

Title: Stock Split Potential?

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****GameStop's Stock Split History****

[GameStop's first and only stock split](<https://news.gamestop.com/news-releases/news-release-details/gamestop-corp-declares-two-one-stock-split>) occurred in March of 2007, but was announced in February of 2007. It was a 2:1 split and the price of the stock went from 53.45 the day before to ~26.73. The range of the stock in the year prior to the stock split was roughly between 36 dollars to 60 dollars. With us quickly approaching the January spike, we will quickly raise the "52-week low" from 17 dollars where it is at now. Assuming the price stays constant from here, the "52-week low" will be 86 dollars once we get to the end of February and it will only go up from there. With the price being pretty solidly above 100 dollars for the last 9-10 months, it seems time for the consideration of a stock split.

****Why Do a Stock Split?****

From GameStop's previous stock split announcement, "...we wanted to make our stock more attractive to a broader range of potential investors." The primary motive of a stock split is to make shares seem more affordable to small investors.

****Stock Price Movement on Stock Splits****

Stock splits have the potential to cause runs on the price, with a few good somewhat recent examples being Tesla and Apple. Even though the intrinsic value of the stock has not changed, many people buy after the split because they feel they are getting a lower price (sounds familiar doesn't it(*ahem* popcorn *ahem*)), and this tends to drive the price of the post-split stock higher. After GameStop split its stock on March 19, 2007, the price ran from ~26 dollars to ~35 dollars by April 11, 2007 (~35% in less than a month), and was at ~55 dollars by the end of 2007. *Disclaimer: The same stock split announcement included authorization of a senior notes buyback and I didn't fully research if there was other positive news surrounding the company around the same time that could've contributed to the price movement.*

****TLDR****

Price of GameStop has been solidly above 100 dollars for the last 9-10 months, should a stock split be a consideration soon?