A STUDY ON AWARENESS AND SATISFACTION LEVEL OF INTRA-DAY TRADERS IN SATNA DISTRICT OF MADHYA PRADESH

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Abstract: Due to recent economic conditions favoring secondary market traders, it offers great potential for high returns in a very short period of time for day traders with a reasonable knowledge of trading techniques and other aspects of trading, but the traders always find it difficult to replicate these conditions due to their inexperience, lack of trading knowledge and conclude that day trading is very risky. Against this background, this study examines the awareness and satisfaction of day traders in Satna district of Madhya Pradesh. To achieve these objectives, primary and secondary data were collected. Convenience sampling was used for data collection. The study included 57 traders as respondents. According to the data we have collected, traders are interested in day trading because of the quick short-term returns and short-selling options that day trading offers.

Keywords: Day Trading, Secondary Market, Investment.

Introduction:

An investor in the literal sense is someone who invests money in something for profit or to gain an advantage. Similarly, in the context of the secondary market, an investor is a person or institution that puts money in a security and expects to earn a financial return. But being a successful investor requires knowing how to pick the right stocks and choosing the right time to enter and exit to ensure maximum returns with low risk. Therefore, analysis of secondary market instruments is essential for selecting higher yielding securities and identifying the best investment opportunities for higher returns.

Each share on the stock market behaves like a highly volatile share in the relevant financial environment.

Therefore, an investor must react quickly to price fluctuations that occur in the secondary market in order to protect his investment. Apart from long-term investment opportunities, intraday trading has additional advantages such as short put options, no overnight risk, low brokerage fees, daily income, intraday valuation, an understanding of market trends and only requires a computer and an active internet. Login, Make a profit in ten or fifteen minutes, without studying fundamentals or technical analysis, it is useful to understand the pulse of the market and the economy, etc. Thus, the average stock trader can use day trading techniques to increase their profitability in highly volatile market conditions compared to investors who engage in random qualitative speculation on their investments. Against this background, this study examines the awareness and satisfaction of day traders in Satna district of Madhya Pradesh.

Trading System in INDIA:

1. **Traditional Trading System:** Traditionally, stock trading is done in person or over the phone through a stockbroker, known as the traditional or open call system. With the huge increase in the number of people over the past few years, some issues such as area requirements, busy phone lines, missed communication dealer workplaces, etc. Data innovations can help stock traders solve these problems with online stock trading.
2. **On-line Trading System:** Online Stock Trading is a web-based stock trading desk. Investors can communicate with stock representatives through the website. In this case, online stock brokers are stock traders for financial experts.

Intra-day trading:

Intraday trading refers to buying and selling stocks on the same trading day. Intraday trading is also known as intraday trading. Stock prices fluctuate continuously throughout the day and day traders try to profit from these price movements by buying and selling stocks during the same trading day. Intraday trading refers to buying and selling stocks before the market closes for the day. If you don't, your broker may close your position or convert it to a delivery transaction. Whether you are an experienced trader or a beginner, this type of trading is always beneficial because the indicators and market trends will guide you correctly.

Intra-day Trading v/s Delivery Trading:

Unlike day trading, if you buy a stock but don't sell it on the same trading day, it's called a delivery trade. During a delivery transaction, the shares you buy are credited to your Demat. You can keep it however you want, for days, months or years before selling it. Therefore, you still own those shares. In delivery trading, investors look to the stock's long-term movement rather than the day's price movement to profit from it.

Statement of the problem:

Experience and knowledge of the market are the most important keys to day trading. One of the things that makes day trading very popular among traders is the ability to earn higher returns in less time. There are many successful day traders around the world who use their trading experience and understanding to earn handsome rewards.

There are many people making money every day. Most traders lose money because they tend to trade with free intraday trading advice they receive from unauthorized people who know little about finance. Poor risk management, impulsive decisions and a lack of self-discipline often lead to failure. Lack of understanding of trading techniques, market information and economic shocks are also major factors contributing to investor dissatisfaction with trading. So this gave me the opportunity to study the awareness and satisfaction of day traders in Satna district of Madhya Pradesh.

Significance of the Study:

Every business involves risk. For certain risks, we have insurance, guarantees, etc. However, there is some risk that the value or cash flows of assets or liabilities will change due to changes in market conditions. To guard against such risks, there are no insurance agencies or titles. There are certain financial instruments in the market that can help deal with these business risks or reduce the impact of these risks. These instruments are nothing more than financial derivatives and their role is to protect people from the adverse effects of changes in various market variables. Derivatives are primarily a risk hedging mechanism. The process of liberalization and deregulation of financial markets has led to what is known as the integration of global financial markets. The risks have increased with the integration of financial markets and the free movement of capital. This will lead to the evolution of risk hedging mechanisms, commonly called derivatives. When used correctly, derivatives can be a very good risk management and hedging tool. The emergence of modern derivative contracts can be attributed to farmers' need to protect their products against falling crop prices.

Review of Literature:

- **Walia N. and Kumar R. (2012)** The research report examines investors' preference for traditional trading and online trading, compares investors' opinions on online trading and the current use of online trading and offline trading. The study found that only 28 out of 100 investors trade online, raising the question of why investors don't appreciate the importance of technology in stock trading. • The main finding of the study is that Indian investors are more conservative and do not switch brokers for trading, while online traders are more open to online trading due to its transparency and full control over the terminal.
- **Rebecca Davies and Stuart Cunningham (2012)** This work links the existing literature on the functions and contributions of eBay and e-commerce and discusses them in a coherent meta-analytical way. In order to deepen knowledge in the field, two studies were conducted to provide insights into current e-commerce practices in the United Kingdom (UK). Data was collected by completing an online questionnaire and conducting interviews using the directory grid technique. This approach is derived from personal constructivism, allowing participants to express their views and preferences in their own way or according to personal constructs.
- **Jaiswal M., Vashist D. and Kumar A (2009)** Tracking the growth of online trading since 2000 using online trading volume statistics using online trading volume statistics, number of electronic brokerage firms, brokers and demographic patterns since 2000. Over the years, online trading has dramatically changed the way stocks are traded.

Objective of the study:

1. To identify the awareness of traders towards different intraday trading techniques.
2. To analyse the satisfaction level of traders who are using these techniques.
3. To know the risk level and risk factors in intraday trading.

Limitation of the study:

1. The study is restricted to Satna district of Madhya Pradesh.
2. The study is for only Intra-day traders.

Research Methodology:

To achieve the research objectives, data is collected from primary and secondary sources. Primary data is collected from traders in Satna district by convenience sampling method. Data was collected from 57 respondents by distributing a structured questionnaire via Google Forms. Secondary data is collected through official websites, books, periodicals and other channels. Analyze data using statistics.

Data Analysis and Interpretation:

Table-01
Demographic profile of the respondents

Particulars	No of respondent	%
Gender		
Male	38	66.7
Female	19	33.3
Total	**57**	**100**
Age		
Below 25 years	12	21.05
25- 40 years	29	50.87
40-55 years	17	24.56
Above 55 years	2	3.50
Total	**57**	**100**
Monthly Income		
Less than 20,000	11	19.29
20,000-40,000	27	47.36
40,000-60,000	17	29.82
Above-60,000	2	3.50
Total	**57**	**100**

Source: *Primary data (Questionnaires)*

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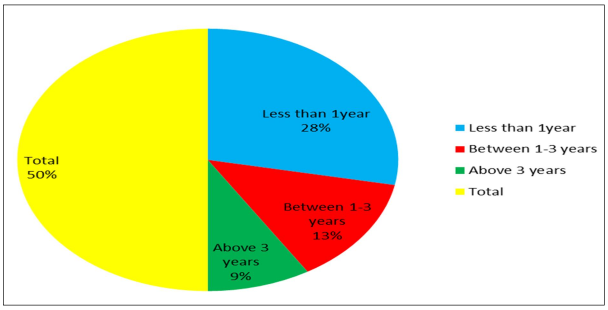
Table-02
Period of doing day trading

Period	No of respondent	%
Less than 1year	32	56.1
Between 1-3 years	15	26.3
Above 3 years	10	17.5
Total	**57**	**100**



Source: *Primary data (Questionnaires)*

From the research, it is clear that 56.1% of traders started trading less than a year ago, 36.3% started trading 1-3 years ago and 17.5% started trading 1-3 years ago. Started trading more than 3 years ago. *i.e.* Most traders are inexperienced.

Table-03
Period of doing day trading

Advisory services from brokers	No of respondent	%
Yes	27	47.4
No	30	52.6
Total	**57**	**100**

Source: *Primary data (Questionnaires)*

The table and figures above show the number and percentage of traders seeking the broker's investment advisory services. Among them, 47.4% of traders seek investment advisory services from brokers and 52.6% of traders do not seek investment services from any brokers.

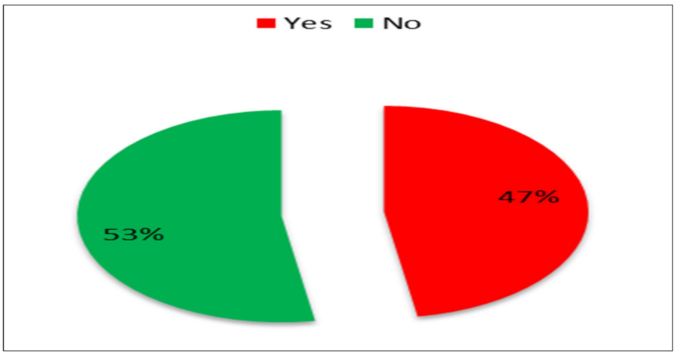


Table-04
Risk Factors in Intra-day trading

Particulars	No of respondent	%
Stock selection	38	66.7
Market volatility	36	63.2
Manipulated market information	22	38.6
Psychological addiction	39	52.6
Financial regulations	8	14.0
Others	1	1.8
Total	**57**	**100**

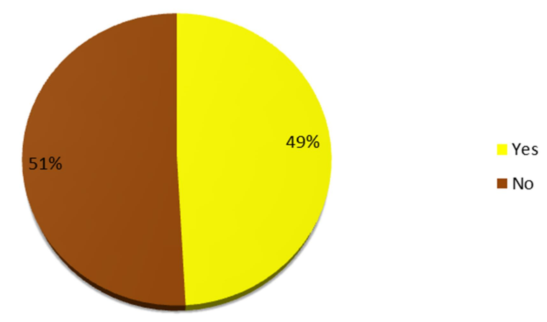
Source: *Primary data (Questionnaires)*

From the study it is evident that majority 66.7% of the traders believes stock selection as the risky element of day trading, and only 1.8% believes others factors becomes a risky element in day trading.

Table-05

Awareness of trading technique

Awareness of trading techniques	No of respondent	%
Yes	28	49.1
No	29	50.9
Total	**57**	**100**



Source: *Primary data (Questionnaires)*

From the study it is evident that the awareness level of different trading techniques among the traders, in which 49.1% of the traders are aware of different trading techniques and 50.9% are not aware of various trading techniques.

Table-06
Level of Satisfaction of Traders In Intra-Day Trading

Particulars	No of respondent	%
Extremely satisfied	7	12.28
Satisfied	28	49.12
Neutral	17	29.82
Dissatisfied	5	8.77
Extremely dissatisfied	0	0.00
Total	**57**	**100**

Source: *Primary data (Questionnaires)*

From the table it is evident that majority 49.12 % traders are satisfied with intraday trading and no one is extremely dissatisfied with intraday trading.

Findings:

1. It is clear from the research that 56.1% of traders started trading less than a year ago, 36.3% started trading 1-3 years ago, and 17.5% started to be negotiated more than 3 years ago *i.e.* most traders are inexperienced.
2. According to a survey of 57 respondents, 52.6% of traders do not seek investment services from a broker.
3. It is clear from the research that a majority of 66.7% of traders consider stock picking a risk factor in day trading.
4. From the study it is evident that 49.1% of the traders are aware of different trading techniques and 50.9% are not aware of various trading techniques.
5. From the table it is evident that majority 49.12 % traders are satisfied with intraday trading and no one is extremely dissatisfied with intraday trading.

Conclusion:

After doing our research, we found that day trading is growing in popularity among younger traders. According to the data we have collected, traders are interested in day trading because of the quick short-term returns and short-selling options that day trading offers. But what is exciting is that a large number of traders not only do not know any of the trading techniques used in day trading, but also do not seek any stockbroker service in terms of stock picking, entry and exit, market research, etc. No, and argue that day trading involves substantial risks. By following proper market research and scientific forecasting techniques in day trading, the risks of stock picking, volatility, and manipulation of market information can be effectively reduced.

Trader satisfaction research shows that most traders are either very satisfied or satisfied or generally satisfied with the profitability, liquidity, security and well-being of their investments. Dissatisfied traders are few, that is, traders are more satisfied despite their low level of knowledge. Therefore, traders will be more satisfied with their investments if they fully understand the application of the various techniques and methods used in day trading.

Suggestions:

1. *Most traders are new to day trading. It is better for them to start trading with a small capital.*
2. *The stock market fluctuates greatly in the current market situation. Traders with technical knowledge and the assistance of a broker can earn handsome profits.*
3. *To be successful in trading, traders must set a goal for their investments.*
4. *Traders should follow the market regularly to avoid unexpected losses.*
5. *Traders must understand that without a systematic approach to trading, they will face incredible losses. Therefore, they should at least seek the services of a broker.*
6. *A trader must be an opportunist in the market and not be emotionally dependent on the trade i.e. simply put, traders should trade the market rationally, not emotionally.*

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