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Alibaba IPO

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Alibaba IPO

Most firms that undertake an IPO subject insiders (founders, initial investors, etc.) to a lockup period of, typically, 180 days. For Alibaba, this is not the case, which suggests that many additional shares could hit the market immediately after the IPO. This may mute the initial return that new shareholders could receive. [See article here, WSJ.](#)

Update: Even with insiders selling shares, the Alibaba IPO was well subscribed, generating a 38% return on the first day. Moreover, with additional shares sold (i.e., the overallotment option), the Alibaba IPO is reportedly the biggest IPO in history, raising \$25 billion. [See article here, Reuters.](#)

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