



The 8 Best Global Brokers

By Your World Money Analyst Team

Copyright 2012 Mauldin Economics



WORLD MONEY ANALYST
INTERNATIONALIZE YOUR MONEY. YOUR LIFE.

Our Top Broker Picks

Dear Reader,

It's an obvious observation but one worth making: One can't successfully trade internationally without a broker that can access international markets.

Until the dawn of the Internet age, this was a cumbersome and expensive proposition only done manually through a personal stock broker (or brokers).

With the advent of our modern communication era, however, managing one's portfolio has become as simple as a couple clicks of the mouse and a few types on the keyboard.

The key is to find the right broker.

In this report, we introduce you to our favorites as researched and compiled by *World Money Analyst* Managing Editor Kevin Brekke. All of them have their own strengths and weaknesses and are best chosen after you are clear what sort of investments you'd like to undertake.

The first seven, covered under the article title, *An Update on Global Brokerages*, reviews some of the better options out there. The second article, *Get an International Broker*, is a more in-depth analysis of our top pick, *Interactive Brokers* - a service which gives investors access to 19 different markets all over the world.

Best of all, IB is happy to take on American clients whereas, due to the ever increasing maze of new rules and regulations put forth by US policymakers, most other international brokerage services nowadays will not.

Please see below.

Sincerely,

Your World Money Analyst Team

An Update on Global Brokerages

By Kevin Brekke

In response to many requests from our readers, this month we have assembled a select list of brokerage service providers to assist our international subscribers in trading the equities we cover. We always suggest trading equities on their native exchanges versus a US OTC listing, and we have identified several of the best-in-class brokers to help you do just that.

Many of the brokers reviewed below do not accept US persons or restrict their options. Unfortunately, that is the new reality in today's financial climate where onerous reporting mandates placed on non-US financial companies by the American tax authorities has created a costly and time-consuming burden that many choose not to endure. However, four of our selected brokers will accept US persons as clients, although we point out that two of them come with strings attached.

There are hundreds of brokers in dozens of countries all competing for a slice of the global investment trade, and the pool of "possibles" is daunting. So, how did we sift through the pool?

Here is the "criteria filter" through which each broker must pass:

- **Offer online accounts.** Using an online trading account gives the investor total control over his or her investments and the freedom to trade 24/7 from any location with Internet access.
- **Charge lower commissions.** Another benefit of using an online account for self-directed trades is that commissions are almost always less than placing a broker-assisted trade.
- **Solid business.** Your online account is only as safe as the company it keeps – literally. We look for brokers with a solid history in the stock broking trade, a large user base, and that are profitable businesses.
- **In a safe jurisdiction.** The intrusion of national governments into the operations of financial institutions and the private affairs of individuals is an ever-present threat. Only a broker domiciled in a country with strong financial regulation and oversight, and that will uphold the rule of law and defend property rights is considered.

As with all decisions concerning whom to trust with your investment money, please conduct your own due diligence when considering any of the following companies; this includes enquiring about the availability of specific investment products you intend to purchase. Each company's access to markets and products is fluid and can change without warning.

Additionally, various trading fees are imposed by certain country exchanges—e.g., stamp duty, clearing fee, transfer tax—and some brokers charge an inactivity fee for accounts that fail to meet broker-specific minimum activity. The transfer of funds by wire, stock transfer to/from a broker, foreign currency conversion, margin rates, and other standard charges

will vary between brokers. It is important to dedicate the time to understand the total fee structure for each broker prior to opening an account to avoid any surprises.

Lastly, the theme of diversification applies here as well. Just as we advise not to hold all your wealth in any single country, bank, industry sector, or investment, the same caution applies to brokerages.

With the fine print out of the way, here are our hand-picked brokers that we believe are worthy of your consideration. Company headings are clickable links to their respective websites.

[Saxo Bank - Denmark](#)

Saxo Bank is a Denmark-domiciled licensed and regulated European global investment bank specializing in online trading with offices in Copenhagen, London, Madrid, Paris, Singapore, Tokyo and Zurich.

Trading accounts can be opened online with a US\$2,000 minimum (or its equivalent in another currency). Their SaxoWebTrader and SaxoMobileTrader (trading from a mobile phone) trading platforms give access to 30 world markets in the US, Canada, S. Africa, Western/Eastern Europe, Scandinavia, and Asia/Pacific. Trading is offered in currencies, forex options, shares, futures, commodities, ETFs, bonds, ETCs* and CFDs**.

Their commissions are aggressively competitive. Here are examples for share trading: U.S. exchanges, \$0.02/share, \$15 min.; Europe exchanges, 0.10%, €12 min.; Canada TSE, CAD0.03/share, CAD25 min; Hong Kong exchange, 0.15%, HKD150 min. (≈US\$20); UK LSE exchange, 0.10%, GBP8 min.

Nationality Restrictions: U.S. citizens/residents not accepted as clients.

[optionsXpress - US & Int'l Accounts](#)

(In March 2011, Charles Schwab announced the acquisition of optionsXpress, and the merger was completed in the second half of 2011. According to the FAQ section on the optionsXpress website, existing Schwab and optionsXpress customers will experience no change in using their accounts.)

Opening an account online is straightforward and there is no minimum. And don't let their name fool you; with optionsXpress you can trade shares, futures, ETFs, bonds, and mutual funds as well as options – and do it all from a single trading account.

The website is easy to navigate and their investor-friendly trading platform includes real-time streaming quotes and online tutorials to get you started.

Commissions: a flat US\$8.95 per trade for US clients; optionsXpress Europe, Singapore, Australia, and Canada, US\$9.95-US\$14.95 for trades up to 1,000 shares; option contracts are a flat US\$14.95, but varies with higher trading volumes. Margin trading is also available.

With a presence in Australia, Netherlands, Singapore, and Canada, optionsXpress might work for international subscribers that want to buy the equities covered in World Money Analyst that trade on the U.S. and Canadian exchanges. For U.S. accounts, keep in mind that non-U.S. companies can be traded only if they have a cross-listing on a US exchange or a US-listed ADR. For many foreign companies, this will mean trading on the OTC market, something we do not recommend.

Nationality Restrictions: U.S. persons limited to a U.S.-based (Chicago) account.

[Internaxx - Luxembourg](#)

Based in Luxembourg, Internaxx is owned by TD Waterhouse, one of the UK's leading brokers. The parent company of TD Waterhouse is the Toronto-Dominion Bank.

Users have access to real-time online share dealing on 18 exchanges in North America, Europe, and Asia/Pacific. Multi-currency trading accounts are available in AUD, CAD, CHF, EUR, GBP, HKD, SEK, SGD, and USD. Internaxx offers trading in shares, currencies, interest rates, commodities, futures, CFDs** and several hundred equity, bond, and money market funds from leading international providers.

Examples of commission rates: for orders under €5,000: €28 on US/Canada/Europe exchanges; €45 on Asia exchanges. For orders between €5,000 and €10,000: €35 on US/Canada/Europe exchanges; €55 for Asia exchanges. For broker-assisted trades add €20/trade. Frequent traders—30 or more trades per calendar year—earn a 20%-30% commission discount, depending on the exchange traded.

Nationality Restrictions: U.S. citizens/residents and Canadian residents not welcome.

[iOCBC - Singapore](#)

Started in 1986 as Oversea-Chinese Banking Corporation Limited, in 2001 this Singapore-based company acquired UBS Warburg & Associates Private Limited (Singapore) and Keppel Capital Holdings. The acquisitions propelled OCBC Securities into the ranks of Singapore's leading stock broking firms.

iOCBC is the company's online trading division offering commodity futures, forex, ETFs, shares, warrants, and Extended Settlement contracts***. Although the depth of products offered is comparatively shallow, the breadth of exchanges traded is impressive: Australia (ASX), Hong Kong (HKEX), Indonesia (IDX), London (LSE), Malaysia (BURSA), Philippines (PSE), Shanghai (SSE) & Shenzhen (SZSE) B-shares only, Singapore (SGX), Thailand (SET), Tokyo (TSE), and the U.S. (NYSE, AMEX, NASDAQ).

Marginable securities, product availability, commissions, and settlement currencies depend on the exchange being traded and account type.

Commission example on the SGX exchange: for orders under US\$30,000, 0.275% with a US\$14 min. Complete mobile trading from an iPhone is available. Consult the website for details.

Nationality Restrictions: U.S. citizens/residents accepted as clients but barred from trading on U.S. exchanges. All non-Singapore citizens/permanent residents must make a US\$2,000 deposit to open an account.

SWISSQUOTE - Switzerland

SWISSQUOTE is part of Swissquote Group and headquartered in Gland (in canton Vaud) with offices in Zürich. Launched in 2000, it has rapidly grown into Switzerland's leading online broker and lists on the Swiss Market Exchange (SIX: SQN).

Electronic share dealing is available on the following exchanges: Switzerland (SIX), U.S. (NYSE, Arca, AMEX, NASDAQ), Austria (ATX), UK (LSE), Italy (Borsa Italiana), Frankfurt (XETRA), Euronext, Canada (TSX, TSX-V), and the pan-Nordic OMX trading facility (Stockholm, Helsinki, Oslo, and Copenhagen). Another 60 markets in 40 countries, including Brazil, S. Africa, Middle East, Asia and Australia are traded via phone-executed orders. Trading in options, futures, warrants, bonds, structured products and forex is also available. Commission on ETFs and over 3,000 funds is a flat 9 CHF/9 EUR/9 USD. Commission for an equity order between 2,000 and 10,000 (in either CHF/USD/CAD/EUR/GBP) is 35 CHF/USD/CAD/EUR/GBP. Accounts can be held in Swiss francs, Euros or USD.

Nationality Restrictions: U.S. citizens/residents not accepted as clients.

Thales Securities - Panama

Founded in 1998, Thales Securities is the largest brokerage firm in Panama and is headquartered in Panama City. It is fully licensed and regulated by the National Securities Commission of Panama.

Thales is a discount online brokerage offering trading in stocks, forex, options, futures, ETFs and CFDs**. Exchanges traded include: US (NYSE, Arca, NASDAQ, AMEX), Euronext, Amsterdam (AMS), Australia (ASX), OMX (Copenhagen, Helsinki, Stockholm), Frankfurt (XETRA), Hong Kong (HKEX), London (LSE), Borsa Italiana (MIL), Oslo (OSE), Spain (SIBE), Switzerland (SIX), Canada (TSE, TSX), Vienna (VIE), and Warsaw (WSE).

There are no monthly or activity fees and no account-opening minimum. Commission examples: US markets, US\$0.03/share for shares over USD10, US\$0.05/share for shares under US\$10, min. US\$19.95; mutual funds, min. US\$50; Hong Kong, 0.15% of order, min. HKD150 (≈US\$20); Frankfurt, 0.25% of order, min. EUR30.

A 30-day free trial of the Thales Trader platform is available and customer support is handled in both English and Spanish.

Nationality Restrictions: None.

Monex Boom Securities - Hong Kong

Monex Boom Securities started life as BOOM Securities, founded in 1997 as a fully licensed broker/dealer regulated by the Securities and Futures Commission of Hong Kong and headquartered in Hong Kong. BOOM was bought by Monex Securities in 2010 and is now part of the Monex Group, one of Japan's largest online brokers and headquartered in Tokyo.

Monex Boom is an online broker only with trading on the following markets: Hong Kong (HKEX), US (NYSE, NASDAQ), Japan (Tokyo, Fukuoka, Nagoya, Osaka and Sapporo exchanges), Singapore (SGX), Thailand (SET), Taiwan (TWSE), China (SSE, SZSE; B and H shares), Indonesia (IDX), Korea (KRX), Malaysia (BURSA), Australia (ASX), and the Philippines (PSE).

Commissions are competitive with other online brokers: Hong Kong, 0.18% of order, US\$12 min.; US, flat US\$20 up to 5,000 shares; Singapore, 0.30% of order, US\$17.50 min.; Australia, 0.40% of order, AUD35 min.

There is an account-opening fee of HKD200 (≈US\$25) and a yearly administrative fee of HKD200 as well. Cash in accounts can be held in six currencies: HKD, RMB, USD, JPY, SGD and AUD. Monex Boom charges something we haven't come across so far, a dividend fee. It is assessed for all exchanges and ranges from a fixed US\$3-US\$6.50, to a set percentage of 0.50% to 1.0%. This is something to keep in mind if buying a stock for its dividend.

Nationality Restrictions: None.

* Exchange Traded Commodities. Similar to ETFs, ETCs track the performance of an underlying commodity index. You can take short and long positions and employ varying degrees of leverage either way.

** Contracts for Difference. A CFD is a derivative product mirroring the movement of an underlying share, index or commodity. It works like a futures contract in that there is no limit to the gain or loss that can be realized by the holder, and the contract has no expiry date. It works like an option in that it has a time decay aspect, but with a twist: whereas for an option you pay a set price and the option is either sold or it expires and you lose your premium, a CFD is bought on margin, long or short, and the holder is assessed a daily interest fee against the holding's value. So the longer you hold the CFD, the higher your cost basis.

*** Extended Settlement contract. An ES contract is a contract between two parties to buy or sell a specific quantity of shares, of a specific underlying stock, at a specific price, for settlement at a specific future date when the contract matures or expires. Translation: this is an option contract.

Get an International Broker

By Kevin Brekke

Continuing the mission to assist our readers with internationalizing their money *and* life, **World Money Analyst** will pry open the global investment oyster in search of profit opportunities. It's a big world filled with lots of companies that trade on dozens of exchanges, and that poses an obvious challenge: how can we trade these markets using a single broker?

To scale that hurdle, our goal was to find a broker that gives us access to the world's prominent exchanges; is an online broker with competitive commissions and fees; and accepts US persons as clients — not an easy feat in the shadow of the UBS tax evasion scandal with US revenue authorities. The scandal's fallout saw many foreign banks and financial institution turn away US person as clients.

Interactive Brokers	
USA	NYSE, NASDAQ, ARCA, AMEX, ISE
Canada	Toronto Stock Exchange (TSE, TSX Venture)
Mexico	Mexican Stock Ex. (MSE)
Austria	Vienna Stock Exchange
Belgium	Euronext Brussels Stocks
France	Euronext France
Germany	Frankfurt Stock Ex., Stuttgart Stock Ex., XETRA
Italy	Borsa Italia
Netherlands	Euronext Netherlands
Spain	Bolsa de Madrid
Sweden	Swedish Stock Exchange
Switzerland	Swiss Exchange (SIX)
UK	London Stock Exchange (LSE)
Australia	Australia Stock Ex. (ASX)
Hong Kong	Hong Kong Stock Ex. (SEHK)
India	National Stock Ex. Of India (NSE)
Japan	Tokyo Stock Ex. (TSE)
Singapore	Singapore Ex. (SGX)
S. Korea	Korea Stock Ex. (KRX)

However, hurdles notwithstanding, we found a great fit: Interactive Brokers.

Interactive Brokers is headquartered in Greenwich, Connecticut, with offices in Australia, Canada, China, Estonia, Hong Kong, Hungary, India, Russia, Switzerland, UK, and the USA.

As you can see from the table we compiled, they offer trading on exchanges that span the globe. Products offered include stocks, options, futures, forex and bonds.

Individual, joint, trust, LLC, IRA (Roth, traditional, rollover, SEP), corporate, partnership, and unincorporated business accounts are available.

Interactive Brokers has a US\$10,000 minimum (or its equivalent in another currency) to open an account — US\$5,000 for IRAs. They charge a US\$10.00/mo inactivity fee. Accounts generating commissions less than the minimum in any given month will be assessed the difference as a monthly inactivity fee. Although the fee is less than optimal, think of it as a convenience fee we must pay-to-play on the global markets within a single trading account.

Two commission-pricing structures are offered: flat rate and cost plus. Individual trading frequency and share volume will determine which commission schedule is right for the investor.

The account opening and funding procedure may be bit challenging, but we believe the advantages offered from an Interactive Brokers' account are well worth the effort.

Use of this content, the Mauldin Economics website, and related sites and applications is provided under the [Mauldin Economics Terms & Conditions of Use](#).

Unauthorized Disclosure Prohibited

The information provided in this publication is private, privileged, and confidential information, licensed for your sole individual use as a subscriber. Mauldin Economics reserves all rights to the content of this publication and related materials. Forwarding, copying, disseminating, or distributing this report in whole or in part, including substantial quotation of any portion the publication or any release of specific investment recommendations, is strictly prohibited.

Participation in such activity is grounds for immediate termination of all subscriptions of registered subscribers deemed to be involved at Mauldin Economics' sole discretion, may violate the copyright laws of the United States, and may subject the violator to legal prosecution. Mauldin Economics reserves the right to monitor the use of this publication without disclosure by any electronic means it deems necessary and may change those means without notice at any time. If you have received this publication and are not the intended subscriber, please contact service@mauldineconomics.com.

Disclaimers

The Mauldin Economics web site, *Yield Shark*, *Thoughts From the Front Line*, *Outside the Box*, *Over My Shoulder*, *World Money Analyst*, *Bull's Eye Investor*, *Things That Make You Go Hmmm...*, and *Conversations* are published by Mauldin Economics, LLC. Information contained in such publications is obtained from sources believed to be reliable, but its accuracy cannot be guaranteed. The information contained in such publications is not intended to constitute individual investment advice and is not designed to meet your personal financial situation. The opinions expressed in such publications are those of the publisher and are subject to change without notice. The information in such publications may become outdated and there is no obligation to update any such information.

John Mauldin, Mauldin Economics, LLC and other entities in which he has an interest, employees, officers, family, and associates may from time to time have positions in the securities or commodities covered in these publications or web site. Corporate policies are in effect that attempt to avoid potential conflicts of interest and resolve conflicts of interest that do arise in a timely fashion.

Mauldin Economics, LLC reserves the right to cancel any subscription at any time, and if it does so it will promptly refund to the subscriber the amount of the subscription payment previously received relating to the remaining subscription period. Cancellation of a subscription may result from any unauthorized use or reproduction or rebroadcast of any Casey publication or website, any infringement or misappropriation of Mauldin Economics, LLC's proprietary rights, or any other reason determined in the sole discretion of Mauldin Economics, LLC.

Affiliate Notice

Mauldin Economics has affiliate agreements in place that may include fee sharing. If you have a website or newsletter and would like to be considered for inclusion in the Mauldin Economics affiliate program, please email us at affiliate@mauldineconomics.com. Likewise, from time to time Mauldin Economics may engage in affiliate programs offered by other companies, though corporate policy firmly dictates that such agreements will have no influence on any product or service recommendations, nor alter the pricing that would otherwise be available in absence of such an agreement. As always, it is important that you do your own due diligence before transacting any business with any firm, for any product or service.

© Copyright 2012 by Mauldin Economics, LLC.