

Just2Trade Offers Trades For Just \$2.50

JetBlue Of Online Brokers?

New entrant touts service that rivals industry giants at less than half the price

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Competition in the deep-discount online trading business turned up a notch Tuesday with the entry of Just2Trade.com, a unit of **Success Trade Securities**.

Just2Trade is offering unlimited online trading at \$2.50 per trade, less than half the fees charged by most established rivals.

TD Ameritrade^{AMTD}, which targets active online investors, offers a flat \$9.99 fee for equity trades. **E-Trade**^{ET} and **Scottrade** charge \$12.99 and \$7.99, respectively.

"I would call us the JetBlue of online trading," said Fuad Ahmed, founder and chief executives of Success Trade Securities, referring to the popular discount airline.

Just2Trade is not the lowest in the industry. In October, **Zecco.com** hit the market with no charge for online equity trades, but limits that to 40 trades per month. Also in Octo-

ber, **Bank of America**^{BAC} began offering free online trading, though users of the service must keep a \$25,000 balance with the bank.

Other discount trading firms include **SogoInvest.com**, at \$3 per trade, **TradeKing.com**, at \$4.95 and **SpeedTrader.com**, at \$2.95.

Just2Trade says no other online broker is offering the speed of trade execution and trading tools it has at the \$2.50 price level.

The company says it can execute market trades in 1.6 seconds vs. the industry average of 7.7 seconds for S&P 500 market orders. Active traders consider quick execution of trades to be critical in that the offering price for a hot stock can jump quickly in a matter of seconds.

People once paid more than \$60 per trade. When online brokerages emerged a decade ago, the fees were halved to \$30, then \$15, and now have fallen below \$10.

The rise of deep-discount brokers is partly the result of the lower cost of technology to run the business and no-frills customer service. The cost that broker-dealers pay to execute trades at clearinghouses also has fallen, to about \$2 per trade or less. Most of the money broker-dealers earn today comes from the inter-

est they get on their clients' money, not the trading fees.

"Online trading is still in its infancy," Ahmed said. "But there is a big segment of this market that is maturing."

Ahmed says the typical Just2Trade customer as someone with about \$20,000 to trade and the desire to borrow an additional \$10,000 or more for trading. The person would have two or more years' online trading experience and order up to 15 trades a month.

The impact that deep-discount brokers have had on the larger online firms is difficult to gauge, as the number of online traders keeps rising. The big players say they are not worried.

"We believe with our \$7 commission rate, 287 local branch offices and award-winning customer service, Scottrade provides the best overall value in the online brokerage industry," said Kelly Doria, a company spokeswoman.

TD Ameritrade spokeswoman Katrina Becker echoed the sentiment.

"Low end or deep-discount brokers have been around for years, and we have seen no evidence of their ability to take market share," she said.