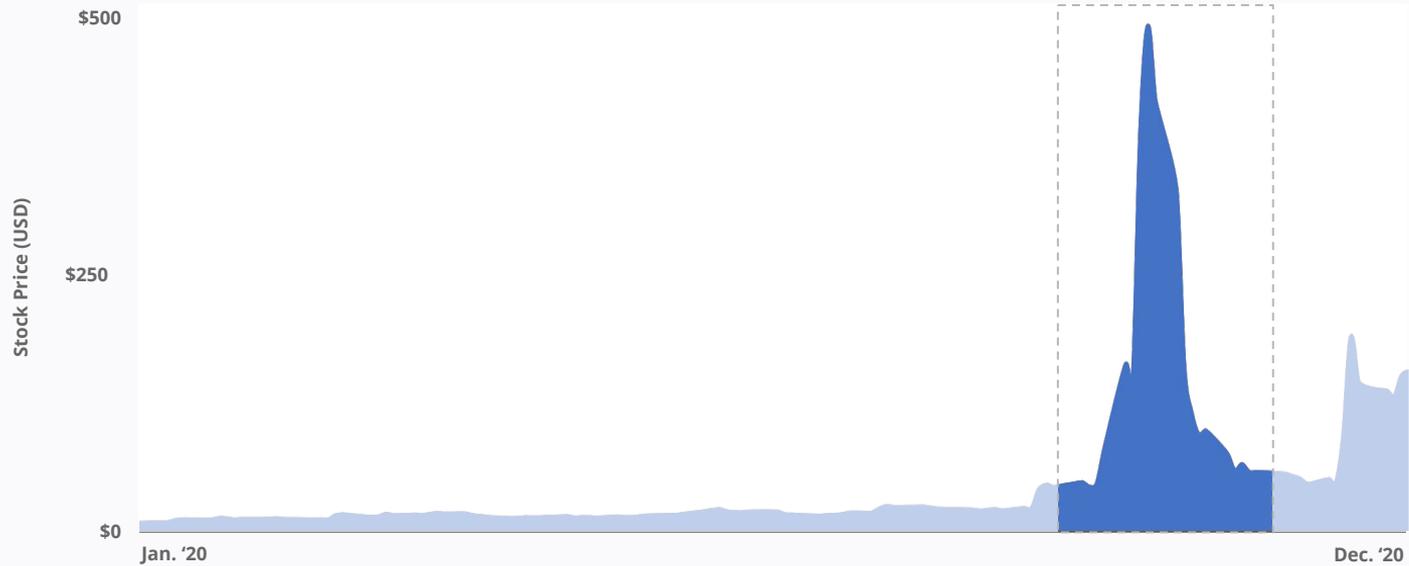


The GameStop logo is displayed in white, bold, sans-serif font on a blue background. The word "GameStop" is written in a single line, with a registered trademark symbol (®) to the upper right of the "p".

GameStop®

**How GME Changed the
Investing Landscape
Financial Services**

Near the end of January 2021, GameStop share price (ticker GME) saw an explosive **+2,315%** increase from \$20 to a high of \$483.



The GameStop frenzy was seen on all major news channels and caused an uproar on Wall Street.

How GameStop found itself at the center of a groundbreaking battle between Wall Street and small investors

The video game retailer has become one of the hottest stocks this year in a tale that illustrates the changing face of investing



▲ A woman wears a face mask as she walks past a GameStop store in Des Plaines, Ill. (Huh/AP)

The coronavirus pandemic hit GameStop hard. The retailer, already suffering from the shift to online sales, is losing money and plans to close 45 stores. Yet, surprisingly, GameStop has become one of the most popular stocks on Wall Street.



GameStop timeline: A closer look at the saga that upended Wall Street

The stock market drama has been called a "David and Goliath" battle.

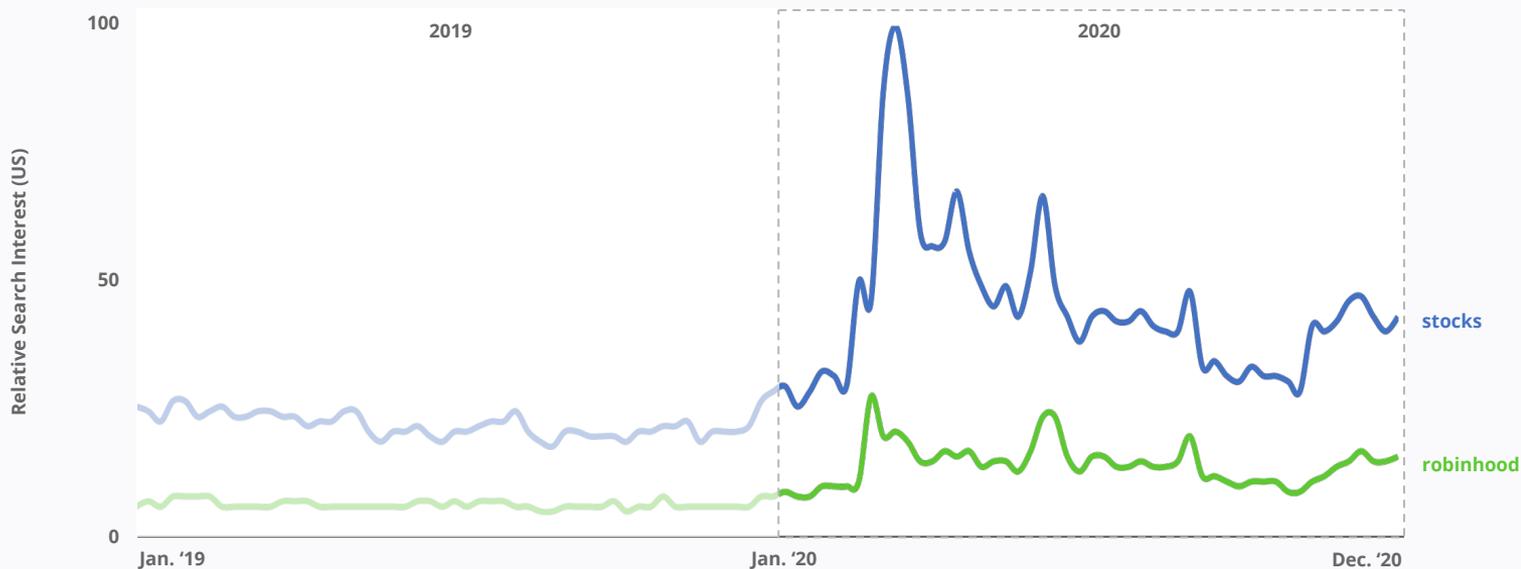
By Catherine Thorbecke
13 February 2021, 03:00 • 18 min read



How did the GameStop stock spike on Wall Street happen?

How did this all begin? There was an influx of new retail traders in 2020 due to the pandemic, as more and more people found themselves bored at home.

Search interest for popular trading platforms such as Robinhood saw a 121% MoM average increase in March 2020, similar to the increase in search interest for the search term "stocks."

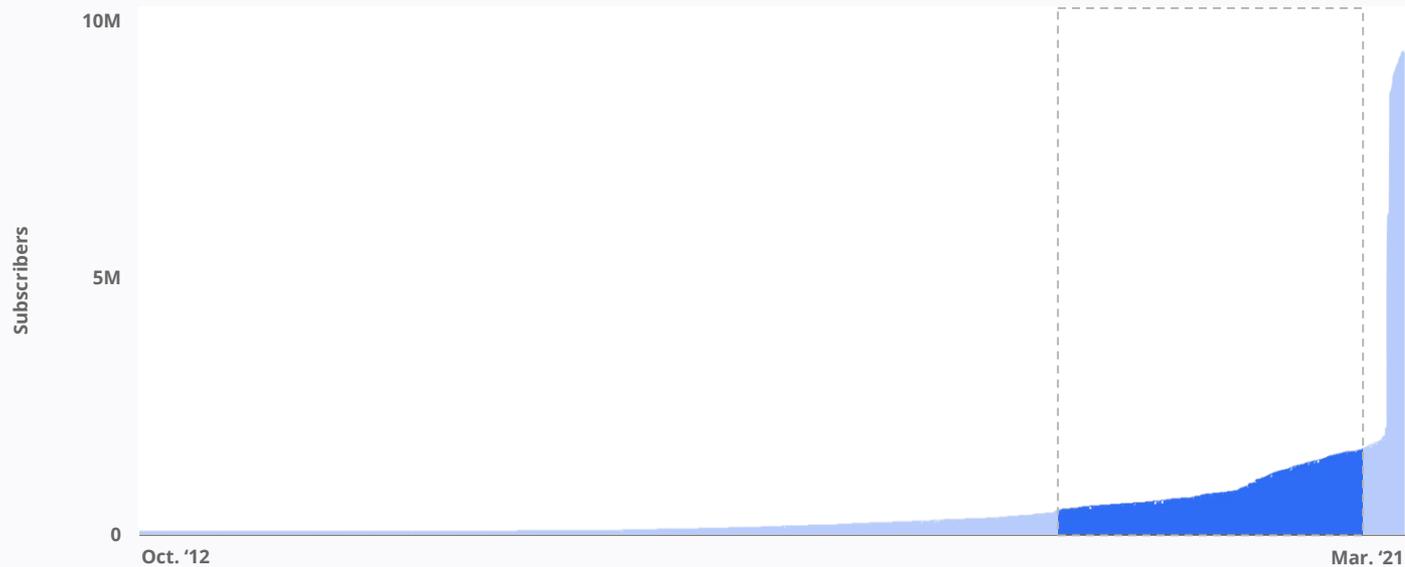


Apps such as Robinhood even crashed during March of 2020, as they experienced record trading volumes due to the volatile stock market during this time.

The screenshot shows a CNN Business article page. At the top, the navigation bar includes 'CNN BUSINESS', 'Markets', 'Tech', 'Media', 'Success', 'Perspectives', 'Videos', 'LIVE TV', 'Edition', and search/social icons. The main headline is 'What made the Robinhood app crash? Record trading as the market soared and tanked' by Jordan Valinsky, dated March 4, 2020. Below the headline is a large video player showing two men in an office setting. To the right, there are 'MORE FROM CNN BUSINESS' recommendations, including 'Landlord says the eviction moratorium has drained her savings' and 'These 6 Dr. Seuss books won't be published anymore'. Below these is an advertisement for 'clearly' eyeglasses, offering 'Up to 70% off frames + 40% off lenses' with a 'SHOP GLASSES' button. At the bottom of the video player, there are several video thumbnails with titles like 'Trading app tries to fix a', 'US economy added', 'Funding delays leave', and 'Another 745,000'.

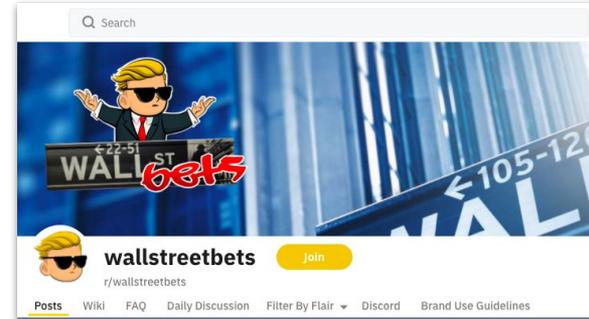
[Click to view](#)

Meanwhile, the subreddit [r/wallstreetbets](#) experienced significant subscriber growth in 2020, increasing by **+258%** from Jan. 2019 to Dec. 2020.



What exactly is r/wallstreetbets?

- “/r/wallstreetbets is a community for making money and being amused while doing it. Or, realistically, a place to come and upvote memes when your portfolio is down.” - [WSB FAQ](#)
- Subreddit for day traders and investors.
- A popular topic of discussion on wallstreetbets is to find meme “stonks.”
- **Stonks:** Internet slang for “stocks.” A deliberate misspelling of stocks and has now become synonymous with the GameStop frenzy.
- **Meme Stonks:** Stocks popular amongst internet traders that typically have high volatility. Usually, stonks are tech stocks such as TSLA & AMZN and now, in this case, GME.



So how did GME become a meme stonk? Over a year ago, [a few redditors had a hypothesis that GME had huge potential](#) due to the possibility of a short squeeze. In particular, one infamous redditor, [u/DeepFuckingValue](#), started posting regular updates in 2019 on his GME investments.

r/wallstreetbets · Posted by u/DeepFuckingValue gamecock 1 year ago

GME YOLO month-end update — Sep 2019 YOLO

Symbol	Actions	Qty #	Price Paid \$	Last Price \$	Bid	Ask	Day's Gain %	Day's Gain \$	Total Gain %	Total Gain \$	Total Cost	Value \$ -
GME	Jan 15 '21 \$8 Call	1,000	0.53	1.25	0.92	1.40	8.92%	9,500.00	116.56%	62,433.96	53,566.04	116,000.00
06/07/2019	Close Roll	50	0.60	1.25	0.92	1.40	8.92%	-475.00	91.37%	2,769.20	3,030.81	5,800.00
06/20/2019	Close Roll	50	0.75	1.25	0.92	1.40	8.92%					
07/17/2019	Close Roll	50	0.55	1.25	0.92	1.40	8.92%					
07/18/2019	Close Roll	50	0.50	1.25	0.92	1.40	8.92%					
08/14/2019	Close Roll	200	0.30	1.25	0.92	1.40	8.92%					
08/20/2019	Close Roll	100	0.30	1.25	0.92	1.40	8.92%					
08/22/2019	Close Roll	100	0.55	1.25	0.92	1.40	8.92%					
08/22/2019	Close Roll	200	0.65	1.25	0.92	1.40	8.92%					
08/27/2019	Close Roll	100	0.60	1.25	0.92	1.40	8.92%					
09/03/2019	Close Roll	100	0.75	1.25	0.92	1.40	8.92%					
Cash												
Total			\$53,566.04				8.92%					

r/wallstreetbets · Posted by u/DeepFuckingValue gamecock 1 year ago

GME YOLO month-end update — Oct 2019 YOLO

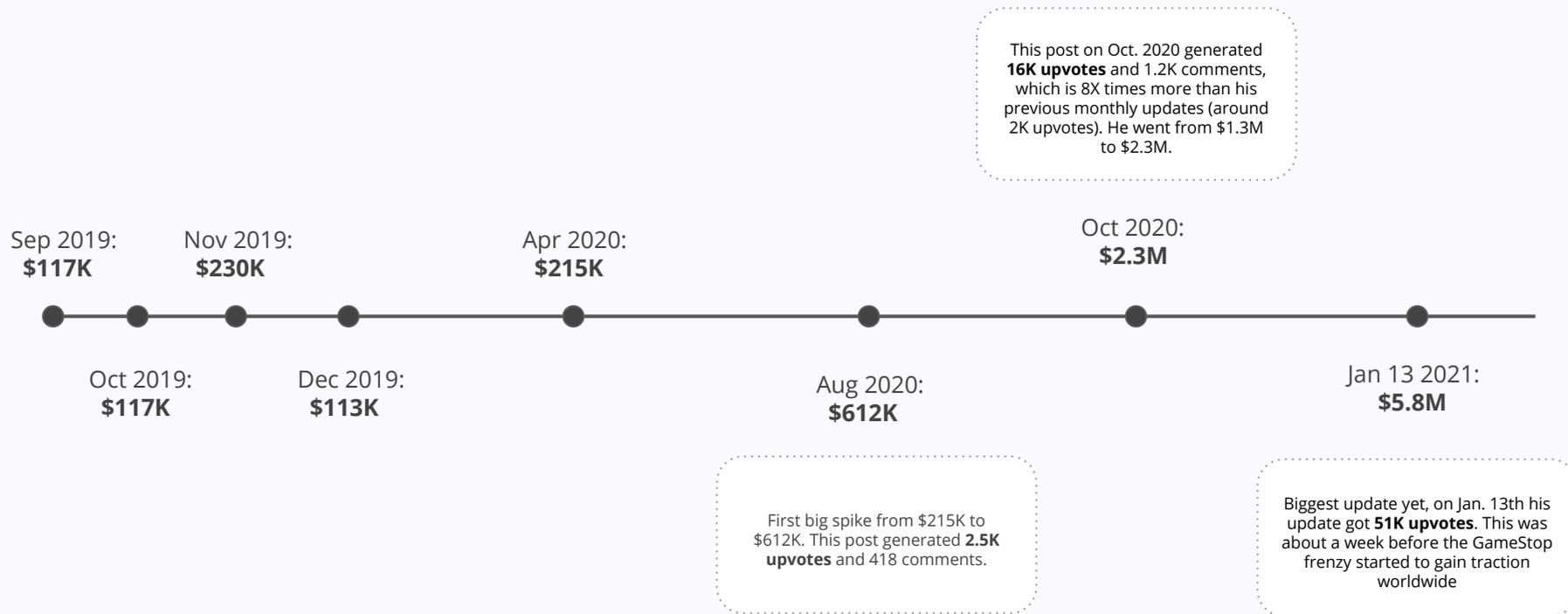
Symbol	Actions	Qty #	Price Paid \$	Last Price \$	Bid	Ask	Day's Gain %	Day's Gain \$	Total Gain %	Total Gain \$	Total Cost	Value \$ -
GME	Jan 15 '21 \$8 Call	1,000	0.53	0.91	0.79	1.32	-7.86%	-9,000.00	96.95%	\$1,933.96	\$3,566.04	105,500.00
06/07/2019	Close Roll	50	0.60	0.91	0.79	1.32	-7.86%	-450.00	74.05%	2,244.20	3,030.81	5,275.00
06/20/2019	Close Roll	50	0.75	0.91	0.79	1.32	-7.86%	-450.00	39.52%	1,494.20	3,780.81	5,275.00
07/17/2019	Close Roll	50	0.55	0.91	0.79	1.32	-7.86%	-450.00	89.69%	2,494.20	2,780.81	5,275.00
07/18/2019	Close Roll	50	0.50	0.91	0.79	1.32	-7.86%	-450.00				
08/14/2019	Close Roll	200	0.30	0.91	0.79	1.32	-7.86%	-1,800.00				
08/20/2019	Close Roll	100	0.30	0.91	0.79	1.32	-7.86%	-900.00				
08/22/2019	Close Roll	100	0.55	0.91	0.79	1.32	-7.86%	-900.00				
08/22/2019	Close Roll	200	0.65	0.91	0.79	1.32	-7.86%	-1,800.00				
08/27/2019	Close Roll	100	0.60	0.91	0.79	1.32	-7.86%	-900.00				
09/03/2019	Close Roll	100	0.75	0.91	0.79	1.32	-7.86%	-900.00				
Cash												
Total			\$53,566.04				-7.86%	-\$9,000.00				

r/wallstreetbets · Posted by u/DeepFuckingValue gamecock 1 year ago

GME YOLO month-end update — Nov 2019 YOLO

Symbol	Actions	Qty #	Price Paid \$	Last Price \$	Bid	Ask	Day's Gain %	Day's Gain \$	Total Gain %	Total Gain \$	Total Cost	Value \$ -
GME	Jan 15 '21 \$8 Call	1,000	0.53	1.13	0.05	4.55	85.48%	106,000.00	329.38%	\$176,433.96	\$3,566.04	230,000.00
06/07/2019	Close Roll	50	0.60	1.13	0.05	4.55	85.48%	5,300.00	279.44%	8,469.20	3,030.81	11,500.00
06/20/2019	Close Roll	50	0.75	1.13	0.05	4.55	85.48%	5,300.00	204.17%	7,719.20	3,780.81	11,500.00
07/17/2019	Close Roll	50	0.55	1.13	0.05	4.55	85.48%	5,300.00	311.55%	8,719.20	2,790.81	11,500.00
07/18/2019	Close Roll	50	0.50	1.13	0.05	4.55	85.48%	5,300.00	354.40%	8,969.20	2,530.80	11,500.00
08/14/2019	Close Roll	200	0.30	1.13	0.05	4.55	85.48%	21,200.00	653.08%	39,891.77	6,108.23	46,000.00
08/20/2019	Close Roll	100	0.30	1.13	0.05	4.55	85.48%	10,600.00	652.47%	19,943.41	3,056.59	23,000.00
08/22/2019	Close Roll	100	0.55	1.13	0.05	4.55	85.48%	10,600.00	313.92%	17,443.41	5,556.59	23,000.00
08/22/2019	Close Roll	200	0.65	1.13	0.05	4.55	85.48%	21,200.00	250.92%	32,891.77	13,108.23	46,000.00
08/27/2019	Close Roll	100	0.60	1.13	0.05	4.55	85.48%	10,600.00	279.75%	16,943.41	6,056.59	23,000.00
09/03/2019	Close Roll	100	0.75	1.13	0.05	4.55	85.48%	10,600.00	204.37%	15,443.41	7,556.59	23,000.00
Cash												\$628.66
Total			\$53,566.04				85.48%	\$106,000.00	329.38%	\$176,433.96		\$230,628.66

Timeline of u/deepfuckingvalue's GME portfolio:



As u/deepfuckingvalue's portfolio grew, the rest of r/wallstreetbets began to take notice and invested their money into GME.

Posted by u/cyanice 210116:3:1 3 months ago 3 4 3 3 3

2.5k
WSB owns 5.8% of GME (GME survey update)

Discussion

Latest survey:
https://www.reddit.com/r/wallstreetbets/comments/kyk465/gme_survey_3_shares_and_gains/

[LATEST UPDATE] SECOND SURVEY RESULTS:
https://www.reddit.com/r/wallstreetbets/comments/kbuuvi/gme_survey_2_update_diamond_hands?

... and counting. Just 0.15% of WSB holds 3.8M shares. That makes WSB the 7th largest holder of GME.

Amongst the wallstreetbets community, GME was already a meme stonk in late 2020 (Nov/Dec), as one reddit reported that 5.8% of GME was owned by r/wallstreetbets.

r/wallstreetbets · Posted by u/CallsOnAlcoholism Pass the SBUD 1 month ago

9.9k 2 23 17 19 14 2 3

GME Megathread IV for January 28th, 2021

Discussion

35.0k Comments Give Award Share Save Hide Report 98% Upvoted

32.0k
GME Megathread for Thursday February 25th, 2021
r/wallstreetbets · Posted by u/OPINION_IS_UNPOPULAR top notch guava flavored mango eggplant 8 days ago 3 6 3 & 677 More
75.5k Comments Give Award Share Save ...

29.3k
GME Megathread for March 3rd, 2021
r/wallstreetbets · Posted by u/OPINION_IS_UNPOPULAR top notch guava flavored mango eggplant 2 days ago 3 3 3 & 535 More
40.7k Comments Give Award Share Save ...

26.8k
GME Megathread Part 2 for Thursday, February 25th, 2021
r/wallstreetbets · Posted by u/OPINION_IS_UNPOPULAR top notch guava flavored mango eggplant 8 days ago 2 2 2 & 389 More
73.4k Comments Give Award Share Save ...

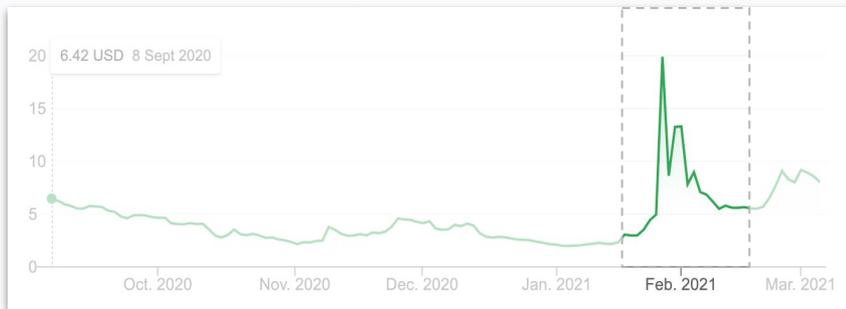
24.5k
GME Megathread for March 04, 2021
r/wallstreetbets · Posted by u/OPINION_IS_UNPOPULAR top notch guava flavored mango eggplant 1 day ago 3 3 3 & 455 More
44.4k Comments Give Award Share Save ...

30.2k
GME Megathread for Wednesday, February 24th, 2021
r/wallstreetbets · Posted by u/OPINION_IS_UNPOPULAR top notch guava flavored mango eggplant 9 days ago 2 2 2 & 580 More
88.1k Comments Give Award Share Save ...

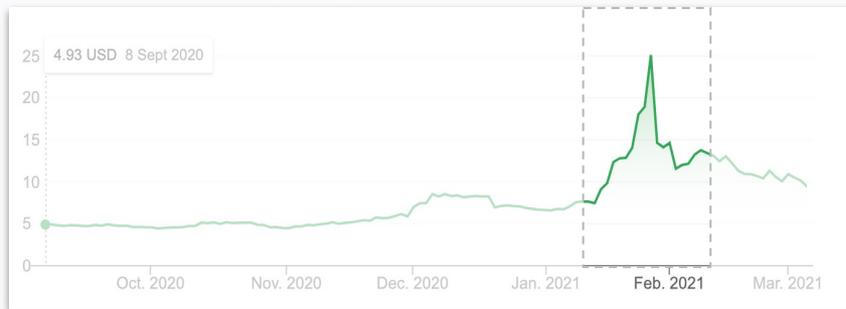
The first megathread for GME was posted on Jan. 28th and since then there has been at least one every day. These megathreads generate more than 50K comments and often have multiple parts (i.e. megathread part 2, 3, 4, etc.)

The collective group of internet retail traders also identified other meme stonks which caused their stock prices to skyrocket, such as AMC and BB.

AMC



BB (BlackBerry)



The GME frenzy has forever changed the stock market and how people trade in 4 ways:

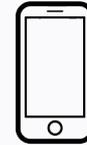
1. Downfall of Robinhood



2. Rise of Meme Stonks



3. Importance of Social Media



4. Cryptocurrency Frenzy



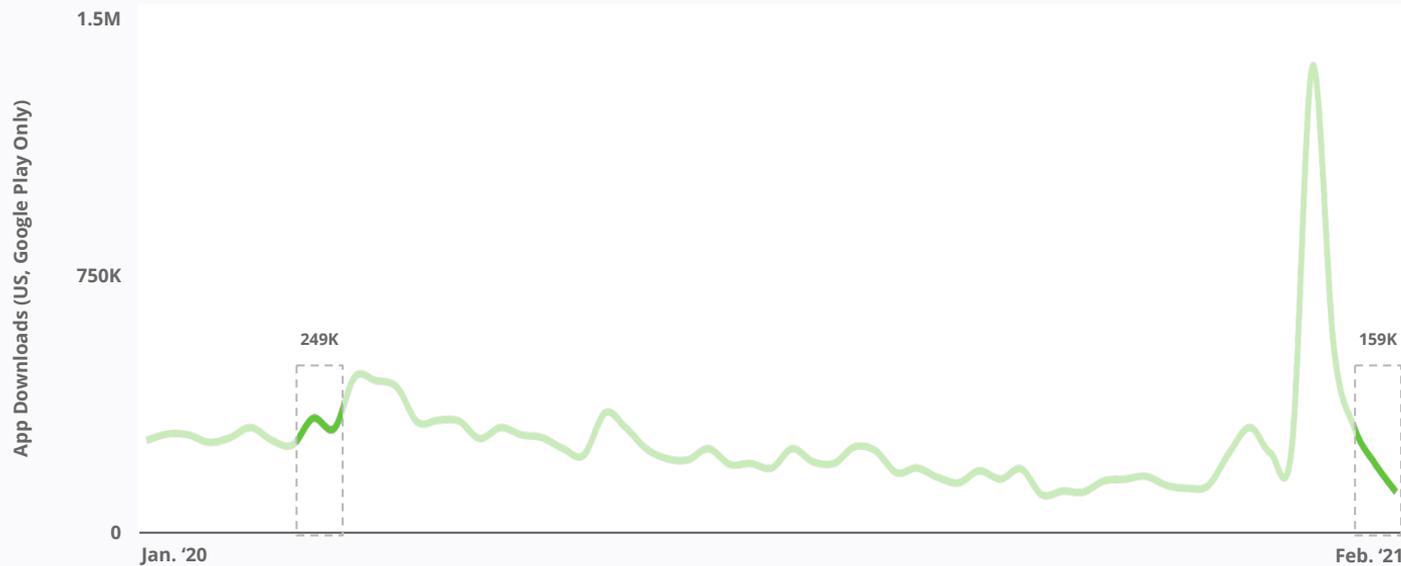
After Robinhood halted GME, [many users lost trust in the app](#) and its reputation was damaged. Downloads for the Robinhood app spiked during the GME frenzy, but have since fallen and were down **-36%** YoY in the last week of February.

Downfall of Robinhood

Rise of Meme Stonks

Importance of Social Media

Cryptocurrency Frenzy



Robinhood users rushed to transfer funds to other trading platforms and delete their accounts. Other platforms such as Webull and Fidelity saw a spike in Google search interest.

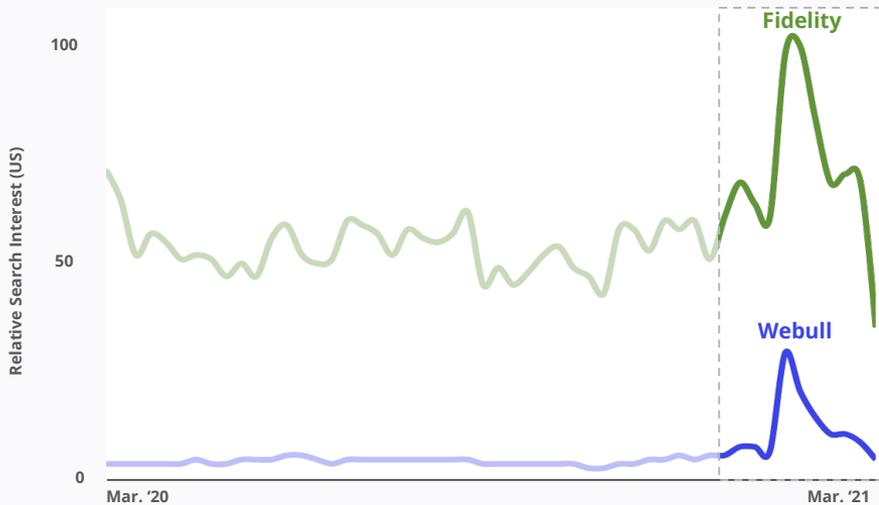
Downfall of Robinhood

Rise of Meme Stonks

Importance of Social Media

Cryptocurrency Frenzy

Search Terms: "webull" & "fidelity"



Search Term: "delete robinhood"



After halting GME trades, Robinhood angered his userbase who filed 30 class action lawsuits.

Downfall of Robinhood

Rise of Meme Stonks

Importance of Social Media

Cryptocurrency Frenzy

↑
85.3k
↓

 **WE are Preparing a Class Action LAWSUIT against Robinhood!** Discussion

r/wallstreetbets · Posted by u/Shrubber 1 month ago 🏆🏆🏆 7 🗨️ 3 & 267 More

🗨️ 22.2k Comments 🎁 Give Award ➦ Share 📌 Save ...

↑
41.3k
↓

 **Robinhood brand is severely damaged: 56% of account holders are considering leaving Robinhood** fortune.com/2021/0... News

r/wallstreetbets · Posted by u/valkener1 14 days ago 🏆🏆 2 🗨️ 2 & 85 More

🗨️ 4.2k Comments 🎁 Give Award ➦ Share 📌 Save ...

↑
219k
↓

 **CLASS ACTION AGAINST ROBINHOOD.** Allowing people to only sell is the definition of market manipulation. A class action must be started, **Robinhood** has made plenty of money off selling info about our trades to the hedge funds to be able to pay out a little for causing people to lose money now Discussion

r/wallstreetbets · Posted by u/does-it-mater 1 month ago 🏆🏆 20 🗨️ 927 More

🗨️ 18.5k Comments 🎁 Give Award ➦ Share 📌 Save ...

What does this mean for brands? There is a high number of ex-Robinhood users who are seeking a new trading platform.

Downfall of Robinhood

Rise of Meme Stonks

Importance of Social Media

Cryptocurrency Frenzy

How to win over ex-Robinhood users:

Robinhood users value:

- **An easy-to-use interface** — While Robinhood’s “gamified” UI faced backlash, it is still one of the main selling points of the platform for young traders.
- **Commission-free trading** — Robinhood users are used to not paying fees and are drawn to offerings that involve a minimal cost incurred for the investor.
- **Mobile trading** — A large number of wallstreetbet traders trade via the mobile app. Other major trading platforms have a poor user experience on their mobile apps.
- **Cryptocurrency Trading** — Robinhood users appreciate the ability to trade cryptocurrencies such as Bitcoin, Ethereum, Dogecoin, etc.



Robinhood:
Sleek design, easy to use



TD Ameritrade:
Outdated, poor user experience

Internet meme stonks are here to stay and are continuing to make waves in the stock market. Dave Portnoy, the founder of Barstoolsports, launched his own ETF called \$Buzz which tracks meme stonks.

Downfall of Robinhood

Rise of Meme Stonks

Importance of Social Media

Cryptocurrency Frenzy



[Click to view](#)

\$Buzz ETF

- Based on social media sentiment.
- Saw \$280 million in fund inflows on the first day of launch.
- Fund tracks an index that scrubs websites like Reddit, StockTwits, and Twitter.

Hedge funds, such as Cindicator Capital, are getting into the meme stonk frenzy as they look to hire Reddit traders.

Downfall of Robinhood

Rise of Meme Stonks

Importance of Social Media

Cryptocurrency Frenzy

What you should have:

- 3+ years of active trading experience with both impressive gains and losses;
- In-depth knowledge of options greeks and indicators;
- A solid grasp of probability even if you don't know the theory (i.e. be good at poker);
- An active member of r/wallstreetbets with an account age of >365 days and karma of over 1000;

What you will be doing:

- Combining our proprietary Macro Sentiment Indicators with your own research to formulate trading ideas for quant strategies;
- Spending most of your time on Reddit, Discord chats, and Twitter to feel the pulse of the tens of millions of retail traders;
- Opening six-figures OTM options trades with the firm's own capital;
- Trying your best to prevent our risk management from having a heart attack.

Job Details:

- Must be an active member of wallstreetbets for more than a year and have karma over 1000.
- Spending time on reddit, Discord chats, and Twitter to identify meme stonks.
- Making active six-figure trades.

[Click to view](#)

News outlets around the world were reporting on meme stonks and educating their viewers on “How Reddit Works.”

Downfall of Robinhood

Rise of Meme Stonks

Importance of Social Media

Cryptocurrency Frenzy

HOW REDDIT WORKS

- Post with more “upvotes” featured most prominently
- Most upvoted posts reach r/popular
- Popular WallStreetBets posts reaching homepage

reddit

BREAKING NEWS

Corn (Mar'21)	537.5	Wheat (Mar'21)	647	Soybeans-cents/bt	
▲ 5.89		Ideal Power Inc. (IPWR)	15.23	▼ 1.14	Beam Therapeutic

CNBC 7:32A PACIFIC
GOLD (FEB) 1,860.4
CHANGE +128.70
% CHANGE +0.97%
DOW 30,749.01 ▲445.84 +1.47%

From CNBC

THE WALL STREET JOURNAL

Keith Gill Drove the GameStop Reddit Mania. He Talked to the Journal.

WSJ NEWS EXCLUSIVE

Trader known as DeepF—ingValue on the WallStreetBets forum helped turn the investing world upside down. “I didn’t expect this.”

From The Wall Street Journal

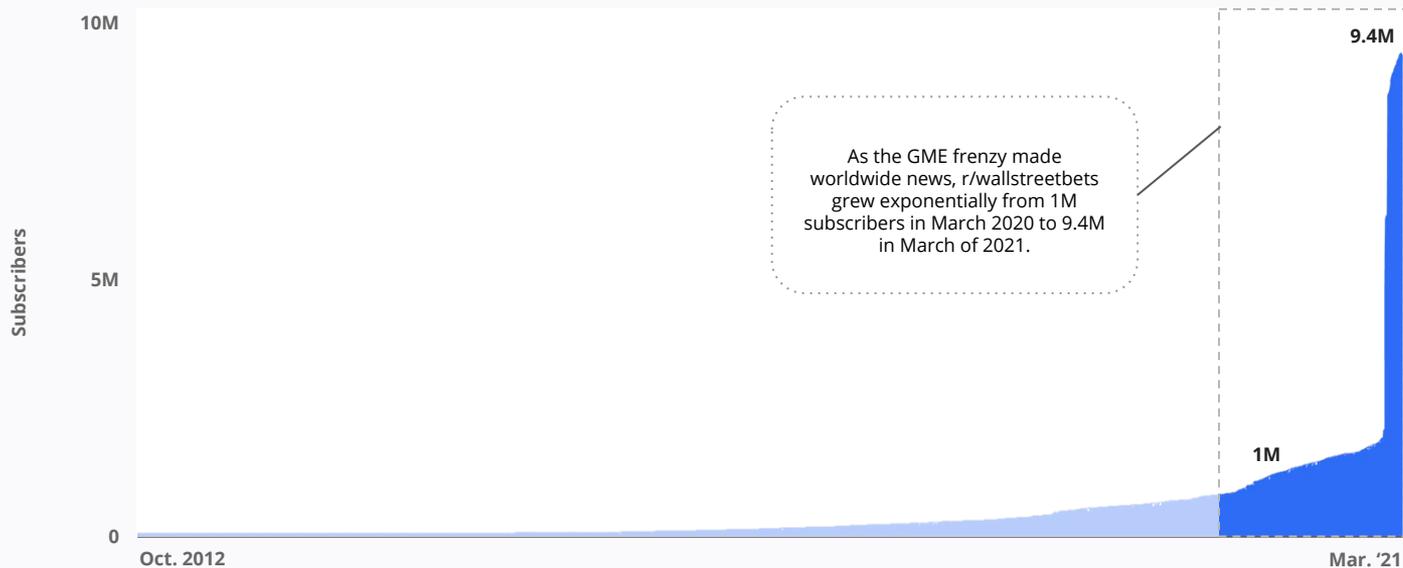
The GME Frenzy has shone light onto the importance of social media and how it can impact the stock market. With r/wallstreetbets now having over 9 million subscribers, internet retail traders are here to stay.

Downfall of Robinhood

Rise of Meme Stonks

Importance of Social Media

Cryptocurrency Frenzy



What social media platforms do internet traders use?

Downfall of Robinhood

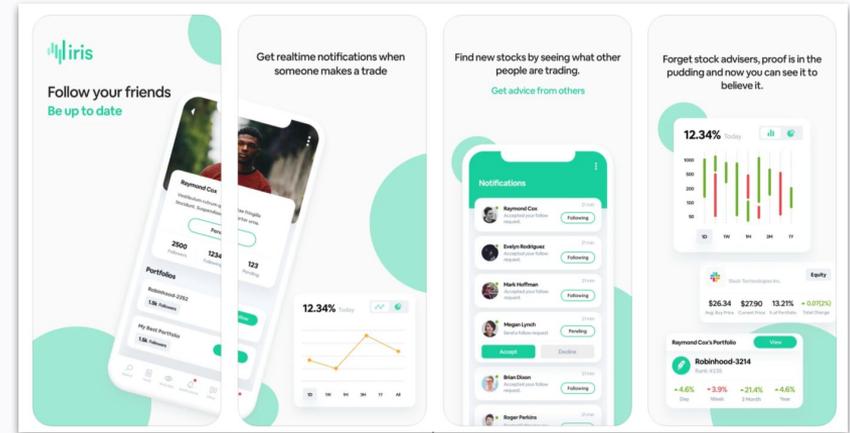
Rise of Meme Stonks

Importance of Social Media

Cryptocurrency Frenzy

Top platforms to find internet meme stonks:

- Reddit
- Discord (wallstreetbets has their own Discord but there is an entire community of stock traders on the platform)
- Twitter
- Social stock apps
 - e.g., Iris: An app where you can follow stock traders online and see what they are trading.



Meme stonks can also be affected by those who have societal influence or sway such as Elon Musk.

Downfall of Robinhood

Rise of Meme Stonks

Importance of Social Media

Cryptocurrency Frenzy

Elon Musk's tweets affect the stock market significantly:

- Bitcoin's value jumped more than 20% to \$38,566 after he changed his Twitter bio to #bitcoin and tweeted: "In retrospect, it was inevitable."
- Tweets about [Etsy](#) and [GME](#) increased share prices.
- Tweeted about [Dogecoin](#) which increased prices significantly.



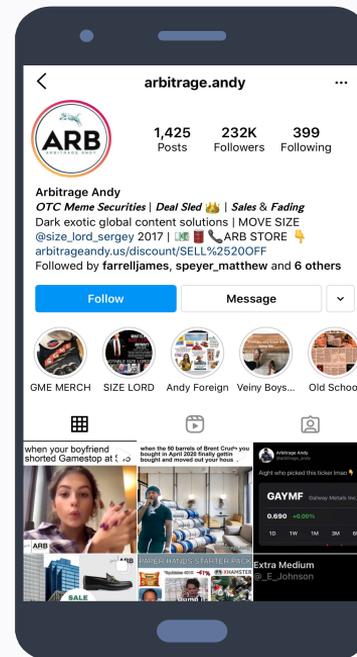
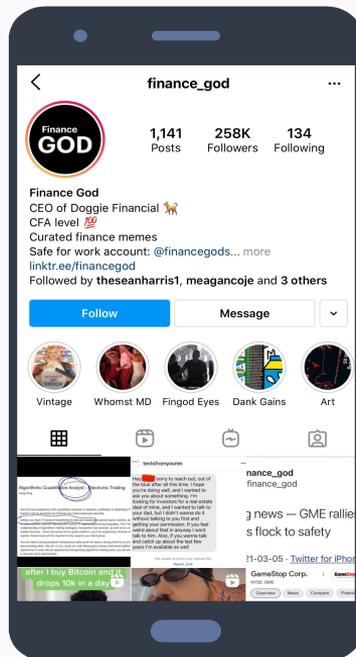
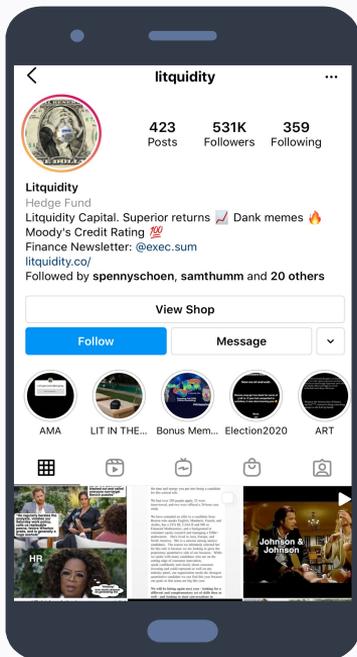
Finance meme accounts are followed by millions of internet retail traders such as [litquidity](#), [Finance God](#), and [Arbitrage Andy](#).

Downfall of Robinhood

Rise of Meme Stonks

Importance of Social Media

Cryptocurrency Frenzy



With the Robinhood scandal as well as the overall frustration with the corruption of Wall Street, day traders are looking more towards cryptocurrency. Apps such as Coinbase saw a **+93%** YoY increase in MAUs in January 2021.

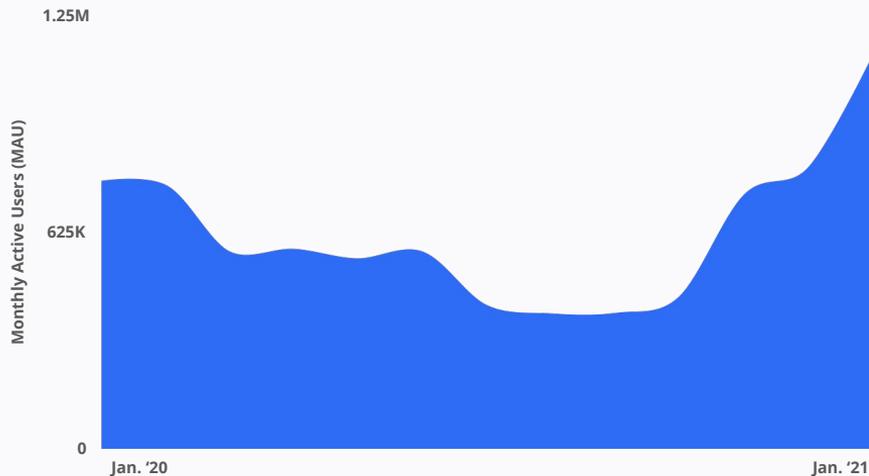
Downfall of Robinhood

Rise of Meme Stonks

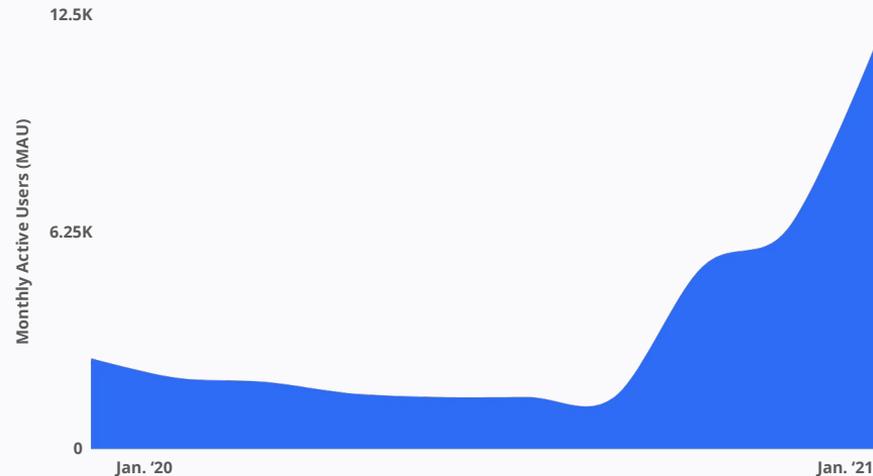
Importance of Social Media

Cryptocurrency Frenzy

Coinbase: USA



Coinsquare: Canada



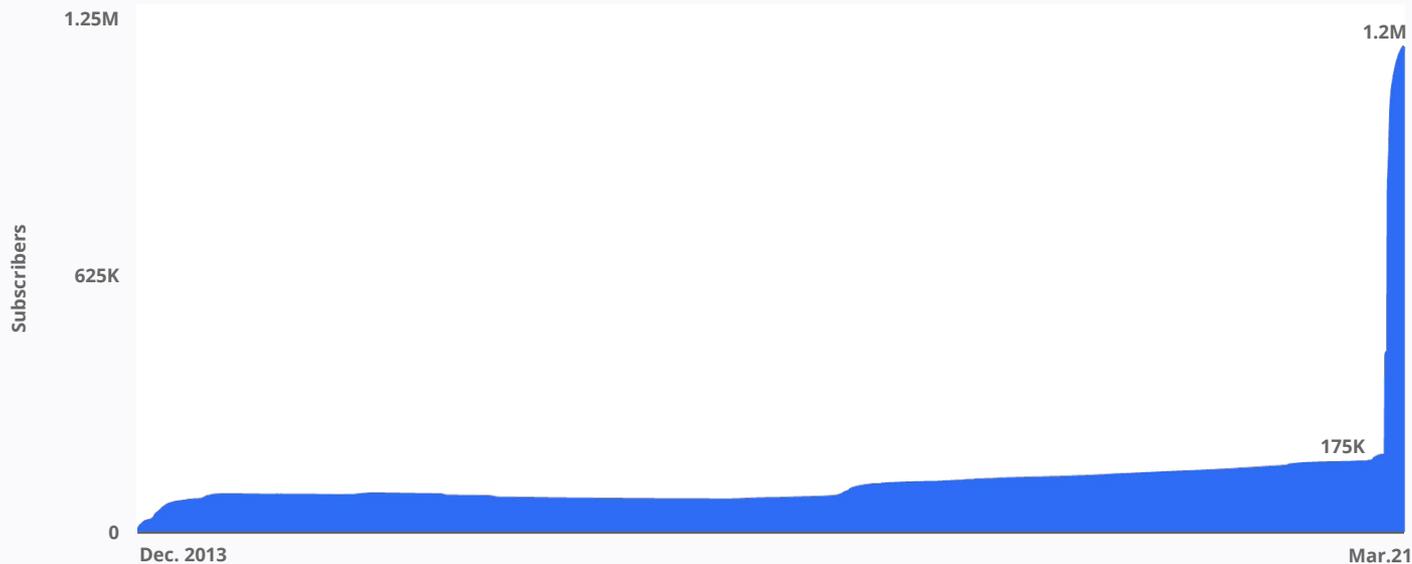
The subreddit r/dogecoin grew their subscriber base from 175K to 1.2M in just two months after Dogecoin increased by **+1540%** from \$0.005 to \$0.082 and Elon Musk got behind the cryptocurrency.

Downfall of Robinhood

Rise of Meme Stonks

Importance of Social Media

Cryptocurrency Frenzy



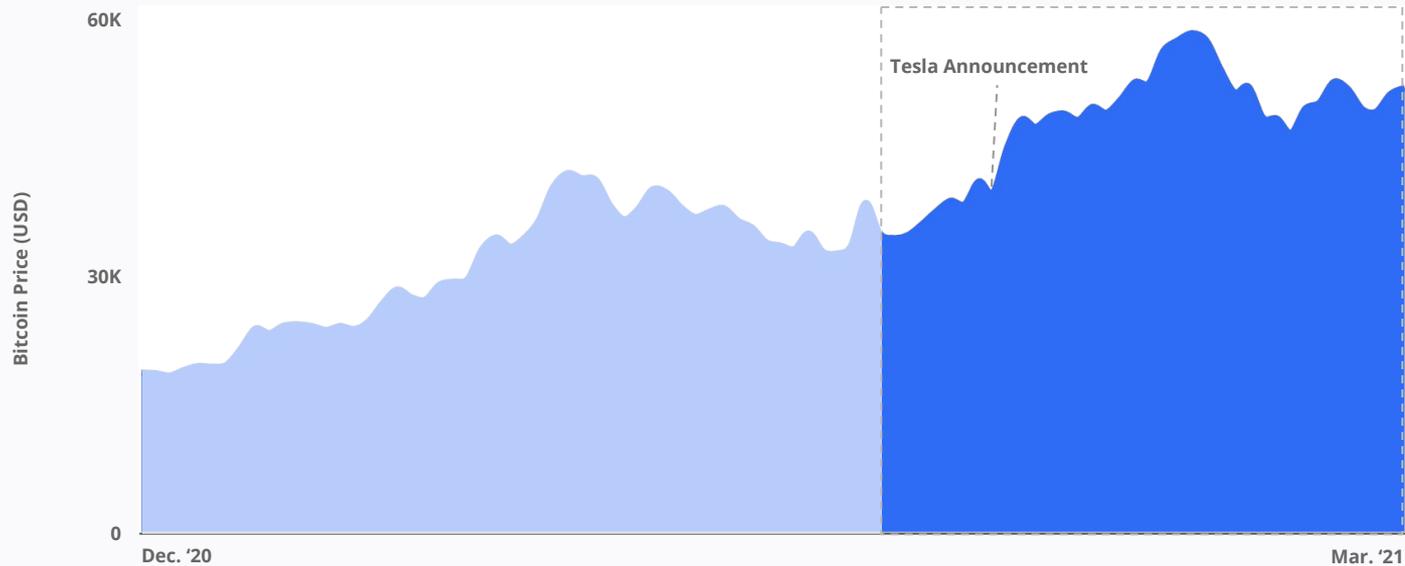
In turn, bitcoin saw a large rally as Tesla announced that they would be accepting bitcoin payments and bought \$1.5B in bitcoin.

Downfall of Robinhood

Rise of Meme Stonks

Importance of Social Media

Cryptocurrency Frenzy



Key Takeaways

From the How GME Changed the Investing Landscape Case Study:

In 2020, the convergence of massive market movements, unprecedented stimulus, the ability to invest small amounts, and commission-free mobile apps led to a large rise in the number of retail investors. These amateur traders have brought a way of investing to the market that defies long-standing market convictions.

This is best illustrated by the frenzy around GME which has left an indelible mark on the investing landscape in four ways:

- 1. Downfall of Robinhood** — Ex-Robinhood users are seeking a new trading platform after losing trust in the platform when trading was halted during the GME upswing. These users value an easy-to-use interface, commission-free trading, a great mobile experience, and the ability to trade cryptocurrencies.
- 2. Rise of Meme Stonks** — Meme stonks have entered the mainstream media and investing market, which is exemplified by the creation of meme stonk-specific ETFs and job posting for sentiment traders who are active members of r/wallstreetbets. The proliferation of meme stonks in the media has also helped to further the reach of these stocks and increase the excitement surrounding them. While the investment community at large has not fully accepted these stocks, there is still a large portion of retail investors interested in trading these equities.
- 3. Importance of Social Media** — The rise of GME further propelled the importance of social sentiment investing. Subreddits such as r/wallstreetbets and r/dogecoin have seen unprecedented growth in recent months, as more and more investors turn their back on institutions to garner investment advice from social media.
- 4. Cryptocurrency Frenzy** — The buzz around GME has also helped to further solidify the legitimacy of other “hype” assets such as cryptocurrency. Coinsquare saw 93% YoY growth in their monthly active users in January as more investors are investing their money in cryptocurrency, as a way to both hedge against inflation and show their support for the cryptocurrency market.