

# Streetwise *Blôg*

## **Timminco shorts face pressure from dealers**

Andrew Willis, May 1, 2008 at 7:56 AM EDT

The roller-coaster ride at Timminco on Wednesday reflects another case of the market's plumbing influencing a stock price.

Timminco shares jumped 5.5 per cent to close at \$19.52 on the TSX, and traders say part of the 3.3 million share trading volume reflected buying from short sellers who were being forced by dealers to close positions.

These moves by prime brokerages would be partly rooted in the fact that it is extremely hard to borrow Timminco shares. More generally, closing down short positions in volatile stocks speaks to the more stringent requirements now being placed on hedge funds, which routinely borrow and sell shares they see as over-valued, expected to profit on a falling price.

Timminco's valuation has been the subject of considerable debate since the silicon maker rocketed to \$28 in recent weeks, from 40 cents just two years ago. At \$19.52 a share, Timminco is a \$2-billion company.