

DIY investors stay loyal to tech stocks despite recent volatility

- Tech firms dominate eToro’s list of the top 10 most held stocks at the end of Q1 despite the threat to the sector caused by rising interest rates
- Tesla and Nio remain in top spot at end of Q1, where they have remained for much of the past year

5 April 2022: DIY investors are sticking by tech stocks despite the sector being among the hardest hit during the recent market volatility. Data from eToro reveals that nine of the 10 most held stocks by its users at the end of the first quarter were tech stocks.

The only stock in the top 10 that is not a tech stock is GameStop, the video game retailer whose shares have rallied more than 40% over the past month. Its shares received a further boost last week after it announced a stock split.

eToro’s Global Markets Strategist, Ben Laidler, says: *“Tech stocks have been among the hardest hit in 2022, with the Nasdaq in correction territory and several big names significantly underwater. There are multiple reasons for that. The obvious being the war in Ukraine, which has knocked sentiment across the board. But perhaps more relevant to the tech sector is the fact that major economies – and the US in particular – have started increasing interest rates for the first time in years.*

“High inflation and rising interest rates tend to hit tech stocks harder than other sectors because their valuations are based more on future rather than present earnings. The problem is that in a high inflation/rising interest rate environment, those future earnings are worth less and, theoretically speaking, make the sector less attractive.”

eToro’s data shows that electric vehicle makers Tesla and Chinese rival Nio remain the most held stocks on the platform – as they were a year ago, indicating investors see the long-term potential of the sector. The number of investors holding Tesla increased 12% between Q4 2021 and Q1 2022, while there was a 6% increase in the number of investors holding Nio over this time period.

Amazon (+13% Quarter-on-Quarter) and Apple (+12% QoQ) held onto third and fourth place, respectively, despite both their share prices falling around 2% since the start of the year.

Facebook parent Meta Platforms (+48% QoQ) jumped one place to become the fifth most-held stock on the eToro platform, despite its shares slumping more than 33% over the past three months.

Alibaba (+9% QoQ), Microsoft (+27% QoQ), chip maker NVIDIA (+27% QoQ), Google parent Alphabet (+13% QoQ) and GameStop (-3% QoQ) rounded off the top 10.

Laidler adds: *“The growth of open positions for tech stocks during the difficult trading period that was Q1 2022 suggests investors are making the most of the current market volatility and looking to ‘buy the dip’ to add to long term positions at a low price point.*

“While the sector has wobbled of late, the fact the tech-heavy NASDAQ index has rallied more than 12% since the middle of March suggests the recent correction could be short-lived.

“Of course, it is very difficult to be sure that is the case given the uncertain economic backdrop. If the situation in Russia escalates, or central banks increase rates faster than expected, then this could have negative ramifications for all stocks, including those in the tech sector.

“However, many investors are clearly ignoring short-term macro factors and are investing in tech because of the long-term opportunity.”

Most held stocks among eToro clients globally at the end of Q1 2022			
Current ranking (Q1 2022)	Stock	Q4 2021 ranking	Q1 2021 ranking
1	Tesla Motors, Inc.	1	2
2	Nio Inc.	2	1
3	Amazon	3	5
4	Apple	4	3
5	Meta Platforms	6	17
6	Alibaba	5	8
7	Microsoft	8	10
8	NVIDIA Corp	10	12
9	Alphabet	9	11
10	GameStop Corp	7	4

Source: eToro

- ENDS -

Notes to editors

The data in the first table shows the top 10 most held stocks positions (open positions) by global investors on the eToro platform at the end of the first quarter of 2022. As the vast majority of stocks traded on eToro are the real asset this data does not include positions held as CFDs. Data accurate as of 1st April 2022.

About eToro

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