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DES MARCHÉS FINANCIERS

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## Robert Ophèle explains the AMF's actions in response to the Covid-19 crisis

**To mark the publication of the AMF's annual report, AMF Chairman Robert Ophèle explained, during a virtual press conference, the various measures taken in recent weeks to ensure the orderly operation of the markets and financial ecosystem as a whole during the coronavirus epidemic. He also touched upon the challenges that lay ahead.**

As the current health crisis spawned a financial crisis ahead of an expected economic crisis, the AMF took swift action in the four areas for which it is responsible: markets and market infrastructures, issuers, asset management and retail investors.

*"Despite the difficulties associated with the valuation of assets and the operational difficulties linked to business continuity, the AMF firmly believes that markets must be kept open because they are essential for financing the economy in times of crisis and they will be essential for financing the recovery", stressed Ophèle.*

The AMF Chairman emphasised the robustness of market infrastructures, which have weathered a period of significant turbulence. The AMF ensured that circuit breakers, which were triggered more than 3,000 times on Euronext on 16 March, functioned properly, that there were acceptable arrangements for placing orders remotely during lockdown, and that the decision was made to restrict net short positions.

*"In a consistently bearish market with considerable uncertainty about the extent of the decline, short sellers contribute little to price formation, and an increase in short-selling can have unwelcome pro-cyclical influence",* the AMF Chairman stated. *"The question is why this measure has not been taken at European level",* he added, arguing in favour of a coordinated response agreed by ESMA.

## Supporting issuers, asset management and retail investors

The AMF has taken action to support issuers during this difficult time, encouraging them to publish their estimate of the impact the crisis will have on their business and finances. The AMF has also advocated the use of best practices for organising general meetings, which can be held in camera or be postponed. Throughout March and April, the AMF provided fast-track reviews of more than 50 prospectuses and 70 supplements to enable issuers to take advantage of the reopening of the bond market.

As far as asset management is concerned, French funds have weathered this turbulent period without any major problems. The only significant withdrawals were from money market funds. The AMF has been monitoring the liquidity of money market funds on a daily basis and remains committed to monitoring the open-ended fund sector.

Lastly, the AMF has also stepped up its communications with retail investors, some of whom were distraught by the shocks to the financial markets and may have been tempted by alternative investments. The AMF has redoubled its warnings on scams and has greatly expanded its blacklists of sites offering fraudulent products.

The AMF Chairman noted *"the renewed attractiveness of the stock market for retail investors"*. He added: *"The lockdown may have helped, as many younger, less well-off investors have entered the market over the period. It remains to be seen whether this trend continues."*

This will be even more helpful going forward since *"the main challenge in the coming months will be strengthening companies' capital, as debt alone cannot cover financing needs"*, Ophèle explained. From this perspective, the quality of the information produced for the half-yearly financial statements will be decisive.

### Read more

📄 Annual report 2019 (in French only)

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