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## Retail investors remain bullish about electric vehicle makers despite recent share price woes

- Tesla leapfrogs Nio to become the most held stock on eToro in the second quarter
- GameStop remains in the top 10, proving so-called 'meme' stock is far from a fad
- Investors hold their nerve despite inflation worries

Retail investors remain bullish about electric vehicle makers despite their recent share price struggles, global user data from multi-asset investment platform eToro reveals.

Tesla and Nio remained the two most held stocks globally on eToro in the second quarter, with Tesla leapfrogging its Chinese rival to take the top spot.

The share prices of Tesla and Nio have fallen 6.9% and 0.5%, respectively, since the start of the year after 12 months of consistent and impressive gains. eToro noted a modest 4% increase in users holding Tesla this quarter compared to last, while those holding Nio stock declined by 8%, suggesting sentiment towards Tesla's Chinese rival has dampened.

The electric vehicle manufacturers' slump has coincided with a rotation in the wider market by investors out of growth sectors, such as technology and electric vehicles, due to fears about rising inflation. However, the fact that Tesla, Nio, Apple, Palantir and Microsoft – all in what are generally considered growth sectors – remain in the 10 most held stocks in Q2 suggests investors see long-term value in these companies.

**eToro's Global Markets Strategist, Ben Laidler, comments:** *"Inflation is the hot topic at the moment with much debate about how it will influence behaviour in the coming weeks and months. As countries have started exiting lockdown, it has led to an inevitable increase in prices, which has in turn caused some investors to pivot away from growth stocks and into companies with lower valuations."*

*"However, Tesla's and Nio's enduring popularity suggests investor confidence in the electrical vehicle sector as a long-term investment opportunity, despite fears over a prolonged inflationary period. The fact that Apple, Microsoft and Palantir also remain in the top 10 most held stocks on eToro also suggests that investors believe the recent bout of inflation may be temporary."*

*"eToro has long advocated the importance of investing in companies that you know and understand. It's clear from our data that that's what investors are doing."*

Most held stocks among eToro clients globally in Q2 2021			
Rank	Stock	Q1 2021 rank	Q2 rank 2020
1	Tesla Motors, Inc.	2	6
2	Nio Inc.	1	17
3	Apple	3	1
4	Amazon	5	2
5	GameStop Corp	4	341
6	Palantir Technologies Inc.	6	N/A
7	Alibaba	8	16
8	Coinbase Global Inc	N/A	N/A
9	BioNano Genomics Inc	7	N/A
10	Microsoft	10	7

Source: eToro

### Gaming and crypto stocks popular with investors

Elsewhere, GameStop Corp was the fifth most held stock in Q2. The fact it remains in the top 10 suggests it is more than just a passing fad among investors.

Earlier this month, eToro facilitated a pilot scheme allowing investors to vote at GameStop's AGM. 63% of GameStop shareholders on eToro's platform voted, highlighting this community's dedication to a brand they love. And one which retail investors have helped to revitalise this year.

The video game retailer last week sold five million additional shares, raising an extra \$1.1bn to fund its growth plans.

Cryptoasset exchange Coinbase Global Inc, which listed on the New York Stock Exchange in April, was the only new entrant in eToro's quarterly list of most held stocks, debuting at number eight. It means now that investors can gain indirect exposure to cryptoassets through the stock market, rather than investing in crypto directly.

**Laidler adds:** *"Investors are currently facing a lot of uncertainty but our data shows that they seem to be sticking to their long-term strategies. We may start to see more investors diversify their holdings if central banks such as the Federal Reserve, Bank of England and European Central Bank change their tune on inflation."*

ENDS

#### EU and UK disclaimer

#### Notes to editors

The data in the table represents the top 10 most held stocks by global investors on the eToro platform in the second quarter of 2021. 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 01.07.2021.

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