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**Updated SEBI Study Reveals 93% of Individual Traders Incurred Losses in
Equity F&O between FY22 and FY24;
Aggregate Losses Exceed ₹1.8 Lakh Crores Over Three Years**

A new study conducted by the Securities and Exchange Board of India (SEBI) has revealed that over 9 out of 10 individual traders in the equity futures and options (F&O) segment continue to incur significant losses. The aggregate losses of individual traders exceeded ₹1.8 lakh crores over the three-year period between FY22 and FY24.

This study follows up on a report published by SEBI in January 2023, which found that 89% of individual equity F&O traders lost money in FY22. With increased participation of individual investors in equity and equity derivatives markets, the current study was undertaken to analyze profit and loss patterns for individual traders in F&O during the three years FY22 to FY24, and for all the categories of investors in F&O during the single year FY24.

Key Findings:

1. High Loss Rates Among Individual Traders:

- 93% of over 1 crore individual F&O traders incurred average losses of around ₹2 lakh per trader (inclusive of transaction costs) during the three years from FY22 to FY24.
- Top 3.5% of loss-makers, approximately 4 lakh traders, faced an average loss of ₹28 lakh per person over the same period, inclusive of transaction costs.

- Only 1% of individual traders managed to earn profits exceeding ₹1 lakh, after adjusting for transaction costs.

2. Profit Distribution Among Proprietary Traders and FPIs:

- In contrast to individual traders, proprietary traders and Foreign Portfolio Investors (FPIs) as a class booked gross trading profits of ₹33,000 crore and ₹28,000 crore, respectively, in FY24 (before accounting for transaction costs). Against this, Individuals and others incurred a loss of over ₹61,000 crore in FY24 (before accounting for transaction costs).
- Most of the profits were generated by larger entities that used trading algorithms, with 97% of FPI profits and 96% of proprietary trader profits coming from algorithmic trading.

3. Transaction Costs for Individual Traders:

- On an average, individual traders spent ₹26,000 per person on F&O transaction costs in FY24.
- Over the three-year period from FY22 to FY24, individuals collectively spent about ₹50,000 crore on transaction costs, with 51% of these costs being brokerage fees and 20% being exchange fees.

4. Increasing Participation of Young and B30 City Traders:

- The proportion of young traders (below 30 years) in the F&O segment rose from 31% in FY23 to 43% in FY24.
- Individuals from Beyond Top 30 (B30) cities made up over 72% of the total F&O trader base, a higher proportion compared to mutual fund investors, 62% of whom are from B30 cities.

5. Income Profiles of Traders:

- Over 75% of individual F&O traders in FY24 had declared an annual income of less than ₹5 lakh.

6. Trading Behavior and Persistence:

- Despite consecutive years of losses, more than 75% of loss-making traders continued trading in F&O.

The full [study](#) is available on the SEBI website at www.sebi.gov.in

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