



Esma: risks to retail investors of social media-driven share trading.

ESMA, the EU's securities markets regulator, has warned savers with a statement that highlights the risks of the online trading decisions carried out as consequence of exchanges of views and informal recommendations shared on the web and the following involvement in trading strategies deliberately made public through social networks (www.esma.europa.eu/press-news/esma-news/esma-highlights-risks-retail-investors-social-media-driven-share-trading). The issuance of the ESMA statement is part of the European authority's strategy for the protection of savers and retail investors; it is also linked to recent experiences on US markets, characterized by high price volatility, caused by the sharing of trading information through social media. Without prejudice to the different regulation of both the markets, this dynamic might also occur within the EU financial framework.

ESMA, which will continue in its monitoring of the markets for the protection of investors and to favour the integrity of the markets themselves, suggests in any case that operators make use, in their trading decisions, of reliable information, to avoid or, at least, reduce both the risk of both heavy losses due to price volatility and of market abuse.

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