



# Biotech Daily

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*Daily news on ASX-listed biotechnology companies*

## Biotech Daily Policy: Mega-Day-Traders

Yesterday, the Delaware-based Goldman Sachs Group became substantial in Sirtex with 2,952,631 shares or 5.16 percent.

A large proportion of the 11 pages of individual trades were shares borrowed and returned at “no applicable price”, along with trades ranging from one share to up to 77,982 shares.

Several institutions “place bets” on biotechnology stocks rather than adopting longer term investment strategies and Biotech Daily takes a dim view of this mega-day-trader activity.

But Biotech Daily is more concerned that the real traders involved are using “nominee” and “custodian” companies to hide their identities.

While the concept of knowing the true identity of your co-investors is mentioned in passing in the Corporations Act it is not specifically enshrined in the law. It should be.

Last year, Goldman Sachs repeatedly increased above or reduced below the five percent substantial threshold in Nanosonics, primarily borrowing or returning shares for no applicable consideration (BD: Oct 2, 5; Dec 2, 4, 7, 2015).

Sirtex has previously been the target of similar trading by UBS AG, the Commonwealth Bank of Australia and the Sydney-based Challenger, all of which conducted the trades on behalf of nominee companies and in relation to lending agreements.

Last year’s policy of attempting to change their behavior by reporting the day-trader approach to biotechnology investment was not successful.

Biotech Daily will report when these sorts of short term investors appear for the first time in companies where they have previously been below substantial.

The Corporations Act needs to be changed to identify all shareholders equally.

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