

Who Trades

Accounting & Finance

The participants and what each is trying to do.

Participants and motives.

Participants

Retail investors

Pension and insurance funds

Hedge funds

Market makers

Central banks

Motives

Long-term saving and income

Matching liabilities over decades

Absolute return, often leveraged

Providing liquidity for the spread

Policy, not profit

Market makers quote both sides and earn the spread. They provide liquidity but are not obliged to in a crisis.