

Opening foreign doors for online traders

Global reach; New platform gives Canadians access to world markets

By PAUL BARKER, Postmedia News October 6, 2010

A recently introduced platform gives Canadian investors direct online access to exchanges in 10 countries.

TD Waterhouse's Global Trading allows investors to trade on the London, Sydney, Brussels, Paris, Frankfurt, Hong Kong, Milan, Amsterdam, Singapore and Madrid exchanges.

Trades can be settled in seven currencies -Canadian and U.S. dollar, British pound, the euro, Australian dollar, Singapore dollar and Hong Kong dollar.

Each trade made in the U.K. or Europe will cost either 29 euros or 29 pounds, while the rates elsewhere are as follows: Australia (AU\$99), Hong Kong (HK\$299) and Singapore (SG\$99).

John See, president of TD Waterhouse Discount Brokerage in Canada, says the service was introduced because customers are looking for more access.

He added that since the Sept. 13 launch, several hundred investors were signing on daily.

"For years, the Canadian wealth management industry has been telling investors that they should be diversifying not just by asset class, but also by geography, given the relatively small makeup of Canadian securities in terms

of the world market," he says. "We have been relatively short on solutions for doing that at the individual retail investor level.

"If a client wanted to buy a foreign security we were able to do it; however, it was manual and not necessarily in real time. Also, the cost was also prohibitive."

The brokerage firm says investors will have access to investment data that includes company research, international research, real-time market data and charting capabilities.

In addition, while See said he expects in most cases trades will be funded through a client's existing Canadian or U.S. dollar account, cash and securities can be held in

either a British sterling or euro-denominated account. For example, funds could be wired from a client's TD Waterhouse brokerage account to a U.K. domicile bank account.

The founder of the Canadian website IndependentInvestor.info describes the creation of the new service as a positive move, but adds investors should read all the fine print before they sign on.

"It's good to have more options," says Marc Ryan, a Montreal investment expert. "Whether it's right for particular investors is another matter. It will be up to them to decide, but at least they have the choice."

Ryan, a lawyer and former executive with the Quebec Securities Commission, says: "I'm not a believer in individual stock picking. If this is a way of facilitating retail investors to invest in exchange-traded funds that are traded on foreign exchanges and the MER (management expense ratio) is better (than elsewhere), then that is great.

"However, if the intent is to encourage people to do stock picking on markets halfway around the world, well, many already blow their brains out doing that in Toronto or New York."

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