

Amateur investors keep on punting while professionals avoid shaky stock market

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PROFESSIONAL [investors](#) are sitting on the sidelines nervous about the [economy](#) and wobbling markets, but the amateurs are still piling in, figures from two top City firms today suggest.

[IG](#) and [AJ Bell](#) both said customers numbers are rising as clients they gained during lockdown keep on punting.

While big fund managers have seen outflows of cash due to fading performance and investor nerves, AJ Bell said assets in the last year are up a bit at £63.5 billion, “strong growth...in what is an uncertain economic environment”, it said.

More strikingly, IG saw revenues for the year up 16% to £972 million.

Profits rose 7% to £477 million, giving IG a fairly extraordinary profit margin of 49%.

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CEO June Felix said IG has a “loyal high-quality client base”.

“Even with inflation, our clients will continue to invest in markets. They feel they have to take control of their own destiny,” she added.

IG is a high-profile sponsor of the England cricket team, something Felix said has led to “lots of great brand awareness”.

Active client numbers are up 31% to 381,500.

The company now plans to shove the dividend payments higher – they have been flat for the last two years. The divi announced today is up slightly at 44.2p a share.

There was a surge in [stock market](#) trading by retail investors during lockdown, as they invested or bet money saved while pubs and restaurants were shut.

Both firms have tried to capitalise on that, with AJ Bell launching Dowl and IG buying Tastytrade in the US for \$1 billion last January.

That was its largest ever deal, but there was little mention today of how it is going

Felix said: “This year’s record results show how we have achieved consistent, strong financial performance while we continue our journey to become a more diversified, innovative, global fintech. Our forward-looking strategy has positioned us well to capitalise on a significantly larger total addressable market and to take advantage of the ongoing shifts towards self-directed investing. We are now operating on an entirely new scale.”

IG shares rose 28p to 740p.

Andy Bell, Chief Executive Officer at AJ Bell, said: “Our trusted, dual-channel investment platform has continued to

attract thousands of new customers looking to invest for their future, despite a weakening in investor sentiment over the last six months.”