



Posted on Wed, Apr. 20, 2011

38% Rise in CFD Trading - City Index

According to analysis carried out by financial research organisation Investment Trends, CFD trading numbers grew from 18,000 to 25,000 last year – a rise of 38%.

Last year Joshua Raymond of CFD trading provider City Index (<http://www.cityindex.co.uk>) noted that the volatile market conditions may spark such an effect, commenting: “The recession has had one big influence [on the popularity on CFDs], which is to highlight the flexibility of CFD trading in that you can use it to short sell markets.”

The rise in popularity may also be due to the tax-efficient nature of CFD trading. Unlike in standard share dealing, any profits made through **CFD trading** are currently exempt from stamp duty*.

Traders have also been attracted by the leverage of CFD trading, an element which presents the potential to make large profits in a short space of time. The flip side of the coin is that CFD trading losses are magnified in the same way and so can exceed a trader's initial investment.

The reported rise in CFD trading follows the 2010 UK Financial Spread Betting & Contracts for Difference Report revealing that a further 9,000 people are expected to start CFD trading in 2011.

Find out more about CFD trading at <http://www.cityindex.co.uk/cfd-trading/>
Try a free CFD trading demo account at <http://www.cityindex.co.uk/learn-to-trade/demo-account.aspx>

Spread betting and **CFDs** are leveraged products which can result in losses greater than your initial deposit. Ensure you fully understand the risks.

* **Spread betting** and CFD trading are exempt from UK stamp duty. Spread betting is also exempt from UK Capital Gains Tax. However, tax laws are subject to change and depend on individual circumstances. Please seek independent advice if necessary.

About City Index:

Today more and more individual traders are discovering the benefits of derivatives, and many of them are discovering them through a City Index trading platform.

As a group, we transact in excess of 1.5 million trades every month in over 50 countries. We provide access to instruments including margined foreign exchange, CFD trading and, in the UK, **financial spread betting**.

We constantly look to improve the performance of our platforms and expand our range of services. The result is that our customers benefit from innovative trading tools with transparent pricing, competitive spreads, and a high standard of customer support. Visit <http://www.cityindex.co.uk/> for more information.