

As shown in Table III in the third quarter of 1966 the NYSE Composite Index decreased 10.0 percent. The prices of nine out of ten of the most heavily purchased stocks had above average appreciation, while seven out of ten of the most heavily sold stocks declined more than this index. The median of the most heavily purchased stocks increased 3.2 percent, and the median of the most heavily sold stocks decreased 17.7 percent.

In the fourth quarter of 1966, as shown in Table IV, at page 8, the NYSE Composite Index increased 5.09 percent. Price increases for eight out of ten of the most heavily purchased stocks were greater than the rise in the index; six out of ten of the most heavily sold stocks showed price declines greater than the index. The median price increase of the most heavily purchased stocks was 71.2 percent; the median of the most heavily sold stocks decreased 11.8 percent.

In the first quarter of 1967, as shown in Table V, the NYSE Composite Index increased 13.2 percent. Nine out of ten of the most heavily bought stocks had price increases which exceeded this figure, seven out of ten of the most heavily sold stocks fell short of it. The median price of the most heavily purchased stocks increased 29.9 percent; the median price of the most heavily sold stocks increased only 4.7 percent.

There is a tendency for different stocks to be in the top ten stocks purchased or sold on balance in each quarter. Among the stocks purchased, 32 different stocks appeared with only seven of them appearing in more than one quarter. One of these appeared in three quarters. Of the stocks sold on balance in each of the four quarters, there were 31 different stocks, three of which appeared in two quarters, one in three quarters and one in all four quarters. Within these four quarters, five stocks appeared among the most heavily purchased in one quarter and among the most heavily sold in another quarter. In two of these cases the stocks appeared among the stocks most heavily purchased or sold more than once. This seems to indicate that institutional favor and disfavor shifts rapidly from stock to stock.

The greater the percent of volume which is accounted for by investment companies, the greater is the relationship to the change in the price of the stock. This is shown by Table VI which presents an analysis of the price movement of the 50 stocks most widely held by investment companies shown in Table VII. As can be seen from Table VI, the greater the percent of volume accounted for by the balance of investment company trading the greater the likelihood that the stock's price change, relative to the index, will be in the same direction as the