A STUDY ON EQUITY TRADING PREFERENCE OF INDIVIDUAL DAY TRADERS

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Abstract
Day trading is a type of trading in stock market where both buying and selling of a financial instrument is done on the same day and all the trading are closed before the market close for the day. Traders who participate in day trading arecalled as "Day traders".The objective of this study is to investigate the trading preference of 50individual day traders of Udumalpetare selected using random sampling technique.The analysis is based on the primary data collected through questionnaire. The data are analysed using Percentage analysis and Chi-Square test. The study reveals that out of 50 sample individual day traders 20 day traders very highly prefer to trade on equity. The Chi Square test infers thatpersonal variables namely, gender, marital status, educational qualification, occupation, and annual income does not influences the level of preferences of individual equity day traders and only age among the selected variables influenced the level of trading preference on equity of the individual day traders.

Keywords: Intra day trading, Equity,Individual day traders, Trading Preferences.

Introduction
The Indian capital market has come a long way from trading under the Banyan tree to internet trading. Various trading option (equity, derivatives, currencies and commodities) are available in the capital market and an investor or a trader should choose the right products based upon the needs, skill and time for active trading. Equity is a volatile instrument. The trends in equity market are reflected in the movement of the equity indices and the volume of the trading activity. During 2015-16, Indian equity markets remained mild mainly on account of the uncertainty in global equity markets in August 2015.Based on duration of stock holding, the different types of stock trading can be classified as Intra-day trading, Short term trading, Medium trading and Long term trading.

Intra-day trading refers to buying and selling of securities within the same trading day such that all positions will be closed before the market close of the trading day. Day trading demands fast decision and fast action.The intra-day is continues to grow and represents a sizeable portion of trading volume. The increasing accessibility of convenient trading there are many opportunities for intra- day traders. The intra-day trading trends in the market during June 2014, Sensex recorded an intraday high of 25,725.1 on June 11, 2014 and an intraday low of 24,270.0 on June 02, 2014.

Review of Literature
Petra Halling (2008) had examined day traders characteristics and equity day trading performance using data from an Austrian discount broker from January 2001 to July 2007. It was observed that, 16708 investors in the sample out of 22776 (73%) trade in equity. Education plays a role explore investment performance of equity day traders. It was observed that degree holders achieve 81% on average over a day trading and non-academic generate 78% day trading It was also revealed that, net performance become positive which indicating that men were more aware of the impact of transaction cost on performance

Shan Patidar (2010) had examined 180 investors behaviour, attitude towards share market in Dhar district. Analysis revealed that 31 investors were between the age of below 35 years, majority of (24) investors have higher secondary education who were interested in investing in stock market. Majority of the (32) investors earn monthly income less than Rs.20000. Majority (23) investors have 2 to 3 experience in share market which shows that experience plays a vital factor for the public awareness and for choosing effective channel for investing in share market. Majority of investors were investing money according to friends and relative advices. It was concluded that investing has been activity confined to the rich and business class in the past.

Statement of the Problem
In the information technology erathe geographical boundaries were destroyed andexpandthe stock market trading very transparent to the day trader across the nation boundaries. Attention to detail market data reflect some of the complex trading behaviour on trading decisions.The volatility in the intra day trading from the recent years is seen a positive trend for the day traders.Thetrading decisions of the day traders may depends on trading preference,safety, profitability, risk, time etc. The traders preference may differ based on demographic variables, psychology variables etc. Every trader must know their unique profile. So, the present study is made an attempt to study the trading preference of individual equity day traders.

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Objectives of the Study
1.Tofind out the variable associated with the level of trading preference on equity of individual day traders .

Research Design

Sampling area	Udumalpet
Sampling unit	Individual day traders
Sample size	50
Sampling design	Random sampling
Source of data	Primary data -Questionnaire
Tools for Analysis	Percentage analysis, Chi square test

Findings of the Study

Table1: Levelof Trading Preference On Equity Of Sample Day Traders

S. No	Trading Preference	Category	Frequency	Percentage
1.	Trading Preference on Equity	Very high	20	40
		High	12	24
		Neutral	11	22
		Low	2	4
		Very Low	5	10
		Total	**50**	**100**

The above table reveals that out of 50 sample day traders 20 day traders level of preference on equity is very high, 12 day traders level of preference on trading is high, 11 day traders level of preference on equity is moderate and 2 day traders preference level is low and 5 out of 50 sample day traders trading preference is very low.

1.To find out the variable associated with the level of trading preference on equity of individual day traders .

In order to analyse the association between the select variables (gender, age, marital status , educational qualification, occupation and annual income) and the level of preferences on equity trading of individual day traders, the following hypothesis is formulated and tested.

1.1 Gender
Ho: Gender does not influence the level of Preference on equity trading

Table 1.1: Gender and Level of Preference

Gender	Level of Preference					Total	
	Very high	High	Neutral	Low	Very low		d.f : 4
Male	17	11	10	1	4	**43**	Calculated X^2 Value : 2.85
Female	3	1	1	1	1	**7**	Table Value : 5% level : 9.49
Total	**20**	**12**	**11**	**2**	**5**	**50**	1% level : 13.28

As the calculated chi-square value is lesser than the table value at 5% and 1% level, there does not exist any significant association between the gender and the level of preference on equity trading.Therefore the null hypothesis is accepted.

1.2 Age
Ho: Age does not influence the level of Preference on equity trading.

Table1.2: Age and Level of Preference

Age	Level of preference					Total	
	Very high	High	Neutral	Low	Very low		
Below 25	4	2	1	1	0	8	d.f : 12
26-40	5	3	2	1	1	12	Calculated X^2 Value : 27.45
41-65	10	6	8	0	4	28	Table Value : 5% level : 21.03
Above 66	1	1	0	0	0	2	1% level : 26.22
Total	20	12	11	2	5	50	

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As the calculated chi-square value is higher than the table value at 5% and 1% level, there exist a significant association between the gender and the level of preference on equity trading. Therefore the null hypothesis is rejected.

1.3 Marital Status
Ho: Marital status does not influence the level of Preference on equity trading.

Table 1.3: Marital status and Level of Preference

| Marital status | Level of Preference | | | | | Total | d.f : 4 |
	Very high	High	Neutral	Low	Very low		Calculated X^2 Value : 6.76
Married	16	9	9	0	4	38	Table Value :
Unmarried	4	3	2	2	1	12	5% level : 9.49
Total	**20**	**12**	**11**	**2**	**5**	**50**	1% level : 13.28

As the calculated chi-square value is lesser than the table value at 5% and 1% level, there does not exist any significant association between the marital status and the level of preference on equity trading. Therefore the null hypothesis is accepted.

1.4 Educational Qualification
Ho: Educational Qualificationdoes not influence the level of Preference on equity trading.

Table 1.4: Educational Qualificationand Level of Preference

| Educational Qualification | Level of Preference | | | | | Total | |
	Very high	High	Neutral	Low	Very low		d.f : 12
Up to HSC	6	1	2	0	0	**9**	Calculated X^2 Value : 18.58
U G	10	6	2	2	5	**25**	Table Value :
P G	3	5	5	0	0	**13**	5% level : 21.03
Others	1	0	2	0	0	**3**	1% level : 26.22
Total	**20**	**12**	**11**	**2**	**5**	**50**	

As the calculated chi-square value is lesser than the table value at 5% and 1% level, there does not exist any significant association between the Educational Qualification and the level of preference on equity trading. Therefore the null hypothesis is accepted.

1.5 Occupation
Ho: Occupation does not influence the level of Preference on equity trading.

Table 1.5: OccupationandLevel of Preference

| Occupation | Level of preference | | | | | Total | |
	Very high	High	Neutral	Low	Very low		
Employee	10	4	3	1	2	**20**	
Business	4	3	3	1	2	**13**	d.f : 24
Professional	0	2	2	0	0	**4**	Calculated X^2 Value : 18.50
Agriculturist	2	0	1	0	1	**4**	Table Value :
Student	2	0	0	0	0	**2**	5% level : 36.42
Retired	1	3	1	0	0	**5**	1% level : 42.98
Housewife	1	0	1	0	0	**2**	
Total	**20**	**12**	**11**	**2**	**5**	**50**	

As the calculated chi-square value is lesser than the table value at 5% and 1% level, there does not exist any significant association between the Educational Qualification and the level of preference on equity trading. Therefore the null hypothesis is accepted.

1.6Annual income
Ho: Occupationdoes not influence the level of Preference on equity trading.

Table 1.6: OccupationandLevel of Preference

Annual income	Level of preference					Total	d.f : 24 Calculated X^2 Value : 10.76 Table Value : 5% level : 21.03 1% level : 26.22
	Very high	High	Neutral	Low	Very low		
Below Rs.250000	8	6	3	2	4	23	
Rs.250001-Rs.500000	6	4	6	0	1	17	
Rs.500000-Rs1000000	4	2	2	0	0	8	
Above Rs.1000000	2	0	0	0	0	2	
Total	**20**	**12**	**11**	**2**	**5**	**50**	

As the calculated chi-square value is lesser than the table value at 5% and 1% level, there does not exist any significant association between the occupation and the level of preference on equity trading. Therefore the null hypothesis is accepted.

Limitations of the Study
The study is confined to Udumalpet town only.It is confined to individual day traders only.The study is limited to 50 individual day traders.

Suggestions
Induce more number of female day traders to take part in intra-day trading. Improve the level of preference of the day traders with regard to equity trading of the market. It is found that most of the day traders are of age group of 41-65 and majority are employees it will take into consideration by the institutions dealing in the market and attract more of them to trade in intra-day trading.

Conclusion
The study is an attempt to find out the individual equity day traders trading preference on equity.The study reveals that out of 50 sample individual day traders 20 day traders prefer very highly to trade on equity. To conclude that the personal variables namely gender, marital status, educational qualification, occupation, and annual income does not influences the level of preferences of individual equity day traders. And the only variable age influenced the level of preference on equity because the age brings knowledge, awareness and may assist in decision making. Further a comparative research can be taken to understand the trading preference of the individual equity day traderswith commodity day traders, derivative day traders.

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