

In response to the question posed in the circulation 'Should Rule 2030 include an exception for unsubstantiated information published by a widely circulated public media provided that the source of the information and its unsubstantiated nature are disclosed?' I would argue that it should, even though, as the circulation notes, it is unclear that widely circulated rumors in the public media are of less concern in terms of the market integrity concerns related to them.

Surely entirely restricting any comment on widely publicised, yet unsubstantiated rumors would be something of a case of closing the stable door after the horse has bolted. If the unsubstantiated information is already the subject of significant comment in the mainstream media, surely any damage it might do to the integrity of the market will already be done.

Provided any analyst discussion of such rumor clearly identifies to the reader the fact that it is unsubstantiated and names a source, what more harm might be done? In many cases analysts might wish to comment on such rumors to downplay them, rather than fuel them further, in which case surely such comments would do more good than harm. Also, there is a risk that an analyst could appear poorly informed if a reader does not know about a rule that the analyst is restricted from commenting on unsubstantiated information. Indeed readers might look to trusted analysts for their insights into the rumor, and the market could benefit from well-balanced and well-informed comment on what the media might have turned into sensationalised market speculation.

Perhaps as a further safeguard, and to close any loophole that might be provided by allowing analysts to comment on rumor, some stipulation could be made with regard to what exactly is meant by widely circulated information. Maybe Rule 2030 could specify a minimum number of media sources required to have published the information at the time an analyst comments on it. For example an analyst might be required to be able to provide, if requested, a list of at least six mainstream media sources for the information on which they are commenting. This might appear cumbersome, but, in the event such a list is requested, it should be reasonably easy to compile by say, Googling the rumor.

Best regards,

Alex.