

## Posted to the Gilder forum - September 27, 1999

### Soros and GSTRF

GSTRF drops in 1998 - 1999

The sellers were George Soros, The Soros Fund Management and Stanley Druckenmiller, the Soros Fund's chief investment strategist. Between September 3, 1998 and August 4, 1999 they sold 1.6 million shares.

On September 3, 1998, as the market was falling, Druckenmiller sells 200,000 shares, probably to raise funds for the market bottom.

In December 1998, after the market recuperated, Druckenmiller sells 240,000 shares and Soros 130,000 for a total of \$6.5 million. My guess is that the fund holders needed some spare cash to buy Xmas presents.

During 8 days between July 26 and August 4 the three sellers sell in lock step 1,030,000 shares in lots between 60 and 300 thousand shares a day. Considering that the average daily volume is 1.3 million shares, they were trying not to disturb the market too much. GSTRF had reached a peak of \$33 a few days before. The trio starts selling at  $30 \frac{7}{8}$  and stops selling at  $23 \frac{7}{16}$ . I would guess, based on the fact that these people are speculators and that they run a hedge fund, that this was profit taking. I don't know how many shares they own buy if they were 10% shareholders as I am led to believe, then they would have sold about 20% of their holdings and they would still be 8% shareholders.

The fact that Bernard Schwartz, Chairman and CEO, bought on the open market 375 thousand shares between June 24 and June 29, 1999 at an average price of \$22 is much more significant.

Conclusion? Business as usual and  $23 \frac{3}{8}$ , today's closing price, should be a good resistance point for GSTRF at this time.

Denny

"Do you need your tea leaves read?"

[Not too bad a prediction for the next 4 1/2 months. GSTRF went up to close at 44.375 on Jan 4, 2000 before collapsing. Denny]