
Share buyback trend isn't matched by insider purchases: TrimTabs

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"There's a huge disparity between what corporate insiders are doing with shareholders' money and what they're doing with their own money," said David Santschi, chief executive officer of TrimTabs.

Stock buyback announcements have reached record levels early this year, but corporate insiders bought just \$230 million in April, the lowest monthly volume since February 2013, according to TrimTabs Investment Research.

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Companies announced plans to buy back \$133.0 billion in April, the highest monthly volume on record, TrimTabs said in a research note. A pair of \$50 billion repurchases for Apple and General Electric boosted last month's total. In the latest earnings season, stock buyback announcements averaged a record \$5.7 billion daily, smashing the previous record of \$4.3 billion daily in the January/February 2007 earnings season.

Insider buying based on filings of Form 4 with the Securities and Exchange Commission fell to only \$230 million last month, less than half of the monthly average of \$620 million in the past year, TrimTabs said.

"Corporate America's willingness to commit record sums to prop up share prices signals confidence in their businesses," said Santschi. "But the unwillingness of insiders to buy much with their own cash suggests they think U.S. stocks are richly priced."

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