

t-35 cycle theories



u/dentistfft

T+21 is NOT actually a thing! [Counter DD] - June 4, 2021

Due Diligence

Full Disclosure: I made this post this morning. But I didn't meet the 2k karma post requirement. I was at like 1950. So I farmed the last 50 karma earlier today. If you go further back on my posts, you will see I have been on this subreddit for a while.

Now that I have you attention, turn those FUD meters down for a hot minute while you read this.

[/u/Criand](#) had a popular post about FTD cycles. He is absolutely correct on the patterns, but he is slightly off on where the patterns are coming from. https://www.reddit.com/r/Superstonk/comments/nf22qz/theory_on_the_ftd_loop_missing_link_a_t35_surge/

So I'm hoping this post gets some eyes so we can all get on the right page about FTD cycles.

Now...

T+21 is not a thing. It does not exist in the rules. The T+21 cycle is actually just a T+35 cycle, but they're miscounting.

Background:

- We see FTD cycles where the price shoots every T+35 calendar days. (This is can be found in Regulation SHO Rule 204 (a)(2) <https://www.law.cornell.edu/cfr/text/17/242.204>)
- (2) If a [participant](#) of a [registered clearing agency](#) has a fail to deliver position at a [registered clearing agency](#) in any equity security resulting from a sale of a security that a person is deemed to own pursuant to [§ 242.200](#) and that such person intends to deliver as soon as all restrictions on delivery have been removed, the [participant](#) shall, by no later than the beginning of [regular trading hours](#) on the thirty-fifth consecutive calendar day following the trade date for the transaction, immediately close out the fail to deliver position by purchasing securities of like kind and quantity;
- Criand's post also points out T+21 spike 21 business days after options expiration. This is true, but its not a T+21 cycle.

Its actually a T+35 calendar day cycle, but the stock that is being FTD'ed from options don't settle for T+2 business days.

Example 1: January 29 Options

- Expiration Jan 29
- Settles on Feb 2
- 34 days later they must be covered: March 8 (HUGE upward movement from options during January's huge spike)

Example 2: February 26 Options

- Expiration Feb 26

- Settles on March 2
- 34 days later = April 5 (Big jump up after the price had been sagging for a couple weeks)

And now let me try to explain the specific examples from Criand's post.

Counter Example 1: the January 22 options example

| January 22nd Options Expiration | |
|---------------------------------|-------------|
| Date | T+N |
| January 25th | T+0 |
| January 26th | T+1 |
| January 27th | T+2 |
| <Ignore Feb 15> | |
| February 16th | T+15 |
| ... | |
| February 22nd | T+19 |
| February 24th | T+21 |

source: Criand's post

January 22 options example - Contracts executed on January 22nd will settle T+2 business days and create FTDs on January 26. Rule SHO says "you need to cover the FTD *BEFORE* regular business hours (9:30am) on the 35th calendar day." (they can technically cover in premarket on the 35th day). So 34 days after January 26 leaves us with March 1st (there a nice increase on March 1st.)

The February 24th spike **actually** came from monthly options expiring on January 15th.

Jan 15, T+2 = Jan 21 (because of the holiday). 34 days after January 21 is Feb 24.

Counter Example 2: the February 5 options examples

| February 5th Options Expiration | |
|---------------------------------|-------------|
| Date | T+N |
| February 8th | T+0 |
| February 9th | T+1 |
| February 10th | T+2 |
| <Ignore Feb 15> | |
| February 16th | T+5 |
| ... | |
| March 8th | T+19 |
| March 10th | T+21 |

source: Criand's post

February 5 options example - Contracts executed on Feb 5 will settle on Feb 9. 34 days after Feb 9 is March 15. March 15th was a big drop for GME, this is because the February 5th options mostly expired worthless, there were very low amounts of ITM call options.

The March 10th spike **most likely** came from people executing their calls during the January 29/Feb 1 drop before they became worthless. Or they came from a continuation of a T+35 cycle from the previous year.

So please can we stop talking about T+21? Its not a thing. Let's fix our lingo. If someone can point to where the 21 days comes from, I'd love to be wrong.

Bonus: The reason I looked into Regulation SHO so much was because I think RC was referencing it with the Ted tweets. I explain that all here if you want some fun speculative reading.

https://www.reddit.com/r/Superstonk/comments/niui83/rc_tweet_analysis_part_1_the_ted_tweets/

Peace,

[/u/dentistft](#)

SLD DD [A predictable monthly pinch on capital leading to GME gains] - June 13, 2021

Due Diligence

Preface

Alright, I got some info I've been looking into for a couple of months now. Three weeks ago when [I originally posted about it](#), I didn't know how big of a deal it was. But after May it has become more clear.

For those who have seen [u/Criand](#)'s [net capital post](#), this info is an alternative look at very similar ideas. Hedge funds have time periods where they need to make sure they have money. When FTDs coincide with these time periods, GME goes brrrr. Criand's net capital posts and this post probably both happen, but we both focused on different areas.

Posts with memes seem to get more attention, so here's a meme.



Photo of me from the past month.

Introduction

Every month, hedge funds need to deposit money to the NSCC near the time of monthly option expiration. They do this in order to have extra money in case things go horribly wrong during monthly expiration. After some time, the money is returned to the hedge fund and everything goes back to normal. This deposit is called **Supplemental Liquidity Deposits**. Everyone remembers NSCC-2021-803. 803 changes this monthly SLD period that I'm about to explain into daily checks instead. But for now, the old rules still apply.

For the rest of this post:

- Hedge funds will be called **Members**.
- The place where the money goes will be called the **Clearing Corporation**.
- Supplemental Liquidity Deposits will be called **SLD**.

Now let's talk about Liquid Deposits...



How does it work?

SLD rules are defined in the NSCC rulebook, Rule 4(a). Rule set can be found here: https://www.dtcc.com/~media/Files/Downloads/legal/rules/nsc_rules.pdf

If you're a smooth brain that thinks 0 wrinkles is way too many, skip the Definitions and Rulebook sections. I'm just going to summarize the important stuff.

==== DEFINITIONS START ====

Monthly Expiration Date: The Saturday where the monthly options expire. It's the Saturday after the third Friday of the month. (Often people think of options expiring on Friday, but they technically expire on Saturday. You just can't trade them after regular trading hours on Friday, so it's essentially Friday).

Options Expiration Activity Period:** It starts at the opening of business on the Friday before the Saturday Monthly Expiration Date and ends at close of business on the second Settlement Day after the start. So, essentially close of business on Tuesday.**

Special Activity Calculation Date: The date where the amount needed for the deposit is calculated. There is no set date when this happens, the only requirement is that it has to be done no later than the fifth business day preceding the *Options Expiration Activity Period* (the Friday of the week before monthly expiration).

Special Activity Prefund Deposit: The name of the deposit that the member will have to make based on the Calculation Date.

Special Activity Liquidity Call: Between the monthly calculation dates, if the clearing corporation realizes the deposit isn't big enough, they will require a larger deposit to be made within 2 business days of the call. The Liquidity Call deposit is then held for 90 days. (So if Melvin and Robinhood really did get liquidity called, they wouldn't get that money back until April 28-30)

==== END OF DEFINITIONS ====

==== RULEBOOK START ====

When the deposit needs to be made...

*SEC. 6 Notice of Special Activity Liquidity Obligations and Payment of Special Activity Supplemental Deposits. Promptly after the Special Activity Calculation Date, the Corporation shall provide each Special Activity Liquidity Provider with the amount of its Special Activity Liquidity Obligation for that Options Expiration Activity Period. **Not later than the close of business on the second Business Day preceding the applicable Options Expiration Activity Period, a Special Activity Liquidity Provider shall make its Special Activity Supplemental Deposit to the Clearing Fund.***

When the deposit needs to be returned...

"Special Activity Prefund Deposit" means a cash deposit of a Member to the Clearing Fund made by wire transfer to an account designated by the Corporation:

[...]

c. that the Member undertakes to keep on deposit in the Clearing Fund for at least seven Business Days after the end of the applicable Options Expiration Activity Period*; and*

==== END OF RULEBOOK ====

Hey you! I know you skipped those sections, come back!

Putting it all together:

- Early in the month, the Clearing Corporation tells the 30 largest Members how much money they need to deposit for the Options Special Activity Period.
- The Options Special Activity Period starts on Friday and ends 2 business days after (usually Tuesday).
- Two days before the Options Special Activity Period, the Prefund Deposit is made (Wednesday).
- The deposit is returned after 7 business days following the Options Special Activity Period (usually Thursday).
- If for some reason the deposit amount needs to be increased, there is a Special Activity Liquidity Call for Members to deposit more money.

This means there is a 12 business day period every month where the Members are tight on money... meaning less money for any potential tricks/price suppression. Any liquidity calls get held for 90 days. Interestingly when Robinhood shut off the buy button in January, they said they were asked for more money. This is because they got liquidity called. (The congressional hearing revealed Melvin also got liquidity called in January)

Chart Time

Now to highlight the SLD period on the 1 day chart.



1D GME Chart with SLD periods highlighted (from time of payment to when the deposit is returned)

Okay great, but why are some SLD periods bigger than others?

Warning: I'm about to connect a bunch of numbers and dates using text. It gets hard to follow. So I'll include a chart afterward and you can follow along at home. But the chart is also confusing...

- **January:** Most of January had 600,000-1,000,000 FTDs due from December. So there is a large price increase immediately when the payment is made. GME continues to rise the entire period, Robinhood cuts off buying GME when they are liquidity called, and GME promptly starts falling at the end of the period.
- **February:** Using my [T+35 theory](#), January 19-21 needed 1-1.5 million FTDs due on each day (Jan 19: 1.5 million, Jan 20: 1 million, Jan 21: 1.4 million). The FTD numbers are a cumulative total, So I believe that on January 19 only 500,000 FTDs were taken care of (leading to the small February 22 bump), nothing was covered on January 20, and January 21's 1.5 million FTDs were done at the end of the day on February 24 during SLD.
- **March:** The beginning of March is due to T+35 from January 26-January 28 FTD's. The price was suppressed, but not dropped in order to avoid another liquidity call. February's large FTD days (Feb 24th and 26th) are due March 30 and April 1, outside of SLD. So nothing big happened.
- **April:** The largest FTD days due in April are April 15 (March 16 and 19), April 26 (March 23), and April 29 (March 26 and March 29). Some of the April dates correspond to two March dates because the FTDs are due on the weekend. April 14 bumps right after the deposit, April 15 FTDs are covered in the second half of the day after a drop, April 26 is in SLD, April 29 is right at the end of the SLD (see note after this section).
- **May:** The largest FTD days due in May are May 11 (April 7), May 13 (April 9), and May 24 (April 20). The FTD numbers are all similar (about 80,000), but the first two are out of SLD causing small bumps. The last one is in SLD, causing a big spike which can't be controlled until SLD is finished, leaving a continual price increase from every FTD covered thereafter.



1D GME Chart with big FTD dates mapped out to where they get covered (the numbers represent the day of the month to hopefully help read this extremely confusing chart)

Remember that exercising an option will take two days to settle (buying and selling contracts it T+1, but exercising is T+2). So the days with big FTD numbers that I highlight come from options that are exercised two days earlier.

Important Note: GME's price often drops during the last two days of SLD. I don't know exactly why. My current theories are:

1. Options premiums get way too expensive from the FTDs and gamma ramp slows down.
2. The liquidity calls allow you up to two days to pay them. So if the Member's deposits are going to be returned within the next two days, there is no point in giving them a liquidity call.
3. A new calculation day comes for the next month making the current SLD period not important.
4. Some interaction between SLD and Net Capital.

I'm leaning towards a combination of (1) and (2).

Wrapping it all up (tl;dr)

- FTDs are due all the time. The FTDs due during SLD lead to a much larger price increase than the FTDs due outside of SLD.
- Once FTDs due from SLD has increased the price dramatically, it is hard to suppress the stock price without getting liquidity called until the SLD period ends.
- The recent GME runup from May should create a lot of FTDs. The majority of ITM calls get exercised on Friday, which will correspond to July 5th (outside of June's SLD). If a lot of apes exercised early in the week (specifically on May 24), then there could be a handful of FTDs that fall at the end of June's SLD period.
- Predictions will be more accurate after the new FTD data comes out on Wednesday. I'll make a follow up post on my thoughts.

That's all I got for today. I was quite busy last week and it made posting hard, but now I should be free to start making more posts.

Until next time,

- [u/dentisttff](#)

PS. I'm starting to get to the point where it's hard to respond to everyone. So apologies in advance if I leave you hanging. Thanks for all the support!

T+35 is the one true "cycle" [Evidence to back my theory up plus a step-by-step guide on how to follow along at home] - June 16, 2021

Due Diligence

This post is for educational purposes only. Do your own research and make your own decisions before acting on them. Just because this information is correct now, doesn't mean it will be correct every other day. HFs have a lot of tricks. No one knows what will come next...

EDIT10 (6/21): It is more clear to me now that ETF FTD's do not behave the same as the GME FTDs that I use as examples. The ETF FTDs are a work in progress. The ETF FTDs should be weighted as well. If you find a pattern in the ETF FTDs, I'm open to hearing it!

TL;DR:

- Every spike that is seen can be traced back to T+35.
- I show 1 min spikes to back this claim up
- I provide a guide on how to setup this data yourself.

Preface

Almost 2 weeks ago, I posted some DD about T+35.

[T+21 is NOT actually a thing! \[Counter DD\]](#)

I claim that T+35 is the only T+X that is important, and other T+X "cycles" are actually just from T+35. This concept goes against the general consensus, so as expected... I got mixed reviews. Since then I have seen a different T+X, T+Y, T+Z theory every day, but there is always a catch or some sort of guessing applied. Or the cycle is T+21 one month, but T+19 the other month. As you may imagine, this has gotten frustrating for me. There is no shade being thrown at other DD writers. I just want everyone to realize how simple this is so we can all be on the same page.

My T+35 theory doesn't have guess work. It works every time and it's based on free data that anyone can get. In this post, I will show you how. (I know this is starting to sound like an infomercial, but stick with me)

Where my T+35 theory comes from...

Reg SHO Rule 204 (<https://www.law.cornell.edu/cfr/text/17/242.204>) states HFs need to cover their FTDs "before regular trading hours on the 35th day after the FTD date". My T+35 theory shows they wait until the last possible day to cover, so the 34th day after the FTD date (this is why our third column formula was "=A1 + 34"). If the 34th day lands on a weekend or holiday, bump it forward to the next business day.

Reg SHO states that you cannot short a stock if you have FTDs open. Once the FTDs get covered on that day, GME's price will not return to that point.

That's it. That's all you need.

It's as simple as...

1. Get the FTD data
2. Count 34 calendar days (FTDs need to be covered BEFORE the 35th day)
3. Those FTDs will be bought all at once on that trading day.

Oh, you want to see an example?

Okay, sure.

I have picked out days from April because the FTDs are large and the volume was small. It is very easy to pick them out.

How about... **April 21**. 32,220 FTDs need to be covered. The day's volume was low, but there was a 1m volume spike at 12:23 EST of 39,000. GME's price never came back afterward.

| 1 | FTD Date | Cover Date | GME FTD | ETF FTD |
|----|-----------|------------|---------|-----------|
| 73 | 3/16/2021 | 4/19/2021 | 140,554 | 1,639,614 |
| 74 | 3/17/2021 | 4/20/2021 | 47,597 | 934,331 |
| 75 | 3/18/2021 | 4/21/2021 | 32,220 | 855,569 |
| 76 | 3/19/2021 | 4/22/2021 | 637 | 1,158,280 |
| 77 | 3/22/2021 | 4/23/2021 | 17,163 | 1,332,289 |



April 19. 140,554 FTDs need to be covered. GME was rising quite fast on it's own. Remember, they can't short a stock when they have FTDs that need to be covered. So at 10:25 EST, There was a big jump in volume up to 160k and then the price dropped for the rest of the day.

| 1 | FTD Date | Cover Date | GME FTD | ETF FTD |
|----|-----------|------------|---------|-----------|
| 71 | 3/12/2021 | 4/15/2021 | 155,658 | 532,344 |
| 72 | 3/15/2021 | 4/16/2021 | 46,344 | 1,461,217 |
| 73 | 3/16/2021 | 4/19/2021 | 140,554 | 1,639,614 |
| 74 | 3/17/2021 | 4/20/2021 | 47,597 | 934,331 |
| 75 | 3/18/2021 | 4/21/2021 | 32,220 | 855,569 |



You see? It's that easy!

Meh... this seems like a coincidence

Okay, fine... I'll keep going.

April 16 - 46,344 FTDs

| 1 | FTD Date | Cover Date | GME FTD | ETF FTD |
|----|-----------|------------|---------|-----------|
| 71 | 3/12/2021 | 4/15/2021 | 155,658 | 532,344 |
| 72 | 3/15/2021 | 4/16/2021 | 46,344 | 1,461,217 |
| 73 | 3/16/2021 | 4/19/2021 | 140,554 | 1,639,614 |
| 74 | 3/17/2021 | 4/20/2021 | 47,597 | 934,331 |



April 15 - 155,658 FTDs

| 1 | FTD Date | Cover Date | GME FTD | ETF FTD |
|----|-----------|------------|---------|-----------|
| 69 | 3/10/2021 | 4/13/2021 | 22,839 | 1,238,324 |
| 70 | 3/11/2021 | 4/14/2021 | 10,818 | 751,929 |
| 71 | 3/12/2021 | 4/15/2021 | 155,658 | 532,344 |
| 72 | 3/15/2021 | 4/16/2021 | 46,344 | 1,461,217 |
| 73 | 3/16/2021 | 4/19/2021 | 440,554 | 1,030,044 |



April 1 - Two days needed to be covered this day because 4/4 was a weekend. At 1:25, there was an 83k volume spike followed by a couple 100k-150k volume candles.

| 1 | FTD Date | Cover Date | GME FTD | ETF FTD |
|----|-----------|------------|---------|-----------|
| 59 | 2/24/2021 | 3/30/2021 | 173,307 | 469,112 |
| 60 | 2/25/2021 | 3/31/2021 | 29,072 | 449,166 |
| 61 | 2/26/2021 | 4/1/2021 | 298,018 | 725,404 |
| 62 | 3/1/2021 | 4/1/2021 | 82,708 | 678,811 |
| 63 | 3/2/2021 | 4/5/2021 | 26,373 | 2,888,818 |
| 64 | 3/2/2021 | 4/6/2021 | 45,304 | 1,102,004 |



April 30 - 86,859 FTDs. This one got split between two minutes on my chart. The average 1m volume was between 30k-40k shares. And then there are two 70k-80k volume candles at 9:50-9:51 am.



I can keep going. These are the easy ones to spot *just* in April.

So what about ETF FTDs?

Days with large ETF FTDs also see spikes like this. But it doesn't convert well enough to show. For instance, 1.9 million ETF FTDs might convert to a 120,000 share GME spike. If someone wants to continue this research and find a way to convert the ETF FTD count into GME shares, go ahead.

Why do some days lead to large gains and some days drop immediately after the FTD cover?

I wrote about that in my last DD:

[SLD DD \[A predictable monthly pinch on capital leading to GME gains\]](#)

But here's what you need to know if you can't read two DDs in a row:

- There is a period that **starts on Wednesday** before monthly options expiration and **extends to 9 days after** monthly options expiration where the 30 largest financial companies need to **make large deposits** to the NSCC.
- During those days, they have **less money** and need to be careful not to spend more or they will get **liquidity called**.
- Meaning T+35's with large FTD days that fall in the SLD period will increase GME's price a lot more than large

FTD days that fall out of the SLD period. **Once the price of GME rises within the SLD period, it does not come back down** until 2 days before the end of SLD.

I even mapped out the SLD periods:



March 5-10 is the biggest spike outside of SLD. Those can be associated with ETF FTDs.

| 1 | FTD Date | Cover Date | GME FTD | ETF FTD |
|----|-----------|------------|-----------|-----------|
| 41 | 1/28/2021 | 3/3/2021 | 1,032,986 | 972,920 |
| 42 | 1/29/2021 | 3/4/2021 | 138,179 | 2,785,978 |
| 43 | 2/1/2021 | 3/5/2021 | 10,975 | 1,878,534 |
| 44 | 2/2/2021 | 3/8/2021 | 159,298 | 4,050,241 |
| 45 | 2/3/2021 | 3/9/2021 | 47,564 | 2,700,600 |
| 46 | 2/4/2021 | 3/10/2021 | 88,767 | 1,285,641 |
| 47 | 2/5/2021 | 3/11/2021 | 27,307 | 399,553 |
| 48 | 2/8/2021 | 3/12/2021 | 304 | 1,206,019 |
| 49 | 2/9/2021 | 3/15/2021 | 22,307 | 1,192,825 |

How do I see this for myself?

Download the FTD data from the SEC: <https://www.sec.gov/data/foiadocsfailsdatahtm> and pull out every line with GME and every line of the ETFs GME are in. But that's a lot of work. Luckily, a lovely ape by the name of [u/nequin](#) made a website to do this all for you.

Get the FTD data:

1. Go to <https://failedtodeliver.com/?symbols=GME>
2. Make a spreadsheet.
 - a. Column A is the FTD date.
 - b. Column B is “=A1+34” and fill down.
 - c. Column C is the number of GME FTDs
 - d. Column D is the number of ETF FTDs

ETFs with GME

<https://failedtodeliver.com/?>

[symbols=GAMR,XRT,RETL,XSVM,VIOV,RWJ,VIOO,PSCD,VIOG,VTWV,IUSS,VCR,VTWO,SFYF,IWC,EWSC,SYLD,PRF,RALS,FNDX,FNDB,VBR,IJS,XJR,NUSC,SLYV,IJR,SPSM,SLY,FLQS,IJT,GSSC,SLYG,VXF,NVQ,IWN,ESML,VB,SA A,DMRS,BBSC,OMFS,FDIS,STSB,SSLY,IWM,SCHA,PBSM,UWM,VTHR,URTY,VTI,TILT,VLU,HDG,AVUS,MMTM,DSL,SPTM,IWV,SCHB,ITOT,DFAU](https://failedtodeliver.com/?symbols=GAMR,XRT,RETL,XSVM,VIOV,RWJ,VIOO,PSCD,VIOG,VTWV,IUSS,VCR,VTWO,SFYF,IWC,EWSC,SYLD,PRF,RALS,FNDX,FNDB,VBR,IJS,XJR,NUSC,SLYV,IJR,SPSM,SLY,FLQS,IJT,GSSC,SLYG,VXF,NVQ,IWN,ESML,VB,SA A,DMRS,BBSC,OMFS,FDIS,STSB,SSLY,IWM,SCHA,PBSM,UWM,VTHR,URTY,VTI,TILT,VLU,HDG,AVUS,MMTM,DSL,SPTM,IWV,SCHB,ITOT,DFAU)

EDIT 7: I posted my dataset for the people who want to compare. https://www.reddit.com/user/dentisttft/comments/o1k5s4/t35_dataset/

EDIT 9: There were some issues brought up in the data. But they shouldn't be issues. Trust the files or failedtodeliver.com, they are the same.

~~EDIT 6: IT HAS BEEN BROUGHT TO MY ATTENTION THAT THE WEBSITE IS OFF BY ONE DAY STARTING IN APRIL. PROBABLY BECAUSE OF THE HOLIDAY. I HAVE TAGGED THE PERSON WHO CREATED IT. SO MAKE SURE YOU DOUBLE CHECK SOME DAYS WITH THE FILES UNTIL ITS FIXED.~~

~~EDIT 8: APPARENTLY THE WEBSITE USES THE FILES, SO EDIT 6 IS NOT COMPLETELY CORRECT. THERE IS A DISCREPENCY BETWEEN THE FILES/FAILEDTODELIVER.COM AND THE SEC'S FTD GRAPH. <https://sec.report/fails.php?tc=gme>~~

~~THE FILES SKIP APRIL 21 (WHICH IN MY OPINION MEANS ZERO) AND HAVE APRIL 30, THE GRAPH WEBSITE HAS APRIL 21 AND SKIPS APRIL 30. SO I THINK THE GRAPH WEBSITE MIGHT BE INCORRECT.~~

Important Notes:

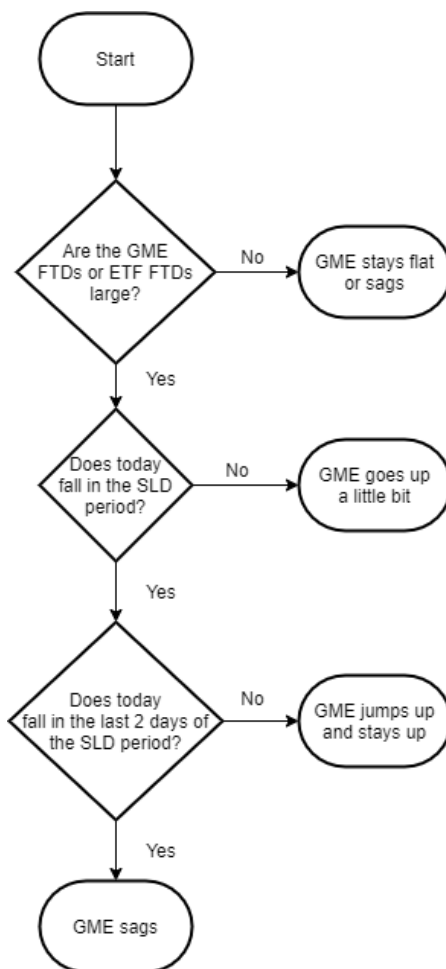
- Column A is the settlement date when the share officially becomes an FTD.
- Column B is the last possible day to cover the FTD

Your spreadsheet looks like this...

| | A | B | C | D |
|----|-------------|------------|---------|-----------|
| 1 | FTD Date | Cover Date | GME FTD | ETF FTD |
| 2 | 2/26/2021 | 4/1/2021 | 298,018 | 725,404 |
| 3 | 3/1/2021 | 4/1/2021 | 82,708 | 678,811 |
| 4 | 3/2/2021 | 4/5/2021 | 26,373 | 2,888,818 |
| 5 | 3/3/2021 | 4/6/2021 | 15,394 | 1,182,894 |
| 6 | 3/4/2021 | 4/7/2021 | 20,176 | 784,899 |
| 7 | 3/5/2021 | 4/8/2021 | 33,363 | 1,140,244 |
| 8 | ...continue | | | |
| 9 | ... | | | |
| 10 | ... | | | |

Now what?

1. Google search “what is today’s date”
2. Find that date in column 2 (the +34 day)
3. Follow this flow chart.



In my experience, a “large number of FTDs” is 70,000+ for GME FTDs or 1-1.5 million FTDs for ETFs.

Again, this is not guaranteed. This is just based on patterns I’ve seen. There are plenty of tricks that probably have not been shown. Don’t do something stupid based on this data, its for education purposes only.

Should my tits be jacked!?

Here's the new data for this next week... Use your new knowledge from this post and you decide!

| 1 | FTD Date | Cover Date | GME FTD | ETF FTD |
|-----|-----------|------------|---------|-----------|
| 107 | 5/4/2021 | 6/7/2021 | 15,693 | 358,810 |
| 108 | 5/5/2021 | 6/8/2021 | 14,934 | 467,957 |
| 109 | 5/6/2021 | 6/9/2021 | 621 | 892,878 |
| 110 | 5/7/2021 | 6/10/2021 | 25,878 | 726,227 |
| 111 | 5/10/2021 | 6/11/2021 | 28,012 | 942,442 |
| 112 | 5/11/2021 | 6/14/2021 | 11,910 | 506,935 |
| 113 | 5/12/2021 | 6/15/2021 | 38,690 | 1,638,143 |
| 114 | 5/13/2021 | 6/16/2021 | 42,923 | 1,883,791 |
| 115 | 5/14/2021 | 6/17/2021 | 7,455 | 4,650,987 |
| 116 | 5/17/2021 | 6/18/2021 | 59,285 | 1,449,955 |
| 117 | 5/18/2021 | 6/21/2021 | 27,403 | 169,103 |
| 118 | 5/19/2021 | 6/22/2021 | 17,804 | 929,320 |
| 119 | 5/20/2021 | 6/23/2021 | 75,521 | 438,425 |
| 120 | 5/21/2021 | 6/24/2021 | 27,904 | 1,827,500 |
| 121 | 5/24/2021 | 6/25/2021 | 47,904 | 1,352,850 |
| 122 | 5/25/2021 | 6/28/2021 | 18,835 | 1,993,909 |
| 123 | 5/26/2021 | 6/29/2021 | 749 | 1,098,743 |
| 124 | 5/27/2021 | 6/30/2021 | 18,598 | 440,872 |
| 125 | 5/28/2021 | 7/1/2021 | 52,275 | 1,142,952 |

June's SLD period

EDIT5: Fixed the highlighted section. Accidentally had June 15th in there when it shouldn't be.

FAQ

New FTD data just came out yesterday. So what about June?

The ETF FTDs are quite large for the next 5-7 trading days. Combine that with SLD starting on June 16 47, things look good.

EDIT5: Accidentally had the wrong date typed here and the wrong dates highlighted in the photo.

Why do the last two days of SLD not behave the same as the other days?

Not sure. My guess is that HFs have 2 days to pay a liquidity call. So there's no point in liquidity calling them when they are about to get their money back. It also usually is at the end of the week when option premiums get extremely high, less calls are bought, and gamma ramp slows down.

How long does it take before GME/ETFs show up as FTDs?

They become FTDs when the trade settles. So for GME FTDs, its T+2. For ETF's, its T+6. (shoutout to [u/karasuuchiha](#) for pointing out the ETF settlement time to me)

What causes GME FTDs?

This is where the idea of “cycles” comes from. When FTDs fall in SLD and GME spikes, it creates a lot of ITM call options. When those call options are exercised on Friday, they become FTDs upon settling (T+2 settlement). *Note: Buying and selling option contracts settle in T+1, but exercising contracts is T+2.* This causes a lot of new FTDs that need to be covered in 34 more days. **Thus creating an obsession with “cycles” and why other “T+X cycle” theories fall short.** It’s literally just ITM options from the last SLD + FTD spike price increase will create new FTDs on Tuesday (or Wednesday with a holiday).

What causes ETF FTDs?

SSR!!! Remember all those days when SSR didn’t stop GME from going down? It’s because GME is shorted through the ETFs causing ETF FTDs 6 days later when they settle. It did something, it’s just not immediately seen.

I’m still not buying it. There are definitely spikes every 21 days!

Well, I tried. Erase what you know about T+21 cycles and try to understand and apply this post. And maybe you will eventually see what I see.

What about Net Capital?

I don’t know. I avoid FINRA things because in the end... it’s just FINRA. This is based off of NSCC rules. I’ve found enough correlation in only using FTDs and SLD that I didn’t think I needed to look into Net Capital too much. They could definitely both be happening, but in the end, I don’t think it’s too important. I’m open to someone changing my mind on this if you can show me the data (not the rules) to support that Net Capital has more correlation than SLD.

What else should I know?

Rule 204 says the 35 day exception applies when you have a long position on the stock. If they’re shorting, how do they get to say they have a long position? I have a theory, but nothing concrete.

TL;DR: The TL;DR is at the top of the post you sweet, tender, smooth-brained ape.

Now that I have more eyes on my posts, I’m hoping this theory sticks better than the first time. In my opinion, getting distracted on other types of cycles is diluting focus.

pce~~

[u/dentistft](#)

Shoutout to [u/wJFq6aE7-zv44wa__gHq](#) for letting me bounce ideas off of them!

EDIT1-3: formatting fixes

EDIT4: Added "Should my tits be jacked!?" section

EDIT5: Fixed the dates on my new section. I rushed it and highlighted June 15 on accident.

Bonus Round!

I posted my SLD DD on June 13th at 6:23 PM EST. 6 hours later at 12:02, Elon Musk posted this on Twitter.



Is it about my DD? No idea, probably not. But it's fun to think about. If any of the RC Tweet analyzers can find a definite connection, that would make my day.

T+35 Dataset

Some people were asking for my dataset. Here is the csv you can copy and paste into a spreadsheet if you don't want to make one yourself.

```
FTD Date,Cover Date,GME FTD,ETF FTD
12/1/2020,1/4/2021,"91,971","610,199"
12/2/2020,1/5/2021,"1,061,397","456,764"
12/3/2020,1/6/2021,"1,787,191","1,915,840"
12/4/2020,1/7/2021,"999,475","973,455"
12/7/2020,1/7/2021,"1,002,379","901,162"
12/8/2020,1/11/2021,"872,292","851,514"
12/9/2020,1/12/2021,"721,361","898,876"
12/10/2020,1/13/2021,"605,975","1,008,682"
12/11/2020,1/14/2021,"880,063","940,872"
12/14/2020,1/15/2021,"284,296","955,525"
12/15/2020,1/15/2021,"170,655","8,981,994"
12/16/2020,1/19/2021,"10,784","2,078,338"
12/17/2020,1/20/2021,"500,162","1,645,066"
12/18/2020,1/21/2021,"872,523","1,490,215"
12/21/2020,1/22/2021,"619,404","1,633,647"
12/22/2020,1/25/2021,"744,478","4,159,981"
12/23/2020,1/26/2021,"700,507","5,633,968"
12/24/2020,1/27/2021,"839,699","2,337,331"
12/28/2020,1/29/2021,"351,316","2,041,195"
12/29/2020,2/1/2021,"283,294","670,119"
12/30/2020,2/2/2021,"648,513","685,211"
12/31/2020,2/3/2021,"228,358","341,866"
1/4/2021,2/5/2021,"182,269","403,559"
```


1/5/2021,2/8/2021,"490,723","625,311"
1/6/2021,2/9/2021,"772,112","690,050"
1/7/2021,2/10/2021,"799,328","1,168,314"
1/8/2021,2/11/2021,"555,658","1,085,145"
1/11/2021,2/12/2021,"703,110","487,149"
1/12/2021,2/12/2021,"287,730","582,875"
1/13/2021,2/16/2021,"662,524","640,946"
1/14/2021,2/17/2021,"621,483","706,795"
1/15/2021,2/18/2021,"892,653","601,068"
1/19/2021,2/22/2021,"1,498,576","1,165,334"
1/20/2021,2/23/2021,"1,007,562","1,165,346"
1/21/2021,2/24/2021,"1,438,994","1,189,758"
1/22/2021,2/25/2021,"273,600","400,849"
1/25/2021,2/26/2021,"275,113","828,381"
1/26/2021,3/1/2021,"2,099,572","785,715"
1/27/2021,3/2/2021,"1,972,862","498,089"
1/28/2021,3/3/2021,"1,032,986","972,920"
1/29/2021,3/4/2021,"138,179","2,785,978"
2/1/2021,3/5/2021,"10,975","1,878,534"
2/2/2021,3/8/2021,"159,298","4,050,241"
2/3/2021,3/9/2021,"47,564","2,700,600"
2/4/2021,3/10/2021,"88,767","1,285,641"
2/5/2021,3/11/2021,"27,307","399,553"
2/8/2021,3/12/2021,304,"1,206,019"
2/9/2021,3/15/2021,"22,307","1,192,835"
2/10/2021,3/16/2021,99,"1,529,342"
2/11/2021,3/17/2021,"1,534","570,740"
2/12/2021,3/18/2021,"15,102","236,575"

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2/17/2021,3/23/2021,"52,861","1,946,779"
2/18/2021,3/24/2021,"8,435","3,150,610"
2/19/2021,3/25/2021,"16,734","837,147"
2/22/2021,3/26/2021,"1,910","1,272,976"
2/23/2021,3/29/2021,"14,856","1,200,575"
2/24/2021,3/30/2021,"173,307","469,112"
2/25/2021,3/31/2021,"29,072","449,166"
2/26/2021,4/1/2021,"298,018","725,404"
3/1/2021,4/1/2021,"82,708","678,811"
3/2/2021,4/5/2021,"26,373","2,888,818"
3/3/2021,4/6/2021,"15,394","1,182,894"
3/4/2021,4/7/2021,"20,176","784,899"
3/5/2021,4/8/2021,"33,363","1,140,244"
3/8/2021,4/9/2021,"1,907","941,835"
3/9/2021,4/12/2021,"17,382","1,046,141"
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3/11/2021,4/14/2021,"10,818","751,929"
3/12/2021,4/15/2021,"155,658","532,344"
3/15/2021,4/16/2021,"46,344","1,461,217"
3/16/2021,4/19/2021,"140,554","1,639,614"
3/17/2021,4/20/2021,"47,597","934,331"
3/18/2021,4/21/2021,"32,220","855,569"
3/19/2021,4/22/2021,637,"1,158,280"
3/22/2021,4/23/2021,"17,163","1,332,289"
3/23/2021,4/26/2021,"83,058","1,523,665"
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3/25/2021,4/28/2021,"20,295","394,415"
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3/31/2021,5/4/2021,"14,031","1,262,037"
4/1/2021,5/5/2021,"25,667","308,215"
4/5/2021,5/7/2021,"8,090","614,001"
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4/7/2021,5/11/2021,"85,817","1,755,633"
4/8/2021,5/12/2021,"8,161","401,979"
4/9/2021,5/13/2021,"71,528","511,571"
4/12/2021,5/14/2021,"1,186","623,141"
4/13/2021,5/17/2021,"28,097","342,282"
4/14/2021,5/18/2021,"6,015","708,696"
4/15/2021,5/19/2021,"36,460","629,922"
4/16/2021,5/20/2021,"67,097","665,681"
4/19/2021,5/21/2021,"2,572","502,843"
4/20/2021,5/24/2021,"88,599","202,367"
4/21/2021,5/25/2021,0,"1,932,155"
4/22/2021,5/26/2021,"15,959","1,175,987"
4/23/2021,5/27/2021,"23,180","896,629"
4/26/2021,5/28/2021,"3,862","982,308"
4/27/2021,5/28/2021,"49,719","1,206,170"
4/28/2021,6/1/2021,"50,238","1,419,053"
4/29/2021,6/2/2021,"9,249","747,599"
4/30/2021,6/3/2021,"14,143","504,311"
5/3/2021,6/4/2021,"8,368","647,475"
5/4/2021,6/7/2021,"15,693","358,810"

5/5/2021,6/8/2021,"14,934","467,957"
5/6/2021,6/9/2021,621,"892,878"
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5/10/2021,6/11/2021,"28,012","942,442"
5/11/2021,6/14/2021,"11,910","506,935"
5/12/2021,6/15/2021,"38,690","1,638,143"
5/13/2021,6/16/2021,"42,923","1,883,791"
5/14/2021,6/17/2021,"7,455","4,650,987"
5/17/2021,6/18/2021,"59,285","1,449,955"
5/18/2021,6/21/2021,"27,403","169,103"
5/19/2021,6/22/2021,"17,804","929,320"
5/20/2021,6/23/2021,"75,521","438,425"
5/21/2021,6/24/2021,"27,904","1,827,500"
5/24/2021,6/25/2021,"47,904","1,352,850"
5/25/2021,6/28/2021,"18,835","1,993,909"
5/26/2021,6/29/2021,749,"1,098,743"
5/27/2021,6/30/2021,"18,598","440,872"
5/28/2021,7/1/2021,"52,275","1,142,952"
6/1/2021,7/2/2021,,
6/2/2021,7/6/2021,,
6/3/2021,7/7/2021,,
6/4/2021,7/8/2021,,
6/7/2021,7/9/2021,,
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6/17/2021,7/21/2021,,

6/18/2021,7/22/2021,,

[Precocious_Kid](#)

· 9 mo. ago

[/u/dentistfft](#) While this dataset is nice, the ETF FTDs need to be adjusted for the amount of GME shares inside of the ETF. My GME ETF weightings might be a bit off, though, as it's been a month or so since I updated the holdings of GME in each ETF. Also, in the image, you'll see the transparent red and orange boxes--those are related to the net capital/SLD periods [/u/criand](#) has been discussing.

If interested, I can provide the dataset that might help you out a bit.

[Here's what the weighted FTDs should look like.](#)

[dentistfft](#)

OP · 9 mo. ago

Yep, I think you're right. In the past I've gotten away with just eyeballing it and not needing weighted counts. I'm not super knowledgeable on ETFs. But I think today has shown they can cover each ETFs FTDs individually. So being able to predict estimated shares from each ETF would be helpful.

I probably need a follow up post tonight/tomorrow.

[Precocious_Kid](#)

· 9 mo. ago

Yeah, I made a few posts on WSB back in late January/early February (can't remember if I took them down or not) about the SHFs buying enough ETF shares to redeem them for a single "creation unit" and then shorting those creation units. You can read a little bit about what they did to XRT [here](#). I assume they're doing something similar with the operational shorting.

For comparison, [here's the same chart but with the gross ETF FTDs](#) instead of the weighted ETF FTDs.

Let me know if you need some help on portions/pieces of this. I've helped out a few other DD writers (e.g., Hank and Defj2). Happy to help you out on the backend as well.

[dentistfft](#)

OP · 9 mo. ago

This is some good stuff. Exactly what I needed. I'll message you if I come up with some questions

[Precocious_Kid](#)

· 9 mo. ago

[Let me save you a bit of time.](#) No sense in recreating the wheel.

[dentistfft](#)

OP · 9 mo. ago

YES. TY that'll help.

T+35 Follow Up [some general thoughts] - July 1, 2021

Discussion / Question

Hello everybody! Yes, I'm still here.

I wrote a post a couple weeks ago about T+35 FTD's. [T+35 is the one true "cycle"](#)

I've been wanting to write a follow up post for a while, but I didn't want to write it until I had more answers. That led me down a very deep and confusing path tracking ETFs, and to be honest, I probably won't be able to get a full picture for a bit. So I'll go ahead and do a quick follow up post now.

Does T+35 still happen?

Yes. They're not always easy to spot. 6/25 had 40,000 FTDs were most likely covered at 12:20 EST. 6/17 had a 90,000 volume candle which could have easily been the next three days worth of FTDs. Remember, there is nothing forcing them to wait until the last day. This is just what they HAVE been doing. After my post got some attention, I noticed a difference in the FTD behavior. Either they wait until the last possible minute, they cover in the first minute, they cover multiple days early, etc.

Why is it 35 days? (technically, before the 35th day)

The stock gets shorted and settles into an FTD in T+2. Normally, Rule 204 would require them to close the FTD within a day or two. But on the FTD day, they sell a put giving them the "deem to own" clause of Rule 204. When they are "deemed to own" a share, they are able to wait 35 days from the **transaction date**. This is why the 34 days starts on the FTD date, not the date it was shorted like you may think.

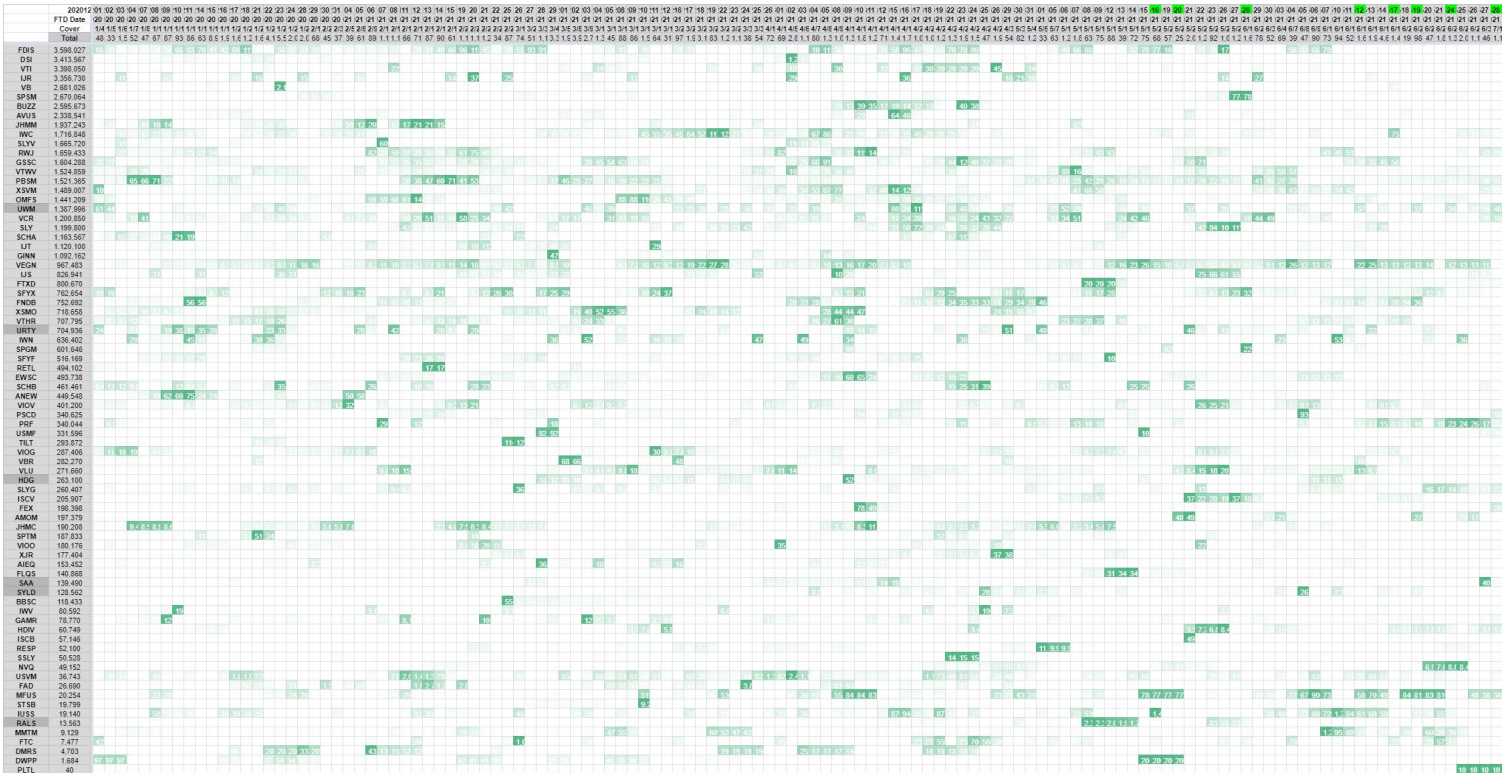
If you want proof of this, there is a certain stock that reminds me of a leprechaun. It had a HUGE FTD day in early June. Next thing you know, Put OI sky rocketed. Check other less popular meme stocks and you will probably see the same thing.

What about ETF FTDs?

In my post I stated that ETF FTDs behave the same way as GME FTDs. This is only partially true. They DO get delayed 35 days. They DO NOT get covered on the 34th day following the FTD. There are details within Rule 204 that make the timing slightly different. I've spent the last couple of weeks figuring out all the nitty gritty details... but woah... it's a mess. I'd like to make a post sometime soon with my findings.

Why do FTDs not do much anymore?

It looks like they are shorting the ETFs when they have GME FTDs due and shorting GME when they have ETF FTDs due. You can see this by going 34 days from an ETF FTD. The ETF and other non meme stock in the ETF will rise from the cover but GME will stay flat. I plan on covering this more in my future ETF post. But damn, that spring is getting extremely coiled.



The top third is the heavier ETFs. Look at those cycles. Fun stuff.

Why didn't the new 002 rule do anything?

I tried leaving a few comments to explain this, but I'm sure a lot of people didn't see it. Remember they were **already** satisfying the requirements of the old monthly rules when the new rule came into effect. The deposit for the old monthly rule was already made. I don't see any reason why they suddenly would be over budget from a daily check. The effects of 002 probably won't be seen until the next GME run up.

Do the FTDs even matter?

GME FTDs, no... ETF FTDs, yes. The problems that were coming from the high numbers of GME FTDs have moved to the ETFs. Until the ETF FTDs hit a breaking point, GME will most likely stay flat and have an occasional spike like we saw on Wednesday. The way I see it, moving the problems to ETFs only delays everything at the cost of inflating the entire market.

When is the next big T+35 day?

Friday and Tuesday look decent. But history tells me it will be a spike and then settle again. They are putting in a lot of

money to keep GME from taking off.

What does that mean for me?

Keep doing what you're doing. It's building up. It's coming, probably sooner than you think. Future posts will cover this.

Want to see something fun? GME is repeating itself.

The weeks after January are currently happening again at a higher floor. Why? I don't know. It might have to do with quarterly options that have been open for a while. But I wouldn't expect anything to happen for a week or two. *** not manipulated... I swear... hehe ***



What about T+21?

I don't know. I'm still not sure T+21 is a thing. I think there are other factors in play that ended up giving GME spikes 21 days apart. Possibly two T+35 cycles at the same time. I have reason to believe the spike in May and the two in June

came from ETFs. These are the same reasons I don't think there will be much longer to wait. A couple weeks... but more on that in another post.

Alright, that's about all I wanted to cover as a follow up. Sorry it isn't full of juicy content. I was waiting to post until I had real answers, but it's taking longer than expected. The ETFs are the key to the puzzle and they're hitting a boiling point.

TL;DR:

- T+35 with GME FTDs still is a thing, but GME is being suppressed pretty hard right now.
- T+35 with ETF FTDs works, but it's not 35. It's 35 days from the puts being sold. I'll have a new post in the future with more details.
- The driving forces behind GME have moved into the ETFs.
- HFs are switching back and forth between shorting GME directly and shorting the ETFs to keep GME consistently down.
- I'll have a post about ETFs in the next 4-5 days.

Also, I made a twitter account so I can post thoughts throughout the day without needing to write a full post. I don't know how much I'll use it. <https://twitter.com/dentistfft>

I had to turn off most of my notifications. The best way to get a hold of me is by tagging me in a comment. It never notifies me of tags in posts... so make sure it's a comment. I try to respond to all tags.

Alright, pce~~~

- [u/dentistfft](https://twitter.com/dentistfft)

see that most tweets end up corresponding to a jump in GME's price. Gray lines are tweets, green lines are 35 days after a tweet.



GME 4H chart with new tweets marked in gray and T+35 of tweets marked in green.

Not every tweet corresponds to a jump, but a lot do. The last few tweet's T+35 jump during after hours/premarket after the 35th day because technically they can be covered before 9:30 AM EST on the following day. Notice how a new tweet ends up being very close to the T+35 of an old tweet? To me this visually shows the process of kicking the can down the road. GME is getting suppressed pretty hard so let's mark 35 days after a tweet on SPY. You'll notice green days more consistently on SPY.



SPY 4H chart with T+35 of tweets marked in green.

Why is that? Because if a lot of ETF FTDs are being covered on these days, then a lot of underlying stock are being bought to return the ETFs. If a lot of underlying stock rises in value, SPY should rise in value too. GME is being shorted on these days, so it doesn't move much. But they can't short the entire market. I believe the sheer number of ETF FTDs needing to be covered every week is leading to the market inflation that has been seen for the past few months.

What does this mean for the future?

I've highlighted days where I expect upward GME movement. But since GME is being held down so much lately, I would expect more upward movement from SPY.

| | | | | 20210519 | 20210520 | 20210521 | 20210524 | 20210525 | 20210526 | 20210527 | 20210528 | 20210601 | 20210602 | 20210603 | 20210604 | 20210607 | 20210608 | 20210609 | 20210610 | 20210611 | 20210614 |
|------|--------------|------------|----------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| | | FTD Date | | 05/19/2021 | 05/20/2021 | 05/21/2021 | 05/24/2021 | 05/25/2021 | 05/26/2021 | 05/27/2021 | 05/28/2021 | 06/01/2021 | 06/02/2021 | 06/03/2021 | 06/04/2021 | 06/07/2021 | 06/08/2021 | 06/09/2021 | 06/10/2021 | 06/11/2021 | 06/14/2021 |
| | | Cover Date | | 6/22/2021 | 6/23/2021 | 6/24/2021 | 6/25/2021 | 6/28/2021 | 6/29/2021 | 6/30/2021 | 7/1/2021 | 7/2/2021 | 7/6/2021 | 7/7/2021 | 7/8/2021 | 7/9/2021 | 7/12/2021 | 7/13/2021 | 7/14/2021 | 7/15/2021 | 7/16/2021 |
| | | Weights | Weighted Total | 7,418 | 4,654 | 18,079 | 10,542 | 16,761 | 11,363 | 6,662 | 10,342 | 17,509 | 15,479 | 20,045 | 6,594 | 5,369 | 3,919 | 12,685 | 15,408 | 19,870 | 4,889 |
| IWM | Blackrock | 0.49% | 215.885 | 2,432 | 0 | 618 | 1,788 | 3,345 | 989 | 254 | 3,613 | 708 | 1,430 | 8 | 2 | 4 | 2,097 | 5,083 | 2,261 | 7,386 | 23 |
| XRT | State Street | 1.00% | 164.572 | 376 | 700 | 12,595 | 6,113 | 10,292 | 7,395 | 498 | 7 | 48 | 13 | 36 | 18 | 71 | 12 | 1,775 | 2,357 | 2,216 | 3,727 |
| XSVM | Invesco | 9.25% | 137.733 | 0 | 42 | 0 | 0 | 0 | 2 | 2,315 | 992 | 7,609 | 10,297 | 15,482 | 0 | 0 | 717 | 2,440 | 7,294 | 7,651 | 5 |
| FTXD | First Trust | 14.71% | 117.779 | 899 | 861 | 974 | 746 | 745 | 1,413 | 1,434 | 1,628 | 1,834 | 1,876 | 2,489 | 2,702 | 2,902 | 64 | 121 | 2 | 4 | 0 |
| BUZZ | VanEck | 3.97% | 103.048 | 9 | 33 | 4 | 0 | 28 | 11 | 0 | 20 | 14 | 23 | 28 | 0 | 5 | 6 | 8 | 9 | 0 | 3 |
| XSMO | Invesco | 11.64% | 83.652 | 81 | 0 | 0 | 4 | 165 | 74 | 112 | 97 | 129 | 0 | 38 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| IWC | Blackrock | 2.82% | 48.415 | 0 | 6 | 0 | 1 | 439 | 319 | 318 | 165 | 199 | 820 | 245 | 21 | 113 | 90 | 837 | 152 | 1,263 | 108 |
| FNDX | Schwab | 1.11% | 43.763 | 2,404 | 1,976 | 2,437 | 0 | 0 | 410 | 968 | 1,348 | 1,031 | 331 | 875 | 89 | 64 | 60 | 44 | 0 | 221 | 204 |
| IJR | Blackrock | 1.28% | 42.966 | 0 | 2 | 117 | 0 | 24 | 0 | 9 | 1 | 0 | 8 | 7 | 10 | 0 | 23 | 0 | 0 | 0 | 3 |
| SPSM | State Street | 1.28% | 34.177 | 20 | 3 | 161 | 458 | 458 | 0 | 6 | 0 | 5,125 | 1 | 75 | 2 | 0 | 4 | 22 | 21 | 33 | 0 |
| SFYF | SoFi | 6.30% | 32.519 | 12 | 18 | 56 | 0 | 0 | 0 | 15 | 37 | 74 | 50 | 76 | 182 | 112 | 19 | 1,720 | 2,243 | 20 | 6 |
| PSCD | Invesco | 8.19% | 27.897 | 0 | 0 | 27 | 110 | 0 | 26 | 15 | 1,479 | 323 | 187 | 47 | 0 | 15 | 18 | 19 | 50 | 320 | 0 |
| SLYV | State Street | 1.23% | 20.488 | 52 | 1 | 45 | 21 | 1 | 0 | 123 | 0 | 1 | 0 | 82 | 1 | 120 | 82 | 46 | 0 | 2 | 0 |
| VXF | Vanguard | 0.12% | 16.612 | 5 | 4 | 0 | 0 | 0 | 0 | 2 | 1 | 0 | 0 | 1 | 0 | 0 | 13 | 1 | 323 | 12 | 6 |
| IJT | Blackrock | 1.33% | 14.897 | 8 | 8 | 58 | 32 | 8 | 93 | 1 | 49 | 0 | 1 | 16 | 26 | 0 | 1 | 7 | 13 | 0 | 0 |
| GINN | Goldman Sa | 0.52% | 5.679 | 2 | 0 | 5 | 11 | 0 | 0 | 5 | 0 | 0 | 0 | 3 | 5 | 3 | 1 | 3 | 2 | 0 | 0 |
| VB | Vanguard | 0.16% | 4.290 | 0 | 0 | 1 | 1 | 0 | 1 | 0 | 0 | 0 | 0 | 14 | 0 | 1 | 0 | 2 | 29 | 0 | 0 |

Red boxes on dates of T+35 from ETF FTDs.

That's all I got for today. I'm planning on dropping the ETF FTD DD tomorrow morning. It will go more in depth about the details surrounding this.

pce~~

- [u/dentisttff](https://twitter.com/dentisttff)

PS. I made a twitter: <https://twitter.com/dentisttff>

Deeper dive into ETF FTDs and T+35 - July 7, 2021

Due Diligence

This post is for education purposes only. Not financial advice.

TL;DR-

- Operational shorting allows for 5 business days of ETF FTDs before the T+35 timer starts
- Stock can be shorted through an ETF by going short on the ETF, breaking it apart, and buy-to-cover the underlying (outside of the stock you want to short) back into the market
- GME's negative beta comes from the ETF FTDs

For the last few weeks I've been looking into ETF FTDs to figure out the details. There's a lot going on. This post will be mostly informational. If you already know about certain topics, feel free to skip over the section.

Preface

I've gotten a lot of good information about ETFs using this video: <https://www.youtube.com/watch?v=ncq35zrFCAg>

Operational Shorting

Market Makers are allowed to fail-to-deliver ETF shares and hold them as failures for three extra days in the name of liquidity! It is due to a market maker exception allowing this. The way this looks is: (a) trade date, (b) becomes a FTD on T+2, (c) allowed T+3 more days of holding it as an FTD, (d) cover the FTD on the sixth day (in our case, opening puts to delay T+35 more days).

Operational Shorting Timeline

| T+0 | T+1 | T+2 | T+3 | T+4 | T+5 | T+6 |
|------------|-----|----------------|------------------------------|------------------------------|------------------------------|--|
| Trade Date | | Becomes an FTD | Hold FTD open or close early | Hold FTD open or close early | Hold FTD open or close early | Forced to take care of the FTD (open puts) |

MM's are allowed to keep FTDs open for a few extra days.

Important Note: In the video he mentions T+6 a lot, but in the footnote of his paper he points out the rule is actually T+5, but they collected all of their data before the rule was changed. So they presented it with T+6 still.

They don't HAVE to keep it open for the extra days, but they often do. Looking at the weighted ETF FTD heatmap, you

will see groups of 2-3 days showing this exact thing.

| | | | | FTD Date | | | | | | | | | | | | | | | | |
|------|--------------|--------|---------|----------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| | | | | 05/20/2021 | 05/21/2021 | 05/24/2021 | 05/25/2021 | 05/26/2021 | 05/27/2021 | 05/28/2021 | 06/01/2021 | 06/02/2021 | 06/03/2021 | 06/04/2021 | 06/07/2021 | 06/08/2021 | 06/09/2021 | 06/10/2021 | 06/11/2021 | 06/14/2021 |
| | | | | Cover Date | | | | | | | | | | | | | | | | |
| | | | | 6/23/2021 | 6/24/2021 | 6/25/2021 | 6/28/2021 | 6/29/2021 | 6/30/2021 | 7/1/2021 | 7/2/2021 | 7/6/2021 | 7/7/2021 | 7/8/2021 | 7/9/2021 | 7/12/2021 | 7/13/2021 | 7/14/2021 | 7/15/2021 | 7/16/2021 |
| | | | | Weights | | | | | | | | | | | | | | | | |
| | | | | Weighted Total | | | | | | | | | | | | | | | | |
| IWM | Blackrock | 0.49% | 215,885 | 0 | 618 | 1,788 | 3,345 | 989 | 254 | 3,613 | 708 | 1,430 | 8 | 2 | 4 | 2,097 | 5,083 | 2,261 | 7,386 | 23 |
| XRT | State Street | 1.00% | 164,572 | 700 | 12,595 | 6,113 | 10,292 | 7,395 | 498 | 7 | 48 | 13 | 36 | 18 | 71 | 12 | 1,775 | 2,357 | 2,216 | 3,727 |
| XSVM | Invesco | 9.25% | 137,733 | 42 | 0 | 0 | 0 | 2 | 2,315 | 992 | 7,609 | 10,297 | 15,482 | 0 | 0 | 717 | 2,440 | 7,294 | 7,651 | 5 |
| FTXD | First Trust | 14.71% | 117,779 | 861 | 974 | 746 | 745 | 1,413 | 1,434 | 1,628 | 1,834 | 1,876 | 2,489 | 2,702 | 2,902 | 64 | 121 | 2 | 4 | 0 |
| BUZZ | VanEck | 3.97% | 103,048 | 33 | 4 | 0 | 28 | 11 | 0 | 20 | 14 | 23 | 28 | 0 | 5 | 6 | 8 | 9 | 0 | 3 |

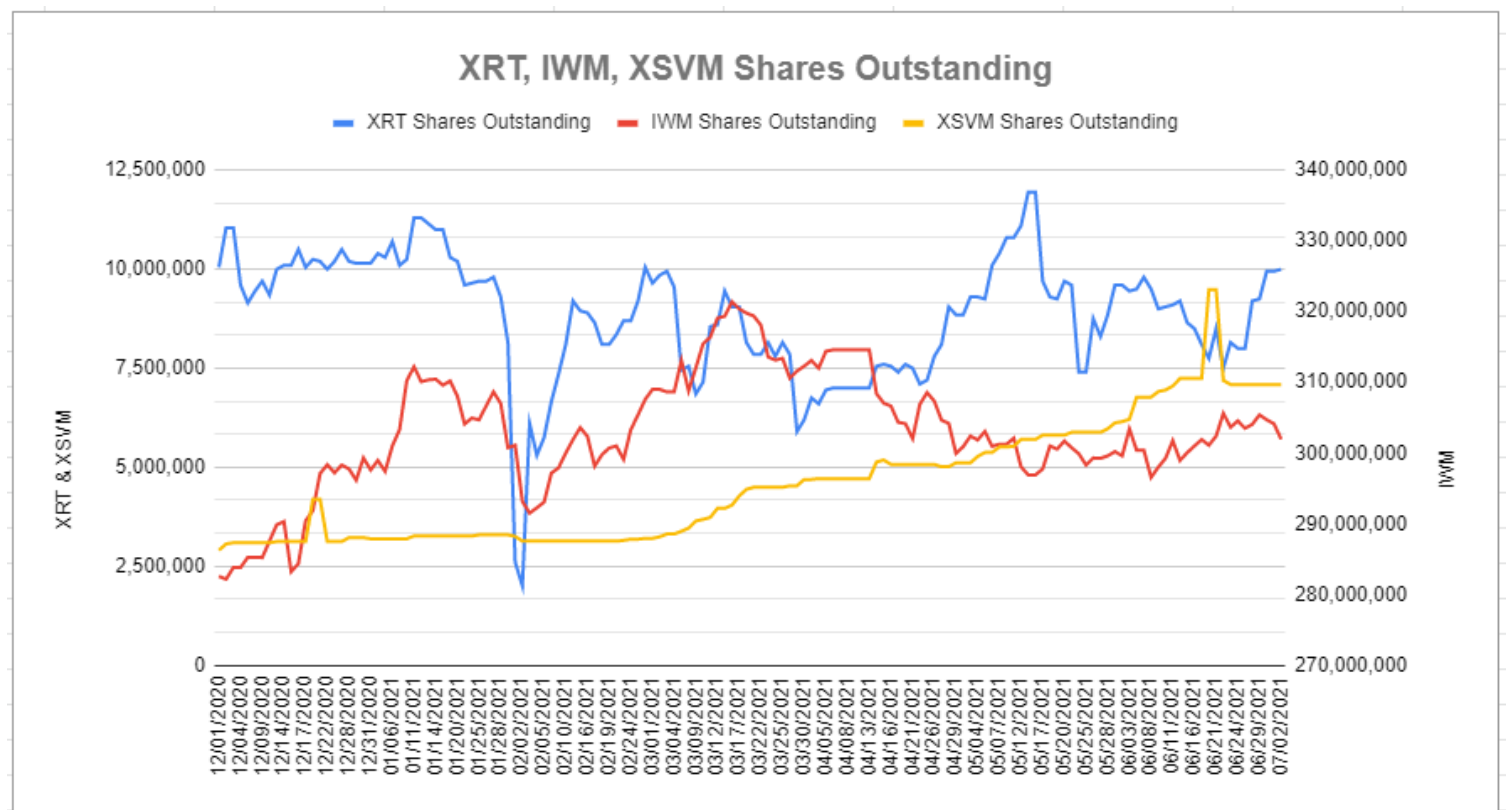
The darker green signifies a higher weighted amount of FTDs within the ETF.

How to short a stock through an ETF

Authorized Participants (AP) have the ability to create and break apart the ETFs (watch the twinkie example from the video for a simple explanation. Twinkie example starts here: <https://youtu.be/ncq35zrFCAG?t=540>) The ETFs can only be broken apart or created in groups, called creation units.

If an AP borrows ETF shares and pays a small fee, they can break groups of ETF shares into all the individual underlying stock. They then buy all of the underlying stock back from the market EXCEPT for the stock they want to short. This creates a short position through the ETF. After a few days (+ another 34 days if they open puts), they'll need to buy back the underlying stock, create the ETF shares, and return them.

Here is a graph showing the day-to-day number of shares in existence of the three GME ETF's with the most FTDs.



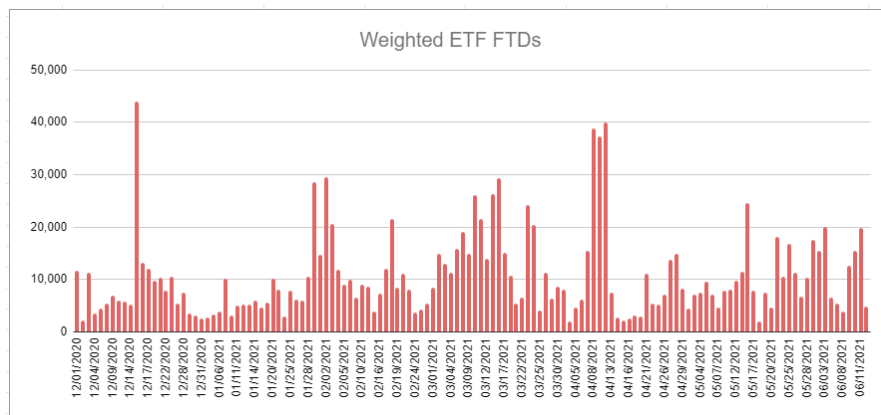
XRT and IWM shares outstanding drop at the end of January while XSVM is steadily climbing over time.

Side note: Today is the first day I noticed XSVM has been steadily climbing in the number of shares outstanding. It makes me wonder if this is normal or if SHFs are hiding their FTDs into XSVM as time passes. There is a huge spike in XSVM shares outstanding around 6/16-6/21, which we don't have FTD data for yet. But the last time it did something like that was 12/18-12/21 which happens to be 35 days before 1/22. 35 days following 6/21 would be 7/23. Not going to lie, this seems pretty important... but I must continue with this post. Maybe I can circle back around and look into this on a different post.

Short Sale Restricted and ETFs

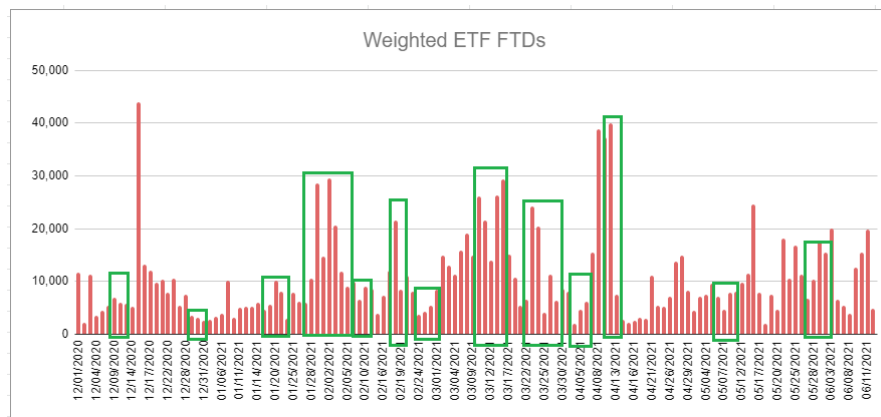
When GME drops 10% during regular trading hours compared to the closing price of the day before, it goes on Short Sale Restricted for the rest of the day and the next day. When this happens, SHFs can't short GME directly so they short it through the ETFs.

Here is a chart of the ETFs weighted by the GME weighting within the ETF as of the beginning of June. I didn't adjust the weights over time, but hopefully this should get pretty close. Ignore the units, just look at the relative sizes.



FTDs counts from the more shorted ETFs

And here is the same chart with SSR days marked in green.



Green boxes around SSR periods.

This chart is a little confusing and not super obvious, but the important part is that ETF FTDs go up after a 5 day delay due to operational shorting.

What happens after FTDs jump on ETFs?

It gets taken care of the same way as I explained in my original T+35 theory DD.

[T+35 is the one true "cycle"](#)

The difference is that GME FTDs start the 34 timer when they show up as FTDs while ETF FTDs don't start the 34 day timer until they get cleared.

| | | | | 20210602 | 20210603 | 20210604 | 20210607 | 20210608 | 20210609 | 20210610 | 20210611 | 20210614 | |
|------------|--------------|--------|---------|----------------|------------|------------|------------|------------|------------|------------|------------|------------|-------|
| FTD Date | | | | 06/02/2021 | 06/03/2021 | 06/04/2021 | 06/07/2021 | 06/08/2021 | 06/09/2021 | 06/10/2021 | 06/11/2021 | 06/14/2021 | |
| Cover Date | | | | 7/6/2021 | 7/7/2021 | 7/8/2021 | 7/9/2021 | 7/12/2021 | 7/13/2021 | 7/14/2021 | 7/15/2021 | 7/16/2021 | |
| Weights | | | | Weighted Total | 15,479 | 20,045 | 6,594 | 5,369 | 3,919 | 12,685 | 15,408 | 19,800 | 4,889 |
| IWM | Blackrock | 0.49% | 215,885 | 1,430 | 8 | 2 | 4 | 2,097 | 5,083 | 2,261 | 7,386 | 23 | |
| XRT | State Street | 1.00% | 164,572 | 13 | 36 | 18 | 71 | 12 | 1,775 | 2,357 | 2,211 | 2,727 | |
| XSVM | Invesco | 9.25% | 137,733 | 10,297 | 15,482 | 0 | 0 | 717 | 2,440 | 7,294 | 7,651 | 5 | |
| FTXD | First Trust | 14.71% | 117,779 | 1,876 | 2,489 | 2,702 | 2,902 | 64 | 121 | 2 | 4 | 0 | |
| BUZZ | VanEck | 3.97% | 103,048 | 23 | 28 | 0 | 5 | 6 | 8 | 9 | 0 | 3 | |
| XSMO | Invesco | 11.64% | 83,652 | 0 | 38 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| IWC | Blackrock | 2.82% | 48,415 | 820 | 245 | 21 | 113 | 90 | 837 | 152 | 1,263 | 108 | |
| FNDX | Schwab | 1.11% | 43,763 | 331 | 875 | 89 | 64 | 60 | 44 | 0 | 221 | 204 | |
| IJR | Blackrock | 1.28% | 42,966 | 8 | 7 | 10 | 0 | 23 | 0 | 0 | 0 | 3 | |
| SPSM | State Street | 1.28% | 34,177 | 1 | 75 | 2 | 0 | 4 | 22 | 21 | 33 | 0 | |
| SFYF | SoFi | 6.30% | 32,519 | 50 | 76 | 182 | 112 | 19 | 1,720 | 2,243 | 20 | 6 | |
| PSCD | Invesco | 8.19% | 27,897 | 187 | 47 | 0 | 15 | 18 | 19 | 50 | 320 | 0 | |
| SLYV | State Street | 1.23% | 20,488 | 0 | 82 | 1 | 120 | 82 | 46 | 0 | 2 | 0 | |
| VXF | Vanguard | 0.12% | 16,612 | 0 | 1 | 0 | 0 | 13 | 1 | 323 | 12 | 6 | |

Start the 34 day countdown on the day the ETF's FTDs drop.

But let's continue with my old T+35 DD and first let's double check that puts are being opened. I'm only going to show one example, but this can be done on other days too. Here is XRT. FTDs stack up from 1/28 and 1/29. On 2/1, 2/3 and 2/4 the FTDs drop.

| FTD Date | | | | 01/27/2021 | 01/28/2021 | 01/29/2021 | 02/01/2021 | 02/02/2021 | 02/03/2021 | 02/04/2021 | |
|------------|--------------|--------|---------|----------------|------------|------------|------------|------------|------------|------------|--------|
| Cover Date | | | | 3/2/2021 | 3/3/2021 | 3/4/2021 | 3/5/2021 | 3/8/2021 | 3/9/2021 | 3/10/2021 | |
| Weights | | | | Weighted Total | 5,883 | 10,502 | 28,637 | 14,680 | 29,426 | 20,673 | 11,902 |
| IWM | Blackrock | 0.49% | 215,885 | 48 | 0 | 104 | 676 | 10,106 | 8,386 | 3,348 | |
| XRT | State Street | 1.00% | 164,572 | 801 | 3,857 | 22,183 | 11,352 | 15,557 | 4,860 | 796 | |
| XSVM | Invesco | 9.25% | 137,733 | 19 | 14 | 0 | 65 | 0 | 0 | 0 | |
| FTXD | First Trust | 14.71% | 117,779 | 3 | 3 | 3 | 0 | 216 | 297 | 210 | |

Three different days where a lot of FTDs are "cleared".

So let's look for puts. They are almost always on the first monthly expiration that is more than 35 DTE. In this case, March 19, 2021.

| Exp | Volume | Open | High | Bid | Ask | Delta |
|-----------|--------|------|------|-------|-------|-------|
| 19 MAR 21 | 100 | 0 | 1.00 | 22.50 | 27.35 | 0.00 |
| 19 MAR 21 | 108 | 1 | 1.00 | 21.50 | 26.15 | 0.00 |
| 19 MAR 21 | 720 | 10 | 0.97 | 20.80 | 25.50 | 0.00 |
| 19 MAR 21 | 228 | 0 | 0.97 | 19.75 | 24.50 | 0.00 |
| 19 MAR 21 | 106 | 0 | 0.93 | 19.25 | 23.85 | 0.00 |
| 19 MAR 21 | 179 | 0 | 0.93 | 18.05 | 23.00 | 0.00 |
| 19 MAR 21 | 107 | 0 | 0.90 | 17.50 | 22.25 | 0.00 |
| 19 MAR 21 | 365 | 0 | 0.90 | 16.50 | 21.00 | 0.00 |
| 19 MAR 21 | 2 | 0 | 0.88 | 15.75 | 20.50 | 0.00 |
| 19 MAR 21 | 11 | 0 | 0.85 | 15.20 | 20.00 | 0.00 |
| 19 MAR 21 | 25 | 2 | 0.83 | 14.50 | 19.25 | 0.00 |
| 19 MAR 21 | 195 | 4 | 0.82 | 13.55 | 18.50 | 0.00 |
| 19 MAR 21 | 1591 | 51 | 0.79 | 13.00 | 17.00 | 0.00 |
| 19 MAR 21 | 25 | 1 | 0.77 | 12.00 | 17.00 | 0.00 |
| 19 MAR 21 | 34 | 0 | 0.75 | 12.50 | 16.75 | 0.00 |
| 19 MAR 21 | 74 | 4 | 0.74 | 11.50 | 16.15 | 0.00 |
| 19 MAR 21 | 44 | 4 | 0.72 | 11.00 | 15.70 | 0.00 |
| 19 MAR 21 | 86 | 0 | 0.70 | 10.50 | 15.35 | 0.00 |
| 19 MAR 21 | 101 | 2 | 0.68 | 9.65 | 14.55 | 0.00 |
| 19 MAR 21 | 52 | 0 | 0.66 | 8.70 | 14.25 | 0.00 |
| 19 MAR 21 | 118 | 0 | 0.64 | 8.55 | 13.50 | 0.00 |
| 19 MAR 21 | 296 | 0 | 0.62 | 8.00 | 13.00 | 0.00 |
| 19 MAR 21 | 690 | 47 | 0.61 | 7.00 | 11.95 | 0.00 |
| 19 MAR 21 | 133 | 1 | 0 | 6.75 | 12.00 | 0.00 |

Puts opened on Feb 1

| Exp | Volume | Open | High | Bid | Ask | Delta |
|-----------|--------|-------|------|------|------|-------|
| 19 MAR 21 | 172 | 0 | 0.40 | 0.01 | 0.10 | -0.03 |
| 19 MAR 21 | 7,665 | 16 | 0.10 | 0.01 | 0.10 | -0.01 |
| 19 MAR 21 | 2,373 | 0 | 0.22 | 0.01 | 0.10 | -0.02 |
| 19 MAR 21 | 1,029 | 2 | 0.30 | 0.01 | 0.10 | -0.03 |
| 19 MAR 21 | 154 | 0 | 0.33 | 0.01 | 0.10 | -0.03 |
| 19 MAR 21 | 142 | 0 | 0.20 | 0.01 | 0.10 | -0.02 |
| 19 MAR 21 | 30,655 | 2,363 | 0.19 | 0.12 | 0.19 | -0.03 |
| 19 MAR 21 | 380 | 3 | 0.44 | 0.01 | 0.10 | -0.05 |
| 19 MAR 21 | 2,716 | 1 | 0.32 | 0.01 | 0.10 | -0.04 |
| 19 MAR 21 | 834 | 1 | 0.38 | 0.21 | 0.38 | -0.06 |
| 19 MAR 21 | 1,626 | 30 | 0.48 | 0.25 | 0.48 | -0.07 |
| 19 MAR 21 | 14,250 | 125 | 0.53 | 0.34 | 0.53 | -0.09 |
| 19 MAR 21 | 88 | 1,042 | 0.68 | 0.00 | 0.68 | -0.08 |
| 19 MAR 21 | 2,419 | 15 | 1.00 | 0.25 | 1.00 | -0.12 |
| 19 MAR 21 | 5,560 | 5 | 0.97 | 0.63 | 0.97 | -0.15 |
| 19 MAR 21 | 74 | 41 | 1.39 | 0.73 | 1.39 | -0.18 |
| 19 MAR 21 | 30,952 | 3,150 | 1.20 | 1.13 | 1.20 | -0.20 |
| 19 MAR 21 | 464 | 35 | 1.77 | 1.30 | 1.77 | -0.24 |
| 19 MAR 21 | 1,337 | 50 | 1.79 | 1.18 | 1.79 | -0.26 |
| 19 MAR 21 | 1,411 | 1 | 2.25 | 0.75 | 2.25 | -0.29 |
| 19 MAR 21 | 1,118 | 61 | 2.40 | 1.88 | 2.40 | -0.34 |
| 19 MAR 21 | 8,468 | 180 | 3.35 | 2.62 | 3.35 | -0.39 |
| 19 MAR 21 | 193 | 13 | 4.10 | 2.07 | 4.10 | -0.43 |
| 19 MAR 21 | 1,440 | 0 | 4.40 | 3.10 | 4.40 | -0.40 |

Puts on Feb 4

T+35 and ETF FTDs

Now that puts have been confirmed to be opened, it's time to check out what XRT does after 34 days. If the puts for XRT are opened from Feb 1 to Feb 4, then T+35 would give the 34 day cover to be 3/5 to 3/10.



T+35 of ETF FTD leads to a jump

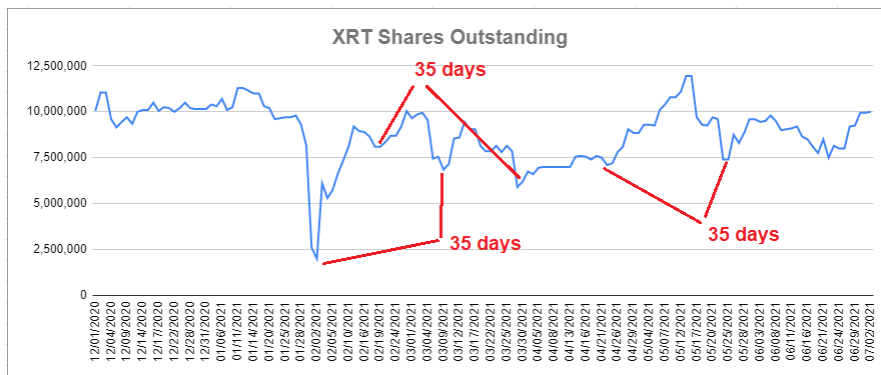
Cool, the good ol' T+35 jump. And we all know what happened to GME during those times. But let's look at another stock that's in the XRT ETF. It doesn't seem to move.



It doesn't move.

And this has been the hardest part of tracking ETFs. The underlying doesn't always behave how you would expect. Some underlying does move with XRT during these times, some moves opposite of it.

Also, interestingly enough, you can find 35 day gaps on the XRT Shares Outstanding graph.



My guess is that SHFs short the ETF. Then FTDs come due, GME goes up, and they re-short the ETFs to control it again.

Underlying vs ETF

Which leads me to some helpful tips when looking at this stuff:

- If the ETF goes up, but the underlying stays the same: The ETF is being bought to break apart and the underlying is sold back to the market.
- If the ETF drops, but the underlying stays the same: The underlying is being bought up, created into ETF shares, and the ETFs are being sold back into the market.
- If ETF goes down and the underlying goes down, the market is just dropping or the ETF is being shorted along with that particular underlying stock.
- If the ETF goes up and the underlying goes up, the market is going up in general.

It doesn't always follow this, but you have to remember that ETFs are bought and sold like shares. So when the ETF and the underlying differ by a significant margin, then there's probably something creation/destroying related that is happening.

Negative Beta

At this point it is well known that GME has a strong negative beta. I believe this ETF stuff is the reason why. The negative beta posts started showing up around February/March and that's when the effects of ETF FTDs started coming into play. That's also when the price and volume disconnected.

When GME is going up, ETFs get shorted and the price of a lot of underlying stock will drop or stay flat leading to SPY to drop. When GME's ETF FTD's get covered, the ETF drops, but the underlying rises leading to SPY to rise.

Let's look at one last chart. I *attempted to* line up the ETF FTDs with their T+35 cover dates on SPY.



ETF FTDs with their T+35 dates on SPY.

ETF FTDs line up with rises in SPY. Pretty cool, eh?

Bonus Material #1

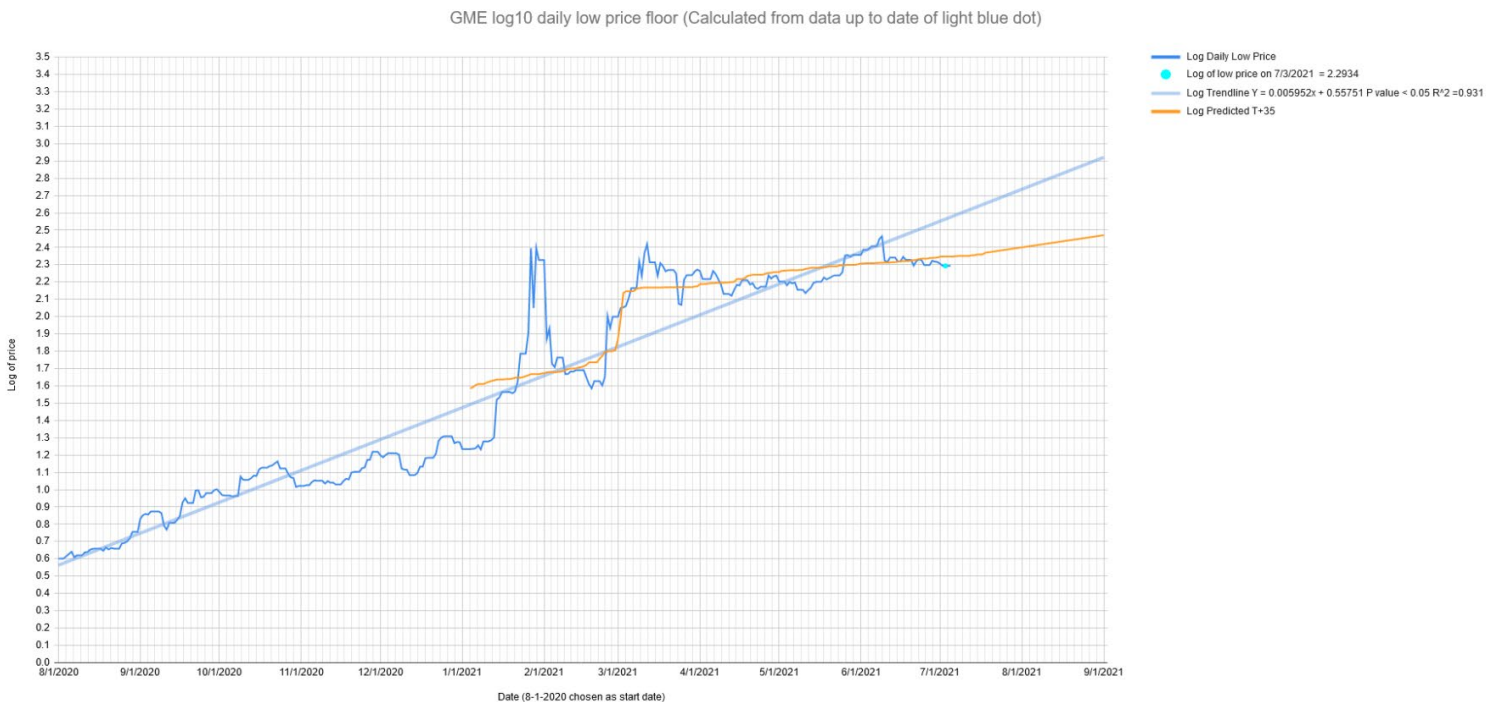
An ape by the name of [u/isnisse](#) messaged me with something about T+42. At first, I didn't think much of it. Then it clicked... T+5 from operational shorting into T+35 from puts, leads to just about 42 calendar days. They did some analysis to show correlation with GME's price and 42 days. I think what they actually picked up here was the ETF FTD cycles. Here is the post:

Bonus Material #2

Another ape by the name of [u/BurningMist](#) plotted cumulative FTD value vs GME stock price. I have no idea what it means, but I figured I'd let people see it for themselves. Could this mean that the only price movements we see are based on FTDs? And retail has 0 effect because all our orders run through Dark Pools? I don't know. Here's his message with imgur links to the graphs.

There also seems to be a relation with the cumulative GME FTD notional value and the daily low price 35 days later. I summed up the \$ value of all cumulative GME FTDS from 12/1/20 until 6/15/21 and if you plot that vs the log price 35 days later you get [this](#). I also made another trendline from 1-4-21 to 6-15-21 and got [this](#).

I've been running on the exponential increase assumption before now but using T+35 instead follows the price closer than an exponential increase over time has been able to. I used that slope and intercept from the 1-4-21 graph to predict the GME log10 price 35 days later and then plotted it with the trendline of the GME log10 price over time in this [graph](#). I used an average increase of \$5,500,000 per day after 7-18-21 to project until 9-1-21. Not exactly sure why the cumulative GME FTD \$ follows the price 35 days later but thought I would share.



GME's price plotted against cumulative FTD notional value

Alright that's all I got for today! If you want to get a hold of me, tag me in a comment.

EDIT 1: Originally I was saying break the shorted ETF and "sell" the underlying back to the market. But some people have corrected me in the comments. They actually buy to cover the underlying they don't want to short.

pce~~

- [u/dentistft](#)

My Twitter has some random daily thoughts/price predictions that don't require a full post.

<https://twitter.com/dentistft>

PS. I'd love to look into the XSVM stuff more, but if someone wants to get to it before me then go ahead. I have one more post planned for this next week that pulls everything I've been posting about together. I personally think the MOASS is right around the corner and I'm going to do my best to prove why that's the case.

Oh yeah, XRT has been on the threshold list for a while now. I don't know if that means anything. It hasn't so far... but I'm sure it will come into play eventually.

