

Financial Instrument with High Investment Risk on the Warsaw Stock Exchange

Authors : Piotr Prewysz-Kwinto

Abstract : The market of financial instruments with high risk is developing very dynamically in recent years and attracts more and more interest of investors. It consists essentially of two groups of instruments, i.e. derivatives and exchange traded product (ETP), and each year new types are introduced and offered to investors. The aim of this paper is to present the principles concerning financial instruments with high investment risk available on the Warsaw Stock Exchange (WSE), because they have quite complex constructions, and to evaluate the development of this market. In order to achieve this aim, statistical data from 2014-2016 was analyzed. The results confirm that the financial instruments with high investment risk available on the WSE constitute a diversified and the most numerous group of financial instruments and attract the most interest of investors. Responsible investing requires, however, a good knowledge of how they work and how they can generate profit to not expose oneself to unexpected losses.

Keywords : derivatives, exchange traded products (ETP), financial instruments, financial market, risk, stock exchange

Conference Title : ICAF 2017 : International Conference on Accounting and Finance

Conference Location : Paris, France

Conference Dates : July 20-21, 2017