Andrew Glover
Assistant Professor of Accounting
University of Michigan*
andglove@umich.edu

Ed deHaan
Professor of Accounting
Stanford University*
edehaan@stanford.edu

July 31, 2026
Re: 24-Hour Trading, File No. 4-913

To the offices of the SEC:

File No. 4-913 considers the expansion of U.S. equity trading hours. Extensive academic research shows that retail investors tend to make under-informed trading decisions, and that more intensive retail trading leads to lower portfolio returns. Consistent with this prior literature, our research finds that increases in trading hours are associated with meaningful decreases in retail investors' net gains. A copy of our paper ("Market Access and Retail Investment Performance", *The Accounting Review*, 2024) is available at the following URL: https://doi.org/10.2308/TAR-2023-0471. We write to raise the following questions: who benefits from 24-hour trading? Why are limitations on market hours a problem in need of a solution? Is "competing" for retail investor dollars and attention with 24-hour traded assets such as cryptocurrency or prediction markets something the SEC should sanction?

Retail brokerages uniformly warn their clientele about the increased risks of trading during the existing pre- and post-market sessions. During these hours, liquidity is low, volatility is high, spreads are wider, and prices are arguably less informationally efficient. Our research indicates that retail investors systematically underperform given these types of conditions, yet these conditions will likely be even worse overnight. Given compelling evidence that retail investors perform poorly in these circumstances, the case for 24-hour access demands clear answers to basic questions: What benefit justifies exposing individuals to still greater risk? What pressing retail investor need is served by trading at 1:00 a.m. that cannot be met more efficiently at the current pre-market open of 4:00 a.m., or during regular trading at 9:30 a.m.?

Chairman Atkins acknowledges the importance of balancing increased trading access with investor protections. Moving forward with expansion absent a careful consideration of what problem is being solved and which market participants are benefited or harmed seems to lack that balance. The SEC has traditionally offered investor protections by limited access to certain investments at certain times for certain groups. Consider the SEC's Regulation D, which limits unregistered offerings to accredited investors who are "financially sophisticated and able to fend for themselves or sustain the risk of loss, thus rendering less necessary the protections that come from a registered offering." The question of individual investors' financial wellbeing cannot be disregarded in this setting, particularly when existing evidence suggests negative outcomes are more than merely possible. We suggest more caution (or perhaps a studied expansion akin to the Tick Size Pilot Program) before uniformly expanding trading hours.

Best Regards,

Andrew Glover
Ed deHaan

* These comments reflect our own opinions and not necessarily those of our respective institutions.