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millionerinvestor 🍌 📱 📈 Goldman Sachs Group Inc. (GS) analysts cut Robinhood Markets Inc. (HOOD) to sell, less than a year after the bank led its popular initial public offering.

It joined JPMorgan Chase & Co., (JPM) the other lead IPO bookrunner, in turning bearish on the free-trading app that rose to prominence during the peak of the pandemic as homebound people turned to online trading to pass the time and make money. Goldman's William Nance cited continued weakness in account growth and path to profitability getting pushed further out as headwinds for Robinhood.

"We see an acceleration in user growth as a key requirement for shares to re-rate higher," wrote Nance in a note. Beyond stocks, Nance said their cryptocurrency trading has "much better" economics, but the recent decline in volumes is offsetting the tailwind.

Goldman didn't comment beyond the note.

It's a perfect storm for Robinhood shares: losses are mounting and monthly active users and average revenue per user are falling. Shares were down as much as 6%, a whopping 70% below their IPO price and 84% below the record highs in August.



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