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City Index: Report Reveals CFD Traders Outperformed Spread Bettors in 2010

LONDON--(BUSINESS WIRE)--A recent report from financial research organisation Investment Trends revealed that CFD traders outperformed spread betting traders during the year 2010.

CFD trading created an average return of 20 per cent, whereas financial spread betting led to just a 9 per cent return. CFD traders also reported fewer losses than their spread betting counterparts.

So what is the difference between spread betting and CFD trading? City Index (<http://www.cityindex.co.uk/>) provides both spread betting and [CFD trading](#), with many of its traders choosing to participate in both disciplines.

City Index market strategist Joshua Raymond states: "One key difference is that all profits made in a CFD trade are subject to Capital Gains Tax, whilst profits made in spread betting are currently free from CGT*."

Another difference is that, in spread betting, trades are always denominated in your local currency (e.g. pounds sterling in the UK). This is not the case with CFDs, which are traded in their native currency.

"Lastly," concludes Joshua Raymond, "one factor which can have an effect on people's choices is that CFDs sound like a more professional trading product than spread betting. Of course, both products are very similar, but the name spread betting can sometimes work to the product's detriment when attracting professional traders."

Try a free spread betting and 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 traders are discovering the benefits of derivatives, many of 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 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.

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