IOSR Journal of Business and Management (IOSR-JBM)
e-ISSN:2278-487X, p-ISSN: 2319-7668. Volume 27, Issue 6. Ser. 1 (June. 2025), PP 19-24
www.iosrjournals.org

Short Selling: Synthesis Of The Literature

Mahmuda Akter
Assistant Professor And Head Department Of Business Administration Hamdard University Bangladesh

A. F. M. Mainul Ahsan
Lecturer, Department Of Economics, School Of Business Independent University, Bangladesh (IUB)

Abstract:
Though short selling has always been used as a scapegoat by the regulators and media across the world, Bangladesh should allow it in both of her bourses. Currently investors can only take long position in a stock which distorts stock prices because absence of short selling excludes pessimists from the marketplace and only allows optimists which leads to a overpriced stock market. Moreover, it has been shown that short-selling leads to more efficient price discovery, less volatility and higher liquidity in the marketplace. Most importantly, no study has shown that absence of short-selling reduce the likelihood of crashes. Allowing short selling also reduces agency cost and thus increases firm value. In addition, allowing short sale could be a sustainable solution for currently overpriced stock market in Bangladesh.
***B**angladesh has two stock markets. Following its emergence in 1971, Bangladesh inherited its first stock exchange, Dhaka Stock Exchange (DSE), from Pakistan and Chittagong Stock Exchange (CSE), started its journey in Chittagong in October 10th, 1995. Securities and Exchange Commission (SEC), a government body under the ministry of finance, was established on June 8th, 1993 under the Securities and Exchange Act 1993, to regulate the securities market in Bangladesh. SEC's responsibility includes protecting the interests of investors, developing and maintaining fair, transparent and efficient securities markets, and ensuring proper issuance of securities and compliance with securities laws.[11]*
Regulators in Bangladesh use one weapon more than often to fight with overpriced market, i.e., margin loan regulation. In the short run, margin regulation could cool off the market. However, eventually market will be on the fire again and will be more volatile and riskier. In addition, frequent changes in margin regulation mainly hinder small investors from actively participating in the market. Allowing short sale in both bourses could be a groovy weapon and sustainable solution for regulators to fight with the overheated market condition.
If the market is under-priced, equity investors will be benefited by taking the long position. However, informed investors should also have the option open to be benefited from an overpriced market. In an over priced market, like 1996, investors could capture benefits by selling overpriced securities, i.e., shorting an overpriced stock. This paper will discuss the role of short selling to improve market efficiency in DSE and CSE.

Date of Submission: 22-05-2025 Date of Acceptance: 02-06-2025

I. Short Selling: What Is It?

When an investor is optimistic about a particular share and buy that share to sell for a higher price later on, a "long" position is taken on that share; for instance, if the fundamentals of a company are good and the company is expected to continue to make money for its shareholders. The investor hopes to sell the share at a higher price. On the contrary, short selling (also known as shorting) involves the selling of a share that an investor does not own or has borrowed. When shorting a share, the investor expects that he can buy back the share at a later date for a lower price than it was sold for. Rather than buying low and selling high, in short sale, the investor is hoping to sell high and then buy low.

If a share is overpriced, i.e., its future outlook is not good enough to support current stock price and the price is expected to go down - since currently short sale is not allowed in Bangladesh, in such a situation, the stock is sold to save profit or to avoid further losses. However, if short sale were allowed in Bangladesh, shares could be borrowed from a holder (e.g., broker) of the share who is willing to lend them in return for a small fee. Selling the shares now at a high price and at the end of the year bought at a lower price to return to the lender; if the forecast is right and in the future if the share price does go down significantly that covers transaction costs, the lender's fee or interest- a profit is made. However, a short seller must pay any dividends to the lender of the securities as they are due, and must deposit margin as a guarantee of payment in case stock price increases leads to losses.

However, the risk of involving shorting a share or going long is significantly different. For example, if an investor wrongly predicts a bullish market, the maximum amount that could be lost is the whole investment, in the case of a long position. On the contrary, the maximum possible loss on a short sale is unlimited, because if prediction of bearishness proves unfounded and the stock price rises more than 100%, the loss is not only limited to loosing the initial investment - it keeps climbing along with the rise in price. Short selling is therefore inherently riskier than buying stock, so the question arises - should it be allowed in both bourses in Bangladesh?

II. Restriction On Short Selling And Academia

One of the vital market function is to aggregate the diverse information held by different investors into a single price. As long as investors are free to assume their desired speculative positions, i.e., buying an asset if they found it under-priced and selling it short if it appeared overpriced, every investors' opinion converted into a market price. However, absence of short selling excludes "no" voters from the marketplace and thus the continuous election are turned into a referendum in which only a "yes" vote is permissible (Copeland 2010).[13] If short sales are impossible, an investor buys a share about which he has favorable information, but takes no position when his information is disappointing. So in absence of short selling a market gives disproportionately greater weight to optimistic information than to pessimistic ones.

Edward Miller (1977) theorizes that in absence of short-sale securities become overpriced as pessimists are restricted from the market and thus the price of the security is set by the beliefs of the most optimistic investors.[32] Lucy Ackert (2001) finds that the ability to short sell leads to prices close to fundamental values.[1] Ackert concluded that short selling improves the ability of the share pricing mechanism to reach fundamentals and thus that restrictions on short selling are undesirable. He showed "allowing short selling enhances the pricing mechanism and allows traders to move prices to levels justified by fundamentals,"[1] and "short selling provides an equilibrating force in the market" [1.] So, if short selling were allowed in both bourses in Bangladesh, share prices could have been more realistic now, i.e., prices are justified by firm fundamentals.

In 1996, stock markets in Bangladesh were overpriced. Ahsan (2010) observes that the DSE all share price index, which was introduced on September 16th, 1986, hovered at around 1,000 in June, 1996, and reached 3,627 on November 16th of the same year; and then moved further down to 484.44 in January 2000.[2] At the market's peak, shares were trading at an average of over 80 times of relevant earnings. One popular stock, Confidence Cement, sold for 1,060 times of 1996's earnings, after a 1,400% increase in its price. On October 31, 1996, M.B. Pharmaceuticals, Aftab Automobiles, Padma printers had a P/E of 10123, 1386, and 911 respectively! Trading data shows that during this period, market capitalization went up by 265% and the average daily turnover increased by over 1000%. As all bull runs eventually end in tears, the bubble eventually came to an end: the stock market prices dropped by close to 70 percent in end-April 1997 from the peaks in November 16th, 1996. However, presence of short selling could have helped Bangladesh to avoid the stock market crash in 1996. How?

As in presence of short selling prices moves to a level justified by firm fundamentals and thus it also makes bubble formation less likely. Share market bubbles refer to persistent deviations of prices from fundamentals. To the extent that bubbles exist, they can influence investment levels and the allocation of capital. Bubble in the share prices, created because of absence of short sale, eventually burst, i.e., market crashes. In this way, Hong and Stein (2003) shows, markets melt down, but don't melt up.[25] Thus, short-sale nonexistence give rises to market crashes (Haruvy 2006).[22] For instance, stocks were shown to be overpriced when there were short-selling constraints, especially during the Internet bubble in the U.S. Similarly, if short sale were allowed in 1996 in Bangladesh, well-formed investors could have shorten overpriced stocks which would have kept prices near fundamental and thus could have helped the country to avoid the "historical 1996." Short selling will also help the country to avoid any future market crash.

On 18th September, 2008, short selling was banned in London Stock Exchange (LSE). On the same day, in a statement Hector Sants, chief executive for Financial Services Authority (FSA) in UK claimed that the ban was mainly targeted to curb volatility in the market.[19] However, researches shows that in absence of short-sale price volatility increases as less informed investors perceive higher risks and demand larger price adjustments in accommodating trades. Liao and Zhang (2005), Liao and Yang (2005a, 2005b) investigated the relationship between market volatility and short sales in Hong Kong and Taiwan stock markets, and the results suggest that short sales play an important role in buffering stock volatility instead of aggravating it.[28,29,30] Bris, Goetzmann and Zhu (2004) also proved that the non-shortable index is more volatile than the shortable index using the data from 47 countries.[8] Moreover, Charoenrook and Daouk (2005) investigates the history and current practice of short-selling in 111 countries, and find that in presence of short selling, aggregate stock returns are less volatile.[10] Angel (1997) showed that it is not short-sale orders but ordinary orders make the market more volatile.[4] In a research published in last year, Abraham Lioui, a finance professor at EDHEC Business School, proved that short sale ban in LSE in 2008, created more volatility than the financial crisis it was implemented in reaction to.[31]

Short sale increases liquidity in the stock market. Woolridge and Dickinson (1994) concluded that short sellers provide liquidity to the market by shorting into bullish markets and reducing short positions in bearish markets.[43] Charoenrook and Daouk (2005) used turnover as a proxy for liquidity, and found that there is greater liquidity when short-selling is possible.[10] Presence of short selling increases firm's value. As we see earlier that in absence of short selling stock prices are biased upward which loosen constraint on the management and leave room for an increase in the agency cost (Copeland 2010).[13] If agency costs are raised, firm's value will be reduced. Presence of short selling influence firm's value through pure cash-flow effects by reducing agency costs.

Boehmer, Jones, and Zhang (2008), Engelberg, Reed, and Ringgenberg (2010) found evidence suggesting that short sellers are able to identify stocks that are more likely to experience negative returns.[7,1]

Moreover, Senchack and Starks (1993); Aitken, Frino, McCorry, and Swan (1998) have found that information about the quantity of short selling reveals private information that in turn causes other investors to reconsider their own valuation.[40,3] It's worth mentioning that short sellers are the first one who first signaled, through short selling, troubles at Tyco, Enron and now Fannie Mae, Freddie Mac and banks.[44]

On its website, SEC in the U.S. agreed with most of the above findings and announces, "Short selling can serve useful market purposes, including providing market liquidity and pricing efficiency."[42,43] However, "It [short sale] also may be used improperly to drive down the price of a security or to accelerate a declining market in a security"[42,43]. Surprisingly evidence suggests that ban on short-sales are largely ineffective in halting declines of stock. All they do is throw some sand in the gears and delay the inevitable incorporation of bad news into stock prices. For instance, in the U.S., between the short sell ban's introduction on Sept. 19th and Sept. 24th, the Dow Jones Industrial Average (DJIA) fell nearly 19%. An exchange-traded fund tracking financial companies, the Financial Select Sector SPDR Fund, was down nearly 26%. Arturo Bris, a finance professor at IMD, said to the Wall Street Journal about the consequences of the ban on short selling in 2008 that "the ban was counterproductive,"[8] and by "not allowing shorting, the market has dropped even more"[8]. He also says, "Short sellers act as a cushion."[8] Because in falling markets, short sellers often step in as buyers to cover their existing positions.

However, at this point you might throw the million dollar question: how the nonexistence of short sale would affect the efficiency of the share market? This question was answered by Douglas Diamond and Robert Verrecchia (1987).[15] They showed that informational efficiency will be reduced in the absence of short-sale. Informational efficiency refers to the degree to which market prices correctly and quickly reflect new and available information and thus the true value of an underlying asset. Specifically, prohibiting traders from shorting reduces the speed of price adjustment to private information.

Table 1: Benefits to short selling participants

Market	Lenders	Borrowers
➢ Enhances efficient price discovery, higher liquidity and lower volatility in the stock market. ➢ Great Solution for a overheated market ➢ Decreases the likelihood of stock market crash ➢ Enables informed investors to profit from a overpriced market ➢ Leads to efficient futures prices	➢ Enables long-term investors to earn money from their idle shares while they can still receive dividends ➢ Provides opportunities to earn money in bear markets, that is, when prices are going down ➢ Lenders are rewarded adequately as the lending fee is determined on the basis of demand and supply	➢ Prohibiting naked short selling reduces risk ➢ Helps investors to adopt alternative investment strategies, such as arbitrage ➢ Promotes disciplined trading practices by penalizing the defaulting traders

Though most of above studies' results are based on US market, there are a couple of researches that examine short-sale constraints in other financial markets. Bruno Biais (1999) shows that stocks listed in Paris with short-sale constraints reflect good news significantly faster than bad news.[5] Kim Wai Ho (1996) reports increased volatility when short sales were severely restricted during the Pan Electric crisis in Singapore market during 1985-1986.[24] When something is suppressed for long, the outcome is catastrophic when the lids are lifted, which is why allowing level-playing ground to both bulls and bears is of paramount importance.

However, Goldstein and Guembel argued in favor of banning short-sale.[20] They said that restricting short-sales can prevent manipulation of stock prices by investors. By selling large amounts of stock, a short-seller can force the price of the firm down, because other investors who are not fully informed about the firm may interpret this selling pressure as reflecting negative information about the firm's prospects. Once the price has fallen, the short-seller can close out his position at a profit; thus to the extent that this strategy is self-fulfilling, it will be profitable for the short-seller. This possibility lies with the long position as well where a large investor sells enough shares to induce the others to create a panic among the small investors to drive the share price low temporarily and thereafter buys back enough shares to make a profit when the market acts to correct for the false perception - regulatory bodies adopt measures to prevent such manipulation so this argument cannot stand to be strong. To tackle manipulation with short selling it can be made more expensive, e.g., restricting naked short-selling, will restrain manipulators.

III. Who Benefits From In Absence Of Short Sales?

Since existence of "bad news" is the driving force behind short selling politicians, CEOs want to conceal bad news wherever possible. But why? If presence of short selling brings so many benefits on the table, why would regulators, CEOs favor banning short sale? There are a number of possible reasons for this which serves the interest of senior management.

First, remuneration of executives is often tied implicitly or explicitly to the price of the company's stock, so anything that artificially inflates its price is likely to be welcomed in corporate boardrooms. Second, short sales ban is successful in boosting the price of the stocks involved above their free-market level, it has the effect of reducing their cost of capital and potentially causing them to expand beyond what is optimal for the firm and the economy. Third, firms can use their stocks as "cash" to pay for acquisitions. In presence of short selling, firm's stock price will hardly be overpriced and will be somewhere nears its fundamental. Thus, the threat from short sellers is often viewed by ambitious CEOs as an obstacle to their empire-building, potentially dragging down the price of the shares that they propose to use as cash on the acquisition trail.

Fourth, by propping up the share price of possible target companies, short sales bans make it easier for boards of directors to repel predators. Fifth, in absence of short selling, a firm's controlling shareholders can do "tunnelling". Johnson *et al.* (2000) coined the word "tunnelling" which means "the transfer of resources out of a company to its controlling shareholder"[27]. Tunnelling comes in two forms. First, a controlling shareholder can simply transfer resources from the firm for his own benefit through self-dealing transactions. Such transactions include outright theft or fraud, which are illegal everywhere though often go undetected or unpunished, but also asset sales, contracts such as transfer pricing advantageous to the controlling shareholder, excessive executive compensation, loan guarantees, expropriation of corporate opportunities, and so on. Second, the controlling shareholder can increase his share of the firm without transferring any assets through dilutive share issues, minority freeze-outs, insider trading, creeping acquisitions, or other financial transactions that discriminate against minorities.

IV. Effects Of Short Selling Ban During 2008

The SEC in the U.S., on September 19th, 2008, banned short-sales of shares of 799 companies. The following day similar restrictions have been imposed by the Financial Services Authority (FSA) in the U.K., the Australian Securities and Investments Commission (ASIC) and many other regulators around the world.[19] Former Fed Chairman Alan Greenspan criticized SEC's ban on short selling and said that ban on short selling is a 'terrible idea'. The Wall Street Journal condemned the ban and said that it is like taking the 'hedge' out of hedge funds[14].

The ban leaves several unintended consequences. It challenged risk-lowering hedging strategies and also raised the costs of trading by widening the bid-ask spread, increased volatility, and made prices less accurate. A study initiated by the London Stock Exchange (LSE) has found that liquidity provision was impaired and market quality worsened in the affected securities while the U. K. short selling ban has been in place. Capital Markets Cooperative Research Centre (CMCRC) found that the 15 FTSE100 stocks in which short selling was banned had spreads 150% wider than other securities without the ban; the spreads went from 15 basis points to 36 basis points. Market depth, which was measured by calculating the volume required to move the bid and ask price in a stock by one percent, went down 59%. In addition, the same research shows that short sale ban in 2008, created more volatility than the financial crisis it was implemented in reaction to.

V. Short Sale: Where Does Bangladesh Stand?

To lift market efficiency and also to grab benefits of short selling mentioned above, Bangladesh need to allow short sale. To guess the future commodity prices and also to hedge risk, Bangladesh is planning to have a commodity market in near future. Without allowing short sale, the dream of having a successful commodity market will almost be unattainable. Karachi Stock Exchange (KSE) in Pakistan has approved short-selling for KSE-30 Index firms from January 4, 2010. In India, short selling was introduced and banned and then opened again on April 21, 2008 to both institutional and retail investors. Initially, Bangladesh can also allow short selling only for firms in DSE-20 index. Here are some recommendations before allowing short sale in Bangladesh:

1. Authorities must not allow naked short selling in the stock market and accordingly, all investors would be required to mandatorily honor their obligation of delivering the securities at the time of settlement. The tenure of contracts in short selling should be about for 12 months.
2. The regulatory authority must take appropriate action against the brokers for failure to deliver securities at the time of settlement which shall act as a sufficient deterrent against failure to deliver.
3. Authorities should review the list of stocks that are eligible for short selling transactions from time to time.

4. There shall not be any short selling activities during the periods of corporate actions such as Dividend, stock split, merger & acquisition etc.
5. To check free fall of share prices because of short sale, both bourses can use uptick rule or alternative uptick rule. Uptick rule refers to a trading restriction that disallows shorting securities for a price that is lower than the price of the previous trade. The newly introduced alternative uptick rule is designed to restrict short selling from further driving down the price of a stock that has dropped more than 10 percent in one day. Bangladesh can customize these uptick rules according to her needs.

Of course, short sale must be allowed after ensuring strict vigilance to get full benefit from the option.

VI. Conclusion

Both Stock markets in Bangladesh are growing significantly every year. Investors are demanding more investment products and services in the marketplace. Allowing short sale in Bangladesh will not only open door to investors to more investment opportunities, it will also provide more efficient price discovery, lower volatility, and higher liquidity. Most importantly, no study has proved that absence of short selling reduce the likelihood of crashes. Presence of short selling also increases firm value by reducing agency cost. Research also shows that short sellers are able to identify stocks that are more likely to experience negative returns. Let's borrow few lines from Laurence Copeland again "if anything, in order to reduce the chance of another bubble in financial markets, we should be considering [...] ways to make short sales easier and more accessible to the small investor. If we believe a bias toward excessive optimism is endemic in the market, the situation will only be made worse by disenfranchising the pessimist".[13] Frequently we listen that the stock markets in Bangladesh are overpriced; and regulators do not have many weapons to solve this problem viably other than allowing short sale in both stock exchanges.

References

[1] Ackert, L. F., Charupat, N., Church, B. K., & Deaves, R. (2001). Bubbles In Experimental Asset Markets: Irrational Exuberance No More (Working Paper No. 2002-2024). Retrieved From Federal Reserve Bank Of Atlanta Website <Http://Www.Frbatlanta.Org/Pubs/Wp/Working_ Paper_2002-24.Cfm>

[2] Ahsan, A. F. M. (2010, October 24). Share Scam 1996: Justice Delayed And Denied. Bdnews24.Com.Retrieved From Http://Opinion.Bdnews24.Com/2010/10/24/953/

[3] Aitken, M. J., Frino, A., Mccorry, M. S., & Swan, P. L. (1998). Short Sales Are Almost Instantaneously Bad News: Evidence From The Australian Stock Exchange. Journal Of Finance, 53, 2205-2223.

[4] Angle, J. J. (1997). Short Selling On The NYSE (Working Paper). Retrieved From Http://Www.Google.Com/Url?Sa=T&Rct=J&Q=&Esrc=S&Source=Web&Cd=5&Ved=0ceeqfjAE&Url=Http%3A%2F%2Fciteseerx.Ist.Psu.Edu%2Fviewdoc%2Fdownload%3Fdoi%3D10.1.1.200.6720%26rep%3Drep1%26type%3Dpdf&Ei=Typftryrccjvrqeh1bz-CA&Usg=Afqjcnfik8bheka8ywcbbf3b7wb82kv8zg&Sig2=Lqlkhp-Ukfte2eqaznjmb W

[5] Biais, B., Bisiere, C., & Decamps, J. P. (1999). Short-Sales Constraints, Liquidity And Price Discovery: An Empirical Analysis On The Paris Bourse. European Financial Management,5, 395-409.

[6] Boehme, R. D., Danielsen, B. R., & Sorescu, S. M. (2006). Short Sale Constraint, Differences Of Opinion, And Overvaluation. Journal Of Financial And Quantitative Analysis, 41, 455-487.

[7] Boehmer, E., Jones, C. M. & Zhang, X. (2008). Which Shorts Are Informed? Journal Of Finance, 63, 491-527.

[8] Bris, A., Goetzmann, W. N. & Zhu, N. (2004). Short Sales In Global Perspective, In Frank Fabozzi, Ed.: Short-Selling: Strategies, Risks And Rewards (Pp. 323-342). Hoboken, NJ: John Wiley & Sons.

[9] Central Depository Of Bangladesh Limited. (2009). Central Depository Bangladesh Limited (CDBL): Overview. Annual Report 2009, Pp 1.

[10] Charoenrook, A., & Daouk, H. (2005, August). A Study Of Market-Wide Short-Selling Restrictions (Working Paper). Retrieved From Vanderbilt University Website - Http://Mba.Vanderbilt.Edu/Vanderbilt/Data/Research/1017full.Pdf

[11] Chittagong Stock Exchange (CSE). About Us. Retrieved From Chittagong Stock Exchange Website Http://Www.Cse.Com.Bd/Index2.Php?Option=Content&Page=3

[12] Clifton, M., & Snape, M. (2009, January). The Effect Of Short Selling Restrictions On Liquidity: Evidence From The London Stock Exchange. London Stock Exchange. Retrieved From Http://Www.Londonstockexchange.Com/About-The-Exchange/Regulatory/Effect-Short-Selling-Restrictions-Liquidity-Evidence.Htm

[13] Copeland, L. (2010, September 14). Short Sales Bans: Shooting The Messenger? The Cato Institute (Briefing Paper No. 119).

[14] Crovitz, L. G. (2008, October 20). Don't Sell Hedge Funds Short. The Wall Street Journal. Eastern Edition, Vol. 252 Issue 94, P A17.

[15] Diamond, D., & Verrecchia, R. (1987). Constraints On Short Selling And Asset Price Adjustment To Private Information. Journal Of Financial Economics, 18, 277-311.

[16] Engelberg, J. E., Reed, A. V., & Ringgenberg, M. C. (2010, November). How Are Shorts Informed? Short Sellers, News, And Information Processing (Working Paper). Retrieved From University Of North Carolina Website Http://Public.Kenan-Flagler.Unc.Edu/Faculty/Engelbej/SHORT_NEWS.Pdf

[17] Fama, E. G., & French, K. R. (1993). Common Risk Factors In Returns On Stocks And Bonds. Journal Of Financial Economics, 33, 3-56.

[18] Figlewski, S. (1981). The Information Effects Of Restrictions On Short Sales: Some Empirical Evidence. Journal Of Financial And Quantitative Analysis, 16, 463-476.

[19] Financial Services Authority. (2008, September 18). FSA Statement On Short Positions In Financial Stocks [Press Release: FSA/PN/102/2008]. Retrieved From Financial Services Authority Website Http://Www.Fsa.Gov.Uk/Pages/Library/Communication/PR/2008/102. Shtml

[20] Goldstein, I., & Guembel, A. (2008). Manipulation And The Allocational Role Of Prices, Review Of Economic Studies, 75, 133-64.

[21] Hanson, T. (2007, December 28). The 5 Best Places To Invest. Fool.Com. The Motley Fool. Retrieved From Http://Www.Fool.Com/Investing/International/2007/12/28/The-5-Best-Places-To-Invest.Aspx
[22] Haruvy, E., & Noussair, C. N. (2006). The Effect Of Short Selling On Bubbles And Crashes In Experimental Spot Asset Markets. Journal Of Finance, 61, 1119-1157.
[23] Hedge Funds Wrestle With Short-Sale Ban [Editorial]. (2008, September 25). The Wall Street Journal. Eastern Edition, Vol. 252 Issue 73, P C2.
[24] Ho, K. W. (1996). Short-Sales Restrictions And Volatility: The Case Of The Stock Exchange Of Singapore. Pacific-Basin Finance Journal, 4, 377-391.
[25] Hong, H., & Stein, J. C. (2003). Differences Of Opinion, Short-Sale Constraints, And Market Crashes. Review Of Financial Studies, 16, 487-525.
[26] Hussain, D. (2009, December 8). Short Sale' Allowed In KSE-30 Index Companies. DAWN.COM. Retrieved From Http://News.Dawn.Com/Wps/Wcm/Connect/Dawn-Content-Library/Dawn/The-Newspaper/Busi Ness/Short-Sale-Allowed-In-Kse30-Index-Companies-829
[27] Johnson, S., La Porta, R., Lopezdesilanes, F. & Shleifer, A. (2000). Tunneling. American Economic Review, 90, 22-27.
[28] Liao, S. G., & Yang, C. J. (2005). The Short Selling Mechanism, The Market Fluctuation, And The Market Fluidity, Management World, 12, 6-13.
[29] Liao, S. G., & Yang, C. J. (2005). A Study On The Relationship Between The Short Selling And Stock Price In The Securities Market: Evidence From Taiwan Stock Market, Journal Of Financial Research, 10, 131-140.
[30] Liao, S. G., & Zhang, Z. (2005). The Shock Effect Of Short Selling Mechanism To Emerging Market: Evidence From Hong Kong Stock Market, Journal Of Finance And Economics, 10, 42-52.
[31] Lioui, A. (2009). The Undesirable Effects Of Banning Short Sales. EDHEC Risk Institute Position Paper. EDHEC Risk Institute. Retrieved From EDHEC Risk Institute Website Http://Www.Edhec-Risk.Com/Edhec_Publications/All_Publications/Riskreview.2009-04-24.2206/ Attachments/EDHEC%20Position%20Paper%20The%20Undesirable%20Effects%20of%20 Banning%20Short%20Sales%20.Pdf
[32] Miller, E. (1977). Risk, Uncertainty And Divergence Of Option. Journal Of Finance, 32, 1151-1168.
[33] Rubinstein, M. (2004). Great Moments In Financial Economics: III. Short-Sales And Stock Prices. Journal Of Investment Management, 2, 16-31.
[34] Scannell, K. (2008, October 9). Short-Sale Ban Ends To Poor Reviews. The Wall Street Journal, Eastern Edition; Vol. 252 Issue 85, P C3.
[35] Securities And Exchange Board Of India. (2010, April 6). Master Circular For Stock Exchanges For Trading: Part 1. Retrieved From Securities And Exchange Board Of India Website Http://Www.Sebi.Gov.In/Circulars/2010/Cirmrddp12.Html
[36] Securities And Exchange Commission (SEC) Of Bangladesh. (2010, January-March). DSE & CSE Scenario. Quarterly Review, P. 48-49.
[37] Securities And Exchange Commission (SEC) Of Bangladesh. Listing On The Stock Exchange. SEC Annual Report 2008-2009, P. 20.
[38] Securities And Exchange Commission (SEC) Of Bangladesh. (2006-2007). Listing On The Stock Exchange. SEC Annual Report 2006-2007, Pp 26.
[39] Securities And Exchange Commission (SEC) Of Bangladesh. About SEC. Retrieved From Http://Www.Secbd.Org/About.Htm
[40] Senchack, A. J., Jr., & Starks, L. T. (1993). Short-Sale Restrictions And Market Reaction To Short Interest Announcements. Journal Of Financial And Quantitative Analysis, 28, 177-194.
[41] U.S. Securities And Exchange Commission (2010, February 24). SEC Approves Short Selling Restrictions [Press Release: 2010-26]. Retrieved From U.S. Securities And Exchange Commission Website Http://Www.Sec.Gov/News/Press/2010/2010-26.Htm
[42] U.S. Securities And Exchange Commission. (2008, September 19). SEC Halts Short Selling Of Financial Stocks To Protect Investors And Markets [Press Release: 2008-211]. Retrieved From U.S. Securities And Exchange Commission Website Http://Www.Sec.Gov/News/Press/2008/2008-211.Htm
[43] Woolridge, J. R., & Dickinson, A. (1994). Short Selling And Common Stock Prices, Financial Analysts Journal, 50, 30-38.
[44] Younglai, R., & Reerink, J. (2008, September 19). U.S. Joins Worldwide Crackdown On Short Sellers. Reuters. Retrieved From Http://Www.Reuters.Com/Article/Idusn1947438520080919