

***Capital Markets Board of Turkey in cooperation with  
Bilkent University jointly present the Financial Seminar Series***

***April 25<sup>th</sup> 2011, Ankara***

**Dr. Selim TOPALOĞLU, Queen's University, Canada  
Speaking on  
'Examining the Dark Side of Financial Markets: Who Trades ahead of Major  
Announcements?'**

**Selim Topaloğlu**

Selim Topaloglu is an Associate Professor and RBC Fellow of Finance at Queen's School of Business. He holds a Ph.D. in Finance from Arizona State University, an M.A. in Finance from the Wharton School at the University of Pennsylvania, and a B.S. in Management from Bilkent University in Ankara, Turkey. Prior to joining Queen's, he visited Purdue University. Dr. Topaloglu's research interests include trading behaviour of individuals and institutions, initial public offerings, and analyst behaviour. His research has been published in the Journal of Finance and the Journal of Financial Economics.

**Abstract**

Institutions often have access to corporate inside information through their connections but little is known about the extent to which they exploit their informational advantage through short-term trading. First an examination is made of daily trading by eight different types of individuals and institutional investors ahead of news events. The study finds that most institutional and individual investor groups are uninformed prior to takeovers and earnings announcements. A group of large hedge fund traders consistently sells prior to negative earnings announcements and wealthy individuals at full-service brokerage houses trade in the right direction ahead of takeover announcements. To examine cross-sectional variation among institutional traders, a unique broker-level trading data was used. Despite examining the issue from many angles, the study is unable to find evidence that investment banks' proprietary trading desks take advantage of connections through takeover advising, IPO and SEO underwriting, or lending relationships. Their clients do not profit from this information either. In contrast to recent literature and financial press, results suggest that institutional investors are reluctant to use their inside information, at least in brazen ways.

**Venue:** Capital Markets Board of Turkey  
Kare Salon- Başkanlık Katı.

**Date:** April 25<sup>th</sup> 2011

**Time:** 14:00 - 15:00 Seminar  
15:00 – 15:30 Questions & Answers Session  
15:30 – 16:00 Reception

**RSVP:** Sedef Baran Gurbuz [sedef.baran@spk.gov.tr](mailto:sedef.baran@spk.gov.tr)

***The seminar shall be conducted in English.***