

Report Type

End of Award Report

Full Name

Securities Lending and Information Acquisition

Your E-Mail Address

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Faculty/Department

Judge Business School

Project Title

Securities Lending and Information Acquisition

Project Start Date

Jun 01, 2020

Project End Date

Dec 01, 2021

Project Abstract

We show that mutual funds make portfolio allocation decisions conditional on information acquired from participating in the equity lending market. Using unique data from German mutual, we show that funds that lend shares to short sellers are more likely to exit positions relative both to stocks that they do not lend and to funds that do not lend. Lenders avoid losses by better timing the closure of long positions than for stocks they do not lend. Finally, we show information acquisition in the lending market allows lenders to front-run public disclosure of large short positions.

Activities and Achievement

We already have a full draft posted on SSRN. We are now going through the conference submission process and will soon submit it to the top journals of Finance.

Dissemination

SSRN working paper: [https://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=3604977](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3604977)

I have also presented it in a couple of academic seminars, including the Inquire UK.

Outputs

SSRN working paper: [https://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=3604977](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3604977)

Major Difficulties and Any Other Issues

Nothing, all went well.

Web Links

SSRN working paper: [https://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=3604977](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3604977)