



Daily Macro Insights: Misunderstood retail investors

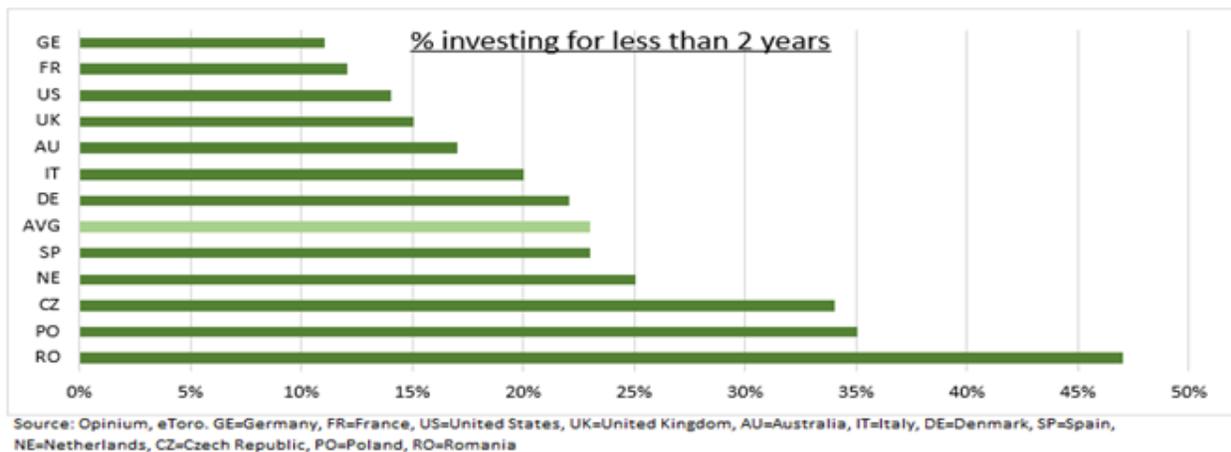
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OUR INSIGHTS: Retail investors are more important than ever, here to stay, and not well understood. 23% of retail investors are new to the markets since the pandemic start (see chart), whilst US households own more equities [than ever](#) before. They are here to stay, with structural changes like free trading and online community alongside low bond yields and strong household finances. Our first global retail investor survey canvassed 6,000 retail investors in 12 countries. [The results](#) are often very different from common perceptions.

MISPERCEPTIONS: Retail investors use many sources to research investment ideas. Social media and online forums are only the 6th and 7th most common sources. Only 5% trade daily, with the largest cohorts either trading only monthly or less than annually. Only 17% invest in meme stocks, whether to make money, for fun, or to hurt short sellers. Their worries are common to many, inflation and corrections, and they are thirsty for new ideas.

DIAMOND HANDS: Most retail investors have been investing for over five years. They are diversified across asset classes, have significant cash positions, and are looking to get more diversified by adding to crypto and commodities. US equities and the tech sector are the unsurprising favoured investments, but Europe and inflation-hedges energy and real estate are close behind. This gives us comfort they are well-prepared to stay invested through any overdue market volatility and could even invest more, as 25% say they would do today.

TODAY: Focus on US federal reserve's minutes from its last meeting as near announcement of a 'tapering' of its \$120 billion/month bond purchases. This is the first step towards a late 2022 eventual interest rate hike, and likely causes some temporary market volatility.



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