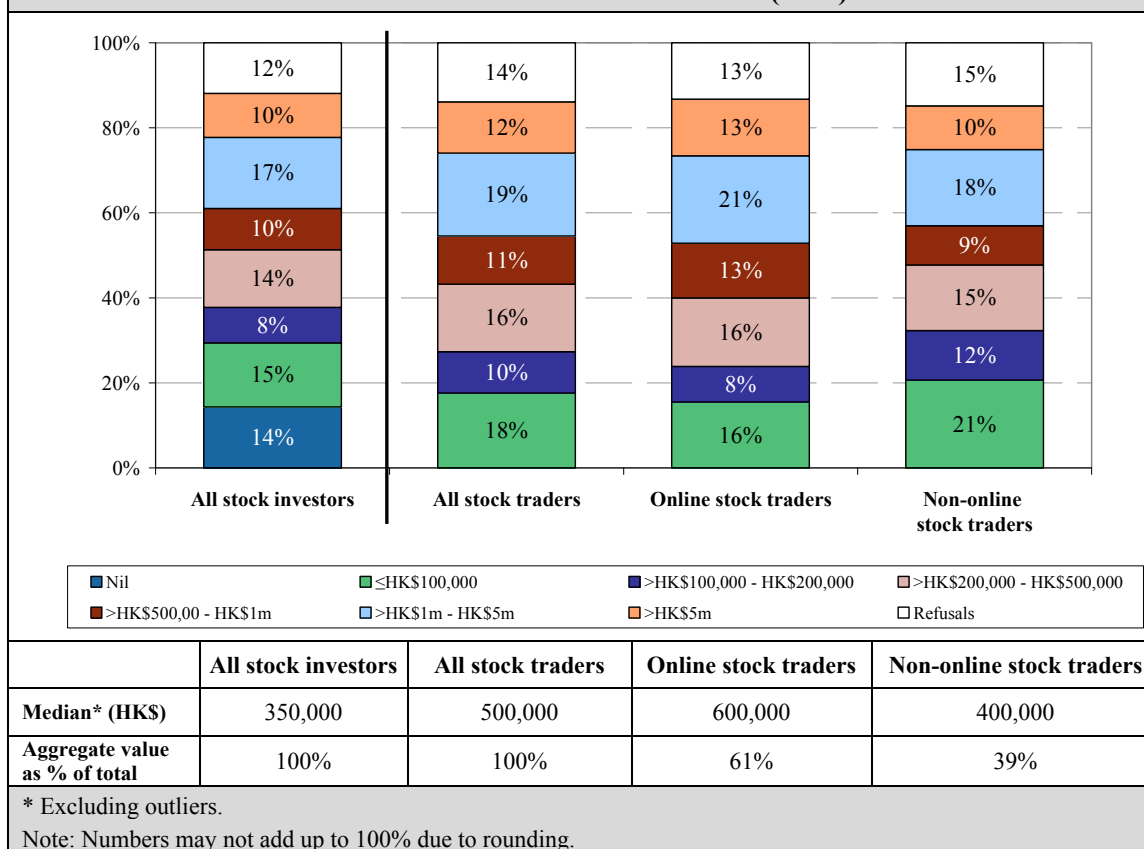


Figure 29. Implied total stock transaction value in the past 12 months by online and non-online stock traders (2007)



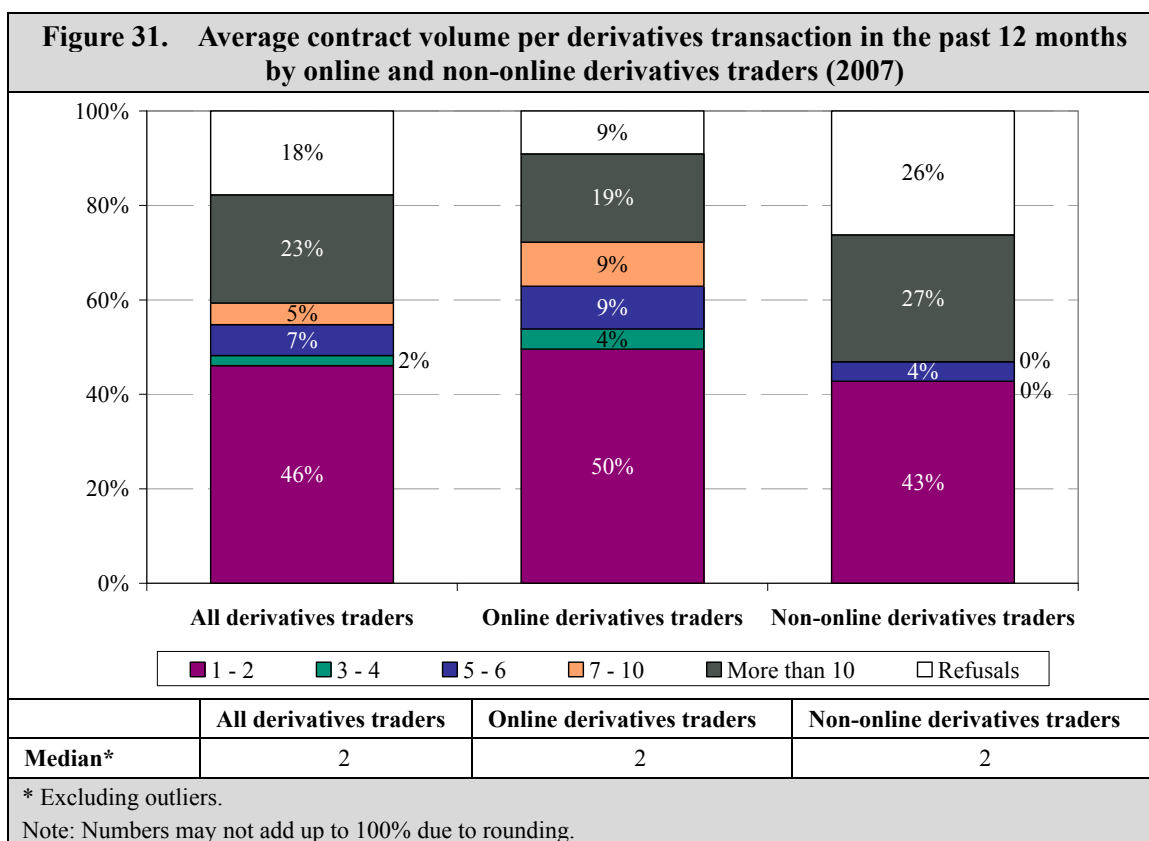
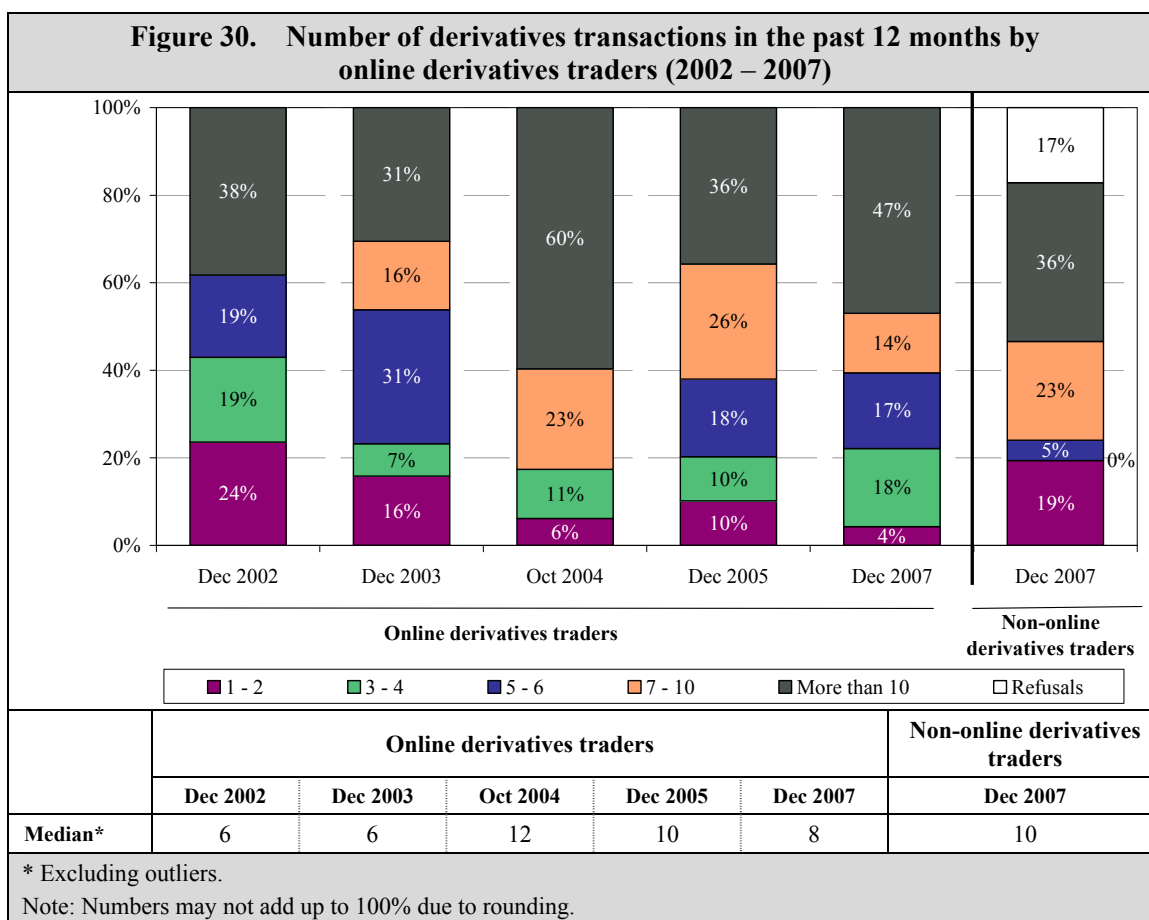
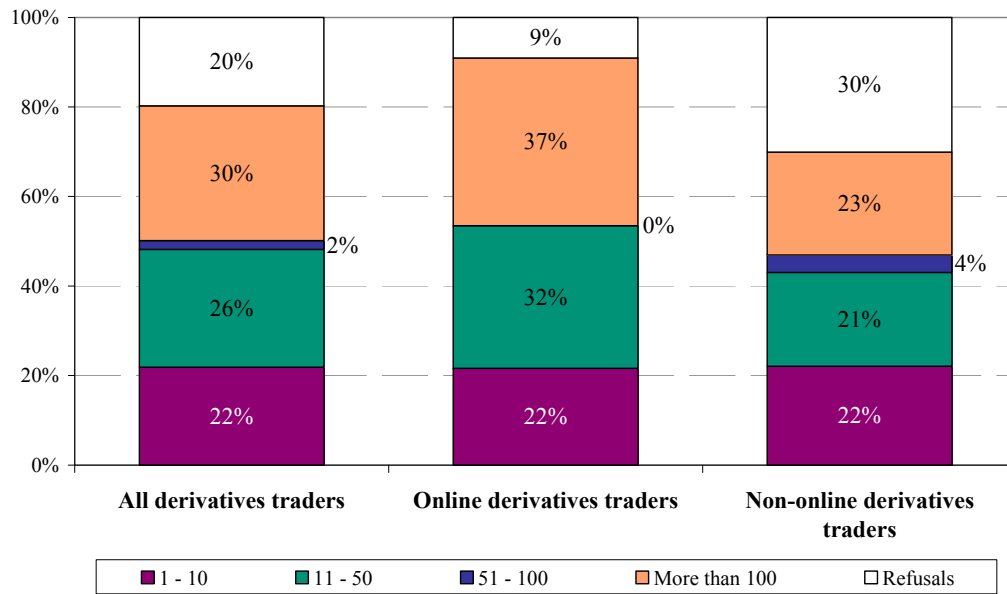


Figure 32. Implied total transaction value in the past 12 months by online and non-online derivatives traders (2007)



	All derivatives traders	Online derivatives traders	Non-online derivatives traders
Median*	40	40	40
Aggregate volume as % of total	100%	43%	57%

* Excluding outliers.

Note: Numbers may not add up to 100% due to rounding.

8. PERCEPTIONS OF THE HKEx MARKETS

In the 2007 survey, respondents were asked to give their degree of agreements to statements about the HKEx markets on a 7-point scale (7 being strongly agree and 1 being strongly disagree). The mean score for each market aspect was then calculated to compare the relative rating of the aspects. For comparison with the previous year's results, the answers were grouped into disagree (score 1 – 3), neutral (score 4) and agree (5 – 7).

- Stock investors' perceptions of the various aspects of the Hong Kong stock market were generally positive (all had mean scores above 4). Stock investors were most positive about "trading information available in the Hong Kong stock market" (mean score of 5.66) and least positive about "effective regulation of insider trading" (mean score of 4.47).
- Stock investors' perception in comparison with results in 2005 were:
 - More positive (larger proportion agreed and equal or lower proportion disagreed) in respect of:
 - good trading information available in the Hong Kong stock market
 - fair and orderly stock market
 - enough good quality listed companies available for investment
 - effective regulation of listed companies
 - well protection of investors
 - good disclosure of information by listed companies
 - less positive in respect of "effective regulation of stock brokers" (59% agreed in 2007 vs 62% in 2005; 16% disagreed in 2007 vs 9% in 2005);
 - Similarly low in respect of "effective regulation of insider trading" (50% agreed in 2007 vs 43% in 2005; 22% disagreed in 2007 vs 17% in 2005).
- On comparing the mean scores, frequent and non-frequent stock traders and non-trading stock investors had similarly positive views on the Hong Kong stock market except that stock traders were less positive about "well protection of stock investors" than non-trading stock investors.
- Derivatives investors were generally positive about the various aspects of the HKEx derivatives market (all had mean scores close to 5). They were most positive about "fair and orderly derivatives market" (mean score of 5.02) and least positive about "well protection of derivatives investors" (mean score of 4.77).
- Derivatives investors' perception in comparison with results in 2005 improved on each derivatives market aspect measured.
- Stock investors who traded through broker firms held slightly more positive view on "effective regulation of stock brokers" than those traded mainly through banks.
- Compared with 2005, a similar proportion (60% vs 59%) of retail investors agreed that "HKEx gives priority to the public interest" but a larger proportion disagreed (23% vs 14%). Stock investors were slightly more positive than derivatives investors, although the difference was not statistically significant.

Notes: It should be noted that the findings on derivatives investors are subject to relatively large error due to the small size of the sample of derivatives investors in the survey. Therefore, caution is needed in interpreting the findings on derivatives investors.

The survey assesses retail investors' perceptions of certain aspects of the securities and derivatives markets operated by HKEx. Areas of assessment include those which would largely be outside the responsibilities of HKEx, such as the regulation of brokers and the regulation of insider trading.

Figure 33. Perceptions of the Hong Kong stock market (2005 and 2007)

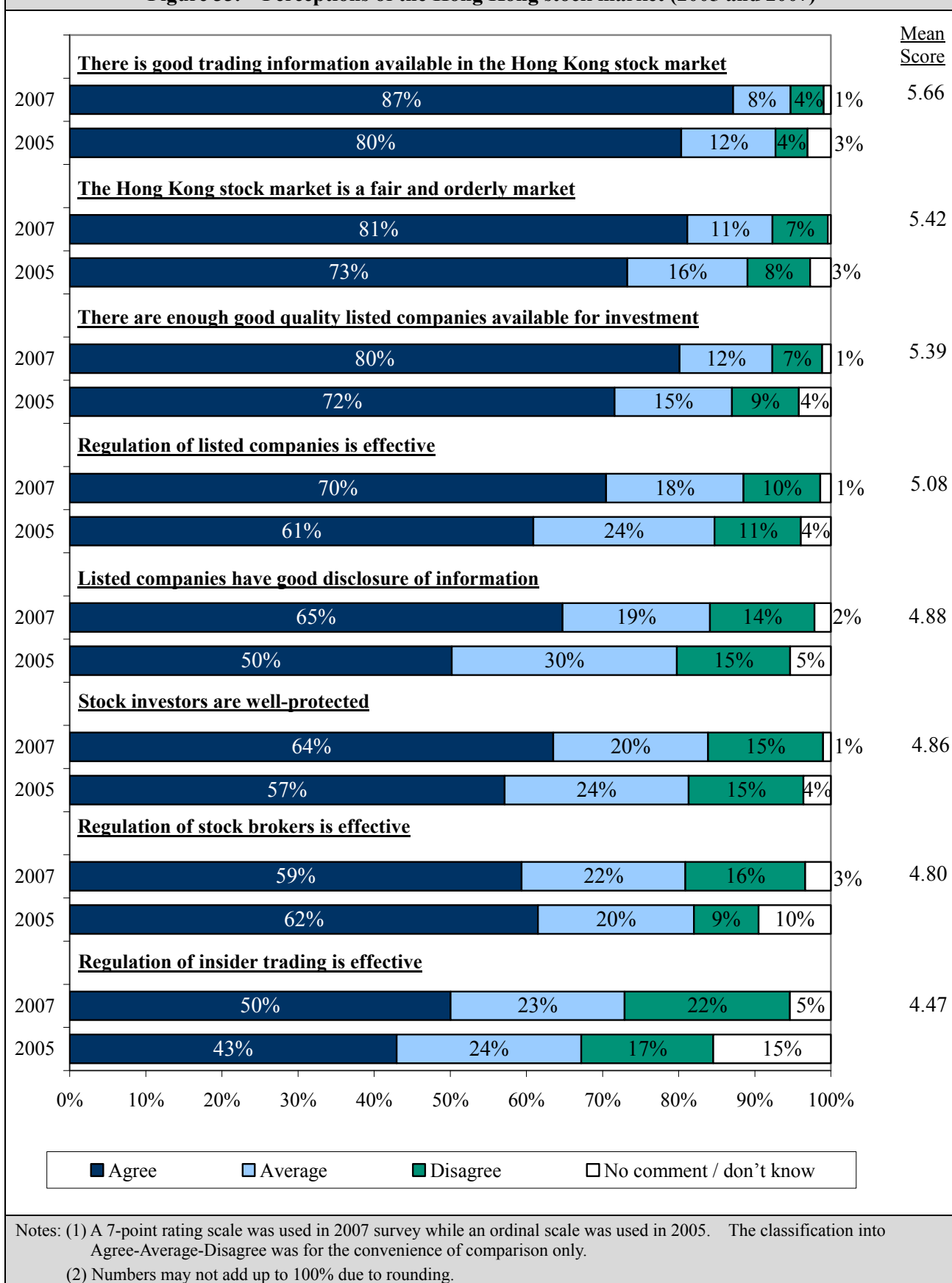
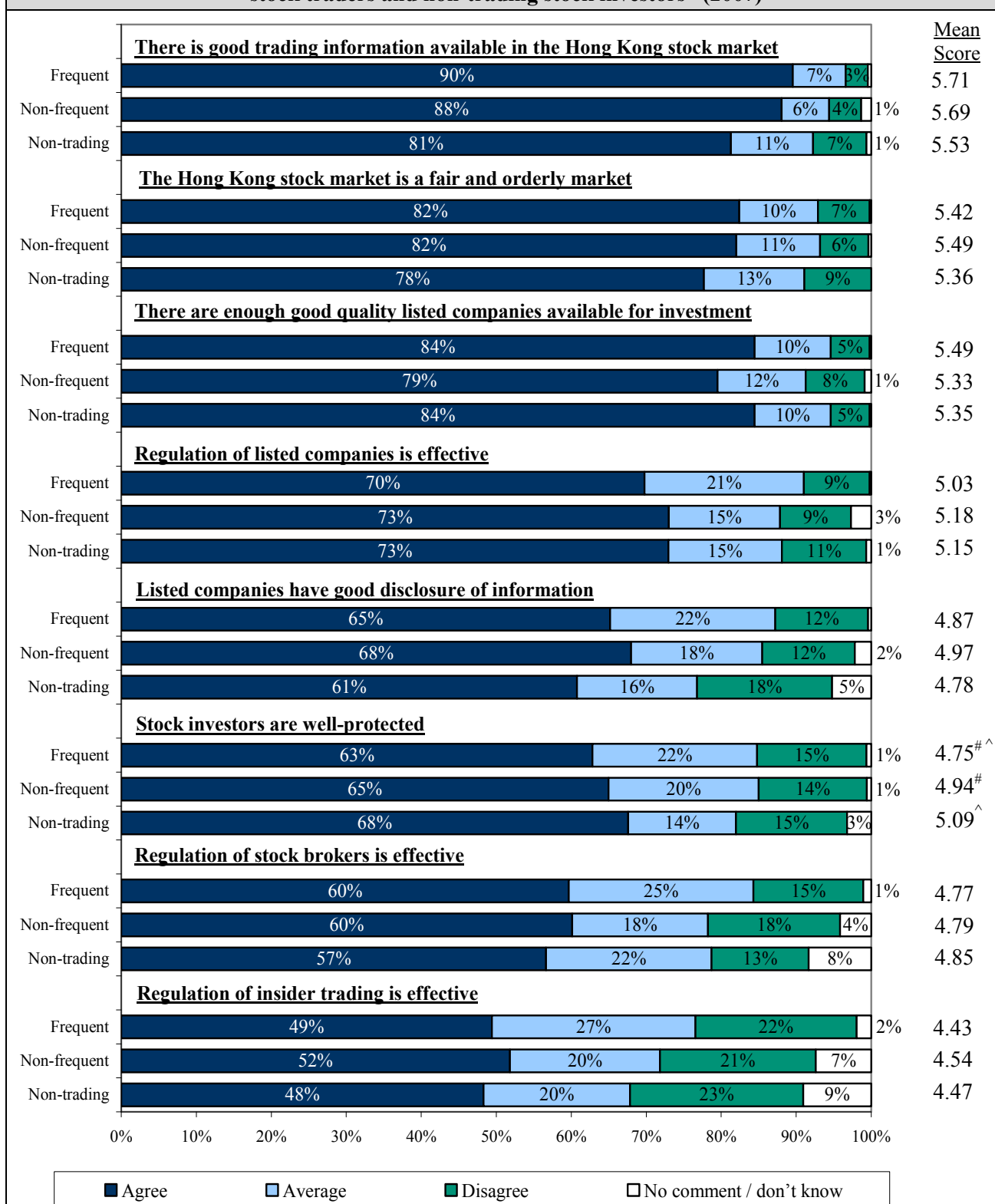


Figure 34. Comparison of perceptions of the Hong Kong stock market by frequent, non-frequent stock traders and non-trading stock investors* (2007)

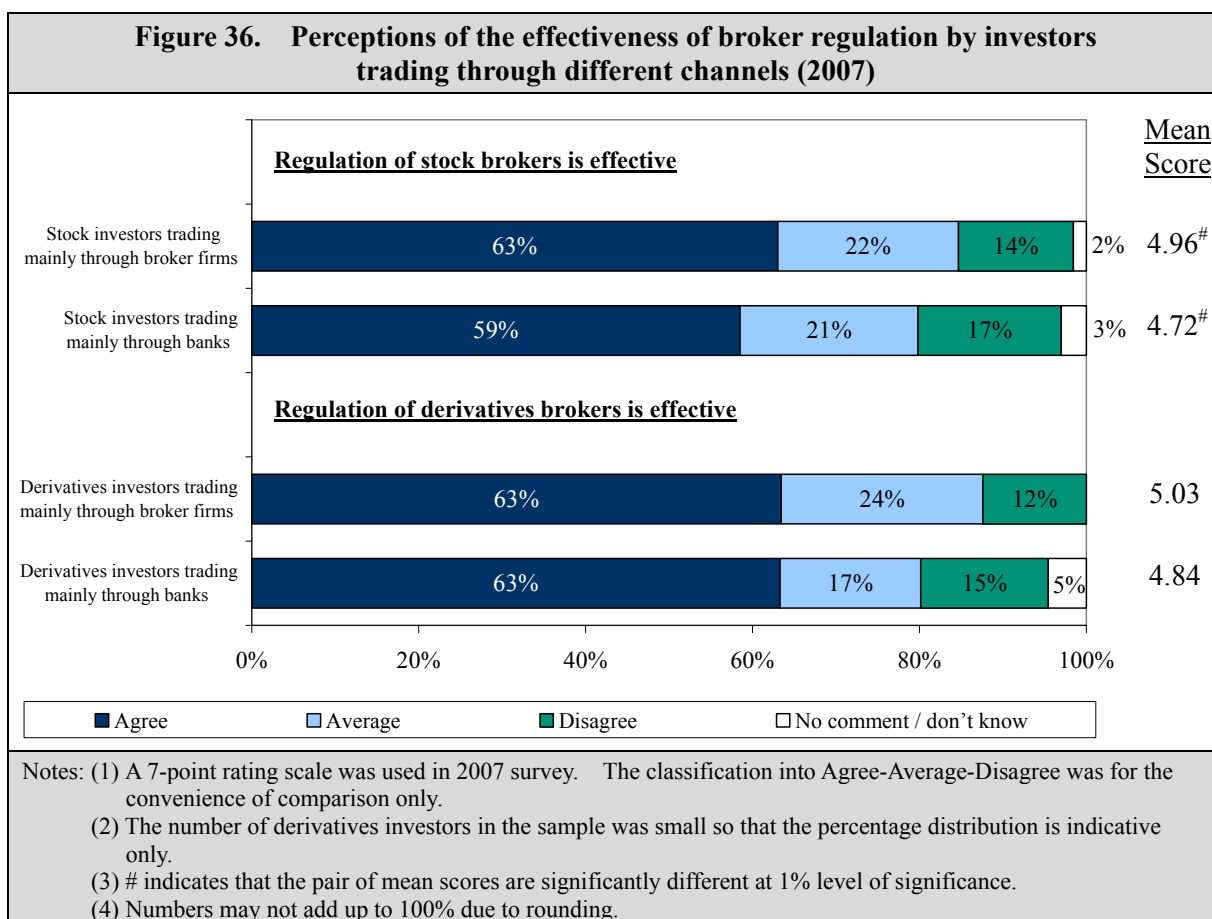
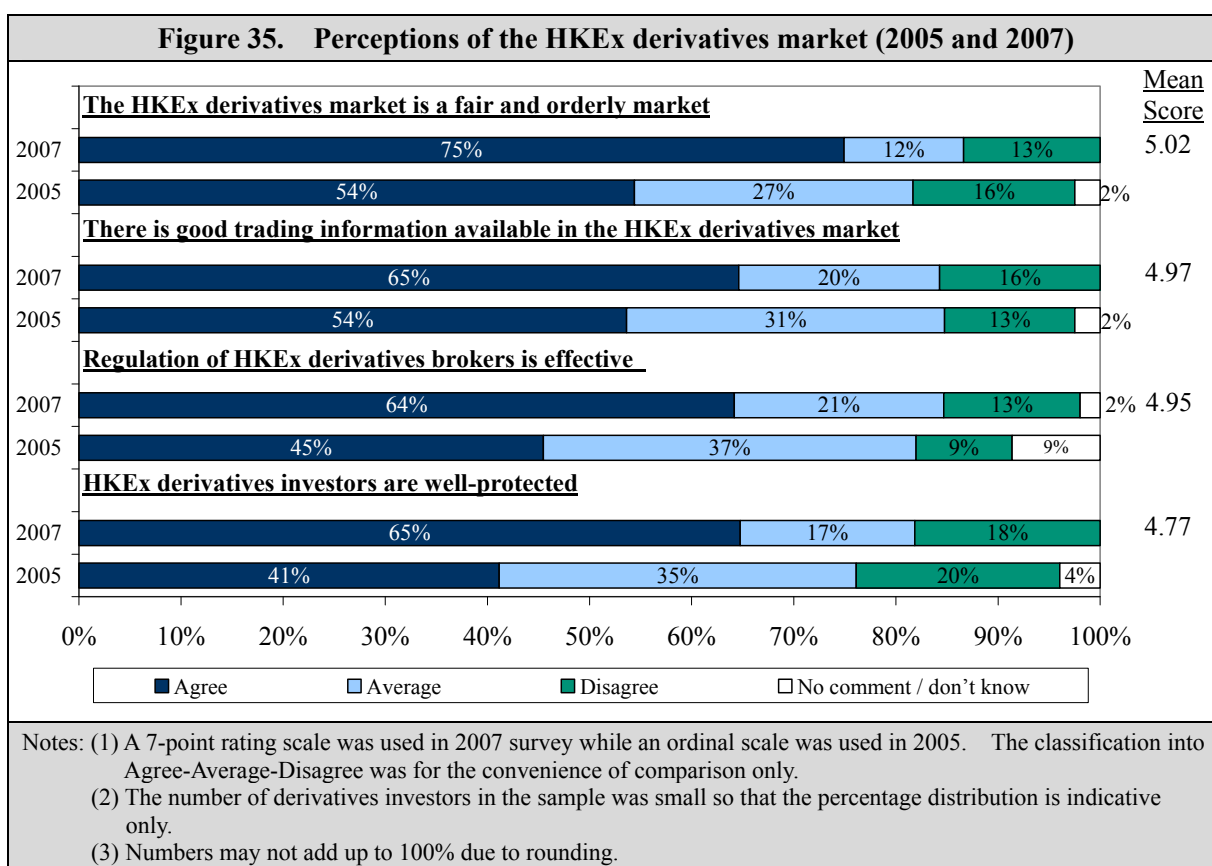


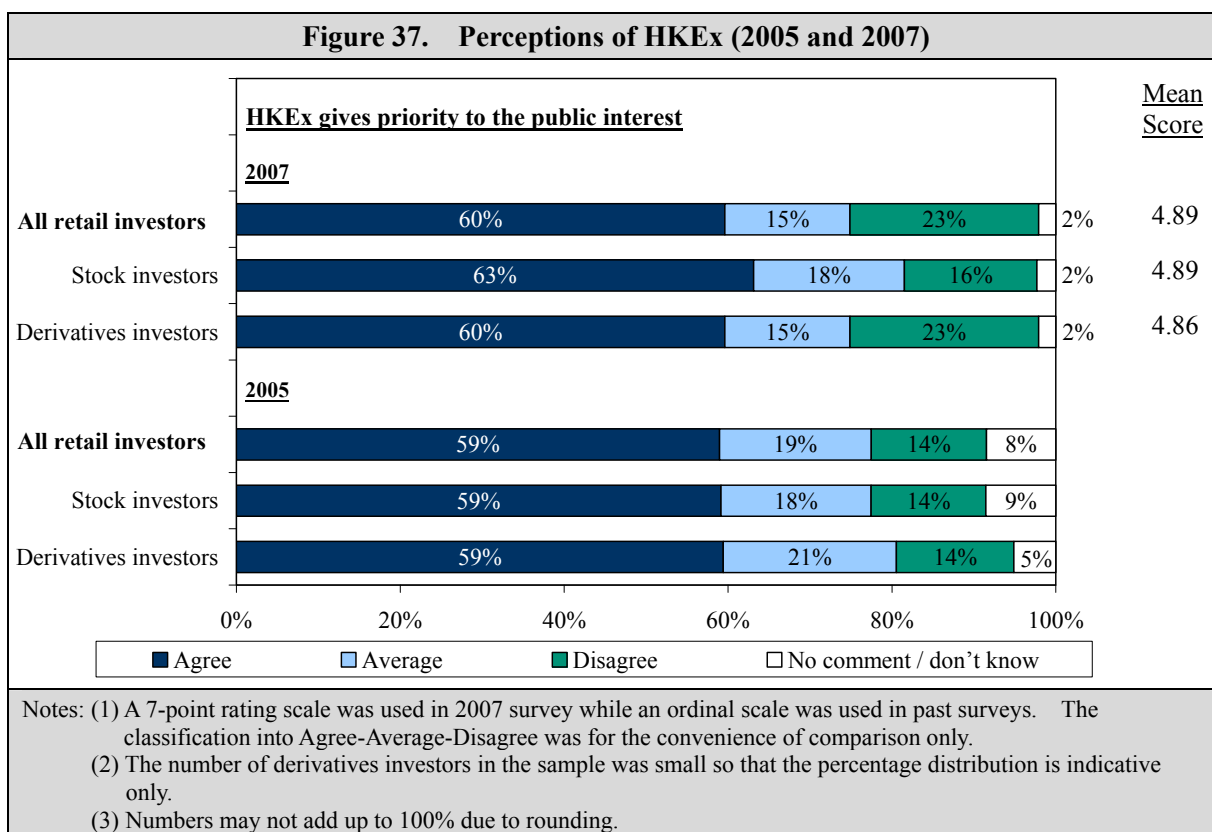
* Frequent stock traders are stock traders who traded more than 10 times in the 12-month period; non-frequent stock traders are stock traders who traded 1 to 10 times in the 12-month period; non-trading stock investors are stockowners who did not trade stocks in the 12-month period.

Notes: (1) A 7-point rating scale was used in 2007 survey. The classification into Agree-Average-Disagree was for the convenience of comparison only.

(2) #/^ indicates that the pair of mean scores are significantly different at 5%/1% level of significance respectively.

(3) Numbers may not add up to 100% due to rounding.





GLOSSARY

Derivatives	Futures and options traded on HKEx.
Derivatives investor	An individual who was holding derivatives at the time of interview or had traded derivatives in the 12 months preceding the interview.
Derivatives-only investor	An individual who is a derivatives investor BUT NOT a stock investor.
Equity investor	An individual who was holding equities (ie shares of listed companies) listed or traded on HKEx at the time of interview OR had traded equities in the 12 months preceding the interview.
Equity-only investor	A stock investor who is an equity investor BUT NOT a warrant investor or ETF investor.
ETF investor	An individual who was holding ETFs listed or traded on HKEx at the time of interview OR had traded ETFs in the 12 months preceding the interview.
ETF-only investor	A stock investor who is an ETF investor BUT NOT an equity investor or warrant investor.
Non-investor	An individual who is neither a stock investor nor a derivatives investor.
Non-online derivatives trader*	A derivatives investor who is not an online derivatives trader.
Non-online stock trader	A stock trader who is not an online stock trader.
Non-trading stock investor	A stockowner who had not traded stocks in the 12 months preceding the interview.
Online derivatives trader*	A derivatives trader who had traded derivatives in the 12 months preceding the interview through electronic media such as the Internet, either always or sometimes.
Online stock trader	A stock trader who had traded stocks in the 12 months preceding the interview through electronic media such as the Internet, either always or sometimes.
Retail investor	An individual who is a stock investor AND/OR a derivatives investor.
Stock investor	An individual who was holding stocks at the time of interview OR had traded stocks in the 12 months preceding the interview. (That is, the individual is a stockowner and/or a stock trader.)
Stock trader	An individual who had traded stocks in 12 months preceding the interview.
Stock-and-derivatives investor	An individual who is a stock investor AND a derivatives investor.
Stock-only investor	An individual who is a stock investor BUT NOT a derivatives investor.
Stockowner	An individual who was holding stocks at the time of the interview.
Stocks	Equities (ie shares of listed companies), warrants, Exchange Traded Funds (ETFs), Callable Bull/Bear Contracts (CBBCs), Real Estate Investment Trusts (REITs) and other cash market products listed or traded on HKEx.
Warrant investor	An individual who was holding warrants listed or traded on HKEx at the time of interview OR had traded warrants in the 12 months preceding the interview.
Warrant-only investor	A stock investor who is a warrant investor BUT NOT an equity investor or ETF investor.

* Reflecting the nature of derivatives trading, all derivatives investors had traded derivatives in the 12 months preceding the interview.

APPENDIX 1. SURVEY METHODOLOGY

(1) Methodology

- The survey fieldwork was conducted from 16 November 2007 to 15 January 2008. A random sampling process was adopted to select individuals aged 18 or above in the Hong Kong population. Selected individuals were interviewed through telephone in accordance with a structured questionnaire. The survey was conducted in two stages of random household sampling.
- The first stage was to find out the incidence of retail investors among the Hong Kong adult population. In this stage, 2,005 individuals were interviewed, of which 716 were stock investors and 30 were derivatives investors. The second stage was to interview an additional sample of stock investors to boost the sample size of stock investors to over 1,000, thereby providing more reliable analysis results on this investor type. In this stage, 287 additional stock investors were interviewed; among them, 15 were also derivatives investors.
- In total, 2,292 individuals were interviewed, of which 1,003 were stock investors and 45 were derivatives investors.

(2) Limitations

- Since the survey findings are projected figures/estimates concerning the whole Hong Kong adult population, they are subject to sampling error. For stock investors, the sample size is regarded as large enough to produce survey findings with acceptable levels of precision. For derivatives investors, due to the small sample size of this investor type, the findings are subject to bigger possible error and certain detailed analysis on this investor type could not be performed.
- In assessing the retail participation in a certain product type, the respondent's familiarity with the product type would affect the reliability of his/her response to the question which would then be subject to error due to the respondent's misinterpretation. For example, ETFs might be misinterpreted by the respondent as general unit trusts or mutual funds not traded on the exchange. A misclassification of investor type by product would affect subsequent findings on the characteristics of this type of investor. This type of error would be controlled to some extent by clarification by the interviewer at the time of the interview but would not be totally avoided in a survey of the general public.
- Some responses were perceptions or estimates of respondents that might deviate from the truth, such as value of stockholding, frequency of trading and trading value or volume.
- Respondents might intentionally not tell the truth on sensitive questions such as income level.

(3) Comparability with past surveys

- The definition of "Hong Kong stocks" includes shares, warrants, Exchange Traded Funds (ETFs) since the 2001 survey, Real Estate Investment Trusts (REITs) since 2005 and Callable Bull/Bear Contracts (CBBCs) in 2007. In prior surveys, it referred to shares, warrants and stock options, these being SEHK's products at that time. Nevertheless, the proportion of stock investors who invested exclusively in stock options but not shares was negligible. The incidence of retail stock investment should be comparable.

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- The definition of “adults” in surveys before 1997 referred to individuals aged 21 or above. Since 1997, the definition was revised to individuals aged 18 or above.
 - Minor amendments were made to the definition of online stock traders in surveys before 2002. In the 2000 survey, online traders were stock investors who had placed orders via Internet in the past 12 months preceding the interview. In 2001 survey, online traders were stock investors who had traded stocks through electronic media such as the Internet and mobile phone, either always or sometimes. Since 2002, this definition was confined to trading in the past 12 months preceding the interview. Such amendment of the definition is expected to have little material impact on the comparability of the findings.
 - The sampling method used in previous surveys was Kish grid (ie random selection of eligible members within a household) and that in 2007 was random household sampling (ie the first eligible member answering the call). Such a change would have some impact on the comparability of the findings due to sampling error. Nevertheless, the 2007 survey method gives an acceptable sampling error for major statistics (see Appendix 3).
 - For opinion questions, the rating scale was changed to a 7-point scale, where 7 means strongly agree and 1 means strongly disagree; while an ordinal scale of 5 categories from strongly agree to strongly disagree was used in previous surveys. A 7-point scale is used because it can generate a mean score for an opinion to compare with future results. For comparison with previous years, the answers are re-classified into three categories of agree-neutral-disagree.

APPENDIX 2. RESPONDED SAMPLE BY INVESTOR TYPE

Responded type	Number in responded sample ¹¹
Retail investors	1,004
<u>Stock investors</u>	1,003
Stock-only investors	959
Stock-and-derivatives investors	44
Stockowners	911
Stock traders	856
Online stock traders	491
<u>Derivatives investors</u>	45
Derivatives-only investors	1
Stock-and-derivatives investors	44
Derivatives traders	44
Online derivatives traders	22
Non-investors	1,288
Total sample	2,292

¹¹ Since the survey adopts a two-stage sampling process and a weighting process on each respondent type for projection onto the overall population, the proportion of respondents for the respective investor types in the responded sample should not be directly regarded as their respective participation rates.

APPENDIX 3. PRECISION OF SURVEY FINDINGS

Table A. Relative sampling errors of the proportion of the various investor types			
Investor type	Proportion	Relative error¹²	95% confidence interval
<u>Among adult population</u>			
Stock investors	35.7%	2.8%	33.7% – 37.7%
Stockowners	32.4%	3.0%	30.5% – 34.3%
Stock-only investors	34.1%	2.9%	32.2% – 36.1%
Stock-and-derivatives investors	1.6%	16.4%	1.1% – 2.1%
Stock traders	30.6%	3.1%	28.7% – 32.5%
Derivatives investors	1.6%	16.2%	1.1% – 2.2%
<u>Among stock / derivatives investors</u>			
Equity investors	97.9%	0.5%	97.0% – 98.8%
Warrant investors	19.9%	6.3%	17.4% – 22.4%
ETF investors	21.9%	6.0%	19.4% – 24.5%
Online stock traders	50.4%	3.1%	47.3% – 53.5%
Online derivatives traders	49.2%	15.1%	34.6% – 63.8%

Table B. Relative sampling errors of the projected number of the various investor types			
Investor type	Estimated population ('000)	Relative error¹²	95% confidence interval ('000)
<i>Stock investors</i>			
Stockowners	2,022	2.8%	1,911 – 2,133
Stock-only investors	1,834	3.0%	1,725 – 1,942
Stock-and-derivatives investors	1,931	2.9%	1,822 – 2,041
Equity investors	90	16.4%	61 – 119
Warrant investors	1,980	0.5%	1,962 – 1,998
ETF investors	402	6.3%	352 – 452
Stock traders	443	6.0%	392 – 495
Online stock traders	1,732	3.1%	1,625 – 1,839
Online derivatives traders	1,019	3.1%	956 – 1,081
<i>Derivatives investors</i>			
Online derivatives traders	93	16.2%	63 – 122
	46	15.1%	32 – 59

¹² The relative errors were derived by assuming simple random sampling. The results would also be subject to non-sampling errors due to other factors such as null response and misinterpretation.

Table C. Relative errors of the projected number of stock traders by trading channel			
Type of trading channel	Estimated adult population ('000)	Relative error ¹³	95% confidence interval ('000)
<i>Mainly through banks</i>	<i>1,195</i>	<i>2.3%</i>	<i>1,141 – 1,248</i>
- banks only	1,089	2.6%	1,033 – 1,145
- usually through banks	106	13.4%	78 – 134
<i>Mainly through broker firms</i>	<i>520</i>	<i>5.2%</i>	<i>466 – 573</i>
- broker firms only	391	6.3%	342 – 439
- usually through broker firms	129	12.1%	98 – 159

Table D. Relative errors of the projected number of derivatives traders by trading channel			
Type of trading channel	Estimated adult population ('000)	Relative error ¹³	95% confidence interval ('000)
<i>Mainly through banks</i>	<i>40</i>	<i>17.2%</i>	<i>27 – 53</i>
- banks only	34	19.6%	21 – 47
- usually through banks	6	57.6%	0 – 12
<i>Mainly through broker firms</i>	<i>51</i>	<i>13.5%</i>	<i>37 – 65</i>
- broker firms only	45	15.4%	31 – 59
- usually through broker firms	6	57.0%	0 – 13

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¹³ The relative errors were derived by assuming simple random sampling. The results would also be subject to non-sampling errors due to other factors such as null response and misinterpretation.