Expected cash deposits and investment activity behind record index level

Contributed by JGFR
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Of the 18 categories of activity placing a cash deposit with a bank, building society or National Savings & Investments is the most popular. 40% of the population expect to place a cash deposit in the coming months (some 21 million adults), up from 36% a year ago.

The banksâ€™ high profile advertising campaigns for regular savings accounts appear to be bearing fruit with an estimated 7.5 million intending to be regular savers â€“ a record.

Demand for ISAs is at a record level and is up sharply year-on-year â€“ 38% expect to contribute to an ISA in the coming months compared to 32% in March 2005 and 34% last December. A majority of ISAs will be invested in cash-ISAs although given the strong stock market performance more money is likely to be invested in equity-based ISAs.

Rising investor confidence on the back of strong stock market performance is at a record high with the FAB Equity Buying Index up to 145.3 in March from 129.3 in December and 121.2 in March 2005. Net retail sales should improve further with fewer people intending to sell securities this quarter. The FAB Securities Selling Index fell 129.4 to 125.1.Â Some 4 million adults expect to invest in government or corporate bonds with the FAB Government and Corporate bond index down slightly to 134.4 from 137.9 in December and up from 101.6 in March 2005

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