

Title: Naked shorts = crime

Author: linuxuser3191

Created 2022-07-20 14:18:32 UTC

Permalink: /r/GME/comments/w3ni1q/naked_shorts_crime/

Url: https://www.reddit.com/r/GME/comments/w3ni1q/naked_shorts_crime/

cough GME *cough*

Naked Shorting as a Market Function

Some analysts point to the fact that naked shorting inadvertently might help markets stay in balance by allowing the negative sentiment to be reflected in certain stocks' prices. If a stock has a limited float and a large number of shares in friendly hands, then market signals can theoretically be delayed inevitably. Naked shorting forces a price drop even if shares aren't available, which can, in turn, result in some unloading of the actual shares to cut losses, allowing the market to find the right balance.

from <https://www.investopedia.com/terms/n/nakedshorting.asp>