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WWW....

Amateur investors, however, are unbowed despite similarly mounting losses. Various factors have been cited as behind retail's stubborn bullishness, from the repeated success of dip buying to the abundance of cash in bank accounts. Another big bull case lies in the strength of corporate America's earnings power.

The ability of American firms to navigate supply-chain bottlenecks and still deliver robust results has been the backbone of the rally where the S&P 500 surged more than 110% in less than two years.

While profits from S&P 500 companies are estimated to expand 21% in the

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U.S. stocks have lost about \$5 trillion in value since peaking last November as software and internet stocks with nose-bleed valuations led the rate-fueled carnage. Down 12% in January, the Nasdaq 100 is on course for its worst month since the 2008 global financial crisis.

Hedge funds, burned by their crowded bets on expensive growth shares, are quickly unwinding their positions. In the first two weeks of the year, they cut their net leverage by the fastest rate since April 2020, data compiled by Goldman Sachs Group Inc.'s prime brokerage show.

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