

How many stocks will Robinhood let you buy? The numbers keep shrinking

Robinhood only wants users to have a limited number of shares of companies like GameStop, and that number keeps getting smaller and smaller. On Thursday, the company halted users' ability to buy stocks that were associated with r/WallStreetBets, including GameStop, AMC, and Nokia, but the company promised that users would be able to buy limited quantities on Friday. Today, it released a shifting support document that details just how limited things are – and to slightly paraphrase Lando, the deal's getting worse all the time.

When trading opened earlier today, users were limited to owning five shares of GameStop in aggregate, meaning they could only own up to five – if they already had three GameStop stocks, they could only buy two more – but even that restriction hasn't lasted. Soon, the number of shares you could buy in GME dropped to two and then finally down to a single share. That's right: you couldn't buy more than one.

As the day went on, and the markets closed, the number of restricted stocks kept increasing, from 13 to 23 to over 50 at the time you read these words.

Here's the latest set of restrictions, according to Robinhood's support page:

The current list of over 50 restricted stocks.

Included in the update are Starbucks, Beyond Meat, and General Motors. There are no longer any companies on the list that you

can buy more than five shares for.

Here's the version of the chart we originally published:

The chart at 2 PM ET, with smaller limits and more companies.
And here's what it looked like even earlier today:

The limits chart at 12:30PM ET on January 29th.

While GameStop is the most (in)famous of the Wall Street bets, it's not the only one, and Robinhood has been expanding the list of which companies are limited throughout the day. One of the stocks added is AMD, which is currently limited to just a single stock as well.

Robinhood is also limiting the options contracts you can get for certain companies. To put it extraordinarily simply: buying an options contract doesn't mean that you actually own the stock. It allows the owner of the contract to buy or sell the stock later on at an agreed-upon price.

For example, if GameStop is at \$343 a share now, and I thought it was going to go up, I could purchase a call option to buy it at \$400. If the stock went over \$400, I could then make money by using my option to buy that stock, now worth more, for \$400. However, those contracts expire, and if the stock price doesn't rise as high as I expected, I may lose money, which is a situation many hedge funds are finding themselves in. (As always, this isn't financial advice, and I'm not a financial adviser. This is just an explainer of the mechanics using arbitrary numbers.)

If you buy an option, Robinhood could also theoretically sell it out from under you under certain conditions, something it's warned it would do.

In a blog post, Robinhood attempted to justify the decision to halt and then limit trading, but, like the limited stocks, users aren't buying it. The app was review-bombed on Thursday, with many users leaving one-star reviews, complaining that the company wasn't living up to its goal of "democratizing finance."

A Robinhood spokesperson pointed *The Verge* to the aforementioned blog post, saying that the company has been clear with customers that it would be monitoring the situation and making adjustments "as needed," and that the limits have been labeled as subject to change.

Update January 29th, 5:39PM ET: Added news of the new stocks and restrictions Robinhood has added to the list.

<https://www.theverge.com/2021/1/29/22256419/robinhood-limits-wall-street-bets-stock-buys>