

Price Efficiency and Short Selling

[Get access >](#)

The Review of Financial Studies, Volume 24, Issue 3, March 2011, Pages 821–852,
<https://doi.org/10.1093/rfs/hhq124>

Published: 13 December 2010

Abstract

This article presents a study of how stock price efficiency and return distributions are affected by short-sale constraints. The study is based on a global dataset, from 2005 to 2008, that includes more than 12,600 stocks from 26 countries. We present two main findings. First, lending supply has a significant impact on efficiency. Stocks with higher short-sale constraints, measured as low lending supply, have lower price efficiency. Second, relaxing short-sales constraints is not associated with an increase in either price instability or the occurrence of extreme negative returns.

© The Author 2010. Published by Oxford University Press on behalf of The Society for Financial Studies. All rights reserved. For Permissions, please e-mail: journals.permissions@oup.com.

Issue Section: [Articles](#)

You do not currently have access to this article.

Sign in

 [Get help with access](#)

Personal account

- Sign in with email/username & password

Institutional access

[Sign in through your institution >](#)

Oxford University Press uses cookies to enhance your experience on our website. By selecting 'accept' you are agreeing to our use of cookies. You can change your cookie settings at any time. More information can be found in our [Cookie Policy](#).

- [Activate your purchase/trial code](#)

[Recommend to your librarian](#)

[Sign in](#) >

[Register](#)

**Institutional account
management**

[Sign in as administrator](#)

Purchase

[Subscription prices and ordering for this journal](#)

[Purchasing options for books and journals across Oxford Academic](#)

Short-term Access

To purchase short-term access, please sign in to your personal account above.

Don't already have a personal account? [Register](#)

Price Efficiency and Short Selling - 24 Hours access

EUR €51.00

GBP £44.00

USD \$55.00

Rental



This article is also available for rental through DeepDyve.