



Hand Over Fist

The stock market has had a massive rally from deep oversold conditions during the "Tariff Drama" a couple of months ago. While that will turn out to be a fantastic buying opportunity, as I highlighted in this space at the time, it is *only now* that individual investors are rushing into stocks.

The easy money has been made. Since I do the opposite of what most people are doing, I remain on the sidelines when it comes to adding to my stock portfolio here.

Here are some incredible statistics below. According to *ISI Markets*:

- As of June 24, 2026, inflows into large-cap stocks hit a **10-week high** of \$27.1 billion.
- Mid-cap stocks saw a **66-week high** in asset inflows of \$6.1 billion.
- Small-cap stocks experienced a **26-week high** in asset flows, reaching \$1.7 billion.

As the chart below shows, flows into the three main asset classes have reversed into positive territory *after* a massive move higher in stocks.

	U.S. Small-Caps (\$ billions)	U.S. Mid-Caps (\$ billions)	U.S. Large-Cap (\$ billions)
2019	3.6	6.3	118.8
2020	16.5	-4.3	92.8
2021	32.0	14.2	375.3
2022	5.5	15.2	257.4
2023	33.5	12.3	287.1
2024	42.3	39.0	638.1
2025	-13.6	6.9	130.5
May-24	0.2	2.2	56.7
Jun-24	0.7	0.4	35.6
Jul-24	16.2	4.0	54.2
Aug-24	1.0	2.7	35.7
Sep-24	-0.9	0.4	52.1
Oct-24	1.7	5.2	61.7
Nov-24	15.4	11.0	107.5
Dec-24	3.3	5.4	115.8
Jan-25	1.6	4.5	39.4
Feb-25	-3.6	3.3	55.2
Mar-25	-3.6	2.3	39.4
Apr-25	-7.8	-0.4	50.4
May-25	-1.1	0.6	28.6
Jun-25	-1.1	4.4	12.1
Last 12 Months	21.0	43.3	652.0
28-May	-2.1	0.1	1.3
4-Jun	-2.3	0.4	2.2
11-Jun	0.2	0.1	-7.9
18-Jun	2.4	7.7	29.9
Last 4 Weeks	-1.9	8.4	25.5

While individual investors are buying stocks at a feverish pace, there's one crucial group selling stocks at record levels.

Insiders.

Now, insiders might sell for a variety of reasons. Insiders may want to diversify their holdings. Or, they may have immediate cash needs. Little Bobby is about to start college at \$75,000 a year, and now would be a good time to sell some stock to cover the tuition costs. Or, summer vacation is around the corner. The roof on the family home may need to be replaced.

Who knows?

What we do know is that insiders are selling aggressively.



Given that this metric is at an all-time high, it's worth noting. What do insiders know that we don't?

A lot.

Lastly, the market is super duper overbought (a very technical term, I know). My favorite technical indicator, the *Short-Term Composite* from *Investors Intelligence*, hit 75.9. As I have noted before, a reading of over 70 is considered dangerous. It historically marks a period of flat to down stock returns by the time the indicator swings back to an oversold level. As a result, I like to hide under a rock at those levels.

The current move has all the makings of a blow-off top, at least for now. The risk is to the downside.

Buyer beware.

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