## Falling Short The Exchange Feed Podcast

## Season 5 | Episode 3

Short selling is a common concern among listed companies. This episode of <u>The Exchange Feed</u> podcast covers many of the misconceptions that exist.

## **KEY TAKEAWAYS**

- 1. Short selling is often **misunderstood**. It is not merely a direct reflection of a company's perceived value, rather, it is often an investment strategy used by traders that contributes to the process of price discovery.
- 2. The applications of short selling are usually **overlooked.** Falling Short discusses strategies to optimise stock trading such as statistical arbitrage, market making, swap trades, hedging, relative valuation, tax optimization etc.
- 3. Short selling often gets **social push backs** and typically alarms issuers. It is important for companies to monitor and learn from short selling fluctuations. Emphasis is also placed on the need to engage with the regulators and the exchange to understand the difference between a legitimate short sell and a fraudulent one.



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