


[ASIC warns retail investors at risk in COVID-19 period](#)

Source: [Australian Securities Investments Commission](#)  (ASIC)

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Abstract:


Data [released](#)  by ASIC has shown a substantial increase in retail activity across the securities market and greater exposure to risk during the COVID -19 period, prompting the securities regulator to warn investors against risking significant losses in a turbulent environment.


ASIC has conducted a securities market analysis comparing the “focus period” of 24 February 2020 to 3 April 2020, and the “benchmark period”, being the six months prior (22 August 2019 to 21 February 2020).

ASIC found that the average daily securities market turnover by retail brokers increased from \$1.6 billion in the benchmark period to \$3.3 billion in the focus period. In the same period, the rate of creation of new accounts is roughly 3.4 times higher during the focus period than during the benchmark period.

ASIC’s review also found that during the focus period, on over two thirds of the days on which retail investors were net buyers, their share prices declined the following day.

ASIC warns that attempts to “time” the market in a volatile period are “likely to lead to heavy losses — losses that could not happen at a worse time for many families”.

A copy of ASIC’s statement and report is available [here](#) .

For more information about COVID-19, see the [LexisNexis Information Hub COVID-19](#) .