US equities

Retail traders plough $67bn into US stocks while investment giants flee

Individual investors 'buy the dip' this year as equities slide

Goldman Sachs data shows retail investors have been net sellers of US stocks in just seven sessions this year © Michael Nagle/Bloomberg

George Steer in New York

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Individual investors have pumped almost $70bn into US stocks this year even as professional money managers are slashing their exposure to the market on fears over President Donald Trump's policies.

Net inflows from retail investors into US equities and exchange traded funds have registered $67bn in 2025, down only slightly from the $71bn spent in the final quarter of 2024, according to data provider VandaTrack.

The powerful influx underscores how individual investors remain upbeat on Wall Street equities despite intense turbulence this year, triggered by the president's erratic tariff plans and the emergence of Chinese artificial intelligence start-up DeepSeek.

“Dip-buying has been an essentially foolproof strategy for four of the past five years,” said Steve Sosnick, chief market strategist at Interactive Brokers, a platform widely used by individual investors.

He added: “Doing something that works remarkably well for so long means you’re conditioned to stick with it.”

A user on Reddit’s wallstreetbets discussion board, which is popular among amateur investors making speculative bets, offered a similar sentiment: “respect the dip, be the dip, BUY THE DIP!” they said.

Wall Street’s S&P 500 has fallen 2 per cent this year, with the index’s technology sector tumbling 8 per cent. The drop marks a stark contrast to 2023 and 2024, when the S&P 500 posted sharp gains led by a rally in Big Tech stocks — rewarding traders who bought when the market fell.

A similar theme has played out in recent days, with the S&P 500 having clawed back a significant share of its year-to-date losses, rising 1.8 per cent on Monday alone on hopes Trump will renege at least partially on his threats of launching damaging reciprocal tariffs on April 2.

“Investors still appear more concerned about missing a dip-buying opportunity” than they are about further market declines, said Jim Paulsen, an independent market strategist.

Goldman Sachs data shows retail investors have been net sellers of US stocks in just seven sessions this year, despite the S&P 500 having fallen on 25 days. In contrast, big investors tracked by Bank of America made the “biggest ever” cut to their US equity allocations in March.

Have-a-go investors have also continued buying shares in groups that were among the biggest winners over the past two years but that have sustained heavy losses in 2025.

Retail traders bought $3.2bn of Tesla shares and $1.9bn of Nvidia shares last week alone, according to JPMorgan Chase data.

Demand for the twice-leveraged ETFs that track and amplify Tesla and Nvidia's gains or losses had proved just as resilient, Sosnick said, adding that retail's seemingly insatiable appetite for such products "makes some sense" given how profitable dip-buying had recently proved.

"Retail investors tend to go for well-known names," said Dhruv Aggarwal, an assistant professor of law at Northwestern Pritzker School of Law, who co-authored a paper on the pandemic-era "meme stock frenzy".

Still, some institutional investors and Wall Street analysts regard surging retail demand as a counter-intuitive reason for caution.

Aleksander Peterc, an analyst at Bernstein, said: "Back in 1999, when my housekeeper started to ask which stocks she should invest in, that is exactly when things started to fall apart."

Additional reporting by Mari Novik in London

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