Global Market Sentiment Survey
CFA Institute
2014

OBJECTIVE:
This survey was conducted in order to seek input from Chartered Financial Analyst (CFA) Institute members to gather feedback on market sentiment, performance, and market integrity issues.

METHODS USED:
Responses were collected through online surveys from October 2nd to the 17th. 119,817 global CFA Institute members were invited to participate in the survey and 6,561 responded.

KEY FINDINGS:
• 63% of respondents think the global economy will expand in 2014.
  o Members from the United Kingdom are the most optimistic about the global economy with 78%
• Respondents believe economic conditions (31%) and political instability (25%) are the biggest risks to global markets in 2014.
• Respondents believe improved regulations and oversight of global systemic risks as the most important action needed in 2014 to build investor trust and market integrity.
• Only 53% of the investors surveyed trust investment firms to do what is right.
• Respondents believe improving regulations and oversight of global systemic risk is the most needed regulatory or industry action to help improve investor trust and market integrity.
  o For local markets, they believe improving enforcement of existing laws and regulations is the most needed.
• Responses indicate mis-selling of products by financial advisers as the most serious ethical issue facing their local markets in the coming year.
  o In the case of global markets, they believe market fraud is the most serious issue.
• 54% pointed out a lack of ethical culture within financial firms as the factor that has contributed the most to the current lack of industry trust.
• A reference to a previously conducted survey of 915 financial services executives around the world indicated:
  o 91% believed ethical conduct is just as important as financial success at their firm.
  o 96% stated they would prefer to work for a firm with a decent reputation for ethical conduct than for one that is bigger or more profitable but has questionable ethical standards.
  o 37% believed better ethics would lead to better financial results while 53% said career progression would be tricky without being “flexible” over ethical standards.

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