

Who is lowering the price of the PLTR stock, when there are no changes in the Financial statements of Palantir and no news, with exception of chats of massive new hiring, which is positive?

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While someone with pseudonym "M" had a good analysis on PLTR stock recently in the yahoo (yahoo.com) finance Conversations posting tab two days ago, he/she had missed a price lowering trend yesterday all day long of PLTR stock.

I think such an artificial lowering of the price of PLTR stock which was visible on 10/13/2020 all day long (see Figure 1) was the result of an imbalance between sell and buy on the same broker NYSE, where sell was visibly predominant. And who was constantly selling must have bought those shares of stock much cheaper.

Here is what Yeung in a recent posting says among others about insider selling/ trading of PLTR stock, entitled: "Insider Selling of Palantir Technologies Stock Provides a Golden Buying Opportunity" (1)

"However, direct listings also mean the company cedes precious control of the initial trading. Without bookrunners to help balance supply and demand, too much insider selling could cause share prices to plummet in the short term.

And that's exactly what Palantir Stock faced. In a massive rush to sell shares on Wednesday, insiders likely crashed Morgan Stanley's trading platform. Employees reported system outages, overloaded phone lines, and other trading delays. A lot of insiders wanted out.

But why doesn't all this selling worry me? Palantir: The "Good" Kind of Insider Selling

Most successful VC-backed companies don't go public for the cash. (Palantir had \$1.5 billion of it before its listing, enough to cover their 2019 cash burn nine times over.) Instead, these companies list to allow early investors and insiders to sell their shares. And this isn't a bad thing. In Silicon Valley, rank-and-file employees are typically compensated in stock options as well as in cash. In 2019 alone, Palantir awarded \$242 million of stock options, or almost 20% of its total expenses. "Stock options are the most powerful incentive we have to attract employees," said founder of Sun Microsystems, Andy Bechtolsheim, in 2004. "Why else would someone leave a large company and take the risk of joining a start-up firm?"

But that also means unlisted software companies build pent-up selling pressure. A software developer working for unlisted Palantir, for instance, might have thousands of vested stock options but find herself unable to convert them into cash. So, when these companies eventually go public, there's often a massive selling pressure by insiders. They may still believe in the company's future (and many will still work there) but they either 1) need the cash for personal expenses or 2) want diversification in their portfolio.

While I'm often skeptical of companies with massive insider selling, recently listed companies are a rare exception."

On 10/13/2020 the stock of PLTR was down-trending in price for no logical reason (see Figure 1). There were no changes in the Financial statements of Palantir and there was no news about PLTR stock. The only thing that was around Conversations at Yahoo Finance (under PLTR stock page) was that Palantir was massively hiring, which is great news, don't you think?

Figure 1: PLTR stock price down-trending on 10/13/2020 (source yahoo/finance)



Visible was that the broker NYSE had predominance compare to all other brokers in a higher balance of selling PLTR stocks versus on buying the same stock. And this was present almost all day long. Was it result of NYSE had still stocks of PLTR for sale from the time of IPO day one release? It is reported that now PLTR has 1.66 Billion Outstanding Shares. Thus, I would think that shares in circulation, placed for sale have not to be remnant shares from day 1 of IPO release of PLTR? Then, what could be another reason PLTR stock had a visible full-day down-trend, when in opposite the US stock market had an up-trend for the US stocks in general? It is possible that insiders were selling stocks which they owned with much lower price, compared with what market is trading. So, who bought them internally for 3 dollars lower probably were cash-ing the PLTR stock for fractions of a dollar lower. So, I would say that until the internal sellers continue to cash PLTR stocks the trend will continue, but look at the bright side that it is an opportunity to buy PLTR stock.

Based on the reports of SEC (which are public) the management of PLTR is selling / trading PLTR stock. You can find the list of the reported/declared insider selling from Sept 30 to Oct 2: (2, 3). Sure, we will learn more who was changing in a down-trend the market of PLTR as on the /10/13/2020? You can find them at finviz (end of page reference 3 and also on the reference 2).

Footnote: For clarity, I own PLTR stocks. In the coming days I will continue with other notes about the financial value of the PLTR stock and PLTR services.

Insider Trading	Relationship	Date	Transaction	Cost	#Shares	Value (\$)	#Shares Total	SEC Form 4
Taylor Ryan D.	See Remarks	Oct 02	Sale	9.16	33,177	303,991	1,898,164	Oct 05 08:17 PM
Moore Alexander D.	Director	Oct 02	Sale	9.15	88,000	805,306	2,341,249	Oct 05 08:16 PM
Glazer David A.	CFO and Treasurer	Oct 02	Sale	9.16	186,000	1,703,797	3,754,152	Oct 05 08:14 PM
Karp Alexander C.	Chief Executive Officer	Oct 02	Sale	9.10	2,600,000	23,659,220	6,426,496	Oct 05 08:15 PM
Cohen Stephen Andrew	President and Secretary	Oct 02	Sale	9.09	2,000,000	18,172,200	2,402,647	Oct 05 08:12 PM
THIEL PETER	Director	Oct 02	Sale	9.14	908	8,299	24	Oct 05 06:03 AM
THIEL PETER	Director	Oct 01	Sale	9.75	2,386,104	23,275,335	53,487	Oct 05 06:05 AM
THIEL PETER	Director	Oct 01	Sale	9.75	1,983,906	19,352,408	2,088,743	Oct 05 06:05 AM
Moore Alexander D.	Director	Oct 01	Sale	9.39	235,000	2,205,640	2,429,249	Oct 02 09:40 PM
Karp Alexander C.	Chief Executive Officer	Oct 01	Sale	9.43	7,900,000	74,514,380	9,026,496	Oct 02 09:45 PM

Cohen Stephen Andrew	President and Secretary	Oct 01	Sale	9.42	1,000,000	9,422,100	2,402,647	Oct 02 09:46 PM
Glazer David A.	CFO and Treasurer	Oct 01	Sale	9.58	253,700	2,429,913	3,940,152	Oct 02 09:46 PM
Long Matthew A.	General Counsel	Oct 01	Sale	9.90	140,000	1,386,000	874,006	Oct 02 09:47 PM
Taylor Ryan D.	See Remarks	Oct 01	Sale	9.92	73,588	729,640	1,898,164	Oct 02 09:49 PM
THIEL PETER	Director	Sep 30	Sale	10.25	23,013,764	235,831,745	0	Oct 05 06:03 AM
Moore Alexander D.	Director	Sep 30	Sale	10.27	50,000	513,675	2,664,249	Oct 02 09:40 PM
Karp Alexander C.	Chief Executive Officer	Sep 30	Sale	10.30	3,600,000	37,091,840	16,926,496	Oct 02 09:45 PM
Cohen Stephen Andrew	President and Secretary	Sep 30	Sale	10.00	1,000,000	10,000,000	2,402,647	Oct 02 09:46 PM
Glazer David A.	CFO and Treasurer	Sep 30	Sale	10.12	1,361,921	13,776,103	4,193,852	Oct 02 09:46 PM
Long Matthew A.	General Counsel	Sep 30	Sale	10.12	439,404	4,444,660	874,006	Oct 02 09:47 PM
Sankar Shyam	Chief Operating Officer & EVP	Sep 30	Sale	10.12	1,405,715	14,219,087	4,260,952	Oct 02 09:48 PM
Taylor Ryan D.	See Remarks	Sep 30	Sale	10.11	698,000	7,057,892	1,928,164	Oct 02 09:49 PM

References:

1. <https://investorplace.com/2020/10/pltr-stock-a-golden-buying-opportunity/>
2. <https://sec.report/CIK/0001321655/Insider-Trades>
3. <https://finviz.com/quote.ashx?t=pltr>
4. <https://finance.yahoo.com/quote/PLTR?p=PLTR&.tsrc=fin-srch>

select at chart oct13-oct14 and you can see the declining trend as shown in Figure 1.