

BANKING/ FINANCE

Meme-Stock Frenzy Baffling Wall Street's 'Smart Guys'



SHUTTERSTOCK

AMC Entertainment was among the five most purchased stocks on Reddit's WallStreetBets platform and saw trading volume triple what's been normal over the past month.

by Bailey Lipschultz and Elena Popina

Retail traders who lurk in forums such as Reddit's WallStreetBets are back to betting against Wall Street pros and the Federal Reserve as rallies for meme stocks such as Bed Bath & Beyond Inc. and AMC Entertainment Holdings Inc. show shades of last year's mania.

The home-good retailer nearly tripled at one point during its nine-day winning streak while the movie-theater firm capped a 65% rally of its own as speculative pockets of the stock market surge. The pair have powered a basket of 37 meme stocks tracked by Bloomberg higher by 10% over the past week while the most-hated stocks tracked by a Goldman Sachs Group Inc. basket is up roughly 17% over the same period.

The resurgence of more speculative areas of the market is likely fueled in part by individual traders willingness to jump on riskier trades and bet against hedge funds. A rally in tech shares and other growth stocks at one point on Monday pushed the Nasdaq 100 Index up 20% from a June low amid alarms from some on Wall Street that the Federal Reserve is set on fighting inflation regardless of the pain for the stock market.

The "smart guys" are "confused, baffled and fighting short positions from a position of weakness in terms of momentum and firepower," said Mark Taylor, a sales trader at Mirabaud Securities. "The lack of real understanding of why a sudden resurrection of the meme-entum bid could lead to some nefarious speculation about things being manipulated but what would be as much sour grapes speculation as anything real."

Bed Bath & Beyond's taking of the meme stock baton resulted in a 40% rally Monday as a record 120.5 million shares changed hands with the stock being the second-most bought asset on Fidelity's platform. AMC Entertainment was among the five most purchased stocks on the platform and saw trading volume triple what's been normal over the past month. Both company tickers, along with GameStop Corp., were the most mentioned on Reddit's WallStreetBets platform.

A basket of meme stocks tracked by Bloomberg rose 3.7%, extending a six-day rally of its own. Among the group's top performers were GameStop and

Express Inc. Newly-public Magic Empire Global Ltd., a little-known Hong Kong-based financial services firm, extended a 2,825% two-day surge since going public, attracting some retail attention.

"These meme stock rallies that are emerging will only last if US stocks broadly continue to head higher," said Ed Moya, senior market strategist at Oanda. "After AMTD Digital reminded the WallStreetBets crowd of the potential skyrocketing moves, many retail traders are scanning their favorite plays and are looking to get back in."

The rapid rise and subsequent fall for AMTD Digital Inc. both puzzled and captivated the markets. The stock posted an eye-popping surge of more than 32,000% at one point before erasing a chunk of gains.

Heavily shorted stocks such as Wayfair Inc., Rent the Runway Inc., and those that went public via blank-check merger, including 23andMe Holding Co., saw double-digit rallies at one point as investors braced for volatility.

Short covering from institutional investors may have boosted the recent surge, according to some on Wall Street. More than half of Bed Bath & Beyond shares available for trading are currently sold short, according to data from analytics firm S3 Partners, while AMC Entertainment, GameStop and Wayfair short interest each sit around 20%.

An index tracking hedge funds' high-conviction bets rose 1.8% last week, trailing those favored by retail investors by 2.7 percentage points, the most since March, data compiled by Goldman Sachs show. While still early into August, the firm's basket of retail favorites is on track for the best month since January 2021 relative to firms favored by hedge funds. The retail basket carries names, including Delta Airlines Inc., which just clocked the longest streak of weekly gains since 2020.

"Retail traders have to move quickly, because one headline can change the entire trajectory of the stock market," said Quincy Krosby, chief global strategist at LPL Financial. "Retail traders are daring the Fed and they're daring some professional investors, and they're doing well so far. It's dicey because it can go in the other direction really fast."

Bailey Lipschultz and Elena Popina report for Bloomberg News.



CITY OF DORAL NOTICE OF PUBLIC HEARING

All residents, property owners and other interested parties are hereby notified of a **COUNCIL ZONING MEETING** on **August 24, 2022 beginning at 6:00 PM** to consider an amendment to the City's Land Development Code, Chapter 71, "Landscaping and Buffers," to revise artificial turf regulations. The City Council will consider this item for **SECOND READING**. The meeting will be held at the **City of Doral, Government Center, Council Chambers located at 8401 NW 53rd Terrace, Doral, Florida, 33166**.

The City of Doral proposes to adopt the following Ordinance:

ORDINANCE No. 2022-11

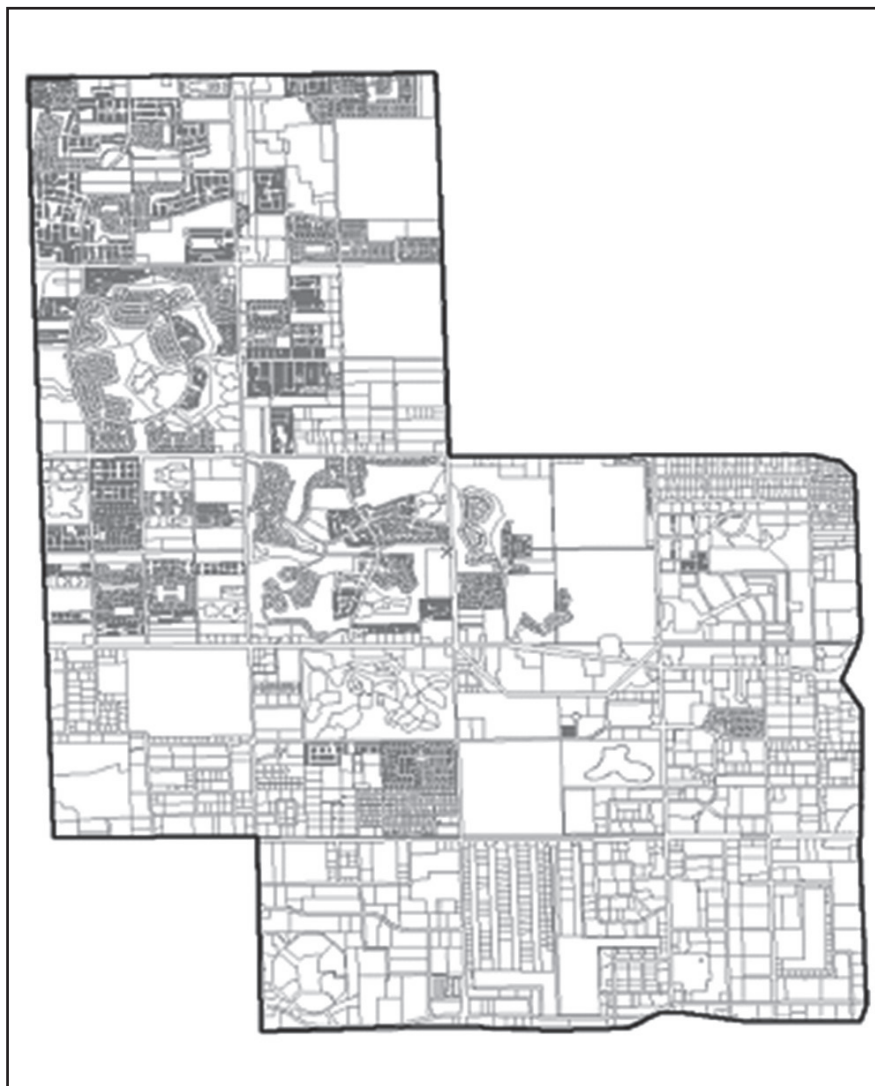
AN ORDINANCE OF THE MAYOR AND THE CITY COUNCIL OF THE CITY OF DORAL, FLORIDA, APPROVING A TEXT AMENDMENT TO THE CITY OF DORAL LAND DEVELOPMENT CODE, CHAPTER 71, "LANDSCAPING AND BUFFERS," ARTICLE II, "MINIMUM STANDARDS," DIVISION 7, "ARTIFICIAL TURF," TO REVISE ARTIFICIAL TURF REGULATIONS; PROVIDING FOR INCORPORATION INTO THE CODE; PROVIDING FOR SEVERABILITY; PROVIDING FOR CONFLICTS, AND PROVIDING FOR AN EFFECTIVE DATE

HEARING NO.: 22-08-DOR-07

APPLICANT: City of Doral

REQUEST: The City Manager's Office respectfully recommends that the Mayor and City Councilmembers approve an amendment to the City's Land Development Code modifying Chapter 71, "Landscaping and Buffers," Article II, "Minimum Standards," Division 7, "Artificial Turf," to revise artificial turf regulations.

Location Map



Inquiries regarding the item may be directed to the Planning and Zoning Department at 305-59-DORAL.

Pursuant to Section 286.0105, Florida Statutes If a person decides to appeal any decisions made by the City Council with respect to any matter considered at such meeting or hearing, they will need a record of the proceedings and, for such purpose, may need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be based. This notice does not constitute consent by the City for introduction or admission of otherwise inadmissible or irrelevant evidence, nor does it authorize challenges or appeals not otherwise allowed by law. In accordance with the Americans with Disabilities Act, any person who are disabled and who need special accommodations to participate in this meeting because of that disability should contact the Planning and Zoning Department at 305-59-DORAL no later than three (3) business days prior to the proceeding.

Connie Diaz, MMC
City Clerk
City of Doral

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