マーケットメーカーとのコミュニケーション

Communicating with Market Makers, OTC Traders and Exchange Specialists

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日々の株式売買の流動性は株式資本コストを構成する重要な要素の一つである。高い流動性は資本コストを低く抑え、投資家の要求するリスクプレミアムが下がり、フェアバリューが維持される。株式の流動性は上場株を評価する上で重要な指標であり、投資家をひきつけるためには高い流動性が欠かせない。従ってフェアバリューを実現することについで、流動性を高めることがＩＲ活動の重要な目的である。

株式市場において非常に間違った認識が多いのが、株式に流動性をもたらすマーケットメーカー（以下MM）とスペシャリストの役割である。誤解の中心は、MMは株価の形成に影響力があり、その気があれば取引高を増やして流動性を高めることができるといものである。こうした誤解の下に、個人投資家などは経営陣がもっとMMや証券会社と積極的に交流すべきであると会社に要求する。

こうした間違った認識に基づく投資家からの要求の結果、経営陣やＩＲ担当者は次のようなことを真剣に考える。

- MMとの適正なコミュニケーションレベルとはどの程度のものか
- MMの数は多いほうがいいのか
- セルサイドのMMのほうがホールセールMMより重要であるか
- どうしたらビット・オファー・スプレッドを下げることができるか

このレポートではMMの役割、株価を決定する電子システムの役割を明らかにし、流動性に対するそれらの貢献度を確認し、こうした投資家をサポートする存在とのコミュニケーションのベストプラクティスを探る。

歴史的背景

NASDAQ は 1971 年に創設された。1 日の取引量は約 20 億株、世界有数の OTC（店頭）株式市場である。現在は強く規制された電子市場と言える。全国の 500 以上の登録された証券会社を結び、5000 以上の株式に流動性を与えている。

参加者がコンピューター上で電子的に価格の提示ができ、取引できる環境を整えている。ディーラーは株式の市場での需要予測に基づく自己売買で利益を上げることができる。ディーラーは他の証券会社との間で、自己売買のためあるいは顧客からの注文に応えるために売買をする。そうしたディーラーは MM と呼ばれる。彼らは仲介者としての買手と売り手に流動性を与える役割を担う。

MM の顧客は個人投資家の注文を受けた証券会社、年金基金や投資信託などの機関投資家、他の NASDAQ 登録証券会社の自己勘定部門である。MM は株式の需要を予測して、買い持ち、売り越しのポジションをしばしば持つ。こうした市場は NYSE や AMEX のようなオークション市場に対比して、ディーラー市場と呼ばれる。

NYSE に上場される株式はエージェントとして行動する証券会社を通じて売買される。売り手のエージェントである証券会社と買い手のエージェントである証券会社が、取引所フロアで価格を交渉する。取引が常に成立するように、取引所は一証券会社をスペシャリストとして指名している。スペシャリストは、NASDAQ における MM のように、自己勘定で売買に応じて、価格変動の大きい銘柄を安定させるように努める。

NASDA 市場と証券取引所市場の違い

NASDAQ は中央集中システムではない。全国の 500 以上の証券会社により構成され、それぞれが電子的に結ばれている。NASDAQ 上場株式は最低 2 つ以上の MM が必要である（JASDAQ は最低 4 社）。活発に取引されている銘柄には 60 もの MM がいる場合もある。平均では 11 社である。NYSE 上場の株式はは取引所で売買される。上場各銘柄について 1 社のスペシャリストが存在する。

NASDAQ 市場において証券会社が特定の銘柄の MM を務めるのは、証券会社の判断による。その銘柄の売買により利益が得られると思う場合に証券会社は MM になる。したがって MM として取引を行うのは、利益を上げるチャンスがある程度に取引量があると期待されるときだけである。一方、取引所のスペシャリストは、取引所の指名により、その地位を独占的に与えられる。

NASDAQ ではホールセール MM といわれる証券会社が存在する。これらはそれぞれ NASDAQ 上場株のうち数百株を売買する。多くの株式について少しずつ在庫を持ち、スーパーマーケットのように顧客にワンストップの商品揃えを提供する。

MM に対する制約としては、ビット・オファーで出した価格で少なくとも 100 株売買できなくてはならない、というルールが定められている。MMの実際の行動としては取引の薄い、あるいは価格変動の大きい銘柄については、売り注文が多い時にある価格で 100 株だけ買い、残りの売り注文に対しては 10%～20%低い値段でしか買値をださない、ということも珍しくない。

投資銀行機能を持つ証券会社は IPO 直後に MM としての機能を果たす能力を、主幹事の座を獲得するためにアピールする。自らが引受した新規公開株の流動性をサポートすることで、投資銀行ビジネスの機会を逃さないようにするのである。

ECN

電子コミュニケーションネットワークは 1996 年に導入された。ECN はコンピューターが自動的に売り注文と買い注文をマッチングさせるシステムである。ECN を通じて指値売り注文を出すと、自動的に同じ数量の指値買い注文とマッチングされる。

SEC のルールを満たす多くの電子コミュニケーションネットワークがあり、それらはすべて ECN と呼ばれる。かつては機関投資家のみ利用できたが、現在は個人投資家も証券会社経由で利用できる。ECN を利用すれば昼夜を問わず取引を執行することが可能である。

MM とのコミュニケーション

MM との最善のコミュニケーションを考える上で認識すべき点は、MM は株価の評価については影響力をもたない事、自己勘定売買により流動性の向上に大きく貢献することもないことである。MM が増えること、あるいは減る事は、事業会社に対する投資家の関心の高まり、良い業績、株主の増加、メディアへの露出度の高まり、IPO や二次ファイナンスによる流動性の高まりといったことを受けての、証券会社の反応である。従って主幹事による IPO 株の MM 引受を除いて、証券会社が MM を行うのは、その銘柄に対する投資家の関心の高まりがあればこそである。こうした変化は MM の数や、そのタイプにより決まるのではない。

会社がなすべきことは、ターゲットをしっかり定めたＩＲ活動（ＨＰの充実、投資家との面談、金融メディアへの露出度を高めていくことなど）である。こうした活動が株式売買を行いやすい環境を整え、MMをひきつけることになる。

MMとはどの程度のコミュニケーションをとるべきか？

ニュースリリースの送信先リストにMMを加える。投資家に会社の情報が流れる場合には同様にMMにも流れるようにする。一方でMMがロングあるいはショートポジションを

持つような場合でも潜在的な買主､売主などの情報については話し合うべきではない。

MMはいくつぐらい必要か？

売買が少ない株式の場合、MMの数は少なくすべきである。MMはある程度まとまった数量の売買が可能な場合、取引を行う意欲をもつ。売買が少ない株であるのにMMの数が多いと、個々のMMは取引量がへるので意欲が薄れる。したがって定められた最低限度のMMに留めるべきである。

以　上

（訳：フィナンテック深井浩史）

Communicating With Market Makers, OTC Traders and Exchange Specialists

The daily trading liquidity of a company's stock is an important component of its cost of capital. Liquid markets provide corporations a lower cost of capital, and their shares will generally trade at a higher sustainable value because the risk premium applied by investors will be lower. In fact, market liquidity is among the most valuable attributes of a publicly traded company and will often be a prerequisite to increased investor interest. Hence, it is probably the second most important IR objective, following achieving the highest sustainable fair market valuation.

A much-misunderstood part of the capital markets is the role of the MARKET MAKER and exchange SPECIALIST in providing such liquidity. At the core of the misunderstanding is the belief that market makers are an influential force on share valuation and can, if desired, generate greater liquidity by increasing the number of shares traded. In addition, individual investors will often criticize management for not taking a more proactive role in dealing with market makers and OTC traders. As a result of these beliefs, senior executives of public companies and some IR officers ponder over such issues as:

- What is the appropriate level of corporate communication with market makers?
- Are more market makers better than fewer?
- Are sell-side market makers (i.e., Merrill Lynch) better than wholesalers (i.e., Herzog)?
- What can be done to lower the spread between the bid and offer?

The purpose of this white paper is to clarify the role of market makers, traders and Electronic Communication Networks (ECNs) in establishing the price for a company's securities; review their contribution to market liquidity, and detail best practices in communicating with this important investor constituency.

History

Created in 1971, the Nasdaq (National Association of Securities Dealers Automated Quotations), which clears on average over two billion shares a day, has become one of the largest equities trading environments in the world. The Nasdaq is also commonly, and confusingly, called the OTC (Over The Counter) market. The historical roots for this term, OTC, came from the way investors bought and sold shares, namely, over the counter as in a store, as opposed to an exchange.

In its present form, the Nasdaq is a highly regulated, computerized system, which links over 500 registered securities dealers across the country creating liquidity for over 5,000 public corporations. The system allows Nasdaq traders to quote prices for Nasdaq traded stocks electronically over the system's computer network, thus creating a virtual trading environment.

Nasdaq dealers profit by buying and selling stocks for their own account in anticipation of the market demand for those stocks. These shares are generally purchased from other dealers trading for a customer, or for their own account. Such Nasdaq dealers are also known as MARKET MAKERS and their role as an intermediary provides liquidity to both buyers and sellers. The market maker's customers are brokerage firms handling orders for individual investors; institutional investors such as pension funds and mutual funds; and other Nasdaq member firms trading for themselves. Since the market maker is often taking a long or short position in the security in anticipation of a trade, such markets are referred to as DEALER MARKETS as opposed to the

AUCTION MARKETS of the NYSE or AMEX where buyers and sellers are matched together.

Stocks listed on the New York or American Stock Exchange are usually sold through securities firms acting as agents. Brokers representing purchasers of a particular stock meet other brokers representing sellers at a particular location on a stock exchange floor called a "post" and enter into agreements as to price. To make sure the market will be continuous and that there will be a buyer or seller available when an investor wishes to trade, the exchange appoints one firm called a SPECIALIST to act as buyer or seller of last resort. When the specialist acts as a dealer, buying and selling from their own account, like a Nasdaq market maker, he is acting to "stabilize" the price of a volatile security. Since more often than not the buyer and the sellers are matched with the specialist taking a small commission, this market is referred to as an AUCTION MARKET.

Distinction Between Nasdaq and Exchange Markets

The distinctions between Nasdaq dealer markets and Exchange auction markets span more than merely one being a virtual trading environment, and one having a physical trading floor. A key distinction is that the Nasdaq is decentralized. As previously stated, the Nasdaq market is composed of over 500 dealers spread throughout the country and linked together electronically. Nasdaq also requires that a Nasdaq–listed company have a minimum of two market makers. For very active stocks, there may be as many as 60 market makers for that stock. Generally, there are an average of 11 firms competing as market makers in every Nasdaq-traded stock. The New York Stock Exchange of course is distinguished by the fact that trading in a stock takes place on the trading floor at a post assigned to that stock. At the post there is one specialist firm assigned to every stock traded on the exchange.

Another key distinction is that on Nasdaq, it is up to the dealer to decide whether to be a market maker in a particular stock. The decision to be a market maker in a stock is primarily motivated by the dealer's determination that they can earn a profit through buying and selling that stock. Thus, a market maker will only be inclined to trade a stock if that market maker determines that there is increasing interest in the stock that may result in profitable trading volume. In contrast, an exchange specialist is granted an exclusive franchise to deal in a particular stock by the exchange.

Within the Nasdaq system there are a number of dealers who are commonly referred to as WHOLESALE market makers. These dealers will make a market in hundreds of stocks that are traded on the Nasdaq. By carrying small inventories in many stocks, these wholesalers essentially act as "supermarkets" and hope to attract clients by being their one-stop shopping solution. The minimum obligation of a market maker is that he must be prepared to buy or sell a minimum of 100 shares at the quoted price before changing prices. In a thinly traded or volatile security it is not uncommon for a market maker to buy 100 shares of a large sell order at one price and bid for the rest of the shares at a 10% to 20% lower price.)

Investment banking firms often promote their ability to act as a market maker in a stock after the Initial Public Offering. Essentially these dealers, by supporting the liquidity of new issues they underwrite, hope to attract and retain corporate finance business

ECNs

Electronic Communications Networks (ECNs) have evolved since 1996 as a result of the SEC imposed limit-handling rules. Essentially, ECNs, are computerized systems that automatically match orders between buyers and sellers. Upon placing a sell limit order through an ECN, the network will automatically match that sell order with a limit buy order for the same quantity and price.

Although there are numerous private networks in existence, the term ECN specifically applies to private networks that have are recognized under the SEC's ECN Display Alternative Rule. At one time ECNs were the exclusive domain of institutional investors (i.e. mutual funds). Today, most ECNs make their services available to individual investors vis-à-vis day trading firms. Because of anECNs ability to match buy and sell orders, many proponents of ECNs maintain that they are a more efficient and inexpensive method of executing orders. Furthermore, because ECNs are not "staffed," orders can be executed at any time of day or night.

COMMUNICATION WITH MARKET MAKERS

As a premise to best practices in communicating with market makers, it is important to note that market makers in and of themselves are not an influential force in establishing share valuation, nor do they significantly contribute to greater liquidity through their own actions, exclusive of other more important market forces. Rather, additions or reductions of market makers is a response to such forces as increased investor interest, superior performance by the company, attracting new shareholders, increased visibility in the media, or the liquidity that is produced by the completion an initial public offering or a follow-on offering. Excluding an initial public offering or follow-on offerings where the allocation of a market maker by the underwriting firm is part of the transaction, market makers are attracted to an equity almost exclusively because of changing market forces due to increasing or decreasing interest in the security. Such changes in interest was not a function of the type or number of market makers, but rather changes in investor interest. ***Therefore, best practices dictate that a significantly greater effort should be directed toward creating sustainable investor interest through targeted investor relations strategies such as building a robust interactive investor website; maintaining continuous communication with investment professionals including stockbrokers, security analysts, and portfolio managers; providing consistent visibility within the financial and trade media, and initiating regular outreach through investor road shows.*** Such efforts create a trading environment, which attracts the appropriate number and type of market makers. Rarely does a market maker establish a market in a security with low levels of historical volume, except when the market maker has an order in hand to buy or sell, or as part of a corporate finance transaction. Conversely, market makers can double or triple in size following increased trading volume, which is the byproduct of a consistent investor communications strategy. Therefore, the following addresses commonly asked questions:

- **What is the appropriate level of communications with market makers?**

  In general, it is appropriate to include the market makers, and the specific individual trader within the company's database and email or fax list so that regularly scheduled communications, when distributed to the investment community, are also distributed to market makers at the same time. Market makers will generally take some note of company-specific trends, but will be more influenced by actual trading interest rather than specific company news. Under no circumstances should market makers be "tipped" or alerted to impending news. Further, under no circumstances should companies be pressured to provide a buyer or a seller in those cases where market makers are caught either long or short in their trading position. In the case of exchange-listed companies, it is appropriate to have a regular if not daily dialog with the specialist who is freer to provide information regarding potential buyers and sellers of the company's securities. In contrast, market makers are extremely reluctant to provide information regarding buyers or sellers since it is generally confidential.

- **How many market makers are required to create a liquid market?**

  In the case of thinly traded shares, fewer market makers are appropriate so that those market makers participating in the security have a sufficient amount of incentive to make a deeper market (i.e., buying or selling a minimum of 1,000 shares each before changing the price). In such a case, three market makers may be the appropriate number. If the number of market makers were to somehow double, for example, the motivation of each of the individual market makers would be diluted in the absence of greater trading volume. In general, as an investor relations goal it is more efficient to establish a communications system that attracts a broader range of investors prepared to buy or sell at different prices. For example, if a share price declines 20% or 25% there should be target investors within an investor relations program interested in buying at that price. Conversely, if a share price appreciates 25% or 30%, there should potentially be investors who are prepared to sell at that higher price. This type of communication between the company and market makers reduces the volatility among traders regardless of the number of market makers.

- **Is the mix between wholesale, ECNs and retail market makers important?**

No. In the face of sell orders, market makers will lower the price quickly to a level that attracts buyers whether it is a wholesale, retail firm or ECN. In an upward trading market, the trader may short the stock based upon the hope of buying it back at a lower price. In a downward trending market, a market maker will lower the price sufficiently and buy the stock for his own account for resale later at a higher price. The mix is unimportant because either type of market, or both combined, will effectively serve to match buyers and sellers together at appropriate prices.

- **What can be done to lower the spread between the bid and offer?**

The lowest spreads are given to the securities with the greatest volume. In some cases, a $.03 spread is common for actively traded securities. In other cases, a $1.00 spread or more is appropriate for inactively traded securities. The most significant task to improve liquidity in a thinly traded security is to increase the number of shares traded. Among the strategies appropriate for such a goal would be: develop a clearly defined investment thesis and increase the amount of contact within the investment community so as to attract new investors; initiate a financial media campaign; attract individual investors to the company; consider an employee stock purchase plan or stock split; and improve the quality and quantity of disclosure. Such actions tend to increase the actual number of shares traded, which, in turn, increases the competition among market makers and as a result reduces the spread between the bid and ask.

CONCLUSION

While market makers are a vital link between buyers and sellers of Nasdaq-listed securities, the number or type of market maker does not, by itself, enhance or reduce liquidity in the company's share price. Such liquidity occurs because of increased trading volume that is, more often than not, a function of company-specific events, broad market or industry trends, and effective investor communication. ECNs' and exchange specialists' only purpose is to match buyers and sellers and therefore only reflect the underlying volatility in a security.

The most effective investor relations strategy is to recognize the role of the market maker or specialist and include them in the company's regular communications to the investment community. More important is to address the fundamental precursor to liquidity—greater trading volume. Increased trading volume occurs as a response to increased investor interest, shares added to the float, and effective communications, which develops additional buyers and sellers at higher and lower prices. Such a strategy will play a more direct role in enhancing the fair market value of a company's securities.

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