Quantum Blockchain to Napster: The best – and worst – London stocks of 2020

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erhaps one of the surprising things about a year that was turbulent in almost every possible way is that the stock market, which is supposed to be choppy, actually did rather well.

Big investors at least managed to put aside the terrible uncertainty of 2020, when some were plainly betting on the end of the world, to envision a world beyond the pandemic.

Moreover, lots of new companies came to market: there were 113 listings that raised a combined £50 billion. While chaos reigned, London's equity markets did what they are supposed to do.

The FTSE 100, at time of writing, is up 12% on the year before, a good return for almost any portfolio.

There were some flops. Deliveroo comes to mind.

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There were also some huge success stories. Which were the best and worst performing shares?

The table below shows us the top risers from 2021:

“GSTechnologies and Quantum Blockchain Technologies both offered investors a chance to plug into some of the hottest investment themes of 2021 – blockchain technology, cryptocurrencies and artificial intelligence,” says Russ Mould, investment director at AJ Bell.

“Zephyr Energy overcame many investors’ prejudice against firms that change their name. Once known as Rose Petroleum, Zephyr operates an oil and gas field in Utah and has non-operating stakes in fields in Colorada and North Dakota. Rising oil and gas prices will have helped sentiment here.

“Petroneft Resources is another beneficiary of surging oil and gas prices, even if its own output remains relatively modest. The firm owns stakes in drilling licences in the Tomsk Oblast region of the Russian Federation and its fracking operations are showing potential after a refinancing of the company.”

All of the above are penny stocks, which tend to find it easier to post large percentage gains than bigger rivals. The one exception is Plaza Centres – not exactly a household name.

“Plaza Centers main assets used to be Indian and Eastern European real estate,” says Mould. “It still owns a majority stake in the site in Bangalore but the real source of investor excitement here is the proposal of a major capital restructuring and strategic shift from Israel’s Hevron Capital.

“In exchange for a 75% stake, Hevron is offering to put Plaza on a better financial footing and then merge into the company a new food technology business which specialises in proteins, vitamins and nutritional supplements.”

Just how well could you have done from investing in the best performing shares?

Well, if you have put £14,750 into each of the top five, and sold them at their absolute peak, you would have £1 million. That level of foresight is not possible in reality but it does show what you might achieve if you were brilliant and lucky.

Not all stocks go up of course – here are this year’s worst performers:

Mould says: “Vast Resources’ £5 million market cap suggests it is not the most appropriately named firm and it has regularly tapped investors for cash, as it seeks to develop mines in Romania and Zimbabwe.

“Active Energy and Simec Atlantis Energy are both renewables plays. The former specialises in biomass and is looking to prove the merit of its CoalSwitchT pellets, while the latter is focused on waves, tidal energy and its Tidal Turbines. Both are still seeking to prove the merits of their approaches to customers and the share prices suggest this process may be taking longer than initially hoped, despite the ongoing political and public drive for a shift to more renewable sources of power.

“Napster is preparing to delist from AIM as the music streaming platform prepares to launch a new music service. Its customers and fortunes are now centred on the USA in what is a fiercely competitive market dominated by a select number of technology giants.

“Challenger Energy changed its name from Bahamas Petroleum in May but its fortunes have yet to pick up. Rising oil and gas prices did not help shares in the company, which is looking to strike oil in the Caribbean. The first drilling in the Bahamas since the 1980s met considerable opposition from politicians and environmental groups and also failed to strike oil.”