

CMC shares crash as stock market trading boom ends

THE extraordinary boom in stock trading by new [investors](#) could be over, news today from [CMC Markets](#) suggests, as its own [shares](#) crashed by a third.


The spread betting house founded and run by former [Tory](#) party [treasurer Peter Cruddas](#) has enjoyed a superb run during lockdown as new clients emerged.

Across the industry CMC and rivals have seen punters use pandemic savings to open accounts and speculate on markets.

Today CMC slashed profit forecasts for the year to between £250 million and £280 million, warning that “market activity has remained subdued through July and August” following a slower first quarter.

That’s a big fall from the £330 million CMC was promising as recently as July.

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The statement continued: “Reduced volatility in markets has resulted in lower trading activity across both the newly acquired and existing cohort of clients. Similar trends have

been seen across our non-leveraged and leveraged businesses.”

That news comes just a few weeks after Cruddas pocketed a £55 million dividend from CMC’s soaring profits. Once dubbed the richest man in the City, Cruddas, now Baron Cruddas, also lately gave £500,000 to the Conservative Party.

CMC shares crashed 117p, 28%, to 302p. Arch rival [IG](#) followed, if less spectacularly, down 58p to 887p.

Outside the City there has been concern at the flood of new investors racing to buy shares for short-term speculation and to bet on bitcoin. The Financial Conduct Authority has issued stern warnings to the public, telling them they could lose all their money if they buy cryptocurrencies.

Cruddas wasn’t speaking today, but has previously claimed that his new clients are of a similar profile to his old ones – people who understand the risks they are taking, he insists.

Nevertheless, they are plainly less active as people move back to offices, to restaurants, pubs and shops.

Last month Hargreaves Lansdown, another beneficiary of the share trading boom, also warned that the surge was over.

Cruddas resigned as Tory party co-treasurer in June 2011 after a cash for access scandal.