

 Greek



Symbol Greece Summary

RT GEN. INDEX : 3.298,12 +10,19 +0,31% TURNOVER: 140,10 mln. €

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ΣΥΜΒΟΛΟ	ΤΙΜΗ	ΔΙΑΦ.	ΜΕΤ. %
ΕΑΤΕ	10,24	0,05	0,73%
ΕΑΤΕΧ	7,40	0,18	2,49%
Capital.gr			
ΕΜΠ	24,20	0,98	4,22%
ΕΠΙ	1,70	0,02	1,48%
ΕΠΙΜ	2,27	0,01	0,93%
ΕΣΥΜΒ	3,59	0,05	1,67%
ΕΤΕ	2,01	0,05	2,55%
ΕΤΕΜ	2,01	0,05	2,55%
ΕΥΑΠΣ	4,92	0,12	2,50%
ΕΥΒΡΥ	2,27	0,02	0,89%
ΕΥΔΑ	1,40	0,01	0,71%
ΕΥΠΙ	1,62	-0,01	-0,61%
ΕΥΠΡΟ	15,46	0,34	2,25%
ΕΥΡΟ	22,50	0,56	2,56%
ΕΥΡΟΣ	0,48	-0,01	-2,04%
ΕΧΑΕ	14,90	0,44	2,98%
ΖΑΜΠΑ	11,00	0,10	0,92%
ΖΗΝΩΝ	0,04	0,04	1,17%
ΗΙΤ	0,37	0,00	0,00%
ΗΛΕΑΘ	4,28	0,04	0,94%
ΗΛΕΚΤ	4,70	0,14	3,07%

SEC Emergency Short-Sale Order No Help For 19 Stocks - Study

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01:22



WASHINGTON -(Dow Jones)- A Securities and Exchange Commission emergency order to tighten short sales in 19 sensitive financial stocks appears to have backfired, a new study finds.

Shares in federal housing-finance giants Fannie Mae (FNM) and Freddie Mac (FRE), Wall Street firms Lehman Brothers (LEH), Goldman Sachs (GS) and Merrill Lynch (MER), and others covered by the order saw declining prices and deteriorating market quality over the course of the 23-day emergency order, according to the study.

Arturo Bris, a finance professor at IMD business school in Lausanne, Switzerland, conducted the study and said the

SEC-imposed restraints "contributed to a decline in share prices for the 19 stocks" while the order was in effect, totaling about \$60 billion in losses.

SEC Chairman Christopher Cox characterized the order as a precaution against rumor-driven market turmoil, and the SEC had the rule take effect July 21. The order, which expires at 11:59 p.m. EDT Tuesday, requires short sellers to borrow or arrange to borrow shares in advance of short sales in the 19 targeted stocks. Short sellers sell borrowed shares and profit from price declines that allow them to replace shares at a lower price.

The study examined the 19 stocks covered by emergency order, comparing their performance before and after the order took effect. It also compared results for the 19 shares against 59 U.S. and 73 non-U.S. financial companies that weren't subject to the emergency order.

Shares covered by the order lost 3.8% of their value compared with their peers' stock between July 21 and Aug. 4, the study concluded, or roughly \$60 billion.

"The emergency order's purpose was not to artificially prop up prices or restrict legitimate short sales, but to protect against illegal distort-and-short schemes that could have threatened fair and orderly markets at the time of the order," said SEC spokesman John Nester.

Overall, the study found the 19 shares targeted by the order had been sinking over the past six months, and fared "significantly worse" than comparable stocks. It said shares subject to the order lost 43% of their value in the first half of 2008, compared to a 25% loss by similar U.S. financial firms and a 21% decline by non-U.S. financial firms.

Short sales do not account for the oversized declines for the 19 targeted stocks, according to the study. Although short sales in the 19 stocks have increased since 2007, the rise hasn't been significantly higher than other shares not targeted by the order, some of which faced "heavy shorting activity," the study noted.

Once the emergency order kicked in, the study found a rise in spreads - the gap between prices to buy and sell shares - and a decline in intraday return volatility for the 19 targeted stocks, suggesting "a deterioration in market quality."

Specifically, the study found relative quoted spreads rose to 48% for the 19 targeted stocks, up from 18% before the order took effect, while spreads for comparable U.S. financial stocks not covered by the order rose to 29% from 11%.

A liquidity advantage for the 19 stocks relative to non-U.S. stocks dissipated after the emergency order, and Bris also uncovered evidence of a decline in market efficiency for the targeted stocks, based on measurements of how individual shares react to negative news.

-By Judith Burns, Dow Jones Newswires, 202-862-6692; Judith.Burns@dowjones.com

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