

Trump Media stock slides again to bring it more than 66% below its peak as euphoria fades

April 16 2024



Former President Donald Trump arrives at court for the start of jury selection in his historic hush money trial, Monday, April 15, 2024 in New York. Credit: Angela Weiss/Pool via AP

The stock price for Donald Trump's social media company slid again Monday, pushing it more than 66% below its peak set late last month.

Trump Media & Technology Group closed down 18.4% at \$26.61 as more of the euphoria that surrounded the stock fades. It's a sharp comedown since nearing \$80 after the owner of Truth Social merged with a shell [company](#) to get its [stock trading](#) on the Nasdaq under the symbol "DJT," for Trump's initials.

Part of the decline may be due to criticism that the stock price had zoomed way past what skeptics said the money-losing company is worth, particularly one with tough odds for success. But another part is also likely because of action Trump Media took Monday.

The company filed documents with the U.S. Securities and Exchange Commission that open the door for the future potential sale of millions of shares. The document, called an S-1, relates to warrants held by investors that can be transformed into shares of stock, as well as shares held by company insiders.

The filing also includes all the shares held by the former president. Trump, though, remains under a "lock-up" deal that largely restricts him from selling his shares for another roughly five months. His son, Donald Trump Jr., who is a director on the board, and CEO Devin Nunes, are also bound by the lock-up.

Typically, all shares of stock held by insiders subject to lock-up deals are included in such filings, according to Jay Ritter, an expert on initial public offerings of stock at the University of Florida's Warrington College of Business.

The filing does not necessarily mean any investors are planning to sell their shares, Sarasota, Florida-based Trump Media & Technology Group

said in a statement.

Trump Media got its place on the Nasdaq after merging with a company called Digital World Acquisition Corp., which was essentially a pile of cash looking for a target to merge with. It's an example of what's called a special purpose acquisition company, or SPAC, which can give young companies quicker and easier routes to getting their shares trading publicly.

S-1 filings are typically filed quickly after a SPAC deal closes, usually within 15 or 30 days, said Kristi Marvin, founder of SPACInsider.com, which specializes in SPAC deals.

The exercise of warrants referenced in Trump Media's S-1 filing would increase the number of shares outstanding for the company. That in turn could put downward pressure on the stock price. When something becomes more available, it tends to fall in price unless demand for it picks up accordingly.

The drop in Trump Media's [stock price](#) over the last few weeks hurts its shareholders, who experts say are mostly smaller-pocketed investors rather than big institutions. Several users of Truth Social have said they bought shares to show their support of the former president.

The drop also puts a huge hit on Trump's finances directly. He could personally own nearly 114.8 million shares, depending on the company's performance. That would be worth \$3.15 billion at its current price. On March 27, that was worth nearly \$7.6 billion.

On Monday, Trump arrived at a New York court for the start of jury selection in his hush-money trial. It's the first trial of any former U.S. commander in chief.

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Citation: Trump Media stock slides again to bring it more than 66% below its peak as euphoria fades (2024, April 16) retrieved 20 May 2024 from <https://techxplore.com/news/2024-04-trump-media-stock-peak-euphoria.html>

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