

Q2 2023 | Next Investor Outlook

# SUMMER VIBES

Investors Across Generations Are Enthused to Cruise

A looming recession. Inflation. Rising interest rates. Big tech layoffs. The second quarter was full of news trends, but none of them captured the attention of retail investors. Instead, they turned their thoughts to summer vacation on the open seas. Starting in early June, all four generations increased their investments in equities related to popular cruise lines Carnival Corp. (CCL), Royal Caribbean Group (RCL), and Norwegian Cruise Line (NCLH),\* based on data from Apex Fintech Solutions that analyzes investor data for trades through introducing brokers on the Apex Clearing Platform.

The return of cruises seems to signal the end of many travelers' fear of Covid. All four generations jettisoned biotechnology stock Moderna (MRNA) from their portfolios, a sign that they were looking forward to traveling again.\*\*

Investors were still enthralled with artificial intelligence. In Q2, Nvidia (NVDA), Tesla (TSLA), and Apple (AAPL) rallied. Three other companies — C3 AI (AI), Palantir Technologies Inc (PLTR), and Broadcom (AVGO) — also rose in the rankings. For a deeper dive into the developing story, read the special update on page 10.

\*Apex proprietary data. See equity rankings pages 14-15.

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# The Generations Defined

In this report, we have delineated our generational cohorts in line with research from leading social scientists. We analyzed more than 1.1 million Gen Z brokerage accounts, and over 5.4 million brokerage accounts held by Millennials, Gen X, and Boomers, calculated as of June 30, 2023.

## Gen Z

**Born After: 1996**

**Ages in 2023: 27 and younger**

As the first generation to grow up in a digital world, it's clear Gen Z love their smartphones and social media accounts. Because of the perception that they crave instant gratification, this group has often been considered shallow; however in reality, they have a deep passion for social responsibility, thanks to their lifelong exposure to global news and information.<sup>1</sup>

## Gen X

**Born: 1965–1980**

**Ages in 2023: 43–58**

The “MTV Generation” grew up before the world went high tech. As a result, they are more security-conscious, with a preference for hybrid financial services. They also value referrals from their personal networks — people they trust — and personalized marketing that cuts through the noise with meaningful information.<sup>3</sup>

## Millennials

**Born: 1981–1996**

**Ages in 2023: 28–42**

Millennials weren't born with mobile devices in their hands, but they were quick to adopt new technology as it emerged, including social media. Today, they're attached to their smartphones — which they use to keep up with their hectic schedules — and comparison shop for the very best product benefits and prices.<sup>2</sup>

## Baby Boomer

**Born: 1946–1964**

**Ages in 2023: 59–77**

Boomers were once the most radical generation that grew up loving rock and roll and rejecting their parents' norms and expectations. Today, as they age into retirement — the youngest Boomers are in their late 50s — they are the most staid generation. They value security and referrals from trusted friends and family. Furthermore, they're wary of an all-digital world; instead, they prefer hybrid banking options and simplified technology solutions.<sup>4</sup>

# Sailing into Summer: Everyone Loves Cruise Equities

The following pages refer to the ranking of most commonly held securities at Apex by generation in Q2 2023 (see page 14). These stock rankings reflect the largest holdings based on notional values as of June 30, 2023, as compared to the rankings of March 31, 2023, held across all retail accounts on the Apex platform. Plus and minus signs indicate a given ticker's movement within the Apex ranking system among a particular generation. These observations are for informational purposes about generational trends and are not investment advice.

Note that the buy-sell ratio is the number of buys divided by the number of sells. When the ratio is over 1.0, there are more buys than sells. When it's under 1.0, there's more selling than buying. The larger the number, the heavier the tilt toward buying.

## Big Boats Float Up the Ranks

<b>CCL:</b> Carnival Corp.	<b>+24</b>	<b>+23</b>		<b>+29</b>
<b>RCL:</b> Royal Caribbean Group	<b>+21</b>	<b>+18</b>	<b>+18</b>	
<b>NCLH:</b> Norwegian Cruise Lines		<b>+17</b>		
	Gen Z	Millennials	Gen X	Boomers

As the weather warmed up this spring, retail investors turned their attention to summer vibes, and cruise lines were the lucky beneficiaries. CCL collected a record-shattering \$7.2 billion in customer deposits in Q2.<sup>5</sup> Rival RCL reported bookings were up “at meaningfully higher prices.”<sup>6</sup> And NCLH exceeded 100% occupancy for the first time since the pandemic.<sup>7</sup>

This spring, the generations put their faith in cruise lines, with Millennials moving CCL, RCL, and NCLH up their lists of top stocks. The other generations weren't quite as enthusiastic, choosing to invest in only one or two cruise lines.

<sup>5</sup> Munarriz, Rick. The Motley Fool. Carnival Cruise Lines: Buy, Sell, or Hold? July 19, 2023. <https://www.fool.com/investing/2023/07/19/carnival-cruise-lines-buy-sell-or-hold/>

<sup>6</sup> Cision. Royal Caribbean Group Reports First Quarter Earnings And Increases Full Year Guidance On Strong Revenue Outlook. May 4, 2023. <https://www.prnewswire.com/news-releases/royal-caribbean-group-reports-first-quarter-earnings-and-increases-full-year-guidance-on-strong-revenue-outlook-301815984.html>

<sup>7</sup> Zelinski, Andrea. Travel Weekly. NCLH's occupancy exceeds 100% for first time in 3 years. May 1, 2023. <https://www.travelweekly.com/Cruise-Travel/NCLH-earnings-Q1-2023>



Snapshots: Focus on Each Generation

# Gen Z Crushes on Cruises and Crypto

## Gen Z's Top Movers and Shakers

**CCL**



Carnival Corp.

**MARA**



Marathon Digital Holdings

**RCL**



Royal Caribbean Cruises Ltd

**MRNA**



Moderna

The youngest investors turned their attention to summer plans, shifting their investments to cruise lines CCL (+23) and RCL (+21). This generation has recently discovered cruises and the value these vacations offer, satisfying their wanderlust with an easy, all-in-one holiday.

Gen Z still sees the promise in cryptocurrency. Marathon Digital Holdings, Inc (MARA), a digital asset mining company, moved up 22 spots in Q2 — after moving up 25 places in the Q1 rankings with these investors.

The prospect of a summer season without Covid concerns prompted Gen Z to sell off MRNA.

Snapshots: Focus on Each Generation

## Ports of Call Are Calling Millennials

Millennials really, really think travel and leisure stocks are a good investment: they're the only generation to invest enough to push three cruise liners up their rankings: CCL (+23), RCL (+18), and NLCH (+17).

Like Gen Z, Millennials haven't given up on crypto. MARA, which Gen Z rocketed in Q1 and again in Q2, finally made a splash with Millennials, moving up 17 spots this quarter.

And MRNA, whose sole product has been Covid vaccines<sup>8</sup>, was sold by Millennials, dropping 13 places.

### Millennials' Top Winners and Losers

**CCL**



Carnival Corp.

**RCL**



Royal Caribbean  
Cruises Ltd

**AI**



C3 AI  
(See page 10.)

**NCLH**



Norwegian  
Cruise Lines

**MARA**



Marathon Digital  
Holdings

**MRNA**



Moderna

<sup>8</sup> Wikipedia. Moderna. Last edited on July 7, 2023. <https://en.wikipedia.org/wiki/Moderna>

Snapshots: Focus on Each Generation

## Gen X Prefers Artificial Intelligence

Gen X is also interested in cruises, choosing to invest in RCL. However, Gen X didn't put cruise lines at the top of their list. Instead, C3 AI (AI) and drug manufacturer Eli Lilly & Co (LLY) were their top two upwardly mobile stocks this quarter. It's noteworthy that LLY dipped a toe into artificial intelligence on May 30, when it announced a new initiative that uses this advanced technology.<sup>9</sup>

Gen X also sold off MRNA (-17).

### Gen X's Top Faves and Fails

AI



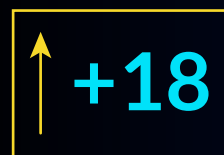
C3 AI  
(See page 10.)

LLY



Eli Lilly and Co

RCL



Royal Caribbean  
Cruises Ltd

MARA



Marathon Digital  
Holdings

MRNA



Moderna

<sup>9</sup> XtalPi. Cision PR Newswire. XtalPi Announces Collaboration with Lilly, Using AI + Robotics to Uncover First-in-class Therapeutics. May 30, 2023.  
<https://www.prnewswire.com/news-releases/xtalpi-announces-collaboration-with-lilly-using-ai--robotics-to-uncover-first-in-class-therapeutics-301837142.html>

## Snapshots: Focus on Each Generation

# Boomers Investing by Land, Air, and Sea

Boomers take a broader view of summer vacation. Yes, they catapulted CCL up 29 spots – but they also invested in Uber Technologies Inc (UBER) (+24) and Delta Air Lines (DAL) (+22).

They also kept an eye on pharmaceuticals, boosting biotech ImmunoGen, Inc. (IMGN) up 36 slots and dropping MRNA 19 places.

Boomers opted to sell off Paramount Global Class B (PARA) (-20), finally giving up on this entertainment giant after weak results in Q1 capped off a 12-month decline.<sup>10</sup>

### Boomers' Chart Toppers and Droppers

**IMGN**



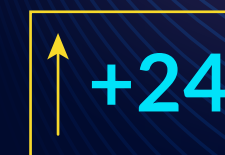
ImmunoGen Inc.

**CCL**



Carnival Cruise Lines

**PLTR**



Palantir Technologies

**AVGO**



Broadcom

**UBER**



Uber Technologies

**DAL**



Delta Air Lines

**PARA**



Paramount

**MRNA**



Moderna

<sup>10</sup> Trefis Team. Forbes. What's Happening With Paramount Stock? May 31, 2023.

<https://www.forbes.com/sites/greatspeculations/2023/05/31/whats-happening-with-paramount-stock/?sh=6e5fdca47a9d>



# The Top 10 Stocks in Q2

Here are the top-ranked stocks for all generations combined. For each generation's top 30 list, see page 14.

1	TSLA	6	META
2	AAPL	7	GOOG
3	AMZN	8	AMD
4	NVDA	9	BRK.B
5	MSFT	10	SOFI

# Artificial Intelligence Update

## Everyone's In Except Gen Z

Millennials and Gen X, enthusiastic about artificial intelligence, moved C3 AI (AI) up their lists 18 and 27 points, respectively.

Boomers doubled down on Palantir Technologies Inc (PLTR), moving it up 24 spots (after they boosted it 35 places in Q1). They also put money into Broadcom (AVGO), a semiconductor company with a solid 10-year history of paying dividends.<sup>11</sup>

Only Gen Z, usually technology early adopters, decided not to jump on the artificial intelligence bandwagon.

Top Artificial Intelligence Stocks by Generation

	AI: C3 AI	PLTR: Palantir	AVGO: Broadcom
Millennials	+18		
Gen X	+27		
Boomers		+24	+24

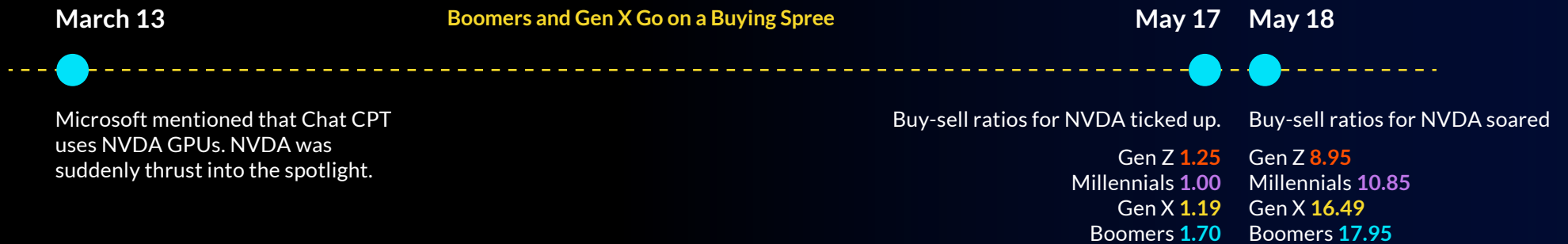
<sup>11</sup> Seitz, Patrick. Investor's Business Daily. How AI Chip Growth Is Pushing Broadcom, Stock Of The Day, Toward A Buy Point. July 21, 2023. <https://www.investors.com/research/ibd-stock-of-the-day/avgo-stock-broadcom-nears-buy-point-on-ai-chip-growth/>

# The NVDA Rally: The Big Leap into Artificial Intelligence

As we reported in our Q1 2023 Apex Next Investor Outlook, [Crash Course: How Gen Z Responded to SVB and Other Insights by Generation](#), the Silicon Valley Bank crash triggered big selloffs by the youngest investors.

In May 2023, the investment trends flipped. The younger generations sat back, while the older cohorts dove into the deep end. Let's take a closer look at this Boomer- and Gen X-driven movement. Specifically, let's follow NVDA, one of the companies that powers artificial intelligence capabilities with its high-tech hardware.

For context, the buy-sell ratio is the number of buys divided by the number of sells. When the ratio is over 1.0, there are more buys than sells. When it's under 1.0, there's more selling than buying. The larger the number, the heavier the tilt toward buying.

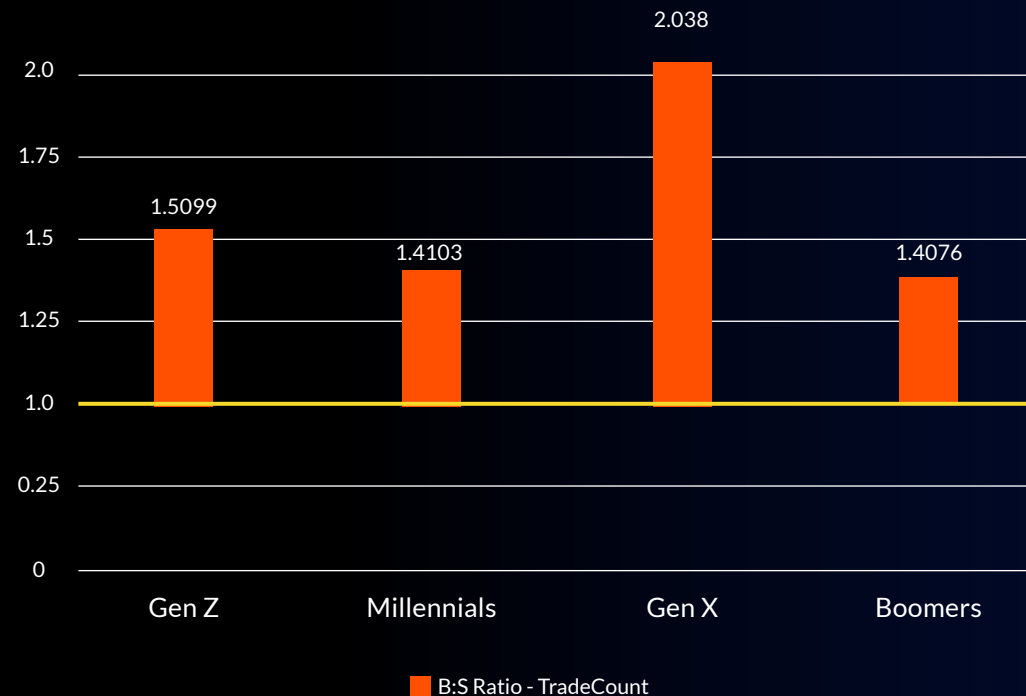


This NVDA rally is just another example of how different generations take turns in the spotlight. In March, Gen Z led the post-SVB stock selloff that moved the market. In May, it was the Boomers' turn to determine that artificial intelligence demanded attention.

# The TSLA Rally: Gen X Takes the Wheel

This popular electric vehicle manufacturer experienced a surge that ran from the end of April through the end of July.<sup>12</sup> Gen X was particularly bullish, buying up TSLA more than the other generations, as indicated by their buy-sell ratios.

June 2: TSLA Buy-Sell Ratios by Generation



<sup>12</sup> Assis, Claudia. MarketWatch. Tesla's stock suffers deepest loss in two months. June 22, 2023. <https://www.marketwatch.com/story/teslas-stock-heads-toward-deepest-loss-in-6-weeks-3162c987>

# The AAPL Rally: That's Trillions with a "T"

On June 30, AAPL hit an astounding three-trillion-dollar market value – the first company to ever reach this milestone – and, because trillion-dollar valuation doesn't happen overnight, the most interesting retail investment trends happened before that date.

Once again, Gen X took the lead, although all the generations love AAPL and participated in giving this ticker a big boost.

Buy-Sell Ratios: Gen X and Boomers Bite Big on AAPL

	Gen Z	Millennials	Gen X	Boomers
June 16	3.96	3.96	4.67	3.62
June 20	2.76	4.24	6.00	6.35
June 26	3.42	5.01	7.54	3.91
June 27	0.82	0.74	1.10	1.50

■ Peak Buys



# Stock Rankings 1-15 Across Generations

Rank 6/30/23	Z			M			X			B		
	Equity	%	Rank Change	Equity	%	Rank Change	Equity	%	Rank Change	Equity	%	Rank Change
1	TSLA	17.0	0	TSLA	19.1	0	TSLA	18.7	0	AAPL	20.7	0
2	AAPL	15.0	0	AAPL	12.6	0	AAPL	16.1	0	TSLA	11.8	0
3	AMZN	7.2	0	AMZN	7.2	0	AMZN	7.2	0	MSFT	6.5	0
4	NVDA	6.1	0	NVDA	4.8	+1	NVDA	5.1	0	AMZN	5.7	0
5	MSFT	4.9	0	MSFT	4.7	-1	MSFT	4.1	0	NVDA	4.9	0
6	META	2.3	+3	META	2.8	0	META	2.4	+1	NFLX	3.3	0
7	GOOGL	2.1	-1	GOOG	2.4	0	GOOGL	2.2	-1	AMD	2.0	0
8	GOOG	2.0	0	AMD	2.3	0	BRK.B	2.1	0	BRK.B	2.0	0
9	AMD	1.9	+1	SOFI	2.2	+1	GOOG	2.0	0	META	1.9	+1
10	DIS	1.9	-3	GOOGL	2.0	-1	SOFI	1.6	+1	GOOGL	1.5	-1
11	BRK.B	1.8	0	BRK.B	1.8	+1	AMD	1.6	-1	GOOG	1.5	+1
12	NFLX	1.6	+6	PLTR	1.7	+3	DIS	1.3	0	XOM	1.4	-1
13	PLTR	1.3	+6	DIS	1.6	-2	NFLX	1.2	0	JPM	1.3	0
14	SOFI	1.1	+7	NFLX	1.1	+2	PLTR	1.1	+10	F	1.2	+2
15	COST	1.1	-2	AMC	1.0	-2	XOM	0.9	-1	BA	1.0	-1

% = The percentage of holdings within the top 100 stocks held by each generation

Rank Change = Rank change from 4/1/2023

Apex Proprietary Data as of 6/30/2023

The Top 30 stock rankings reflect the 30 largest holdings based on notional values as of June 30, 2023, held across all retail accounts on the Apex platform. Apex Proprietary Data as of 6/30/2023.

# Stock Rankings 16–30 Across Generations

Rank 6/30/23	Z			M			X			B		
	Equity	%	Rank Change	Equity	%	Rank Change	Equity	%	Rank Change	Equity	%	Rank Change
16	F	1.1	-2	COST	1.0	+2	COST	0.9	+2	T	0.9	-1
17	AMC	1.0	-5	BABA	0.9	-3	F	0.9	+3	COST	0.9	0
18	KO	0.9	-3	NIO	0.9	-1	BA	0.8	-1	DIS	0.9	+1
19	XOM	0.9	-3	XOM	0.8	0	NIO	0.8	-3	SOFI	0.9	+11
20	O	0.8	0	GME	0.8	+1	BAC	0.8	-1	PG	0.9	-2
21	NIO	0.7	-4	PYPL	0.8	+4	BABA	0.8	-6	BAC	0.9	+1
22	SBUX	0.7	+2	BA	0.8	-2	V	0.7	0	MO	0.8	-1
23	JNJ	0.7	+4	SHOP	0.7	+1	T	0.7	-2	HD	0.8	+1
24	JPM	0.7	+4	CCL	0.7	+23	CCL	0.7	+13	PFE	0.8	-4
25	PYPL	0.7	+7	F	0.7	+1	SHOP	0.7	+1	VZ	0.7	0
26	GME	0.7	-1	T	0.7	-4	AMC	0.6	-3	JNJ	0.7	-3
27	T	0.7	-5	O	0.6	-4	RIVN	0.6	+2	INTC	0.6	+1
28	SHOP	0.6	+6	V	0.6	+1	PYPL	0.6	-3	ABBV	0.6	-1
29	BA	0.6	-3	ABNB	0.6	-1	VZ	0.6	+1	TSM	0.6	+3
30	BABA	0.6	-7	RIVN	0.6	+4	JNJ	0.5	+3	CVX	0.6	-1

% = The percentage of holdings within the top 100 stocks held by each generation

Rank Change = Rank change from 4/1/2023

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## About Apex Fintech Solutions

For decades, Apex Fintech Solutions has served as a trusted platform and ecosystem of solutions for the fintech industry. Beyond solutions and technology, we provide long-term partnership to help clients navigate and shape the future of finance.

Everything we engineer is built to integrate easily and perform at scale, including our many first-to-market innovations. Today, our solutions include clearing and custody, advisory, routing and execution, cost basis and tax processing, investment data management and more.

<sup>1</sup> These statements are based on the research within the following:

- Howe, N., & Strauss, W. (2000). *Millennials rising: The next great generation*. Vintage.
- Vaidyanathan, V., Krishnan, A., & Kumar, R. (2018). Instant Gratification and Social Media: Use of Instagram by Gen Y. In *Digital Marketing: Strategies, Applications and Best Practices* (pp. 223-235).
- Twenge, J. M. (2017). *iGen: Why today's super-connected kids are growing up less rebellious, more tolerant, less happy—and completely unprepared for adulthood—and what that means for the rest of us*. Atria Books.
- Kasser, T., & Sheldon, K. M. (2009). Time affluence as a path toward personal happiness and ethical business practices: A multistudy analysis. *Journal of Business Ethics*, 84(2), 243-255.

<sup>2</sup> These statements are based on the research within the following:

- Greenberg, L.S. (2018) 'A Lost Generation No More: How to Work with Xennial Clients', *Journal of Financial Planning*, 31(8), p. 17.
- Davis, M. A., & Granzin, K. L. (2019). Generational cohort and consumer social responsibility: A study of Baby Boomers, Generation X, and Generation Y. *Journal of Business Ethics*, 157(1), 121-140.
- Dworkin, J. B., & Nicholson, L. (2017). Generational differences in the workplace: A review of the evidence and directions for future research. *Journal of Organizational Behavior*, 38(2), 139-157.

<sup>3</sup> These statements are based on the research within the following:

- Semaan, B., Nelson, L., & Manolis, C. (2020). Unpacking smartphone use and social media platforms among Generations Y and Z. *Journal of Applied Business and Economics*, 22(2), 31-46.

<sup>4</sup> These statements are based on the research within the following:

- Lusardi, Annamaria. 2012. "Financial Literacy and Financial Decision-Making in Older Adults." *Generations* 36 (2): 25-32.
- Tokic, D 2007, 'Baby-Boomers and Financial Markets: A Relationship in the Making', *Journal of Investing*, vol. 16, no. 2, pp. 77-84
- Longman, P. (2018). *The Baby Boom: How it got that way (And it wasn't my fault)* (pp. 199-255). Bloomsbury Publishing USA.

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