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## Have leveraged and traditional ETFs impacted the volatility of real estate stock prices?

Richard J. Curcio , Randy I. Anderson, Hany Guirguis & Vaneesha Boney Pages 709-722 | Published online: 01 Mar 2012

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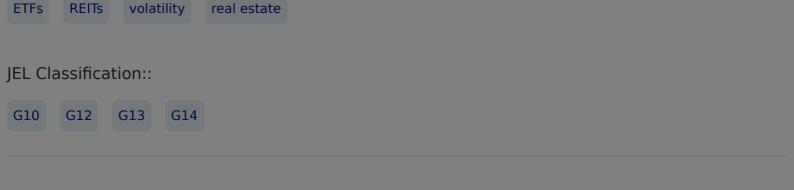
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volatility in the underlying real estate securities. Traditional ETFs were second, causing

slightly more than a 70% increase in volatility, while the leveraged ETFs linked to the Russell 1000 Financial Services Index, having induced a 50% increase in volatility, were third. The increased volatility could not be attributed to any other external event.

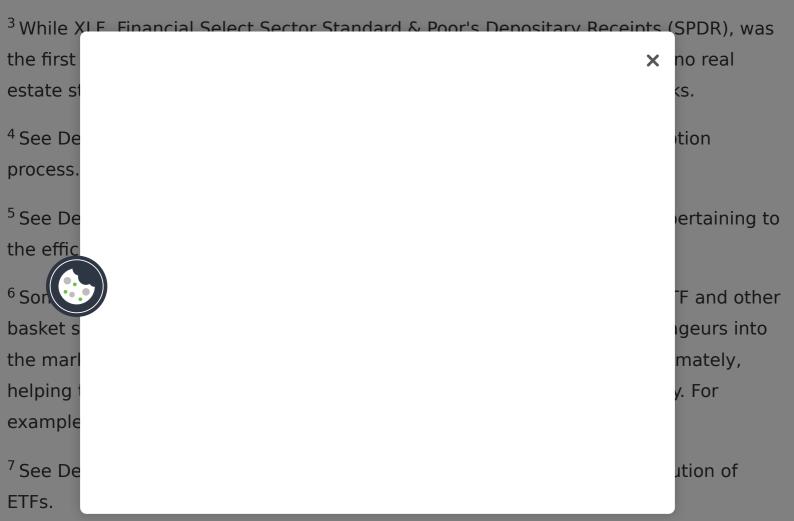
## Keywords:



## Notes

<sup>1</sup> See ProShares press release, http://www.proshares.com/resources/news/1830296.html.

<sup>2</sup> See ETF Database, <a href="http://etfdb.com/compare/volume/">http://etfdb.com/compare/volume/</a>.



<sup>8</sup> See the Federal Reserve Board Regulations, <a href="http://ecfr.gpoaccess.gov/cgi/t/text/text-idx?">http://ecfr.gpoaccess.gov/cgi/t/text/text-idx?</a>

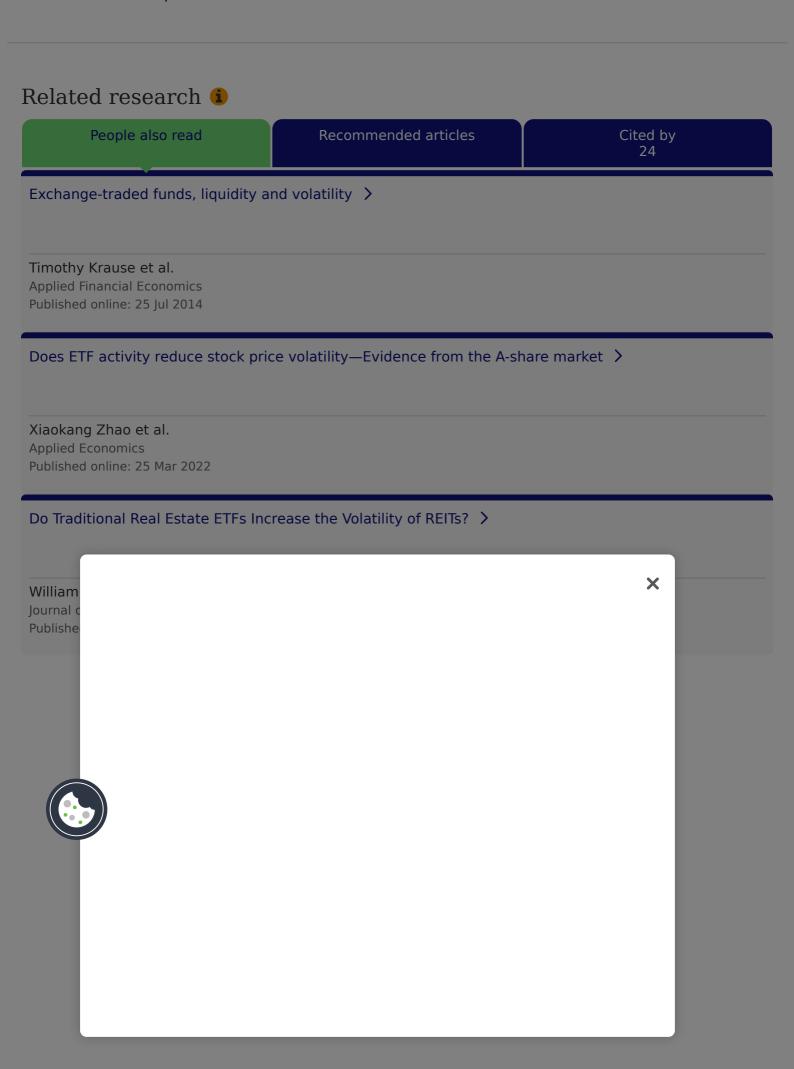
c=ecfr;sid=22f04e11d03377527cd5eabe69b90053;rgn=div8;view=text;node=12%3A3 .0.1.1.1.0.1.12;idno=12;cc=ecfr, which states 'The required margin for each security position held in a margin account shall be. . . 50 percent of the current market value of the security or the percentage set by the regulatory authority where the trade occurs, whichever is greater'.

- <sup>10</sup> See FINRA press release,
- http://www.finra.org/web/groups/industry/@ip/@reg/@notice/documents/notices/p11990 6.pdf.
- <sup>11</sup> See SEC press release, <a href="http://www.sec.gov/news/press/2010/2010-45.htm">http://www.sec.gov/news/press/2010/2010-45.htm</a>.
- <sup>12</sup> See Reuters 29 March 2010 news report 'Finra eyes new rules for ETF products', http://www.reuters.com/article/idUSTRE62S4H520100329.
- <sup>13</sup> See US SEC press release, <a href="http://www.sec.gov/investor/pubs/leveragedetfs-alert.htm">http://www.sec.gov/investor/pubs/leveragedetfs-alert.htm</a>.



<sup>&</sup>lt;sup>9</sup> See ProShares press release, <a href="http://www.proshares.com/resources/news/1830296.html">http://www.proshares.com/resources/news/1830296.html</a>.

<sup>18</sup> It should be noted that algorithm is converged for 270 out of the 283 stocks (94.4%) examined in Groups 1 to 4.



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