

**Hong Kong Online Investors Shift Strategy Amid Changing Market Dynamics**

- Retail online investing sees a dip from pandemic peak, yet optimism grows for the HSI
- A surge in defensive asset investments amidst improved market outlook
- International equities, especially US stocks, now a staple in portfolios as social media's role in investing decision-making expands

**3<sup>rd</sup> April, Hong Kong** – In the most recent findings from its 2023 Hong Kong Online Investing Report, Investment Trends unveils a nuanced shift in online investment behaviours and preferences, evidencing the adaptability and evolving strategies of Hong Kong's retail investors in a fluctuating market environment.

The report indicates a noticeable decline in retail participation, with active online investors reducing to 840,000 from a previous 900,000. Despite this decline, a renewed confidence in the market emerges, with investors forecasting a 0.4% rise in the Hang Seng Index (HSI) over the next year. This optimism is juxtaposed with a cautious pivot towards defensive assets, highlighting a strategic approach to risk amid ongoing market uncertainties.

"The recalibration of investment portfolios to include a higher proportion of defensive assets underscores a sophisticated response to global economic shifts," remarks Brian Chong, Head of Client Services & Sales: International. "Investors are increasingly leveraging insights and data to navigate the complexities of the market."

The landscape of online investing in Hong Kong is further characterised by an unprecedented level of switching between brokers, driven by concerns over trade execution quality and the allure of higher returns on cash accounts. Concurrently, the trend towards diversification sees a significant embrace of international equities, with a notable focus on the US market, reflecting a global outlook among local investors.



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## Media Release

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Social media has become a pivotal tool for investment-related activities, with a significant jump in its usage for investing purposes. Platforms like WhatsApp attract the wealthiest investors, while TikTok users mirror the average online investor profile, indicating a broadening of the social media landscape within the investment community.

Chong adds, "The diversification into international equities, alongside the strategic use of social media for investment advice, reflects a dynamic and responsive investor base. These trends are indicative of an increasingly interconnected and digitally savvy investment community."

Moreover, the report highlights a shift in what drives investors towards opening accounts, with personal recommendations and financial incentives gaining prominence. This evolution in preferences signifies the importance of community and value in the decision-making process.

"As the landscape evolves, so too do the expectations and strategies of Hong Kong's investors," concludes Chong. "This year's report illuminates the changing priorities and adaptation strategies employed by investors to thrive in a changing economic environment."

### Notes to the editor

#### **About the report:**

The *Investment Trends* 2023 Hong Kong Online Investing Report provides a detailed analysis of the Hong Kong online investing market – examining the attitudes, needs and product usage of active online investors. Based on a survey of 2,014 investors and traders conducted from October to November 2023.

#### **About Investment Trends:**

Investment Trends is the leading researcher in the retail online share dealing and leveraged trading markets globally. We combine our analytical rigour and strategic thinking with the most advanced research and statistical techniques to help our clients gain competitive advantage. We have over 20 years' experience in researching the retail wealth management and global broking markets from which we provide new insights and decision-making support to over 130 leading financial service businesses globally. Investment Trends' clients include several global banking organisations, all major online brokers and CFD providers as well as industry regulators, advice providers, fund managers, super funds, investment platform providers, and industry associations.