

Banker bonuses in doubt as profits sink 99% at Peel Hunt

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[PROFITS](#) at Peel Hunt crashed 99.7% in the half-year, a brutal sign of how tough life has been for [City brokers](#) lately.

With the market for flotations basically halted and clients sitting on their hands while they prepare for a likely recession, brokers and fund managers have found conditions difficult.

The plunge in profits from £29.5 million to just £100,000 is a stark sign of the City strife – and an indicator that for bankers at Peel Hunt and else where [bonuses](#) this year as likely to be negligible or non-existent.

Peel Hunt's own IPO saw it join the stock market in September 2021 on the back of a pandemic trading boom that saw thousands of new punters open share trading accounts.

The firm was worth £280 million on float, with chief executive Steven Fine's 7% stake worth £20 million.

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Peel Hunt shares are down 60% this year and today fell 5p to 78p, valuing the business at around £95 million.

Revenues in the six months to September are down 42% to £41 million.

But the broker says it is luring new clients. It now has 165 investment banking clients with an average market cap of £555 million.

Fine says: "Challenging market conditions have persisted throughout our first half as the macroeconomic and geopolitical backdrop has continued to have an adverse impact on markets and investor sentiment. Equity capital markets activity has been at a multi-decade low and market volumes have reduced materially during this period. This is due to several factors including investor redemptions, institutional investors building up cash positions and retail investors being more cautious as equity markets responded to rising inflation, the cost-of-living crisis and the possibility of a lengthy UK recession."

Peel Hunt says it has made "good progress" on setting up a European office.

Fine declined to speak to the Standard.