



# Meme Stocks

***HYPE OR OPPORTUNITY?***

The GameStop logo is displayed on a black rectangular background. The word "Game" is in white, and "Stop" is in red. The letters are in a bold, sans-serif font. A small registered trademark symbol (®) is located at the top right of the letter 'p' in "Stop".

**GameStop®**

POWER TO THE PLAYERS®

A vertical pink rectangular tab is located in the top right corner of the slide.

A failing  
business  
model...



Bankruptcy  
and more...



Robinhood 

Rise of the  
Retail  
Investor....





Influence  
of online  
stock  
forums



# 4 Questions

*FOR OUR ANALYSIS*

# 1) Can Meme Stocks stand up to a traditional financial analysis?

*VS S&P 500, SHARPE RATIO, MONTE CARLO SIMULATIONS*



## 2) Are Meme Stock investors the same as Cryptocurrency investors?

*CAN THIS BE PROVEN BY A NEGATIVE CORRELATION?*





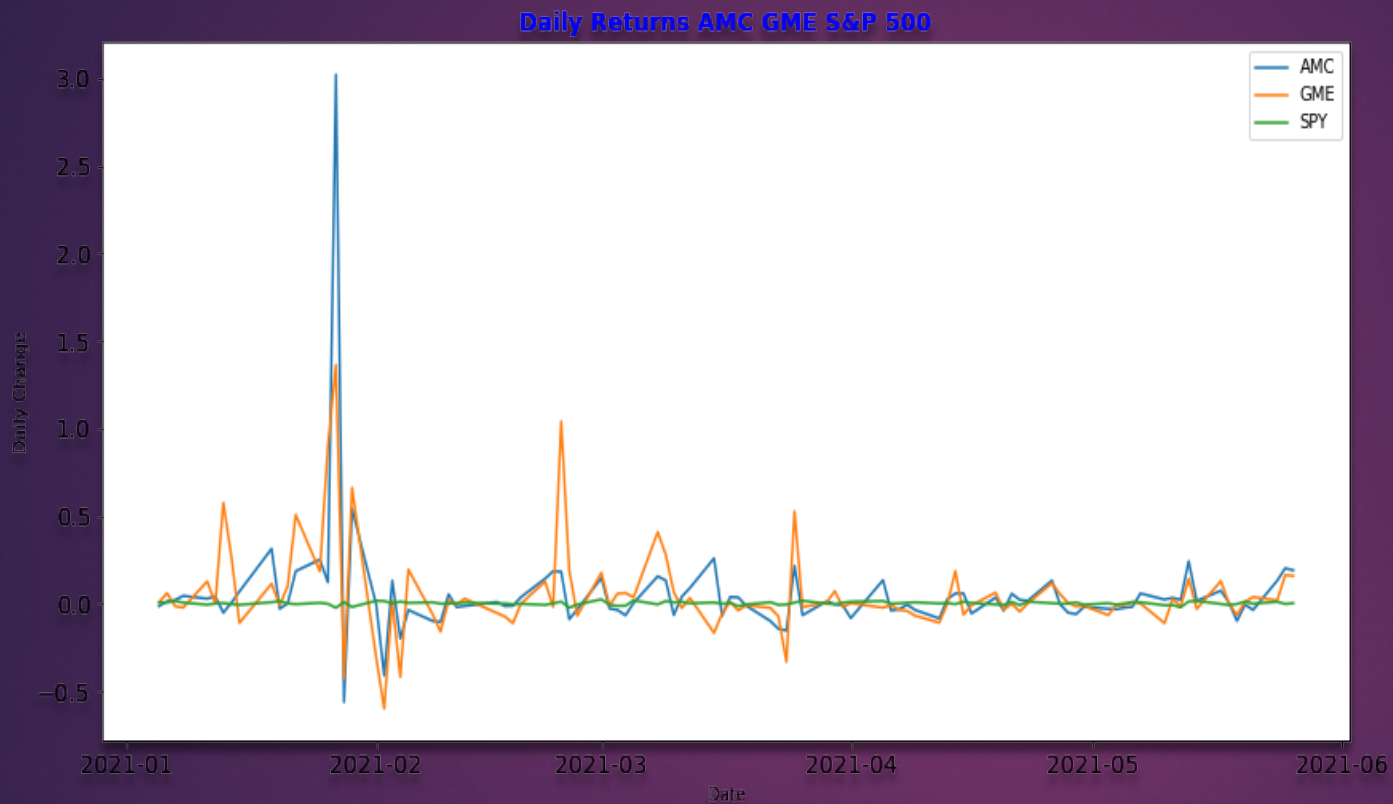
### 3) Are Meme Stocks Driven by online forums such as Wallstreetbets?

*IS THERE A WAY TO PROVE THIS STATISTICALLY?*



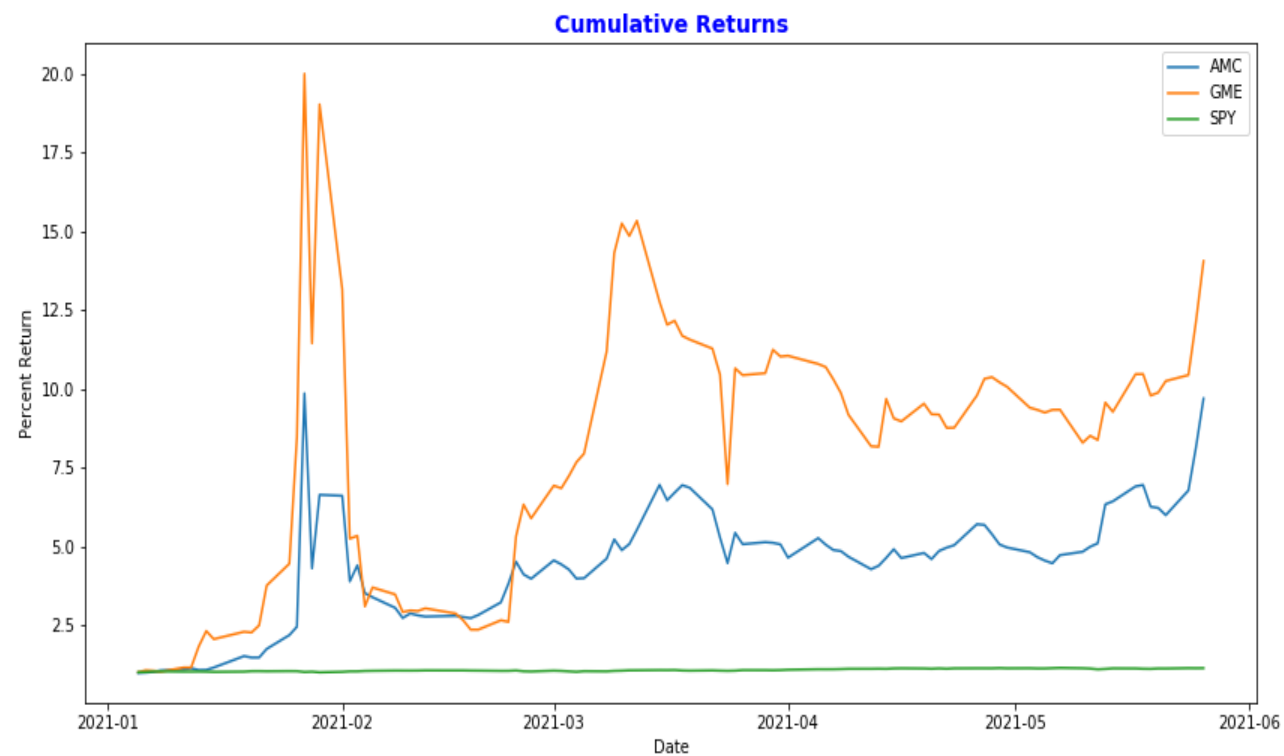
**4) Are Meme Stocks a  
real money-making  
opportunity?**



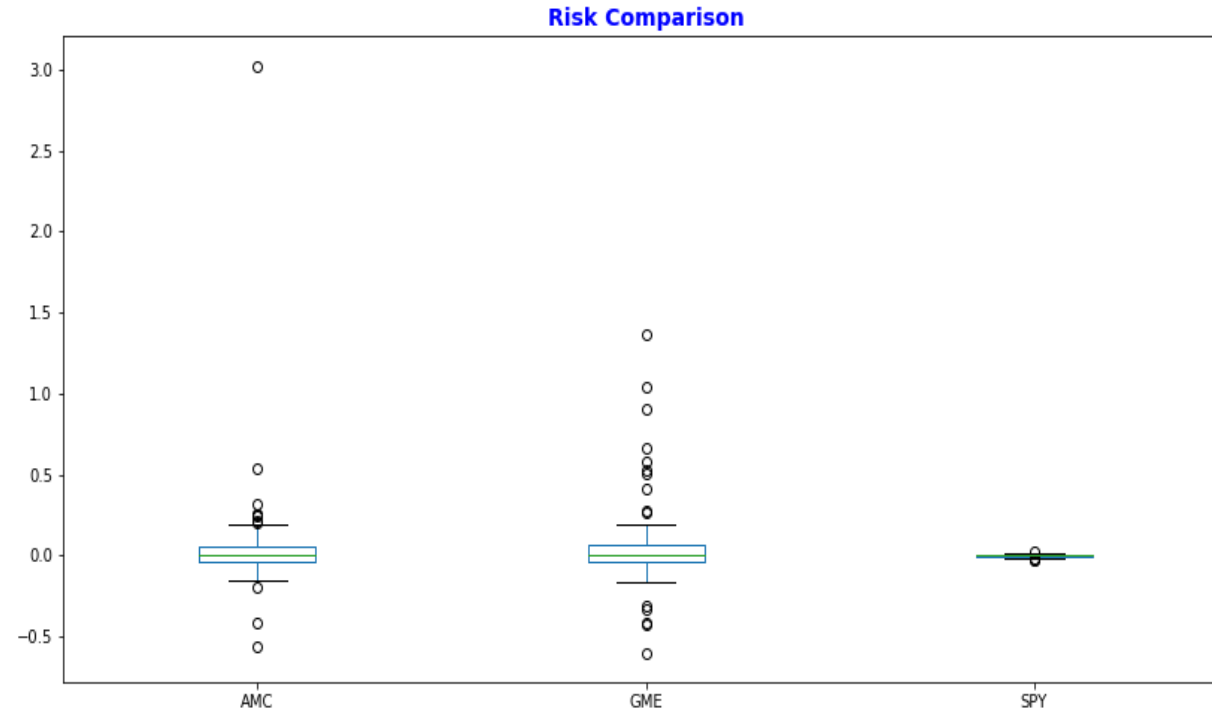


Compare  
to S&P  
500

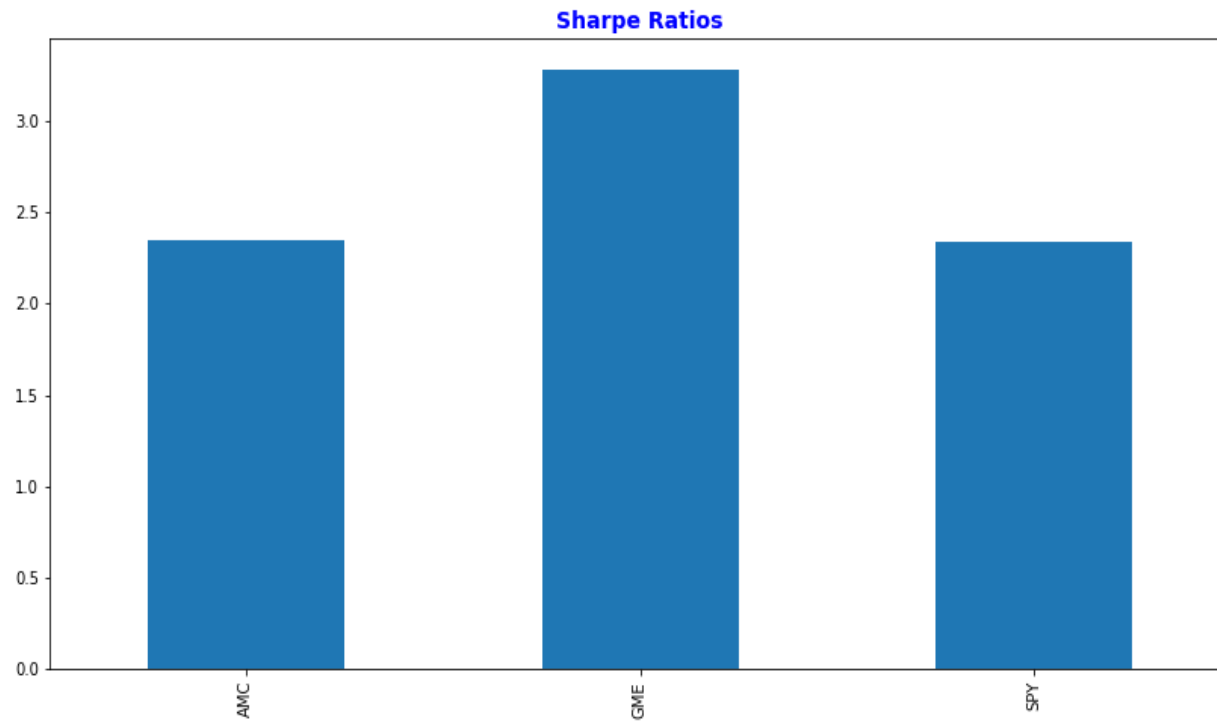




# Cumulative Returns vs S&P 500



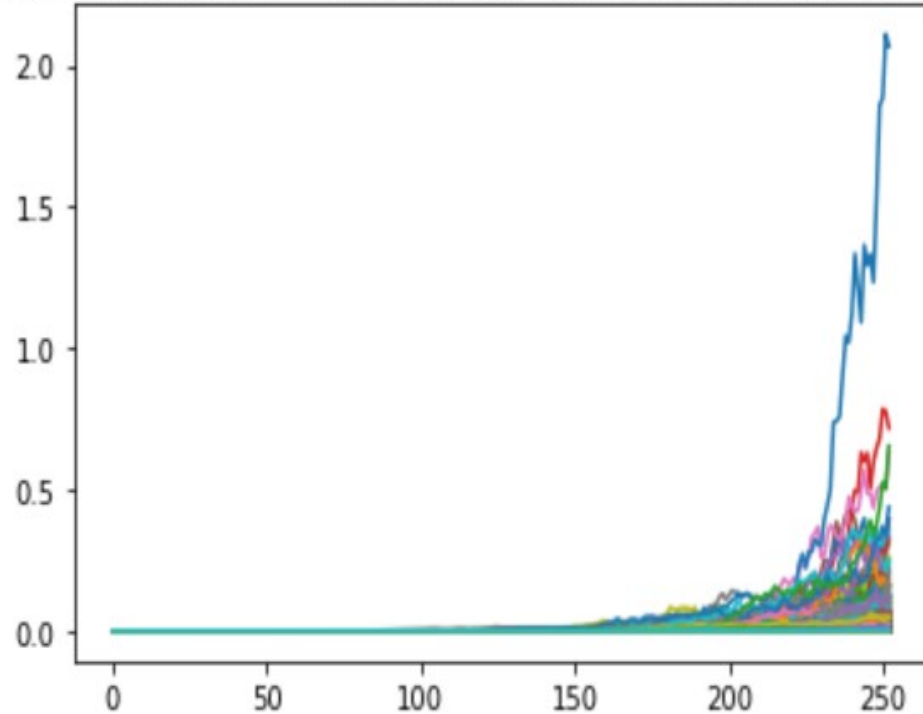
Risk  
compared  
to S&P 500



Sharpe  
Ratios vs  
S&P 500



10000 Simulations of Cumulative Portfolio Return Trajectories Over the Next 252 Trading Days.



Monte  
Carlo  
Simulations

# Impressive Monte Carlo results

**95% CHANCE \$1,000 INITIAL INVESTMENT  
OVER 1 YEAR WILL END IN A RANGE OF  
\$6,281.01 TO \$30,569,750.65.**

Portfolio 1/3 GME, 1/3 AMC, 1/3 SPY





*Note: this is based on  
only five months history of  
the Meme Stocks*

**MOST TRADITIONAL MONTE CARLO SIMULATIONS DRAW ON  
YEARS OF PREVIOUS STOCK HISTORY, BUT WE WERE  
EXAMINING THE MEME STOCK PHENOMENA WHICH  
STARTED IN JANUARY 2021**



# Crypto Meme Correlation

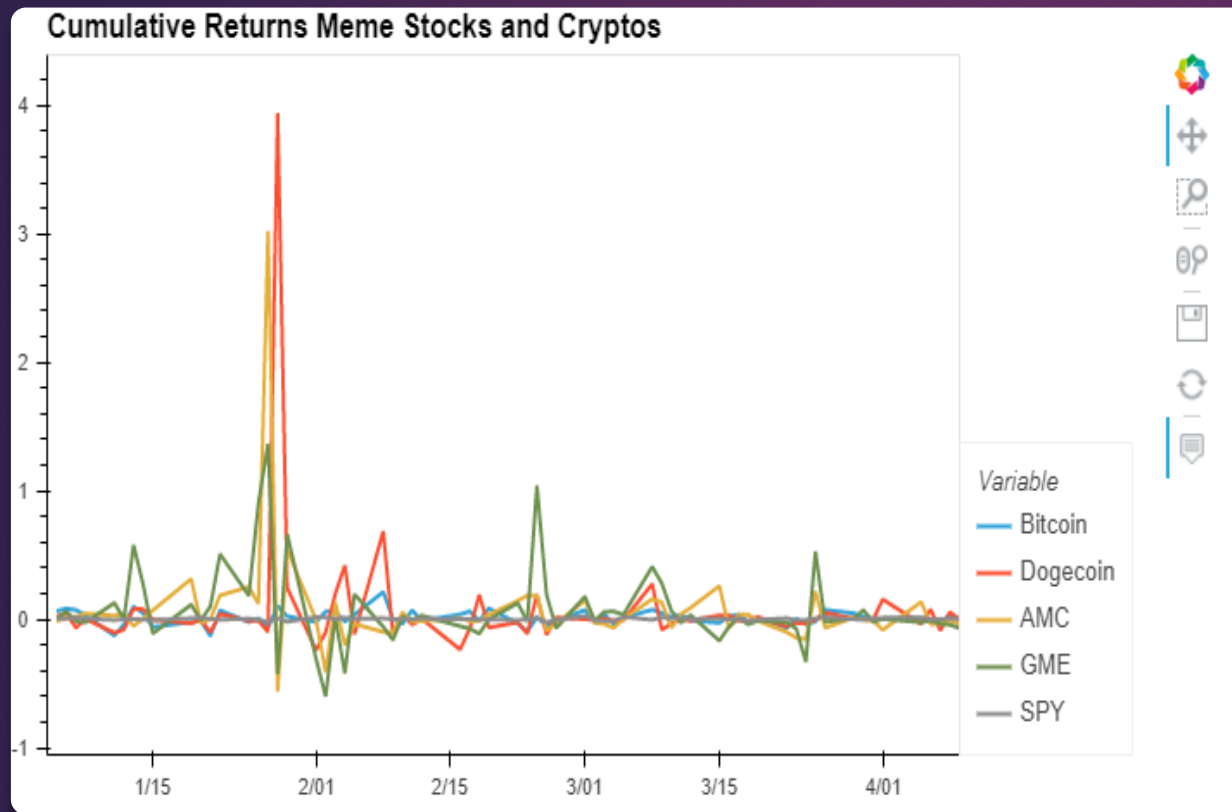
*IS THERE STATISTICAL EVIDENCE PEOPLE ARE INVESTING  
BACK AND FORTH BETWEEN CRYPTOCURRENCIES AND  
MEME STOCKS?*



# We compared Bitcoin and Dogecoin to the Meme Stocks

*USING DAILY CUMULATIVE RETURN RESULTS*





Daily Crypto  
Cumulative Returns  
vs  
Daily Meme Stocks  
Cumulative Returns



# No Negative Correlation

*THERE IS NO STATISTICAL EVIDENCE MONEY IS CHANGING  
FROM CRYPTOCURRENCIES TO MEME STOCKS*

# Data to show Meme Stocks driven by online forums

*WE DECIDED TO SCRAPE MENTIONS OF THE MEME STOCKS  
ON THE WALLSTREETBETS SUBREDDIT*

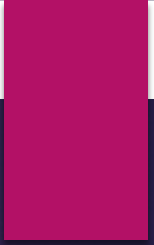




*We used the PRAW tool*

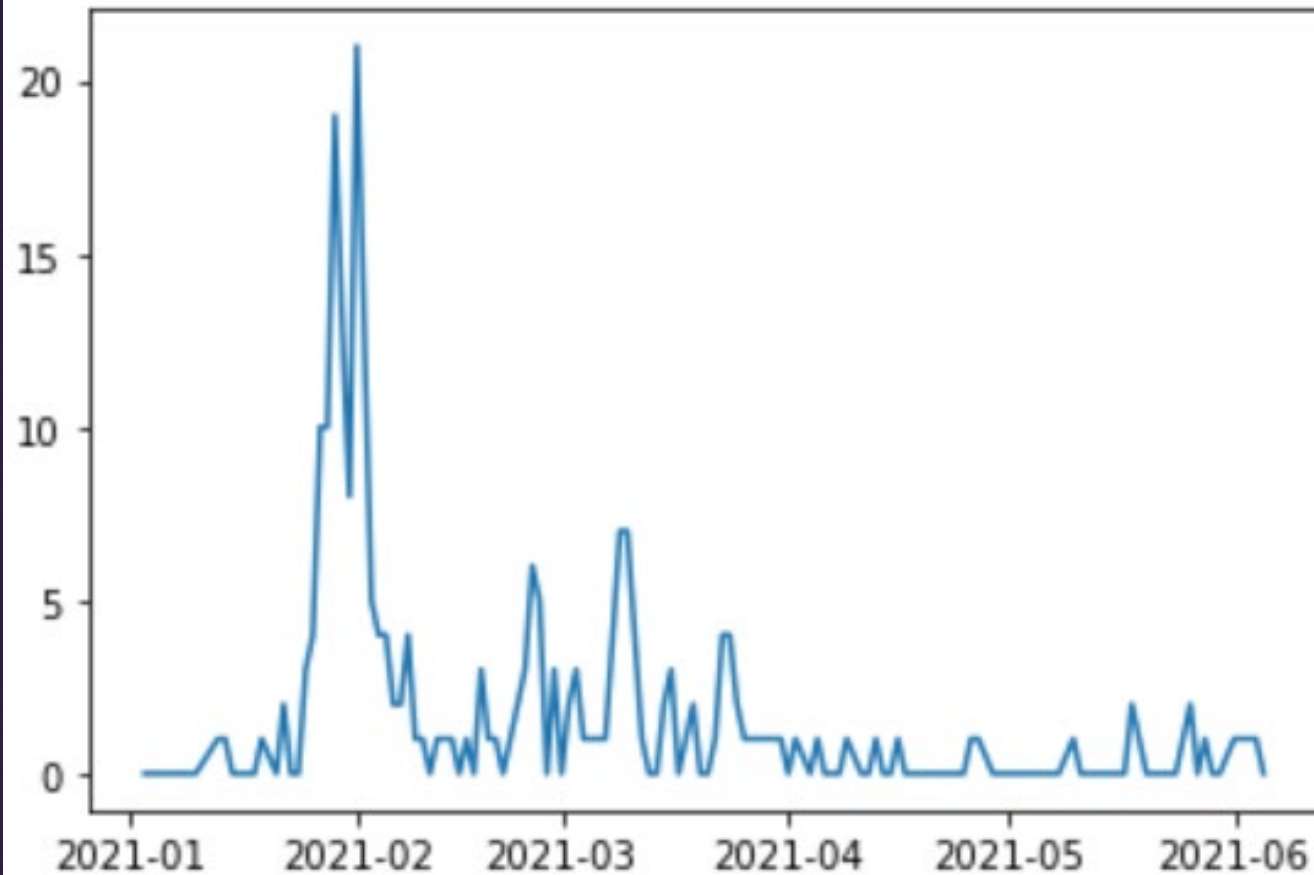
*PYTHON REDDIT API WRAPPER*





*It scraped the top titles  
from the wallstreetbets  
subreddit*

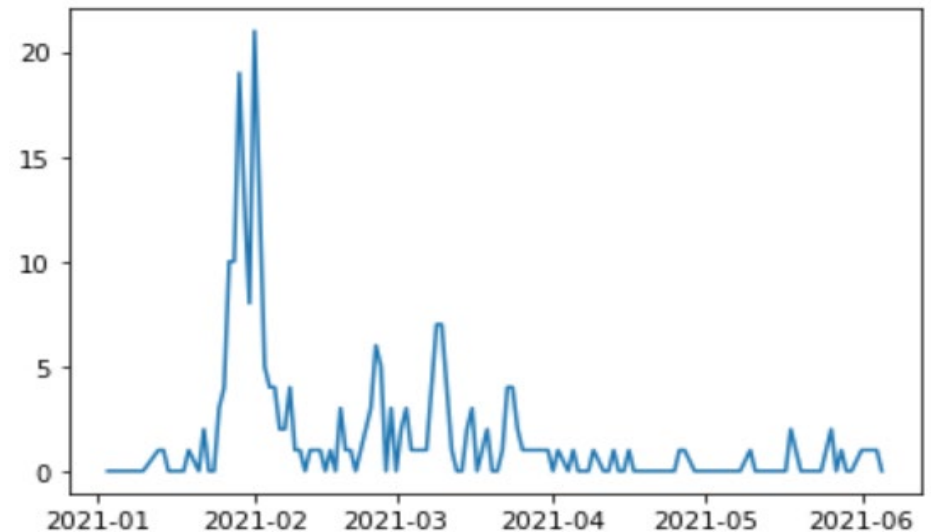
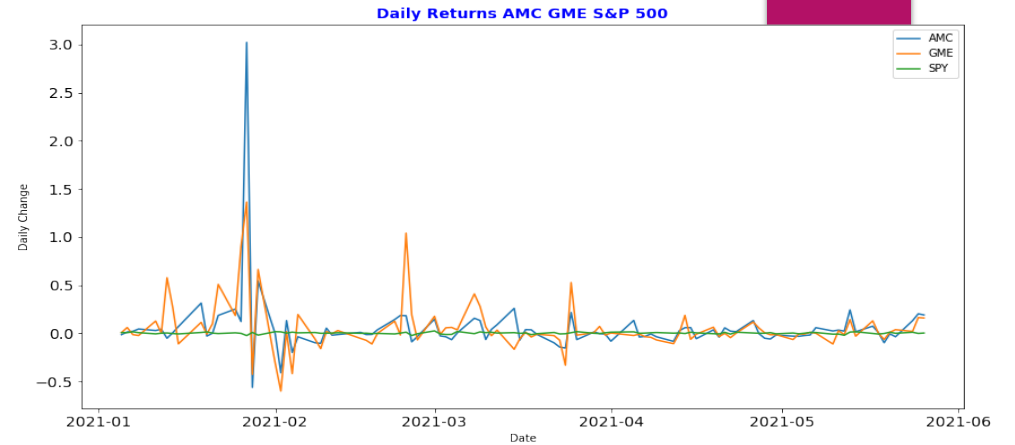
*WE THEN CALCULATED THE NUMBER OF MENTIONS OF  
GAMESTOP AND AMC PER DAY*



Mentions  
on  
wallstreets  
bets

# Meme Stock Daily Results vs wallstreetbets Mentions

- There was a strong correlation between mentions and meme stock performance





# Conclusion #1

*THE MEME STOCKS STOOD UP WELL TO  
TRADITIONAL FINANCIAL ANALYSIS ESPECIALLY  
WITH THE MONTE CARLO SIMULATIONS*

# Conclusion #2

*THE THEORY THAT THE SAME INVESTORS ARE  
MOVING MONEY BACK AND FORTH BETWEEN  
CRYPTOCURRENCIES AND MEME STOCKS APPEARS  
TO BE STATISTICALLY FALSE*



# Conclusion #3

***THERE IS A STRONG CORRELATION  
BETWEEN ONLINE FORUM MENTIONS  
AND MEME STOCK PERFORMANCE***



# Conclusion #4

*FINANCIAL ANALYSIS SHOWS THAT THERE IS MONEY  
MAKING OPPORTUNITY WITH MEME STOCKS*

*MONITORING NUMBER OF MENTIONS ON ONLINE FORUMS  
(RATHER THAN CONTENT) MAY BE A GOOD STRATEGY*