Overview

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Financial markets have long been seen as engines of economic growth and wealth creation, yet their working remains a mystery for everyday investors. From equities to fixed income, commodities to cryptocurrencies, opportunities for participation are greater than ever before, yet so are the challenges. The rapid pace of innovation in financial technology—witnessed in the emergence of apps like Robinhood—has made it easier for retail participants to step onto the proverbial trading floor. But broader access to markets does not necessarily translate into better investment outcomes. Under the surface, retail investors still struggles with obstacles in their pursuit of making informed decisions.

Evolution of Financial Markets and Asset Classes

Historically, financial markets were once the exclusive realm of high-net-worth individuals and large institutions. Stock trades were executed in person or by phone and investment decisions were influenced by newspaper headlines Over time, technological advancements have reshaped this landscape in fundamental ways.

The digitization of trading—initially through electronic communication networks (ECNs)—expanded access, slashed transaction costs, and shortened the time it takes to buy or sell a security. This wave of democratization continued to build with the rise of discount brokerages in the 1990s, and eventually soared in the 2010s with commission-free trading platforms. By the onset of the 2020s, anyone with a smartphone could buy a share of a publicly traded company, invest in exchange-traded funds (ETFs), or speculate on cryptocurrencies and commodities with just a few taps.

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While equities have largely remained the go-to investment vehicle for retail investors, other asset classes have begun to attract more attention. Cryptocurrencies, for example, highlight the disruptive nature of decentralized finance (DeFi). These categories of assets present new and sometimes confusing terminology, trading strategies, and risks.

Although the entry barriers have come down, the knowledge barriers have not. Retail investors still face the challenge of understanding and interpreting the same data that professionals have spent careers mastering.

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Challenges

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