**Lesson 2: Standard II: Integrity of Capital Markets**

**Standard II(A) Material Nonpublic Information**

Don’t trade on it or encourage others to trade on it.

Analyst can use public and ***nonmaterial*** non-public information

**Non-public** – until it is disseminated to the marketplace in general (not just to a select group of investors)

**Material** - based on source of information (e.g. hairdresser, doctor – not CEO, CFO of the company – yes) and impact on the stock (e.g. earnings, M&A,tender offer is not ambiguous so would be material, SWOT - ambigous)

**Standard II(B) Market Manipulation**

**It’s about intent –** manipulation of price or volume, the intent to deceive

***If disclosing the action, it is not a violation***

**Do not publish misleading information or opinions –** pumping up the price, buy at low and sell after the price goes up (pump and dump)