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Top of the Stocks: Most bought and sold shares in October

Is the data centre build-out toast?

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Investors needed eyes in the backs of their heads to keep up with newsflow in October, as some significant events dominated markets.

The month started with Flavio Bolsonaro, son of imprisoned former President Jair, winning the first round of the Brazilian presidential election, spurring a c. 15% rally in the country's BOVESPA stock market. That move was more than reversed when the left-wing incumbent Lula turned the result around to triumph in the second round run-off three weeks later.

Looting and riots broke out in France, before spreading to other European countries, thanks to anger with the government, which remains in disarray and losing ground to the far-right National Rally party led by Marine Le Pen.

On the artificial intelligence (AI) front, we saw a repricing in the corporate bond markets and the build-up to yet another blockbuster IPO. Anthropic filed its long-awaited S-1 to register for a flotation on the Nasdaq. It is expected the large language model provider will raise c. $100bn at a total valuation of $1.5trn, blowing SpaceX's June offering out of the water.

That news was tempered by worries over the financial viability of so-called neoclouds, which are specialist cloud computing firms that rent out high-performing computing power to businesses. Yields on the bonds of CoreWeave, the poster child for this particular subsector, soared as high as c. 15% as bond investors doubt whether it can stay solvent.

That's not to mention the hack of Binance that saw an estimated $6.3bn (£4.7bn) in bitcoin stolen, possibly from North Korea, which has been called the biggest bank heist in history.

It says something that the Budget from the UK's Labour government was the least consequential event of the month, essentially landing as a bit of a damp squib.

Top 10 most bought and sold shares in October

These were the most (and least) popular shares with UK retail investors on three of the largest investment platforms last month:

Most-bought shares	Most-sold shares
1. Rolls-Royce (RR)	1. BP (BP)
2. Lloyds (LLOY)	2. Rolls-Royce (RR)
3. Barclays (BARC)	3. Legal & General (LGEN)
4. GSK (GSK)	4. Lloyds (LLOY)
5. SpaceX (SPCX)	5. Shell (SHEL)
6. Aviva (AV)	6. Barclays (BARC)
7. Glencore (GLEN)	7. Glencore (GLEN)
8. NatWest (NWG)	8. Nvidia (NVDA)
9. HSBC (HSBA)	9. Micron Technology (MU)
10. NVIDIA (NVDA)	10. HSBC (HSBA)

Source: AJ Bell, Bestinvest, Barclays and interactive investor

Making bank

Investors certainly decided that the spectre of another tax-raising Budget presented them with an opportunity to go bargain hunting. The share prices of bank stocks had fallen in the weeks leading up to Healey's speech on fears he would slap a punitive windfall tax on the sector.

Lloyds Banking Group (LLOY), **Barclays (BARC)**, **NatWest (NWG)** and **HSBC (HSBA)** saw their shares fall between one-fifth and a quarter between July and late October. That reversal came after a strong run, and on speculation that Healey would entirely reverse the last Conservative government's cut to the bank corporation tax surcharge. Rishi Sunak and Jeremy Hunt had slashed it from 8% to 3%, and the fear was Healey would reinstate the previous level.

UK banking stocks seem to account for a disproportionately high share of British investors' portfolios, presumably thanks to their premium yields, with the sector's dividend payouts offering yields of anywhere between 2.5% and 6%.

Investors, then, saw the chance to top up their bank exposure (having potentially trimmed it after what had been a strong run-up in share prices over the past few years). In the end, the surcharge was doubled: a significant hike, but not as bad as many worried and we've seen a relief rally of sorts since the Budget.

The proceeds of war

One significant trend we saw last month was a rationalisation of the beneficiaries of the conflict in the Middle East (and those wars continuing elsewhere). The oil majors have had a tailwind for most of this year, thanks to the US and Israeli strikes on Iran that started in February.

The main corollary of this action has been a meaningful spike in the price of oil, given the Strait of Hormuz, the Gulf waterway through which c. 20% of the world's supply of oil travels, has been effectively closed ever since.

Shares in **BP (BP)** had risen c. 50% since the start of 2025 and c. 100% since the start of 2021, while **Shell (SHEL)** had seen a rise of c. 60% and c. 150% during those respective timeframes, providing some profits for investors to take through October.

We've seen a modest reversal in sentiment to both stocks since late October, suggesting the time had been right to book those gains.

For the defence contractor **Rolls-Royce (RR)**, things were different, with the stock remaining on our most-bought and most-sold lists. The firm's explosive growth has made it a

mainstay of portfolios recently, thanks largely to gains of c. 800% over the past five years, providing some profits for holders to take but also, combined with a fall of c. 25% between August and October, a compelling narrative for new investors to cling onto.

While RR has benefited from rising defence sales thanks to increased military spending around the world, it also sells commercial aeroplanes, an industry that has been hit hard by rising jet fuel prices.

Clearly, some are taking the view that buying the dip is a prudent strategy, whereas others feel that even with the stock in bear market territory, a price-to-earnings ratio of c. 35x seems expensive.

Top ten most bought investment trusts in October

Moving onto investment trusts, and the top of the list remained broadly unchanged, but we did see some new entries further down the list:

Top 10 most-bought investment trusts
1. Scottish Mortgage (SMT)
2. Polar Capital Technology (PCT)
3. City Of London (CTY)
4. JPMorgan Global Growth & Income (JGGI)
5. Greencoat UK Wind (UKW)
6. Temple Bar (TMPL)
7. BlackRock World Mining (BRWM)
8. Alliance Witan (ALW)
9. Allianz Technology (ATT)
10. Henderson Far East Income (HFEL)

Source: AJ Bell, Bestinvest, Barclays and interactive investor

Growth no more

One notable feature of markets in October has been a repricing of the AI trade. Indeed, the end of the month saw a devastating reaction to the results of some big names.

Google owner **Alphabet (GOOGL)** saw c. $500bn wiped off its value thanks to its admission that its AI search summaries were affecting advertising revenues. On the same day, Intel (INTC) fell c. 28% on weaker demand for computers. Other AI or AI-adjacent names fell as spending continued unabated, while as previously mentioned neoclouds such as **CoreWeave (CRWV)** were hit hard.

This has all provided a strong headwind for tech-heavy investment trusts, with **Allianz Technology Trust (ATT)** and **Polar Capital Technology (PCT)** down c. 18% and 20% respectively over the past month.

Investors pounced, seeing the drops as a chance to top up their tech exposure at much cheaper prices. **Scottish Mortgage (SMT)** remains ever-present at the top of the list and has been much more resilient, falling c. 8% thanks to its more diversified and less tech-heavy portfolio. It may also have been boosted by the filing for IPO of Anthropic, a top holding in SMT.

Wind in its sails

One notable trust that has had a better time of it recently has been **Greencoat UK Wind (UKW)**. The UK wind farm owner

has been another regular on our list, as its wide discount has attracted bargain-hunters.

UKW's shares are up c. 20% over the past six months and the discount has narrowed from c. 28% this time last year to c. 11% today. We suspect that the change in sentiment has simply been a re-examination of the investment case for the trust, as our view has long been one of a mis-pricing when it comes to UKW.

Importantly, the rise in UKW's share price has come at the same time that bond yields have been rising. The last time we suffered a spike in bond yields was during the interest rate hiking cycle through 2022, a time when the infrastructure and renewable energy infrastructure sectors sold off heavily in unison. This was because the yield premium on trusts in both sectors over UK government bonds had evaporated. Investors could suddenly get paid a similar yield on a much safer investment, so deserted the sectors.

The 10-year gilt yield has risen c. 1 percentage point since the end of February, yet trusts such as UKW are up c. 30% in that time. In our view, this has happened because the yield premium offered by renewables and infrastructure trusts is back to attractive levels again. Indeed, at the current share price, the yield on UKW's target dividend for 2026 is c. 8.8%, a 3.6 percentage point premium, potentially offering downside protection for shareholders should yields rise again as well as re-rating potential if yields continue to fall, as they have done more recently.

The month ahead

After October gave way to November, we had potentially the most significant market event since the Iran conflict began: the US mid-term elections. Voters gave a clear rebuke to, depending on one's view, either President Trump alone, or the Republican party overall. Indeed, the Democrats managed to comfortably flip both the Senate and the House of Representatives, providing a divided government for the final two-and-a-half years of the Trump presidency.

In the lead-up to the election, markets had been expecting this and had fallen back in the worry that it would mean less market-friendly policies and/or gridlock. In the event, markets actually jumped the day after the election on the hope that gridlock would prevent Trump pursuing his more fiscally irresponsible policies and finally rein in the debt-to-GDP ratio.

Perhaps the most consequential outcome of the blue wave, though, relates to the artificial intelligence trade. The elections have been seen by some as almost a referendum on data centres.

The Democrats won both the governorship and senate race in Texas, a state that accounts for c. 25% of all planned US data centre power capacity. New governor Gina Hinojosa has been critical of the data centre build-out. As have Amy Acton and Sherrod Brown, who won in Ohio; Keisha Lance Bottoms and Jon Ossoff, who won in Georgia; and Abdul El-Sayed and William Lawrence, who won in Michigan.

It remains to be seen what the scale of the Democrats' victory means for the AI trade in the long term, but we've already seen Dina Powell McCormick, Meta's President and vice chair, suggesting hyperscalers will not be asking if they need to start building data centres outside of the US. In addition, some newly elected senators and governors have been rowing back slightly, suggesting the compromise might be building them further away from people's homes and businesses.

Time will tell whether this is another good buying opportunity for AI bulls, or validation at last for the bears.

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