

# Chicago U. to Study Trends With Merrill Lynch Grant

Chicago Tribune Press Service

CHICAGO, Aug. 11 — A study undertaken by the University of Chicago on a \$50,000 grant from the country's largest brokerage firm should prove to be the most significant and informative in the history of stock market analysis.

Sure to explode some theories and perhaps provide support for others, the study — which will make extensive use of electronic computers and data processors—is designed to show the effect on stock prices of earnings, dividends, splits, general business trends, and every other conceivable influence.

In short, it is the most comprehensive effort to date to determine what makes stock prices go up or down. The first step involves recording

on punch cards, then on Uni-vac tape, data on every common stock issue listed on the New York Stock Exchange in the last 35 years.

The \$50,000 grant was made by Merrill Lynch, Pierce, Fenner & Smith, Inc. earlier this year. What the university calls its Center for Research in Security Prices has been established in the Graduate School of Business to carry out the study. James H. Lorie, Associate Dean of the Graduate School of Business, will direct the project.

The information turned up by the study will be publicly available. If, as the work progresses, an individual brings in a specific question that can be answered by the center in the normal course of the study, he may be accommodated on a confidential basis.