Glasgow University FinTech Society

P2P lending and stock-trading apps

Report

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UoG Fintech Society
info@uogfintech.com
http://uogfintech.com

Introduction

Welcome to another published Report of the University of Glasgow FinTech Society with title “P2P lending and stock-trading apps”. In this report, we provide an entry-level and easy-to-understand introduction of P2P lending and stock-trading apps.

About the UoG FinTech society

Founded in summer 2017, we are the first student-led FinTech Society in Scotland. We bring together University of Glasgow students of any degree who are interested in technological innovations that are likely to disrupt the financial services sector. We recognise the need for developing FinTech awareness among students before their graduation as a number of surveys indicate that FinTech and FinTech technologies will play a key role in a number of industries in very near future. We also aim to give members opportunities to develop useful employability skills.

We believe we can achieve our goals by running a series of workshops throughout the academic year, which are characterised by students' cross-faculty collaboration, peer learning and engagement with industry professionals.

About the “P2P lending and stock-trading apps” report

This report and presentation slides accompanying this report were created by members of the UoG FinTech Society, namely **Amantle Khachana, Elisabetta Trasatti, George Pergeris, and Heli Trivedi.**

This report aims to explain in simple terms Peer-to-Peer lending and Stock Trading Apps. First, we will discuss the process, advantages and disadvantages of P2P lending and stock-trading apps. Furthermore we reflect upon different applications across the emerging markets. Lastly we discuss the future of the P2P lending and stock-trading apps.

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Peer-to-Peer Lending

Definition

Peer-to-peer lending, stylised as P2P lending, is a method of debt financing that enables borrowing and lending without the use of an official financial institution as an intermediary such as a bank, credit card company etc.

Basic Principle

Classically, individuals (or businesses) would save their money in a bank and the bank would then lend that money to other individuals or businesses. P2P removes the bank from this process. This process has also been referred to as social lending, crowd lending, and marketplace lending [2].

The next sections of this report will attempt to bring the reader to understanding what differentiates P2P from traditional finance sources, the borrowing-lending process, pros and cons, regulations, what the future looks like, and its application in emerging markets.

Process

The lending/borrowing processes are similar among the different platforms available [3].

Borrowers will register their personal information such as their ID card numbers, bank account details, address details, work status, details from a credit rating agency, etc. This information is then used to provide a credit score. This score is based on probability to default payment. Secondly, borrowers indicate the amount they want to borrow and the maximum rate they are willing to offer, and provide some other information, such as loan purpose, repayment period, listing auction format, etc [3] [4] [5].

The lending process is initiated by borrowers. Lenders provide basic information details such as their ID card numbers, address, bank accounts etc. They will also use 1 of 2 of the lending patterns currently available [3] [4] [5].

The first pattern involves the lender picking a borrower from the platform and loaning them money based on the information about the borrower [3].

The second pattern, involves the lender putting his money in a pool of funds and the P2P company assigns the money to different borrowers. In the 2nd pattern the lender does not know anything about the borrower [3].

When a borrower's requirement is fully funded, the related transactions are sent to the lending intermediary for further review before becoming a loan. In this stage, some additional documents may be asked for to demonstrate their credibility for instance employment history. Once a listing is materialized into a loan, money will be transferred from the accounts of listing lenders to the accounts of listing borrowers [3] [4] [5].

What differentiates P2P lending and why is it experiencing growth?

The underlying principle is that traditionally, the task of running credit checks, filing papers, and completing applications shoots up the price of lending. P2P lending has the upper hand by streamlining this process by taking advantage of emerging technologies and algorithms. The result is that decisions come quicker, easier with fewer defaulted and delinquent loans, and allows for a cheaper business model where savings are passed on to the borrowers [6].

The online-lending industry has exploded. In 2015 alone, the P2P industry generated $6.6 billion in loans [7]. The P2P lending market valuation will reach US$897.85 billion by 2024, as it expands at a significant Compound Annual Growth Rate (CAGR) of 48.2% from 2016 to 2024 [8]. This estimated growth and rapid expansion is explained by the advantages of P2P lending to the borrower and lender over traditional finance sources. We will also cover disadvantages to get a well-rounded view on P2P lending.

Advantages for lenders:

Higher rates of return: The borrower can expect significantly higher rates of return than with a high-street savings account. Most banks offer lenders rates of returns of about 1% [9] while P2P platforms offer rates of return of about 5-10% [10] [11] [12].

Risk diversification: P2P platforms let you spread your capital across multiple loans. This enables you to better manage your exposure to risk. For example, if £5000 spread over 100 loans and one of those loans defaulted your potential loss is £50. Whereas if you spread the same £5,000 over just 10 loans and one defaulted then your potential loss is £500 [11] [12].

Greater choice: You can choose who you want to lend to. For example, you can decide you only want to lend to borrowers who have an asset such as property or a business as security [11] [12].

Personal Savings Allowance: Any interest you earn through peer-to-peer lending is now included in your 'Personal Savings Allowance'. This currently stands at £1,000 interest for individuals paying basic-rate tax and £500 for higher rate payers [11] [12].

Access to your money at short notice: Many P2P lenders let you liquidate your funds before the loan ends if you need, provided they can sell that loan position. You will of course need to check this with the individual platform. For example, on average, Bond Mason clients have been able to fully liquidate their positions in full within 24-48 hours [11].

Transparency: The process is online and transparent, and contract bound (offer, agreement, and consideration). Hence, investor knows where his/her money is being invested and for what purpose. Also, post-dated cheques are collected in advance to safeguard the interest of the lenders [12].

Advantages for borrowers:

Competitive interest rates: Borrowers can anticipate similar interest rates to those offered by banks. For instance, Zopa offers a rate of 5.6% for loan amounts between £1000 - £25000 over a 5-year period - which is like what other banks such as TSB, Clydesdale Bank, and Sainsbury etc offer [12] [13].

No prepayment penalty: Paying off a bank loan early often comes with a prepayment fee charge. With P2P lending, the borrowers can simply prepay their loans at their own convenience without any charges whatsoever. They just need to contact the P2P lending firm and choose one of the various options and proceed to prepay [12] [14].

Fast loans: P2P firms endeavour to get the loan funded at the earliest. For example, SME P2P provider Funding Circle states on its website that, typically, applications take under 10 minutes, are assessed within two working days, and funds are received within a week. In contrast, it may take some banks 12 and 15 days for the SME to receive funds [12].

Convenience: P2P lending firms are leveraging leading technology based main stream modes of financing and moving away from prevalent legacy systems. They are providing seamless user experience in terms of ease of transaction, ability to view and download detailed account statements, and transaction analysis. A borrower can submit his/her loan requirement from home in a few simple steps [12].

Boosts borrowers' credit scores: If a borrower is carrying a high amount of credit card debt, then a P2P loan could boost his credit score. With FICO credit scoring, 30 percent of a person's credit score depends on his credit card debt. However, credit bureaus classify loans as instalment debt and credit cards as revolving debt, since they work differently. This means that if a borrower pays off credit card debt with a P2P loan, he's lowering his credit card debt, which will raise his credit score. Having different types of debt is also better for a credit score than having one type of debt, so this will also benefit the borrower [15].

Another benefit for borrowers who already have high-interest debt is that they can consolidate their debt with P2P loans. By paying off multiple high-interest credit cards with a P2P loan, a borrower reduces the amount of interest he pays and only needs to make one payment per month, instead of several [15].

Disadvantages for the lender:

Money is at risk: Probably the most important risk you need to understand is that, unlike mainstream banks, your money is not covered by the Financial Services Compensation Scheme (FSCS) – which currently compensates you up to £85,000. Therefore, if you decide to deploy your capital through a P2P platform, choosing your platform carefully is essential. Make sure they are clear and upfront about the risks involved and any plans they have in place in the event something goes wrong [11].

Interest is not tax free: Except for your Personal Savings Allowance, any interest you earn will be taxed and you will need to declare any interest earnt on your annual tax return [11].

Cash may not be lent immediately: Whilst you are waiting for your cash to be lent it won't be earning any interest. However, most P2P platforms will be as eager as you are to get your cash deployed. In fact, even if your money is slower to get lent out, the overall effect on your return is likely to be minimal in the long term [11].

Time constraints: There can be a thing as too much choice. Because of the wide range loan choices (some of which are complicated) and considerations, managing a diverse portfolio can be time consuming. You may want to think about using a managed direct lending platform as an alternative or as an addition. These are more 'fund and forget' models where experienced investment teams select the loans and diversify for you [11].

Disadvantages for the borrower

Bad credit has high interest rates: Contrary to popular belief that P2P loans are not given out easily. Credit scores below the cut-offs are not usually approved. Rates for borrowers at the low end of the scale will be 25 to 35 %. Which is not better than rates offered by credit cards for people with bad credit [16].

Lack of Discretion: There's also the fact that borrowers essentially need to provide their private financial information for anyone on the P2P lending marketplace. This is one area where a bank is at a distinct advantage, as borrowers don't feel like as many people are seeing their financial information. While lenders may not be able to identify a borrower based on the information in a P2P loan request, that request will still have quite a bit of the borrower's personal information [17].

Fees for Borrowers: Since a P2P lending site facilitates loans and the lenders get all the interest that borrowers pay, the sites themselves charge closing or origination fees. Like interest rates, these fees also depend at least in part on borrower credit scores. Fees start at 0.5 % of the loan amount, but could be as high as 4.5 %, so they can cost borrowers a significant amount [18].

Serious consequences for mismanagement of P2P loans: Just because the loans are unsecured doesn't mean payment should be missed. Missing out on payments will affect your credit-score as much as unpaid loans [16].

Regulation

UK:

In the UK, peer-to-peer lending (P2P) industry is regulated by the Financial Conduct Authority (FCA) since 2014. The regulatory framework has been designed primarily to achieve the following key objectives:

- Provide additional protection for consumers
- Promote effective competition within the P2P lending industry
- Allow the growth of the industry to continue in a controlled way
- Ensure platforms provide clear and not misleading information and have appropriate procedures for handling client money

- Ensure firms deal appropriately with customers in financial difficulties and complaints
- Ensure platforms maintain a stable financial position and have contingency arrangements in place in the event of a platform failure [19].

In addition, Peer-to-peer investments do not qualify for protection from the Financial Services Compensation Scheme (FSCS), which provides security up to £75,000 per bank, for each saver but regulations mandate the companies to implement arrangements to ensure the servicing of the loans even if the platform goes bust [1].

USA

In the U.S, lawmakers have been giving P2P lending closer scrutiny as well. In April 2016, three U.S. senators sent a letter to the Government Accountability Office (GAO) requesting that it conduct a new assessment of P2P and other forms of alternate lending and provide a report. The last GAO report on the industry was released in 2011, and due to extensive growth and change in P2P lending, the senators believe that regulators need updated guidance on how to provide oversight [20].

Securities offered by the U.S. peer-to-peer lenders are registered with and regulated by the SEC. A recent report by the U.S. Government Accountability Office explored the potential for additional regulatory oversight by Consumer Financial Protection Bureau or the Federal Deposit Insurance Corporation, though neither organization has proposed direct oversight of peer-to-peer lending at this time [1].

China

In July 2015, regulators issued guidelines for online lenders to address what it described as a “lack of thresholds, lack of rules, and lack of supervision”. In addition, two new sets of comprehensive regulations regarding P2P lending were issued in December 2015. One notable requirement from the first set of rules will require P2P lending platforms to separate their own funds from those of lenders and borrowers. The second set of rules places a ban on payment service providers opening accounts for any institution providing financial services, including online lending. The Chinese government is aiming to establish greater stability and transparency for P2P lending in the country [20].

Other

In many countries peer-to-peer lending is considered illegal. However, although peer-to-peer lending is not necessarily crowd sourcing, it is treated as such because of the similarities between the two. Therefore, all proceeds obtained are considered securities. In most countries this means that a license and registration is necessary before a company can operate as a peer-to-peer lending company. The license and registration can be obtained at a securities regulatory agency. In the U.S. Securities and Exchange Commission (SEC) handles it, the Ontario Securities Commission for Ontario, Canada, the Autorité des marchés financiers in France and Québec, Canada, or the Financial Services Authority in the UK [1].

Peer-to-Peer Lending – Timeline

Although two of the most successful Peer-to-Peer lending platforms have been founded before the 2007-2008 financial collapse (Prosper in 2005; Lending Club in 2006) [21], Peer-to-Peer lending started growing at a very fast rate after the collapse of the financial system as a consequence of the diffused distrust in banks. Some examples of platforms founded after the crisis are:

- **PeerForm**, founded in New York City in 2010;
- **SoFi**, founded in California in 2011;
- **Upstar**t, founded in California in 2012.

Peer-to-peer Lending – Future and potential issues

It is clear that the growth of Peer-to-Peer lending platforms over the last decade has been dramatic, and according to Morgan Stanley, last year the loans made via online lending platforms amounted to $14 billion and will grow by a compound annual rate of 47% through 2020 [22].

However, there are two major issues which in the future could compromise the original purpose this lending system was created for [23].

The **first issue** is that although at the beginning Peer-to-Peer lending was only used to facilitate loans between individual borrowers and lenders online, it has now grown into what is referred to as "marketplace lending". That means that large institutional investors such as banks and wealth management funds now represent the majority of lenders. Some of the most successful Peer-to-Peer lending platforms like Lending Club and Prosper now have the majority of their loan money coming from "whole loans" funded by large investors, instead of "fractional loans" consisting in small sums lent by a number of individuals to one borrower [23]. In 2014, 65% of Lending Club's loan money consisted in Whole Loans and only 35% in Fractional Loans [22] [24].

The **second issue** is that both the large investors and the individual lenders now almost completely rely on automated tools to decide whether a loan is worth the investment [23].

At its early stages, Peer-to-Peer lending required lenders to decide if they wanted to invest in a loan only basing on the information borrowers had provided in their online profile.

As Peer-to-Peer lending started growing, the collection of data on borrowers has been more and more delegated to third-party investing tools, instead of being done by individual investors based on the evaluation of borrowers' profiles. One example of these third parties is Lending Robot, founded in 2013 and since 2015 partner of Lending Club [23].

Another example of these startups is Orchard, founded in late 2011 and soon become a key resource for institutional investors to evaluate loan performance and analyse data across different lending platforms. Orchard can be described as a startup which collects information from multiple Peer-to-Peer lending platforms "much the way Amazon aggregates independent merchants" [23] [25].

The growing presence of third-parties affiliated with online lending platforms seems to contradict the concept of “disintermediation” and the idea of returning to informal and direct lending within a community of peers [23].

Peer-to-Peer Lending – Applications in emerging markets

Peer-to-peer lending is rapidly growing in emerging markets such as **Africa**, where traditional banking is often difficult to access for a large part of the population. In Africa the growth of p2p lending in the last years, especially consisting in loans for businesses, has been remarkable: from 2$ million in 2014 to 14$ in 2015 [26]. The vast majority of peer to peer loans in the continent has been originated through foreign platforms, which means there is much potential for a number of new Africa-based start-ups [26].

Another country in the non-western world in which there is a fast-growing interest in Peer-to-Peer lending is **Mongolia**. In this country, financial services were in the past almost impossible to reach for people living in the most rural areas. With Fintech companies, the financial inclusion for those areas has been extremely implemented [27]. The difference between Mongolia and African countries, in terms of the most demanded types of loans, is that in Mongolia those are represented by small loans requested by individuals, while in African countries business loans are more requested [27].

Founded in 2015, AND is Mongolia’s highest-valued tech start up and their mobile app LendMN provides a credit scoring model which has never been used before in the country. This system relies much on education history and social media data, as well as on income records [28]. The large amounts of paperwork and long time periods to process loan applications typical of Mongolian traditional banks has always been a major issue for small loans borrowers, who consequently often turned to “loan sharks” and could be charged up to an interest rate of 10% per week by those lenders [28]. AND founders’ main aim was to provide an alternative to this, and their successful strategy is now attracting big investors both from Mongolia and other Asian countries.

Lastly, an example of a Latin American P2P lending service is Afluenta, launched in 2012 in Argentina and expanded in Peru in 2015 [29] [30]. Afluenta offers to borrowers the possibility of receiving loans in a fairly short time, without going through long bureaucratic procedures. In their CEO words, the main aim of the company is to bring positive economic and social impact to millions of people in Latin America, especially those traditionally excluded from the banking industry [30] [31] [32].

Stock Trading apps

Introduction

Electronic trading, is a method of trading securities (such as stocks, and bonds), foreign exchange or financial derivatives electronically and currently is rapidly replacing human trading in global securities markets. Information technology is used to bring together buyers and sellers through an electronic trading platform and network to create virtual market places. They can include various exchange-based systems, such as NASDAQ, NYSE Arca and Globex, as well as other types of trading platforms, such as electronic communication networks (ECNs), alternative trading systems, crossing networks and "dark pools". Electronic trading is the opposite of older floor trading and phone trading and offers a number of advantages, but glitches and cancelled trades do still occur.

At the same time, when it comes to managing finances and tracking the markets on the go, there are plenty of excellent apps that can be downloaded and installed onto your mobile. Whether you need to make a trade, check on your portfolio balance, or find out the latest financial market news, or even start trading from your mobile, now it’s possible with the stock trading apps providing real-time stock quotes, charts, news, and company data in a well-organized format. A great tool for the average investor, users can track portfolios or watch lists and set up alerts. [34]

Characteristics of stock trading apps:

Fast, efficient and always by your side

You can manage your portfolio on the go, wherever you are. According to a study by Fidelity, the top 3 places investors make use of financial apps are in front of the television, at the office or in the bedroom. Others even use it at the dinner table, in the car or on the golf course. View an infographic of the most popular locations people use mobile financial apps.

Real-time stock alerts

You receive real-time stock alerts to your phone, which keeps you completely updated on the performance of your investments. This benefit gives investors an edge. When a stock reaches your bid or ask target you receive an instant alert and can move swiftly to purchase or sell that stock.

Intuitive interfaces

Most mobile app creators set out to create the most user-friendly apps possible, making it a breeze to work with most interfaces. They aim to provide simplicity and an experience aligned with your intentions and needs. If you are struggling to understand a trading app’s interface, you can move on to the next one.

Confidence booster

Apart from added convenience, these apps also give investors a confidence boost. The study by Fidelity shows that investors who are frequently using financial apps feel they have a competitive investing edge. For example, 69 percent of those who trade with their mobile apps say they feel it gives them an advantage over investors who do not.

The Pros

No brokers needed

Years ago, before the digital era, if you wanted to trade on the stock market, you had to hire a personal broker. A broker is someone licensed and trained to bid in the stock market on your behalf and explain to you the pros and cons of buying a particular stock, mutual fund or bond. Brokers are professionals who substantially mitigate your risk with investing. However, brokers also create a barrier to entry to the stock market, whereas pretty much anyone can trade online right away. The web service you use to do your online trading serves as a broker to all who use it.

Low fees

As you can imagine, personal brokers charge high fees. Brokers' fees vary greatly depending on their level of expertise and years of experience. However, brokers provide a personalized, client-based service similarly to the way many lawyers operate, so fees will be substantial. The better your personal broker is, the more you will pay. Web-based trading platforms charge a mere fraction of what personal brokers charge their clients and online trading can lead to higher returns.

Information and Tools

Most web-based trading platforms give you access to sophisticated, informative tools for trading. With these tools and a lot of self-education, you can make wise investments.

24/7 Trading

The stock market is ever changing, and with online trading, you can place your bids anytime, anywhere. There is usually some lag time when using a personal broker.

No financial minimums

Personal brokers usually prefer to work with clients who have several thousands of dollars to invest. For those of us who do not have that kind of cash lying around, online trading is great. You can start buying penny stocks with less than $100.

The Cons

Risk

Of the pros and cons to online trading, there are several minor cons that harsh critics of online trading cite, but the main substantial con that you really need to be aware of is the risk that online trading entails. Online trading has largely torn down the barriers to entry for bidding in the stock market. This is both a good and bad thing. Those with no investment experience can get into serious trouble if they leap before they look. The stock market is inherently volatile, and you really need to know what you are doing to avoid losing money on your investments. If you are a new investor, spend a lot of time educating yourself to mitigate your risk.

Popular applications and their functions, what makes them different?

Consumers are increasingly shifting towards mobile platforms as new tools can help investors gain insight, hone their skills without risking a dime and ultimately trade their portfolio. Below are the top four apps that gained popularity and positive reviews among users [36].

Trading 212

Trading 212 have a zero commission approach, it allows consumers to buy and sell shares for free. The app allows investors to make 10 trades per month each worth up to £10,000 commission free. The average commission charged by five of the largest UK online share dealing platforms is £10.01 per trade. [35]

Robinhood

Robinhood allows investors to trade stocks with no commission fee. Launched in 2014, Robinhood's target audience is the younger generation of traders with an average age of 26 years old, 25% of whom are first-time investors.

The app uses geolocation to suggest relevant stocks. It provides an innovative crowd-sourced, social approach that shares insight and trends from other Robinhood users, looking to build a following.

In September 2016, the company announced the launch of Robinhood Gold – an advanced version of the platform with a set of premium features, such as extended trading hours, a line of credit and a faster option for making deposits and withdrawals.

TD Ameritrade Mobile

TD Ameritrade Mobile is offering customers several applications for monitoring the market and making trades. TD Ameritrade Mobile Trader enables the trading of equities, options, futures, and forex. Traders can keep the track of the news through integrated live streams from several CNBC regional channels and a financial news service. With access to comprehensive research materials, traders of any level benefit from TD Ameritrade's expertise. Users of this app can chat with other traders and learn about the upcoming events through the interactive market calendar.

TD Ameritrade Mobile app, the second tool offered by the mobile division of the company, is mostly focused on analysis of trends and keeping track of the trader's positions and orders. It provides an opportunity to transfer cash and deposit checks by taking the pictures of them with the phone camera. Moreover, users can find out market information about the companies by simply scanning the bar code of the consumer products in the store.

E*Trade Mobile

E*Trade Mobile's easy-to-use interface helps users locate stocks quickly through a voice search function. Similar to TD Ameritrade applications, E*Trade Mobile provides an opportunity to trade a variety of securities: stocks, ETFs, mutual funds and options. With real-time quotes and news from Morningstar, MarketWatch, Briefing.com, and various wires, along with CNBC Video on Demand, users have access to a wealth of information. Users can select information that is displayed on the customizable dashboard and have access to educational tools and comparison charts.

Bloomberg

The Bloomberg app combines breaking financial news and real-time stock tickers for major and minor stock exchanges that both causal and active investors can appreciate. You can customize your own stocks in the application and get a comprehensive view of your position in the market. Users can also get personalized news on companies in their watch list, for the real-time, relevant information they need to make smart investing decisions.

The future of the industry

Technology is getting cheaper and the really sophisticated traders are getting younger, smarter and savvier. In the future, we will see banks and non-banks poaching the very best from the likes of Microsoft and Google rather than from traditional peers. Digital technology will form such a central component of the way firms operate that it is taken for granted within finance. [37]

Trading through smartphones is more convenient for investors unlike the conventional route of getting trades executed through brokers or relationship managers. Brokers say retail investors enjoy the anonymity and speed of trading through their own smartphones.

Instant Access, Instant Information: Using trading platforms freely available from your mobile device, any trader is now able to capitalize on important and market-moving news releases as they unfold. [38]

Additionally, these new technology innovations have opened up new types of strategic approaches many traders are willing to take when establishing positions in market assets. Specifically, algorithmic trading has become highly popular with many sections of the market. In fact, there are many established traders who believe that computer algorithms and technical chart analysis could completely overtake the more traditional practices of fundamentally analysing a company's earnings potential and growth outlook.

Analysis of the unstructured data: Machine and deep learning are allowing financial firms and traders to analyse unstructured data (like financial information on news sites, blogs, across social media, etc.) and reveal patterns not previously identifiable by just human eyes – allowing for an entirely new approach to and 'accuracy' in trading decisions.

Robo-advisors: There's a need for robo-advisors that will better take into account and integrate individuals' behaviour patterns alongside their stated financial objectives, resulting in more adaptive and targeted investments.

Increased transparency: Regulators globally realise that e-trading is one mechanism that is aligned with their efforts to increase transparency in the marketplace and to reduce the build-up of systemic risk. Regulated electronic platforms offer transparency and can facilitate post-trade analysis, and are therefore well positioned as approved venues for the trading of standardised derivatives.

As market participants adapt to market reforms and new regulation, mobile trading looks certain to have an increasingly large role to play. But even more importantly, where market participants seek improved operational reliability, efficiency, transparency (that does not undermine liquidity) and competitive pricing, electronic trading provides enormous advantages.

Different applications in the emerging markets and in different geographies.

India:

India has become the world's fastest growing market for mobile based stock trading since its launch in 2010. As of August 2015, the total trading volume on mobile phone is of the tune of ₹116,186 crore and is increasing at a rapid phase. In percentage term, around 1% of trading value is generated on mobile which is expected to go up to 3-4% in couple of years. The ticket size for mobile order is generally small as mobile trading app is mostly used by retail investor. [39]

These apps provide full trading experience to mobile, including trade tools, advanced order types, detailed charting, complex options, cloud syncing, and much more hence providing you with a seamless experience across devices.

There is a large chunk of stock brokers who provide NEST mobile trading platform. NEST platform is OK to use but it just feels clumsy sometimes and not very reliable.

Stock Watch

The Stock Watch is one of the highest rated apps that lets Android users keep a tab on the Indian and global economy. It can be used as a tool to follow India's most important stock exchanges. The app offers the latest Indian stock market news, NSE futures and options, equity futures and options, BSE/NSE intraday charts, and Indian company stock quotes. It brings live stock quotes (expect 2 to 5 minutes delay), stock tips from experts in the Indian market and has an easy to use "Stock Search" feature. The Stocks Watchlist keeps a close watch on all the stocks which are extremely critical for you. It lets you sort them by name, price, change and percent change. It brings all the latest business news and global indices under one roof.

China

According to data from the China Internet Network Centre, in 2015, online trading in stocks and online payment were hot areas of growth in China, with user utilization rates expanding a whopping 54 % and 37 % respectively. [41]

Chaojiaoyi or Chaotrade

Users can personalize their own watch list of assets and receive push-notifications on their phones on the relevant price alerts, insights from experts, or other users' recent trades. [40]

For those less experienced in trading, they can use the “follow” function on expert traders, which mirrors the expert traders’ trades in real time, for example “followers” will execute the same trades in a fraction of second after the “experts” trade certain stock.

Baidu has launched a stock analysis app that uses artificial intelligence to predict how stocks and overall markets would perform. Baidu is a Beijing-based Chinese web services company and one of China’s leading search engines. Users in China can download Baidu's StockMaster app and create a Robinhood account.

Newsystock

Newsystock is a FinTech start-up that provides quantitative analysis system and recommendation service for retail investors. It is a Robo-Portfolio platform based on Quant providing simulation and analysis infra and algorithm market for retail investors. The company gathers financial raw data, evaluates listed stock then provides charts for long-term and short-term projections, stock ranking, and simulation tools for investors as well as analysis system itself. Using the system, an individual investor can analyse any stock within five minutes. Launched in South Korea in 2012, the company reached break-even point.

Conclusion

The latest trends in electronic trading have revolutionized the process, democratized the system, and created the need for execution parameters that are more in line with the needs of traders. The ability to trade on the move means people can keep in closer touch with markets and act more quickly when they spot opportunities.

There will be no more room for non e-trade brokers and as we see now everything is turning to online services, people are looking for the easier, faster and shorter way to fulfil their needs and demands.

Simply put, mobile usage is the next evolutionary sign in the human interaction with data," says Lior Alkalay, senior analyst at eToro [40]. "Since smartphones have gone mainstream and as more and more traders are now equipped with powerful handheld communication devices, it makes perfect sense that an ever growing portion of the trading 'time' goes mobile.

These are all good things, and these are trends that are unlikely to reverse any time soon. In short, say goodbye to the traditional trading floor. The paradigm has shifted, and investment positioning is no longer exclusive to those with active connections on traditional stock markets.

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