

09 07 2009 Reverse Split per due ETF a leva di Nostro interesse: FAZ e FAS

Operato un accorpamento (reverse split) su due dei più diffusi ETF quotati in a Wall Street.

Il ribassista FAZ ha avuto un accorpamento di 1 azione per ogni 10 possedute, mentre per il rialzista FAS l'accorpamento è stato di 1 ogni 5.

I prezzi che vedete da oggi 09 07 2009, vanno corretti come sopra e la chiusura pre-accorpamento, come spiegato nell'articolo che segue, è stata ieri 5,64 per il ribassista FAZ e 7,51 per il rialzista FAS: d'ora in poi, dovremo correggere il prezzo rispettivo in base ai nuovi rapporti, cioè FAZ a 56,40 e FAS a 37,55.

When we first floated the notion that Direxion may need to consider conducting a reverse stock split on its two Triple-Leverage cult ETFs for the financial sector, this was a notion that was not that popular despite the company's hint that a reverse split was likely before the market temporarily interrupted that need.

Now this morning we are seeing the Direxion Financial Bull 3X Shares (NYSE: FAS) and the Direxion Financial Bear 3X Shares (NYSE: FAZ) have adjusted prices to be based around reverse splits. It is the ex-date.

The bearish FAZ is splitting 1-for-10 and the bullish FAS is splitting 1-for-5.

On an unadjusted basis, the FAZ close of \$5.64 yesterday would imply a price of \$56.40 if everything was equal and unchanged.

On an unadjusted basis, the FAS close of \$7.51 yesterday would imply a price of \$37.55 if everything was equal and unchanged.

In pre-market trading we have the FAZ trading down at \$52.75 and the FAS trading up at \$39.00.

What will be interesting to see is how this affects the average daily volume.

The FAZ has an average volume prior to the split of over 240 million shares and the FAS trades roughly 230 million shares per day.

As a reminder, the semi-annual report from Direxion itself panned the notion that these should be held for the long term.

We still think that more reverse splits or just some outright closures will follow this trend.