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Retail investors have grown in number, are younger and increasingly use neo-brokers since the Covid crisis

After an initial analysis of the behaviour of retail investors on the stock market conducted in April 2020 during the first lockdown, the Autorité des Marchés Financiers has confirmed the renewed interest of retail investors in the financial instruments under its jurisdiction in a new study, conducted on a different scope and over the period from Q3 2018 through to Q3 2021.

The AMF is responsible for ensuring the orderly operation of financial markets and the protection of savings invested in financial instruments. It maintains a close watch on the markets as a whole and monitors the trends and behaviour of the various categories of participants, including retail investors. This study examines some 218 million transactions made by French and foreign retail investors in the financial securities under the AMF's jurisdiction. This scope differs from the AMF's quarterly dashboard and the study published in April 2020.

It shows a marked increase in active investors. From a quarterly figure of around 1 million until Q3 2019, the number of active investors has risen to 2.5 million and has remained above this level for the past three quarters, despite the return to face-to-face office working. In three years, the average age of individual investors has dropped by 8 years to below 50. In the sole category of neo-brokers, a generation of intermediaries that has recently emerged with a distinct offering, the average is now around 36 years of age. Usually dominated by traditional banks and online brokers, stock market investments by retail investors are increasingly being made via neo-brokers, all of whom are based outside France. The percentage of transactions per quarter via them jumped from just under 10% in Q3 2018 to 21.8% in Q3 2021. The active customer base per quarter for neo-brokers has



grown 12-fold since Q3 2018 to over 400,000, approaching the active customer base of online brokers.

The AMF also studied the financial instruments traded by retail investors. In comparison with clients of banks and online brokers, neo-broker clients seem more inclined to trade in complex instruments and opt for stocks with a different profile. This behaviour could be explained not only by a greater risk appetite but also by the range of instruments offered for trading by intermediaries. The top ten most traded equities show that clients of neo-brokers are including smaller cap companies in their portfolios from sectors that are heavily influenced by news events. Lastly, although they trade more frequently, the average amount of transactions is also lower.

About the AMF

The AMF is an independent public authority responsible for ensuring that savings invested in financial products are protected and that investors are provided with adequate information. The AMF also supervises the orderly operations of markets. Visit our website <https://www.amf-france.org>. URL = [https://www.amf-france.org/]

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