

Meta soars in popularity with investors after tech giant repositions around metaverse

- **Meta Platforms leaps into eToro's list of top 10 most held stocks in Q4**
- **Tesla and Nio remain in top spot**
- **Global investors remain wedded to growth stocks despite twin threat of inflation and rate rises**

6 January 2022: Meta Platforms' popularity with global DIY investors soared in the fourth quarter of 2021 after the tech-giant repositioned itself as a leader in the emerging metaverse sector, a connected virtual reality world that has been tipped to revolutionise the way we shop, work and socialise. Data from global investment platform eToro shows that Meta rocketed from 13th place in Q3 to sixth in the last quarter of 2021.

eToro's Global Markets Strategist, Ben Laidler, comments: *"Meta Platforms' growing popularity with investors might be slightly surprising considering it lagged the market in the fourth quarter. However, there are a number of reasons why more DIY investors are holding the stock.*

"Firstly, at 23 times 2022 consensus earnings, it is the cheapest of all the major US tech stocks, with a valuation nearly in-line with the overall S&P500, looking at price-to-earnings.

"Secondly, the firm has ditched the Facebook moniker and hitched its wagon to the fledgling metaverse sector, which is starting to cause real excitement among many investors.

"The metaverse is a huge growth opportunity and the fact Meta has thrown its brand and resources behind it will be a big catalyst for its development. And while it is not the only company exploring this area, it will no doubt be one of the major players."

Growth companies remain highly popular with investors and dominate eToro's top 10 list of most-held stocks, despite fears over rising inflation and higher interest rates.

The Bank of England became the first major central bank last month to raise rates from record lows, while the US Federal Reserve has warned investors to expect up to three rate rises this year.

Despite that, electric vehicle company, Tesla, remained in pole position as the most held stock on eToro's platform at the end of Q4, with Chinese rival, Nio, in second place.

Tech juggernauts Amazon (3rd most held in Q4), Apple (4th), Alibaba (5th), Microsoft (8th) and Google-parent Alphabet (9th) all held onto their positions in the top 10 at the end of Q4.

Laidler adds: *“The US Federal Reserve has signaled that it is prepared to hike rates three times this year. Typically, you would expect investors to heed those warnings and rotate out of growth and into value stocks, but our data shows that is clearly not happening.*

“Six of the top 10 most held stocks on our platform at the end of the fourth quarter are what I would call the Big Tech’s ‘new defensives’. Or, in other words, firms that have dominant market positions, strong growth, high margins and fortress balance sheets. While they may have high valuations, investors are beginning to see them as all-weather stocks able to successfully navigate whatever the Fed or the economy throws at them.

“On top of that, investors are trying to outpace inflation, which is running at a 40-year high in the US. Given that growth stocks are still outpacing the wider market, it makes sense that investors see them as the best place to keep their money at the moment.”

Most held stocks among eToro clients globally at the end of Q4 2021			
Current ranking (Q4 2021)	Stock	Q3 2021 ranking	Q4 2020 ranking
1	Tesla Motors, Inc.	1	2
2	Nio Inc.	2	1
3	Amazon	4	4
4	Apple	3	3
5	Alibaba	6	5
6	Meta Platforms	13	10
7	GameStop Corp	5	150
8	Microsoft	7	8
9	Alphabet	8	9
10	NVIDIA Corp	12	11

Source: eToro

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Notes to editors

The data in the first table shows the top 10 most held stocks positions by global investors on the eToro platform at the end of the fourth 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 31.12.2021.

About eToro

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