

“SHORT SELLING”

**WHEN YOU BUY YOUR SHARES OF APPLE AT \$ 100
I SELL SHORT TO YOU.**

YOU WANTED THE STOCK AND BOUGHT AT \$ 100.

MY SHORT ACTS TO SUPPORT THAT JUDGMENT.

**I AM PROVIDING TRUE LIQUIDITY TO THE MARKET,
BECAUSE ONCE I SHORT/SELL THOSE SHARES TO YOU, I
MUST BE ABLE TO BUY THEM BACK FROM YOU AT ALL TIMES,
WHATEVER THE PRICE.**

**UNLIKE MOST PARTICIPANTS,
SHORT SELLERS ARE FULLY MARKED TO MARKET AT ALL TIMES.**

MY CAPITAL WILL BE SO ENCUMBERED FOR THE DURATION OF MY SHORT.

**I , NOT APPLE, MUST LIKEWISE PAY THE DIVIDEND OF THE
STOCK AS A CHARGE TO MY CAPITAL FOR THE DURATION OF THE SHORT.
MY CAPITAL PAYS YOU RENT.**

LEVERAGE IS YOUR ALLY AND MY MORTAL ENEMY.

**BY PROVIDING THAT LIQUIDITY TO YOU,
MY CAPITAL ASSUMES UNLIMITED RISK:**

YOU ONLY ASSUME RISK TO 100 % OF THE \$ 100 PRICE YOU PAID.

WHEN APPLE FALLS MY CAPITAL SERVES YOU YET AGAIN:

“SHORT SELLING”

**BECAUSE WHEN APPLE HITS \$ 80. I BUYBACK THE SHARES,
PROVIDING LIQUIDITY, VOLUME AND A FLOOR AT \$ 80.
FROM THERE THE STOCK HAS A CHANCE TO RECOVER.**

**THIS OPERATES TO MINIMIZE YOUR LOSSES,
AND GIVE YOU THE OPPORTUNITY TO EXIT THE POSITION.**

**WITHOUT MY CAPITAL,
THE STOCK DOESN'T HOLD AT \$ 80, BUT INSTEAD FALLS TO \$ 50.**

**YOUR LOSSES ARE GREATER:
SHEER FALL ENCOURAGES SELLING, THEREBY AMPLIFYING YOUR LOSSES.**

**SHORT SELLERS ARE THE ONLY GUARANTEED CAPITAL TO SUPPORT
THE PRICE OF AN INSTRUMENT; THUS SERVING YOU, THE OWNER.**

THE ABSENCE OF SHORT SELLERS IS A BUILDING MISSING MANY FLOORS.

**THOSE WHO DECREE SHORT SELLING, THOSE WHO DEPLORE IT,
AND ALL LONGS IN GENERAL WILL COME TO
RUE THE DRIVING OF SHORT SELLERS FROM MARKETS.**

IGNORANCE, ARROGANCE OR EXTRAORDINARY POPULAR DELUSION ?

