




# Moomoo Financial Canada Survey of Retail Investors

Canadian investors continue to favor technology,  
but show signs of cautiousness.





# About the survey

Moomoo Financial Canada Inc. ("Moomoo Canada") conducted a survey of its retail investors to understand their investment decisions and market sentiment.

## Who?

Moomoo Canada users 18 years old and over based in Canada.

## How many?

536

## When?

August 12 to August 21, 2024.

## How?

Online survey.

# Executive summary

Amid growing market expectations of interest rate cuts by the Federal Reserve and the Bank of Canada in September, the technology sector continues to dominate Canadian retail investors' preferences, revealed a survey conducted by securities broker Moomoo Financial Canada Inc. (Moomoo Canada). Utilities and materials, two defensive sectors, are the next two preferred sectors.

The findings also showed that investors are divided about whether the US and the Canadian economies can avoid a recession over the next six months, with 53% of surveyed users expecting the US to avoid a downturn, compared to 49% in Canada.

## Other findings

- 47% of respondents anticipate a recession in the US compared to 51% in Canada.
- 35% are bullish towards stock markets for the remainder of 2024 and 47% are neutral.
- 71% are buying more US stocks than Canadian stocks.
- 63% are somewhat confident they can meet their investment goals.

# Survey findings

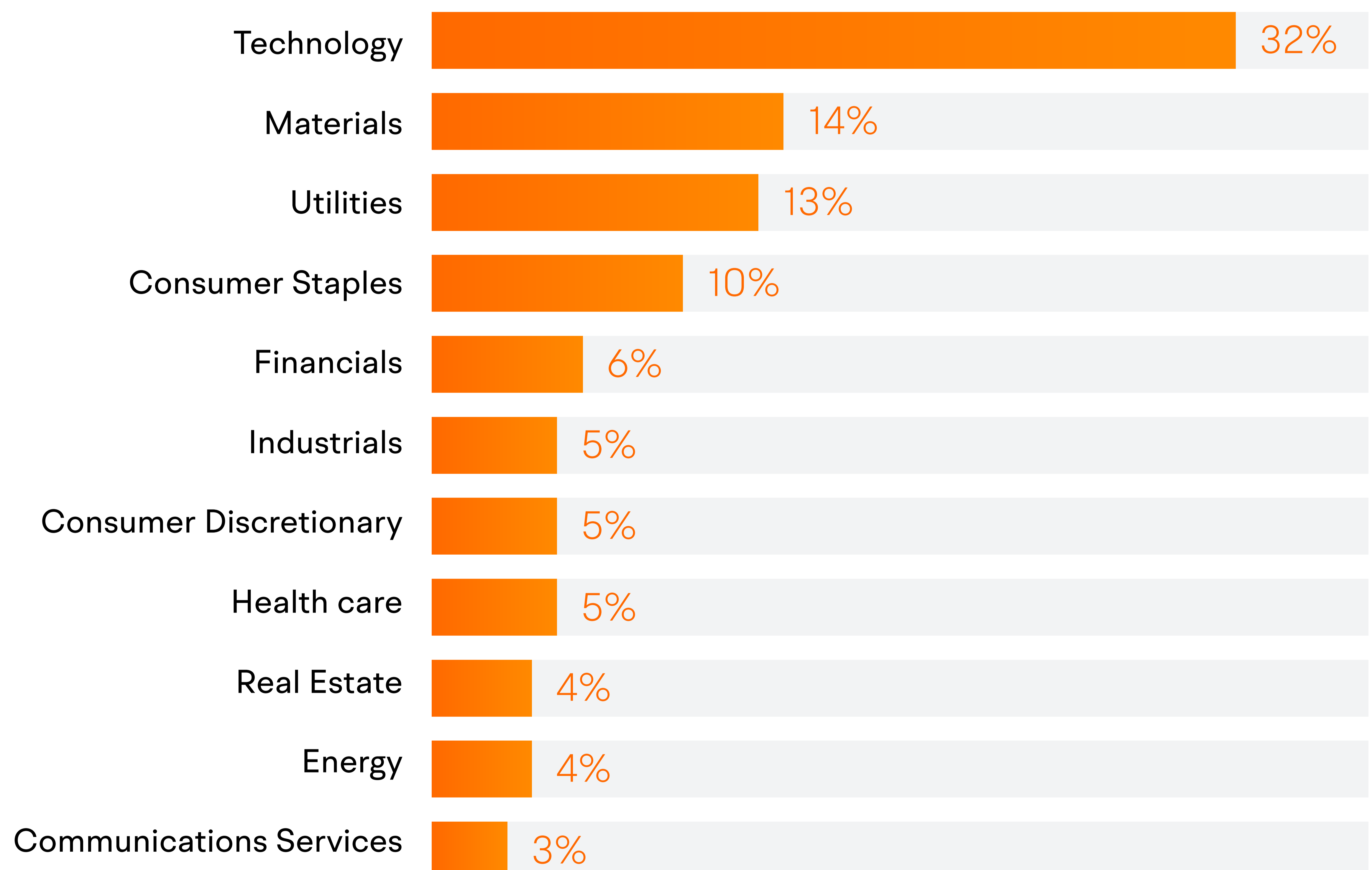
# Technology still dominates preferences

At the time the survey closed on August 21, the S&P/TSX Composite Index was up over 10% since the beginning of the year and the S&P 500 over 17%, led by the technology sector.

Yet, technology remains the preferred sector, with twice as many respondents favoring technology over materials or utilities, which rank second and third, respectively.

The fact that the next three preferred sectors after technology are defensive might reflect cautiousness among investors. This is consistent with finding that just over half of respondents expect the US economy to avoid a recession in the coming months.

**Which sectors are you favoring the most currently in the US market (select up to 3 sectors) ?**





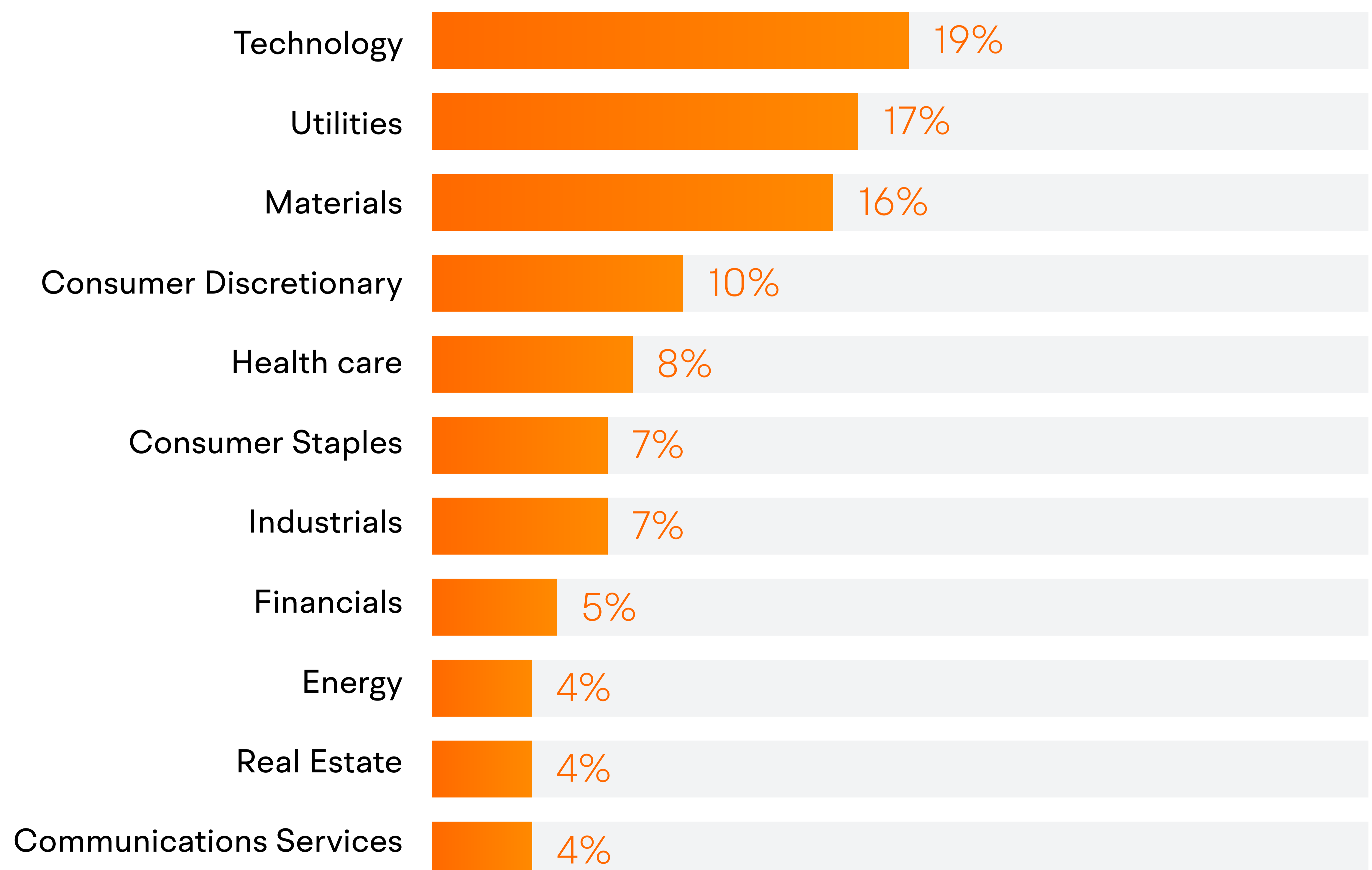
# Utilities, materials among top three sectors

In the Canadian market, technology also leads the pack, although the advance over materials and utilities isn't as pronounced as in the US market.

Among the trailing sectors, real estate is favored by only 4% of respondents despite widespread market expectations of further interest rate cuts by the Bank of Canada. This result isn't surprising considering that Canadians tend to invest directly in housing rather than real estate-related securities.

The Bank of Canada has already reduced its key policy rate in June and July by a cumulative 50 basis points to 4.50%. Its next decision is expected on September 4.

**Which sectors are you favoring the most currently in the Canadian market (select up to 3 sectors) ?**



# Institutional investors' decisions influence retail investors' own decisions

Nearly half of retail investors look towards institutional investors' decisions as a source of inspiration for their own investment choices.

Still, most respondents state they don't take guidance from institutional players' decisions, pointing to the importance of providing tools, education, and information to empower self-directed investors to make smart decisions that will help them achieve their goals.

**Are institutional investors' decisions driving your own investment decisions?**

46% Yes

54% No

# Canadian investors continue to buy more US stocks than Canadian stocks

Canadian investors tend to be particularly active in the US stock market, which is consistent with the survey findings.

As a result, low US stock trading and foreign exchange fees play a particularly important role in Canadian investors' portfolio performance.

Which country's stocks are you purchasing more of?

United States

71%

Canada

29%



# Investors divided about whether the US and Canada will avoid a recession

The majority of respondents expect the US economy to avoid a recession over the next six months, compared with 49% for the Canadian economy.

The narrow spread between the percentages of respondents expecting a recession and those anticipating it can be avoided suggests uncertainty about the economic path forward for both countries.

**Do you expect a recession within 6 months?**

**United States**

47% Yes

53% No

**Canada**

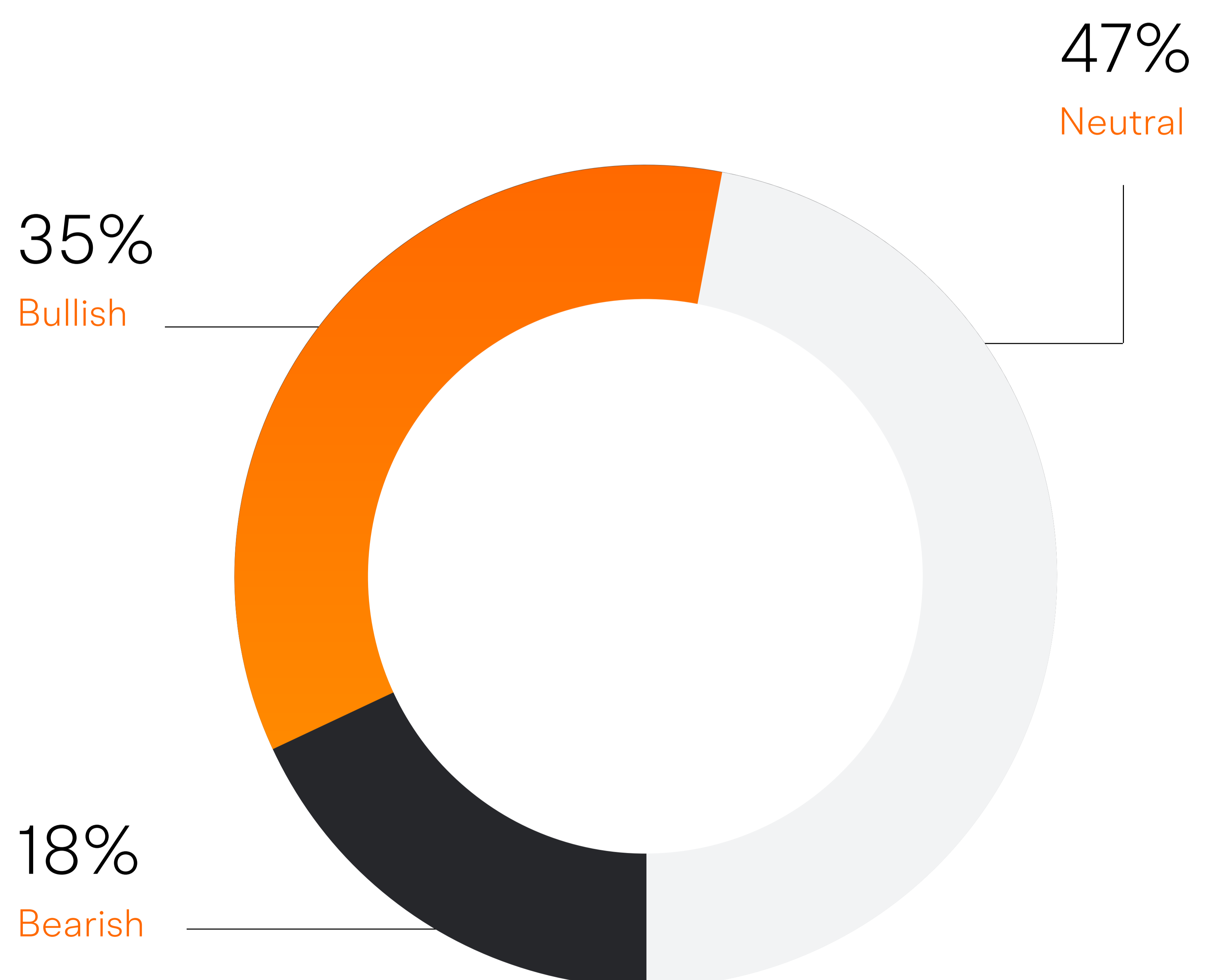
51% Yes

49% No

# More than a third of respondents are bullish towards stock markets

Despite the Canadian and US stock markets' gains year-to-date, still more than one in three investors see room for further advance. That being said, a significant proportion - 47% - is neutral, consistent with the divided opinion about the economic outlook and the preference for defensive sectors outside of technology in both the US and Canada.

What is your view on the stock market for the rest of 2024?





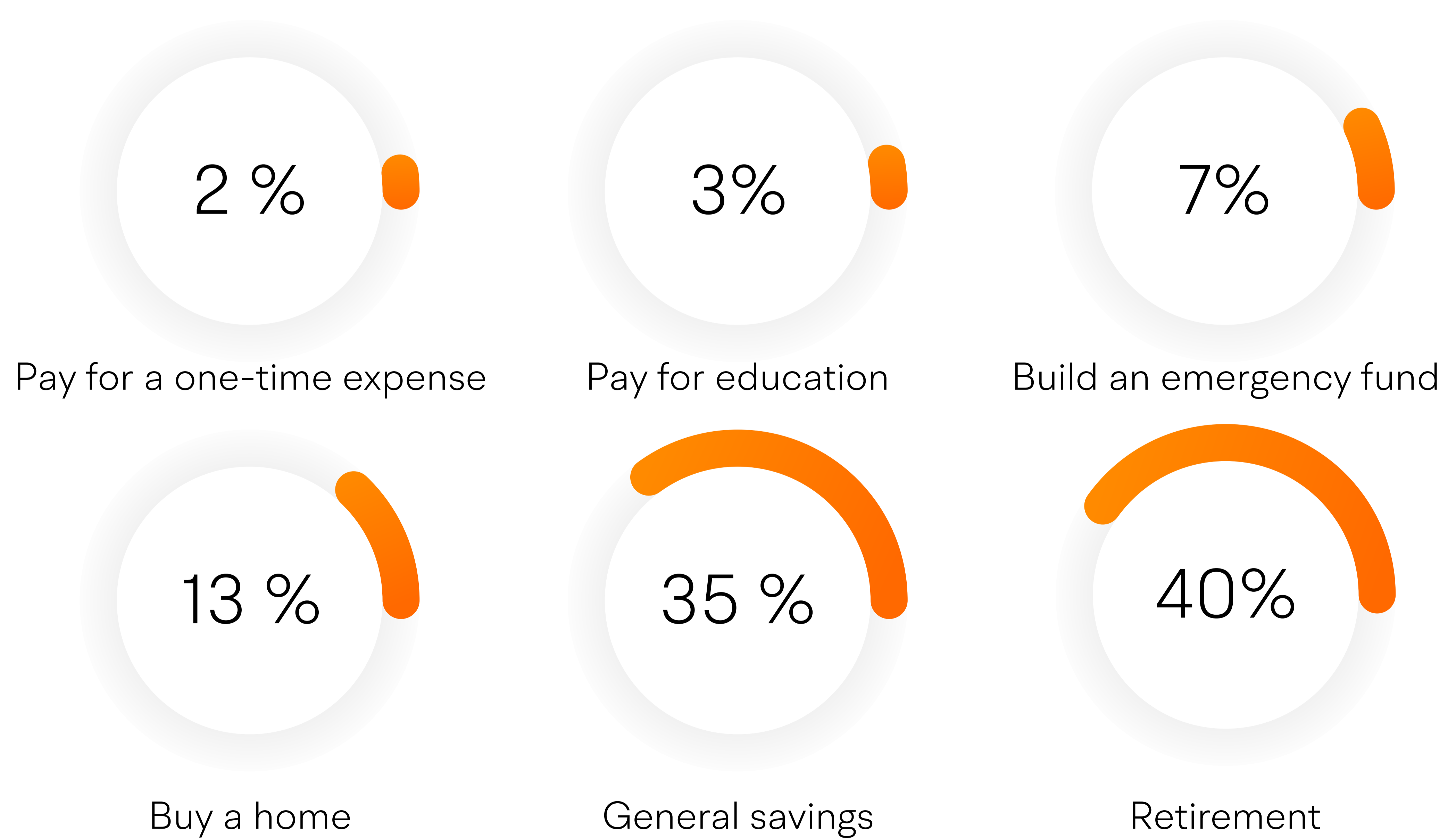
# 29% very confident in meeting goals

While 47% of Canadian investors see a recession in the US and 51% in Canada over the next six months, a large majority (63%) is somewhat confident they can achieve their investment goals, with 29% feeling very confident. Given that retirement is the main goal for 40% of respondents, the finding could be explained by the long-term approach to reaching goals.

## How confident are you in meeting your investment goals?

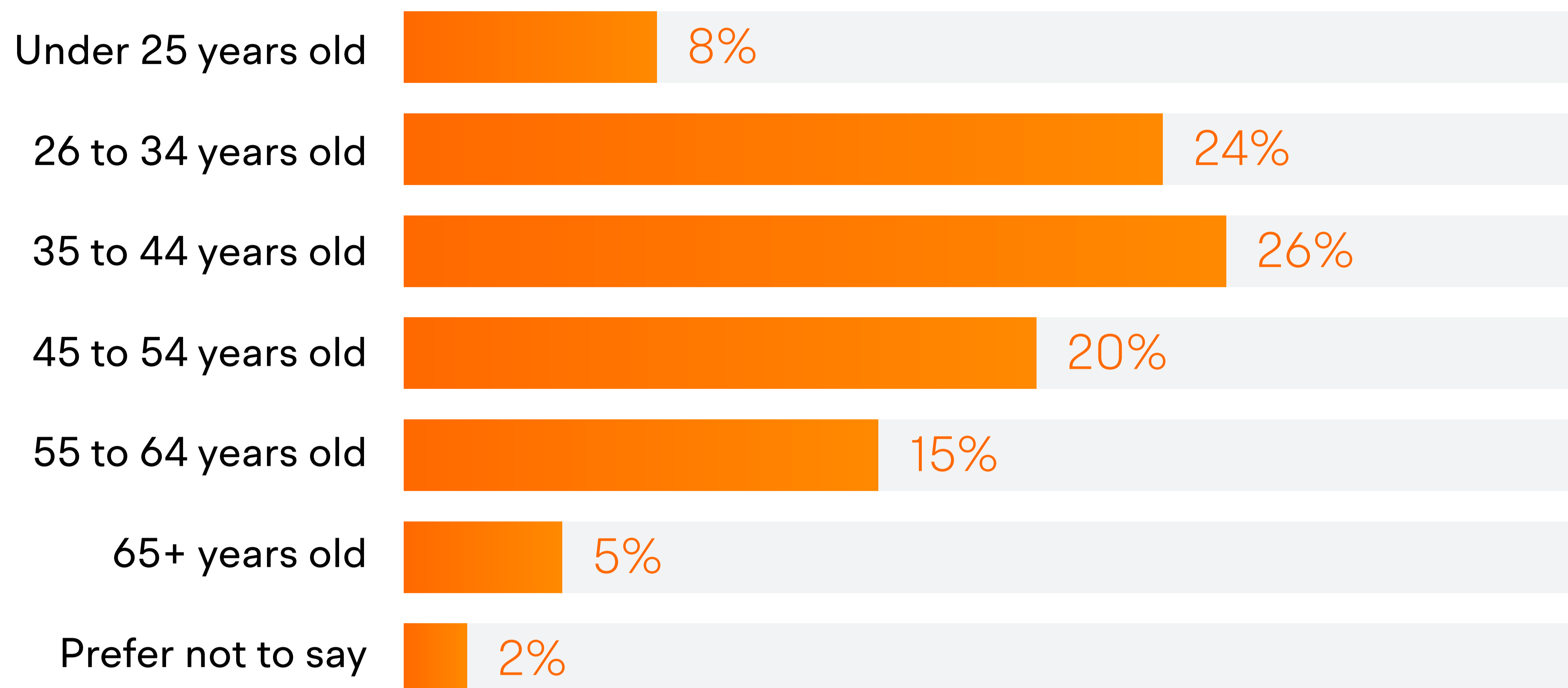


## What is your main investment goal?

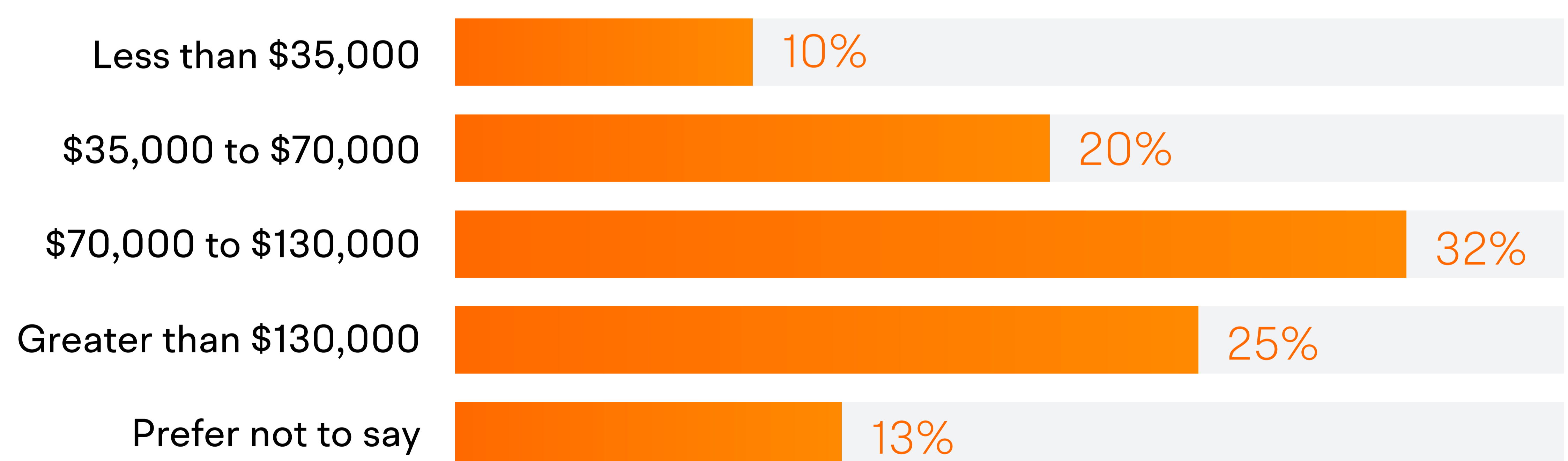


# Demographics

## What is your age?



## What is your household income (in CAD)?





## **About Moomoo Financial Canada**

Moomoo Financial Canada Inc. helps Canada's investors at every step of their investing journey. Driven by our vision of a world where smarter investing is within reach for all, we provide comprehensive tools, data, education, and access to a global community of over 23 million investors without compromising on our low fees so investors can make the right decisions to achieve their goals. As a Canadian securities broker, we are regulated by the Canadian Investment Regulatory Organization (CIRO) and a member of the Canadian Investor Protection Fund (CIPF). Moomoo Canada is a TSX and TSXV non-trading member. It is an affiliate of moomoo, which was founded in the United States in 2018. Moomoo currently serves investors in the United States, Australia, Japan, Singapore, Malaysia, and Canada. Moomoo is a global strategic partner of Nasdaq, global strategic collaborator of the New York Stock Exchange (NYSE) and global collaborator of CBOE Global Markets.

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