

"As the industry leader, the company is well placed to respond to regulatory change," he said.

In mid-November IG launched an online process allowing clients to request to be categorised as an elective professional investors and therefore be exempt from the proposed ESMA leverage restrictions.

"Since then, the proportion of IG's UK and EU revenue generated by professional clients has increased from 5% to over 25% and it is on track to be well over 50%, in line with company guidance," analysts at Numis said.

"We see this as hard evidence that IG will be the least impacted by the proposed regulatory changes and that most of the group revenues will ultimately not be impacted."

Numis cuts rating to 'hold'

Numis lowered its rating on the stock to 'hold' from 'add' but raised its target price to 760p from 697p following the recent strong performance of IG's shares.

"Once we have seen the impact of the regulatory changes, we believe the earnings risk of the group will reduce and this is expected to see our estimate of the COE (cost of equity) decrease, correspondingly increasing our target price," it said.

The broker said IG's trading revenue and pre-tax profit beat its expectations of £264.3mln and £131.5mln, respectively.

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Contact us +44 (0)207 989 0813 action@proactiveinvestors.com

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