



Basis Points – July 6, 2021

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Above the Fold

Retail Investors “All-In” on Equity Rally

Wall Street pros have often discounted the actions of retail investors as they tend to act more on emotion versus sound institutional investors who closely monitor economic trends and fundamentals. While a portion of that may be true, one could argue that retail investors are not only becoming more informed, but are impacting the markets in a bigger way as their numbers grow.

Speaking of which, more than 10 million new brokerage accounts have been opened in the first half of this year, which is around the total for all of 2020. Retail investors were not only opening and funding accounts, but putting their money to work as well. In June alone, non-institutions

purchased nearly \$28 billion of stocks and exchange traded funds on a net basis, according to data from Vanda Research. The month-long buying frenzy is the highest since 2014 and is three times the amount retail traders doled out in what was a busy January. Optimism remains very high for this segment of investors and stands somewhat in contrast to the increasing caution we are seeing on the institutional side.

Three Things

1. *Startup Seeks to Disrupt Car Sharing, Ownership* – Created by automakers Volvo and Geely, [Lynk & Co.](#) (founded in Sweden) wants to change the world's car ownership mentality and encourage creative ways for consumers to reduce vehicle-related costs. The company believes that since the average car sits unused 96% of the time, consumers could "share" their car purchase and even get paid to do so. But instead of paying a third party, the company is going directly to consumers and businesses with a specific car and software designed for the task.
2. *TikTok's Addictive AI Now Being Sold to Others* – Beijing-based ByteDance is now selling its wildly addictive algorithm (aka, artificial intelligence) to other companies for profit. The company's new division, BytePlus, will directly market TikTok's recommendation formula, along with other features like automated speech and text translation, video and augmented reality effects, and data analysis tools globally.
3. *Bezos Officially Steps Down* – For the first time in its 27-year history, Amazon will not be headed by Jeff Bezos. Andy Jassy took the helm yesterday as Bezos moved to the executive chairman role. The change is happening at a high point as the company now controls 41% of all online sales, employs more than 1.3 million people worldwide and continues to capture market share across many segments. Mr. Jassy has worked alongside Bezos for many years and is reportedly more of a "details" guy.

Did You Know?

You Could Be Shopping at "Relentless.com"

Before Amazon was officially launched in 1995 as a bookstore, the company was originally called "Cadabra," a reference to the magic term "abracadabra." According to sources, Bezos' attorney said it would be too obscure. A few other names were tossed around, including "Relentless.com," which redirects you to Amazon when typed in a browser. Amazon also owns more than 40 subsidiaries including Zappos.com, IMDb, Audible, Twitch, Whole Foods, Fabric.com and many more.

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