Spain Plummets into Bailout Chaos

Contributed by Tom McGregor
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The Spanish government has banned short-selling of market shares as its national stock exchanges are crashing. Madrid seeks to limit drastic price drops, due to the country’s desperate need for a massive bailout.
According to the BBC News, “Spain’s market regulator blocked the practice for three months to try to restore order after sharp falls in bond and shares.”
‘Short-selling’ is an investment strategy in which traders could earn profits from falling share prices. Italy has already forbid short-selling of financial stocks for one week.
As reported by the BBC, “short-selling is a technique used by investors who think the price of an asset, such as shares, will fall. They borrow the asset from another and then sell it in the relevant market. The aim is to buy back the asset at a lower price and return it to its owner, making a profit along the way.”
Many of Spain’s 17 regions are seeking bailout funds from Madrid.
To read the entire article from the BBC News, link here:Tmcgregordallas@yahoo.com