

Investment Trends: Spread betting company IG Index still dominates

ECONOMY

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New research from Investment Trends has showing that of all the spread betting companies, IG Index is still the one to beat.

A large online survey of UK traders showed IG Index as maintaining its position at the top of the expanding pile of [spread betting companies](#) .

According to the investment trends research IG Index and IG Markets still lead the UK financial [spread betting](#) and CFD markets respectively.

IG Index is up 9 per cent to 39 per cent of the market share, and IG Markets up 5 per cent to 27 per cent.

Strong competition and a substantial churn – almost a quarter of spread betters having changed providers within twelve months – will keep them on their toes.

A number of smaller spread betting companies and CFD providers are expected to have a good year.

The report also reveals that 51,000 of the 67,000 active forex traders choose spread betting over CFDs.

Michael Hewson of spread betting company CMC Markets thinks this is because of the slightly cheaper transaction costs, which becomes a more important factor with the higher turnover in forex.

Forex comprised 42 per cent of spread bets in 2010, up from 36 per cent.

The key finding of the report however is that CFD trading is growing in popularity.

Pawel Rokicki of Investment Trends says:

“With regulatory changes impacting their business at home and in Japan, US-based forex providers cast their eyes across the Atlantic – and to be competitive, they have expanded their product set to include CFDs.”

In consequence, “the large local players have responded by shifting their advertising focus to CFDs, driving an increase in trader numbers.” The report expects growth to 34,000 CFD traders this year. Manoj Ladwa of ETX Capital says he has “certainly seen a marked increase in CFD trading in the last year.”

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