



TRADER

JOB DESCRIPTION

Traders are employed by financial institutions—such as investment banks—to trade investments by buying and selling them on the world's financial markets. These trades are made on behalf of individuals, companies, or institutional investors, such as pension funds and banks. Traders work in a fast-paced environment, using their judgment and experience to create a profit for their clients.



SALARY

New trader ★★★★★

Senior trader ★★★★★

INDUSTRY PROFILE

Highly competitive industry • Financial rewards, particularly bonuses, are potentially substantial • Jobs available across the world

AT A GLANCE



YOUR INTERESTS Economics • Finance • Mathematics • Financial markets • Accountancy • Business studies • Information Technology (IT)



ENTRY QUALIFICATIONS A degree or higher is required; employers favor subjects related to business, finance, or mathematics.



LIFESTYLE Traders work long hours every day to track movements in markets around the world. Much of the work is screen-based.



LOCATION Traders work in an office. Most job opportunities exist in the world's major financial centers, such as New York, London, and Tokyo.



THE REALITIES The job can be very demanding and stressful. Traders must excel in a fiercely competitive and pressurized work environment.

CAREER PATHS

Prospective traders must pass a rigorous recruitment process that may include aptitude and personality tests. Most entrants then spend two years working in a junior trading role and studying for professional qualifications. With experience, they may manage a team of traders in a particular type of financial market, or specialize in a specific trading area.

GRADUATE Due to strong competition for jobs, you need high grades in an undergraduate degree in a technical, financial, or business-related subject when applying for jobs as a trader.



POSTGRADUATE You can increase your chances of becoming a trader by gaining a higher degree in a subject such as economics, finance, mathematics, or business.



SKILLS GUIDE



Excellent communication skills and high levels of confidence to negotiate trading options.



Strong numerical skills to manipulate financial data when compiling and analyzing reports.



Strong computer skills for using computerized financial systems to conduct efficient financial trades.



In-depth knowledge and awareness of issues that might affect financial markets.



Attention to detail and the ability to react swiftly and decisively to market changes.

RELATED CAREERS

- ▶ **INVESTMENT ANALYST** *see pp. 100–101*
- ▶ **ECONOMIST** *see pp. 108–109*
- ▶ **INVESTMENT BANK ACTUARY** Conducts research to assess the potential risks of investment decisions, such as buying or selling particular shares. Investment bank actuaries are among the most influential and best-paid professionals in the world of finance.
- ▶ **STOCKBROKER** Buys and sells stocks and other investments on behalf of businesses and individual clients, rather than for large financial institutions, taking a percentage of clients' fees.

PROPRIETARY TRADER

Working as an employee of a bank or other financial institution, a proprietary trader increases profits for an employer by using the company's money—rather than that of a client—to buy and sell on the financial markets.



SALES TRADER Works to create new business for banks by identifying and talking to potential clients, and liaising between the client and the traders who will handle the investments.



COMMODITY BROKER Buys and sells contracts for physical commodities—such as oil, gas, metals, and foods—on behalf of companies.



STRUCTURER Develops, models, and sets the pricing structure for sophisticated financial products, such as derivatives, the price of which may vary according to the value of a linked asset, such as a share.



TRADER You will need to gain professional qualifications before you can perform all the functions of a trader. With experience, you can progress into specialized roles.



QUANTITATIVE ANALYST (QUANT) A “quant” develops and runs complex mathematical formulae, or algorithms, that determine the prices of shares or other financial products and assess risks. Also identifies profitable trading opportunities.