SUPERSTONK DD

MEGA BACK UP

Artwork posted by u/woke0rthadox

r/Superstonk DD Mega Back Up

Archived DD, with most attention, in no particular order.

Archive provided by u/onlyfuturehuman

Table of Contents *– Click titles to jump to that section. Click usernames to jump directly to OP.*

A House of Cards - Part 1 - Posted by u/atobitt

House of Cards - Part 2 - Posted by u/atobitt

House of Cards - Part 3 - Posted by u/atobitt

Peek-a-boo! I see you 79M hidden shorts! - Posted by u/WhatCanIMakeToday

Peek-a-boo! I see 103M hidden shorts! (Part Deux) - Posted by u/WhatCanIMakeToday

TL:DR – I believe inflation is the match that has been lit that will light the fuse of our rocket. Part 2 - Posted by u/Dismal-Jellyfish

The Anatomy of the MOASS - Part 1/3: The Key Market Concepts that Make the MOASS Possible and Other Important Terminology - Posted by u/HCMF_MaceFace

wen moon 10 : Endgame ■ Final TA - Posted by u/MOSfriedeggs

The Sun Never Sets On Citadel -- Part 1 - Posted by u/swede_child_of_mine

The Sun Never Sets on Citadel -- Part 2 - Posted by u/swede_child_of_mine

New OCC rule passed to fuck the large financial institutions out of using derivatives to pass their tests. - Posted by u/laflammaster

The DTCC (Depository That Clears Counterfeits) is finished. They covered up the fraud that enables naked short selling and are why we will MOASS to epic proportions. - Posted by u/JustBeingPunny

Elliott Waves and The Top Of The Market, Is This THE TOP? - Posted by u/possibly6

The MOASS Preparation Guide 2.0 - Posted by u/socrates6210

The NYSE threshold list: collapsing shorts and launching the MOASS - Posted by u/Bladeace

Infinity Pool: How GME Will Break the Laws of Supply and Demand and Enable the Money Glitch - Posted by u/Hemoglobin_trotter

Where and how Citadel/other hedge funds have been hiding their short positions, and a true estimate of how many short shares are currently being hidden. - Posted by u/AcedVector

Dark Pools, Price Discovery and Short Selling/Marking - Posted by u/dlauer

Hi All, It's Ryan Cohen T+21 Tweet Guy. I'm losing my shit - Posted by u/Nalifi

Elliot Waves And GME, The Return Of The Uptrend 🚀 - Posted by u/possibly6

Ryan Cohen Started Chewy with $15m in Investments. He is Starting Off at GME with $1bn. This Interview is the Only DD I Need. Possible Blue Prints for GME? - Posted by u/tendieful

Hyperinflation is Coming- The Dollar Endgame: PART 1, “A New Rome” - Posted by u/peruvian_bull

The Fed is pinned into a corner from the 2008 can-kick utilizing QE, and the economic effects of COVID. They are stuck battling a collateral crisis AND a liquidity crisis. The Fed is currently fudging the numbers of treasuries to hide a collateral...- Posted by u/Criand

Reverse Repos, DTC-2021-005, SR-NSCC-2021-002, Banks, and the C-Market: How it's all connected and how we might be on the verge of the House of Cards falling. - Posted by u/AcedVector

GME, Banks Falling Off a Cliff, The Movie Stock, Elliot Waves, WUT Mean For This Week? 🚀 - Posted by u/possibly6

DEBUNKING THE 20% INFLATION DDs! IT IS CRUCIAL TO FACT-CHECK BEFORE UPVOTING DDs WITH WILDLY ABSURD CLAIMS! - Posted by u/hikurashi83

AnnihilationGod presents: The Big Short Data Collection for Everyone - Or: How to data proof irregularities in GMEs trading history for everyone (AGods GME Mastersheet + Full collection Download link at the end) - Posted by u/AnnihilationGod

I think the Fed just accidentally proved us right - Posted by u/leisure_rules

Reverse Repo Operations - Explaining Their Purpose - Posted by u/Kintsugi2

I processed 16 years of data across 8 stocks to prove something no one cares about: GME's price is ending in .00 10X more than it should be. - Posted by u/LongTimeGamer

The OBV does not lie. The price is WRONG! 💎🙌HODL!🚀 - Posted by u/_Badtothebone_

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] - Posted by u/dentisttft

The Bigger Short. How 2008 is repeating, at a much greater magnitude, and COVID ignited the fuse. GME is not the reason for the market crash. GME was the fatal flaw of Wall Street in their infinite money cheat that they did not expect. - Posted by u/Criand

Elliot Waves, GME, The S&P 500, Wen Market Peak and GME Boom? - Posted by u/possibly6

Why big name banks like Bank of America, JP Morgan Chase, Citigroup and more were excluded from bonds sales in the EU, and what banks have been doing for YEARS to manipulate the market to fuck everyone else over - Posted by u/AcedVector

Riding Elliot Waves to the Moon, Why GME from a Technical Standpoint Alone is Better Than Gold 🚀 - Posted by u/possibly6

Cohen has reached the same conclusion as u/Criand's T+21 Net Capital thesis: An analysis of tweet activity and corporate announcements - Posted by u/Nalifi

A revisit to Net Capital. What is truly driving these T+21 loops, the March and June gamma runs, and how skyrocketing ETF FTDs might cause big price movements in the coming weeks. - Posted by u/Criand

Clarification of when GameStop will issue a press release stating the ATM Offering is complete, sale price max, maximum offering, update on outstanding shares, the reason why MarketWatch and Ortex differ, and other Form 424B5 goodies... - Posted by u/Squashua1982

Elliot Waves and GME, Why I'm Jacked To Infinity With Today's 82 Point Drop 🚀 - Posted by u/possibly6

Danger Zone Part 2 - Shorts are terrified of a $310+ close. Projected price movement for the next few months based on T+21, ever-increasing, and poking harder at the first domino just waiting for it to fall. - Posted by u/Criand

IMPORTANT: This is why they mentioned "more than a majority represented" at the meeting. It's simple. Read this. Please. - Posted by u/greysweatseveryday

What's happening today - 6/8/2021 - Posted by u/atobitt

THE MOTHER OF ALL WEDGES: AN ENDGAME DD. Technical and Fundamental Analysis with Warden. Where we are now, where we are headed. When might the MOASS begin? - Posted by u/WardenElite

Looks like the recent RobinHood Class Action SI Report just proved /u/broccaaa's data. That the shorts haven't covered, that they hid SI% through Deep ITM CALLs, and SI% is a minimum of 226.42%. - Posted by u/Criand

Why We're STILL Trading Sideways and Why We Haven't Launched - Posted by u/c-digs

Holy shit. I was skeptical of all the high ceilings being thrown out until I put the pieces together. I honestly think GME is priceless, and the most valuable stock you will ever buy. Here's the full picture, as I understand it... - Posted by u/missing_the_point_

$GME - The Mother of All Short Squeezes (MOASS) Thesis. Summarized and broken down in a way for all (or most) to understand. We are in the end-game everyone, and this rocket is taking off with or without you. If you want ... - Posted by u/HCMF_MaceFace

The flurry of rules before the storm. DTC, ICC, OCC are prepared. GME might be hitting T+35 and T+21 crossover next week, pulling the house of cards down. - Posted by u/Criand

Wait... Is NSCC-002 about to turn the T+21/T+35 loop into a death spiral of T+0 as we approach Q2 end? - Posted by u/Criand

Things are shockingly similar to the February 24th and March 10th runup so far. Gamma squeeze indicators from the previous T+21/T+35 have returned. Their doom approaches. - Posted by u/Criand

Hank's Big Bang: Quant Apes Glitch the Simulation - Posted by u/HomeDepotHank69

The naked shorting scam in numbers: AI detection of 140M hidden FTDs, up to 400M naked shorts in married puts and massive dark pool activity by Shitadel and the shorts - Posted by u/broccaaa

Hank's Definitive GME Theory of Everything - Posted by u/HomeDepotHank69

Actually useful info you might have missed, 23/04/21 - Posted by u/HPADude

Walkin' like a duck. Talkin' like a duck - Posted by u/atobitt

I've estimated the current SI% based on the SI Report Cycle and Deep ITM CALL purchases. - Posted by u/Criand

Glacier Capital Exists - And It's Much Spicer Than You Thought - Posted by u/MrMadium

All Shorts Must Cover. They're Entering The Danger Zone. The SI Report Loop Consistently Brings Us Ever Closer To The Squeeze. - Posted by u/Criand

Tombstone Tweet Confirms Reverse Merger? Reposted Reverse Merger DD - Posted by u/Alert_Piano341

If you STILL dont understand why today we went red again after we were big green yesterday and WHY you should get a hold of yourself and stop fucking caring. - Posted by u/Damsellindistress

🚀 Time to expose the shell game. FTDs can be "reset" through borrowing from ETFs. Read the Truth. - Posted by u/augrr

I Got What You Quant - 6/2/21 Trading Analysis and a Deeper Dive Into Today's Tape - Posted by u/myplayprofile

The end has begun. (IMPORTANT INFO INSIDE) - Posted by u/Kitchen-Rain-9986

The March to Zero Liquidity: Volume or Bust - Posted by u/Suspicious-Singer243

SR-DTC-2021-004, The DTCC and J.P Morgan. They're getting ready for defaults and bankruptcies, they've just opened THREE additional netting accounts. - Posted by u/JustBeingPunny

CITADEL, MARGIN CALL, 1M MISSING SHARES & THE TRADING HALT - Posted by u/Rugby97

Major Deep ITM CALL Option Dates. A Massive Net Capital BOMB Might Explode This Week. - Posted by u/Criand

Another GME DD dump from Hank - Posted by u/HomeDepotHank69

CHAOS THEORY - The FINAL Connection - Posted by u/sharkbaitlol

SEC Filing: Merger with brokarage, detailing lawssuit, mentions 30 brokerages engaging in coordinated conspiracy - Posted by u/jamiegirl21

a followup to the HoC DD- the "everything" in Everything Short. I present, RAGNAROK - Posted by u/mybustersword

I've been scraping data used by hedge funds for over a year now to make it freely available to everyone. I think I might start doing regular data reports on $GME on here if there's interest, let me know if you have any feedback on the report below. - Posted by u/pdwp90

[UPDATED] DD: I did the math, there is literally NO DOUBT that we own >100% of the remaining float. [including updated remaining float from GME's proxy statement] 🚀🚀🚀 - Posted by u/InForTheSqueeze

PROOF of Artificial Price Movement: Spreadsheets with Statistics to Soothe the Soul - Posted by u/G_KG

It's Just a Pyramid Scheme Part 1: The Missing Cornerstone - Posted by u/hell-mitc

Dance of Darkness: The SEC and Dark Pools - Posted by u/umu68

[Final Update] Superstonk users ALONE hold between 27 million and 35 million shares. No, really. - Posted by u/TheCaptainCog

The MOASS is not a straight line up, do not paper hand at a minor dip - Posted by u/Magistricide

The Complete Bank of America Gamestop DD - Posted by u/gfountyyc

Elliott Waves, GME, WEN THE F*CK MOON!? 🚀 - Posted by u/possibly6

SRO Filings - Posted by u/dlauer

Infinity War: The Final Exit DD Compilation - Posted by u/gherkinit

AndrewMoMoney Used My DD In A Live Stream Ft. Shill Sniffing Dog And Deleted My Comment, So I Analyzed His Channel - Posted by u/itsdaynotdave

OBV and Beta definitively show that the price is heavily suppressed and that GME is the ultimate hedge against market volatility - Posted by u/OverlordHippo

Over 30% of GME bananas are missing from Bloomberg Terminal. Over 69% of GME is trading off exchanges or in an unreported Dark Pool? It's National Banana Day - Do you know where your GME bananas are? - Posted by u/nayboyer2

Citadel has hostages: explaining why the MOASS is taking so long, how the January spike was stopped, Robinhood's motives for the trading halt, and the mysterious silence of the SEC - Posted by u/Bladeace

A House of Cards parts I, II, & III in PDF - Posted by u/atobitt (LINK ONLY: https://pdfhost.io/v/lRQ4HqpG0_House_of_Cards_Atobitt.pdf)

There will be DD that I have missed. This should get you through the MOASS regardless of Reddit or r/Superstonk fuckery we may see. See you apes on the other side! 🚀

Peek-a-boo! I see you 79M hidden shorts!

DD 👨‍🔬
tl;dr: I found around **79M** can kicked shares in Jan 2021 using the married put approach. We can see those cans kicked out 1, 2, 3, 6, 12, and 24 months from Jan 2021 at various options expirations.
After poking around in ToS, I found that I can see exactly when Puts where opened by tracking the daily Open Interest for a put. See my previous post here: https://www.reddit.com/r/Superstonk/comments/ocen11/historical_gme_71421_options_oi_to_see_how_many/

I needed the data in CSV format so I could play with it. So I bought the GME Options Data (surprisingly cheap, about $21) from https://www.historicaloptiondata.com/ for 2021 up to end of June.
I then filtered out the lowest strike Put option for each of the major options expirations (Feb, March, April, Jan 2022 leap, and Jan 2023 leap) during that time and charted the daily Open Interest Change.
Daily OI Change for Lowest Strike Puts

Guess what? Most of these low strike puts were opened around GME's Jan run up!
Wut mean? Superstonk has been discussing how married puts are used to hide naked shorts in deep OTM puts so this data shows us exactly how far out they kicked those Jan naked short cans down the road AND we can see which expirations have them. We can see pretty much every major options expiration has a ton of new openings in Jan so those cans were kicked 1, 2, 3, 6, 12, and 24 months out (Feb ,March, April, July, Jan 2022, and Jan 2023, respectively).

Option	***As of 1/4/2021***	***As of 2/1/2021***
Feb $1 Put	0	52,193
March	0 (n/a)	32,907
April $0.50 Put	510	43,892
July $0.50 Put	168	71,709
Jan 2022 $0.50 Put	2,441	106,082
Jan 2023 $2 Put	105	16,585
Total	3,224	**323,368**

Do you see what I see? There's about 320,000 options opened in Jan 2021 to hide naked shorts and kick those cans *just at the cheapest strike!* That's the equivalent of **32,000,000 (32M) shares**!

Wut about other low strikes? I filtered the options data for two snapshots in time: Jan 4, 2021 (before can kicking) and Feb 1, 2021 (after can kicking). Out of those snapshots, I summed the total open interest for all options with a strike price less than or equal to $20. Here's the results:

	1/4/2021	**2/1/2021**
Total Put OI for all strikes <= $20	309,563	1,101,826

The difference there is **792,263 OI**. Basically just shy of 800k new put open interest at super low OTM strikes representing over **79M** shares kicked down the road in Jan 2021! Half of those are hidden in the lowest strike alone.

Happy July 4th! We're gonna have a blast!

EDIT: Wowza! Thanks everyone! I've never had this many upvotes or awards before! You are all amazing! I learned more in the past 6 months about trading and markets from Superstonk than in decades of trading. I'm happy I can give back to the community!

Back to Table of Contents

Peek-a-boo! I see 103M hidden shorts! (Part Deux)

DD

Part Uno (you might want to read it first for background): https://www.reddit.com/r/Superstonk/comments/odsded/peekaboo_i_see_you_79m_hidden_shorts/

I'm BAAACK!

After finding 79M hidden shorts in married puts, I asked myself "Can I do better?" I didn't disappoint. Don't get me wrong, I'm disappointed (yet also happy) that I found more shorts.

In Part Uno, I searched for new deep OTM Put Options that have no business being opened and found 79M shares worth of options (about 792k opened Put options) opened during the Jan GME spike. I used a rather crude approach which was assuming worthless options are at the deepest OTM Put strike and then expanded that to strikes <= $5. Crude, but it worked fairly well.

Here in Part Deux, I've improved on it by growing a wrinkle about options greeks.
Using the same GME Options Data set I bought for about $21 from https://www.historicaloptiondata.com/ for 2021 up to end of June, I did the following:

1. Filtered the data set down to get two snapshots in time: Jan 19th, 2021 and Feb 1st, 2021. This is effectively bracketing the week before and week of the huge GME Jan spike. Whatever happens in here *should* 100% be tied to that crazy spike. (I just realized I'm undercounting a bit because the spike, T, was Jan 28th and Feb 1 is only T+2. I'm too lazy to rerun the process right now to expand out and you'll get the picture.)
2. Filtered out only for Puts (duh) because we're looking for Married Puts.
3. (NEW for Part Deux!) Filtered by *delta* which is an option greek that represents how much the option value changes per $1 change in the underlying stock price. I filtered for *delta* < 0.01 which means if the stock price moves by $1, the price of these options moves by a penny ($0.01) or less. These options are *literally* **worthless**.
   Grow wrinkles about option greeks here: https://www.investopedia.com/terms/g/greeks.asp
4. Summed up the total Open Interest for all remaining Puts.

Total Open Interest for Puts with delta <= 0.01:

As of Jan 19, 2021	As of Feb 1, 2021
58,970	1,096,066

Wut mean? Over 1M **worthless** junk put options were opened in the 2 weeks (from Jan 19th to Feb 1st, 10 trading days) of our January spike. **1,037,096 worthless put options were opened.** Sink that in because those brand spanking, newly opened, absolutely worthless options are capable of hiding over **103,700,000 (103M) shares**.

Updates:

1. Why worthless puts? See https://www.reddit.com/r/GME/comments/mgj0j1/the_naked_shorting_scam_revealed_lending_of/
2. The prior 79M is a subset of this 103M. This approach is a more accurate way to count worthless options.

Back to Table of Contents

TL:DR – I believe inflation is the match that has been lit that will light the fuse of our rocket. Part 2

.

DD 👨‍🔬

Good morning r/Superstonk, neighborhood jellyfish here!

I would like to revisit some more data recently released and posted and continue trying to tie this all together as the situation continues to evolve.

Posts being referenced: 1st Inflation Post, Existing Home Sales May, New Home sales May, Fed Balance Sheet through 6/16, It’s not just manufacturing supply shortages, manufacturers can’t get people for work, 6.4% annualized inflation (PCE, excluding food and energy the most conservative inflation measure US government releases and the Fed relies on)

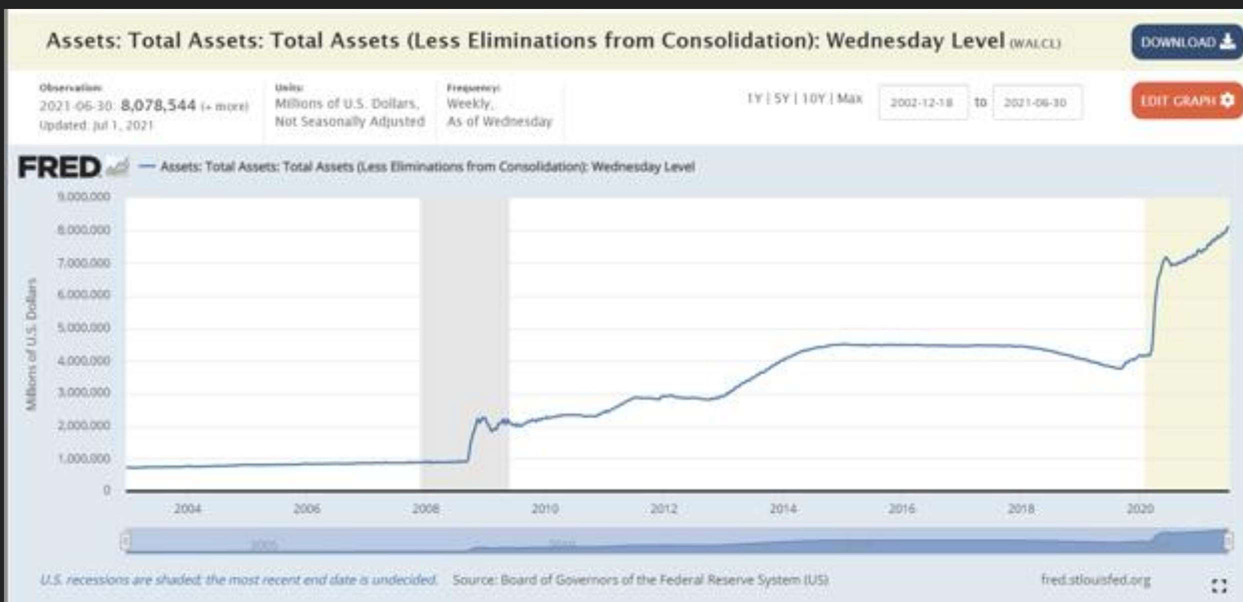
I want to start by revisiting the Fed’s balance sheet. The last time we talked about it (6/17), it stood at a then RECORD $8.064 trillion. Let’s write this one out: $8,064,000,000,000.As of July 1st, that number stands at a **NEW RECORD $8,078,544,000,000**—an increase of $14,544,000,000.

6. Statement of Condition of Each Federal Reserve Bank, June 30, 2021 (continued)
Millions of dollars

Assets, liabilities, and capital	Total	Boston	New York	Philadelphia	Cleveland	Richmond	Atlanta	Chicago	St. Louis	Minneapolis	Kansas City	Dallas	San Francisco
Liabilities													
Federal Reserve notes, net	2,134,139	64,690	697,577	63,410	104,461	156,956	299,735	128,161	57,559	32,429	53,550	194,222	281,390
Reverse repurchase agreements (6)	1,260,925	21,071	712,746	26,632	45,880	84,492	73,880	68,809	16,439	9,757	16,744	55,760	128,715
Deposits	4,593,815	112,466	2,667,959	116,749	172,086	285,452	144,683	331,825	42,770	33,760	50,897	125,020	510,146
Depository institutions	3,511,630	112,160	1,765,173	116,748	171,753	284,855	144,002	156,962	42,760	32,458	49,984	124,655	510,120
U.S. Treasury, General Account	851,929	0	851,929	0	0	0	0	0	0	0	0	0	0
Foreign official	5,255	2	5,228	1	3	8	2	2	1	0	0	1	6
Other (7)	225,002	303	45,630	0	330	588	679	174,862	10	1,302	913	364	20
Earnings remittances due to the U.S. Treasury (8)	1,587	16	949	28	46	72	102	89	18	18	20	78	151
Treasury contributions to credit facilities (9)	40,278	16,572	23,706	0	0	0	0	0	0	0	0	0	0
Other liabilities and accrued dividends	8,195	-2,019	4,860	269	333	777	563	537	214	1,280	236	392	753
Total liabilities	8,038,940	212,795	4,107,796	207,087	322,807	527,749	518,963	529,421	117,001	77,244	121,448	375,473	921,156
Capital													
Capital paid in	32,819	1,472	10,987	1,257	2,921	6,756	1,486	1,275	613	167	361	709	4,815
Surplus	6,785	308	2,280	244	587	1,412	307	266	129	58	73	122	999
Other capital	0	0	0	0	0	0	0	0	0	0	0	0	0
Total liabilities and capital	8,078,544	214,575	4,121,063	208,588	326,314	535,917	520,756	530,962	117,744	77,468	121,882	376,304	926,970

Note: Components may not sum to totals because of rounding. Footnotes appear at the end of the table.

$8,078,544,000,000



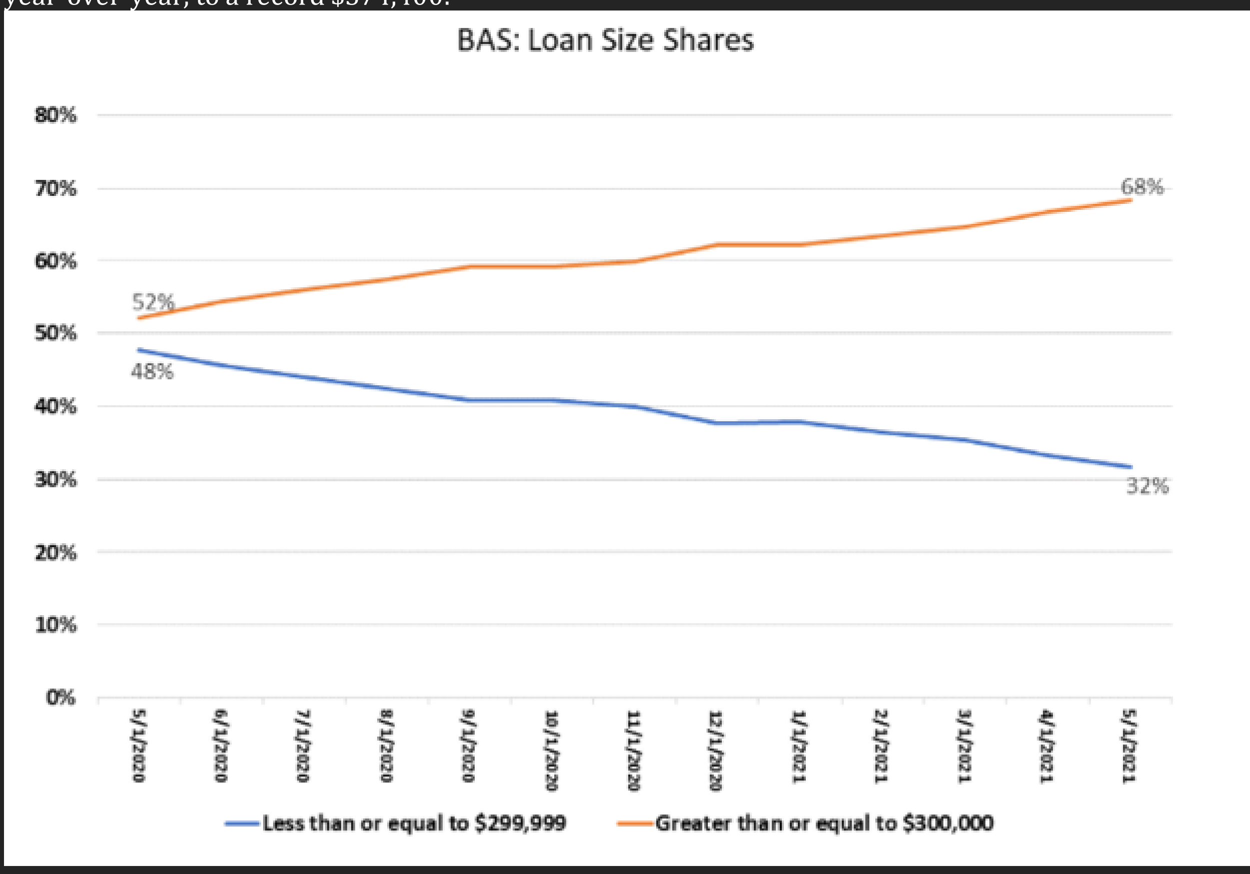
Look at that triangle that has started at $7 trillion!

So what caused the jump in the balance sheet?

The Treasury General Account (TGA), which Yellen said in February she wanted to get to $500 billion by the end of June, actually increased by $86.815 Billion to $851 Billion.
Federal Reserve Notes, net jumped $4,594 million.

The Fed's balance sheet is jumping while we are watching the housing bubble inflate in front of us.

The rate of sales continues to trend downward, but median home prices for **existing homes** are up 23.6% year-over-year to an all-time high of $350,300 with May rising at the greatest year-over-year pace since at least 1999, up from $283,500 last year and $340,600 in April.
So, months' supply is increasing (supply taking longer to move), sales are beginning to decrease (.9%) (demand), and median existing-home price across all housing types hit a record high of $350,300 in May, an increase of 23.6% from the year before (price).
Despite supply increasing for months, **single-family home sales** by homebuilders to the public in May fell 6% from the prior month to a seasonally adjusted annual rate of 769,000 houses, down 23% from the recent high in January. This steep decline in sales occurred amid rising prices.
The median price of new single-family houses rose 2.5% from the previous month, and spiked 18.1% year-over-year, to a record $374,400:



The drop in sales of new homes in the past months brought sales back to about pre-pandemic levels. On the other end of our equation, inventory really is rising!

Unsold speculative houses rose for the fifth month in a row to 330,000 houses and months' supply rose to 5.1 months.
New single-family homes completed since Jan 2021 :
1,328,000+1,347,000+1,497,000+1,426,000+1,368,000 = 6,966,000 homes
New single-family homes sold since Jan 2021 : 993,000 +823,000+886,000+817,000+ 769,000 = 4,288,000 homes
Supply is up +2,678,000 homes in 2021 so far.
Stated another way:
The current supply is steadying with current inventory not moving at the current prices and is increasing as more homes come online (census bureau has it at ~ 4-8 months in 2020 to build from start to finish, projects started during the pandemic will be coming online), Demand is decreasing, Median Prices has increased to an all-time high.

With the conditions of the housing market above, I believe we are entering 'textbook' bubble territory.

What Is a Housing Bubble?

A housing bubble, or real estate bubble, is a run-up in housing prices fueled by demand, speculation, and exuberant spending to the point of collapse. Housing bubbles usually start with an increase in demand, in the face of limited supply, which takes a relatively extended period to replenish and increase. Speculators pour money into the market, further driving up demand. At some point, demand decreases or stagnates at the same time supply increases, resulting in a sharp drop in prices—and the bubble bursts.

Source: https://www.investopedia.com/terms/h/housing_bubble.asp

Ok, as we covered above, demand had been through the roof, but the supply is back on the rise and current stock is taking longer to move. At the same time, demand for new mortgages is decreasing as the supply continues to hold and increase—but prices continue to go up!

Forces that Burst the Bubble

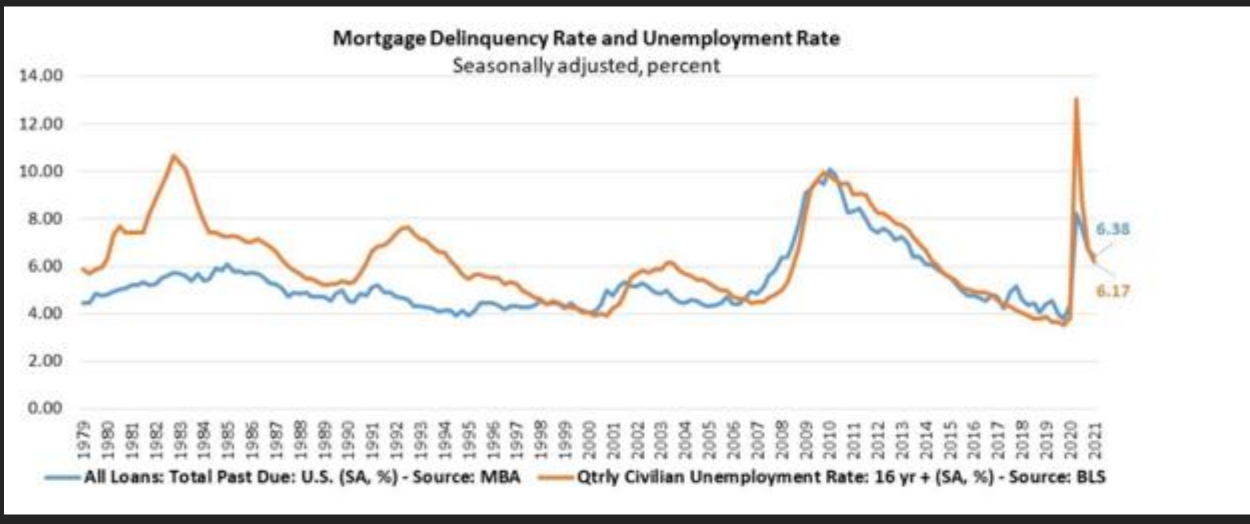
The bubble finally bursts when excessive risk-taking becomes pervasive throughout the housing system and prices no longer reflect anything close to fundamentals. This will happen while the supply of housing is still increasing in response to the prior demand spike. In other words, demand decreases while supply still increases, resulting in a sharp fall in prices as nobody is left to pay for even more homes and even higher prices.

This realization of risk throughout the system is triggered by losses suffered by homeowners, mortgage lenders, mortgage investors, and property investors. Those realizations could be precipitated by a number of things:

- An increase in interest rates that puts homeownership out of reach for some buyers and, in some instances, makes the home a person currently owns unaffordable. This often leads to default and foreclosure, which eventually adds to the current supply available in the market.
- A downturn in general economic activity that leads to less disposable income, job loss or fewer available jobs, which decreases the demand for housing. A recession is particularly dangerous.
- Demand is exhausted, bringing supply and demand into equilibrium and slowing the rapid pace of home price appreciation that some homeowners, particularly speculators, count on to make their purchases affordable or profitable. When rapid price appreciation stagnates, those who count on it to afford their homes may lose their homes, bringing more supply to the market.

The bottom line is that when losses mount, credit standards are tightened, easy mortgage borrowing is no longer available, demand decreases, supply increases, speculators leave the market, and prices fall.

But what about delinquency rates? This can be a source to the supply...



https://www.mba.org/2021-press-releases/may/mortgage-delinquencies-decrease-in-the-first-quarter-of-2021

On a year-over-year basis, total mortgage delinquencies increased for all loans outstanding. The delinquency rate increased by 141 basis points for conventional loans, increased 498 basis points for FHA loans, and increased 297 basis points for VA loans.The delinquency rate includes loans that are at least one payment past due but does not include loans in the process of foreclosure. The percentage of loans on which foreclosure actions were started in the first quarter rose by 1 basis point to 0.04 percent. The percentage of loans in the foreclosure process at the end of the first quarter was 0.54 percent, down 2 basis points from the fourth quarter of 2020 and 19 basis points from one year ago. This is the lowest foreclosure inventory rate since the first quarter of 1982.The seriously delinquent rate, the percentage of loans that are 90 days or more past due or in the process of foreclosure, was 4.70 percent. It decreased by 33 basis points from last quarter and increased by 303 basis points from last year. From the previous quarter, the seriously delinquent rate decreased 34 basis points for conventional loans, decreased 19 basis points for FHA loans, and decreased 37 basis points for VA loans. Compared to a year ago, the seriously delinquent rate increased by 205 basis points for conventional loans, increased 771 basis points for FHA loans, and increased 379 basis points for VA loans.

Then there are those still in or coming out of forbearance with the likely expiration and non-renewal of these Covid rules at the end of the month:

The Mortgage Bankers Association's (MBA) latest Forbearance and Call Volume Survey revealed that the total number of loans now in forbearance decreased by 2 basis points from 4.18% of servicers' portfolio volume in the prior week to 4.16% as of May 30, 2021. According to MBA's estimate, 2.1 million homeowners are in forbearance plans.

Key findings of MBA's Forbearance and Call Volume Survey - May 24 to May 30, 2021

- Total loans in forbearance decreased by 2 basis points relative to the prior week: from 4.18% to 4.16%.
  - By investor type, the share of Ginnie Mae loans in forbearance decreased relative to the prior week: from 5.55% to 5.54%.
  - The share of Fannie Mae and Freddie Mac loans in forbearance decreased relative to the prior week: from 2.19% to 2.18%.
  - The share of other loans (e.g., portfolio and PLS loans) in forbearance decreased relative to the prior week: from 8.37% to 8.31%.
- By stage, 11.1% of total loans in forbearance are in the initial forbearance plan stage, while 83.2% are in a forbearance extension. The remaining 5.7% are forbearance re-entries.
- Total weekly forbearance requests as a percent of servicing portfolio volume (#) decreased relative to the prior week: from 0.05% to 0.04%.
- Of the cumulative forbearance exits for the period from June 1, 2020, through May 30, 2021:
  - 27.4% resulted in a loan deferral/partial claim.
  - 24.6% represented borrowers who continued to make their monthly payments during their forbearance period.
  - 15.0% represented borrowers who did not make all of their monthly payments and exited forbearance without a loss mitigation plan in place yet.
  - 14.0% resulted in reinstatements, in which past-due amounts are paid back when exiting forbearance.
  - 10.0% resulted in a loan modification or trial loan modification.
  - 7.5% resulted in loans paid off through either a refinance or by selling the home.
  - The remaining 1.5% resulted in repayment plans, short sales, deed-in-lieus or other reasons.

While it is great to see people come out of forbearance, if I am reading the numbers correctly, more than half of folks coming out are still going to have amounts that still need to be paid back. Budgets are already stretched tight, wage growth is decreasing, and inflation is making everything else more expensive.

So, the central-bank asset purchases that continue chugging along ($120 billion per month) continue to help directly inflate this bubble! The music on inflating home prices is going to stop!

This brings me back to a comment from earlier this week I made in the RRP's post:

Inflation is blowing up as they have a full-blown liquidity crisis on their hands!

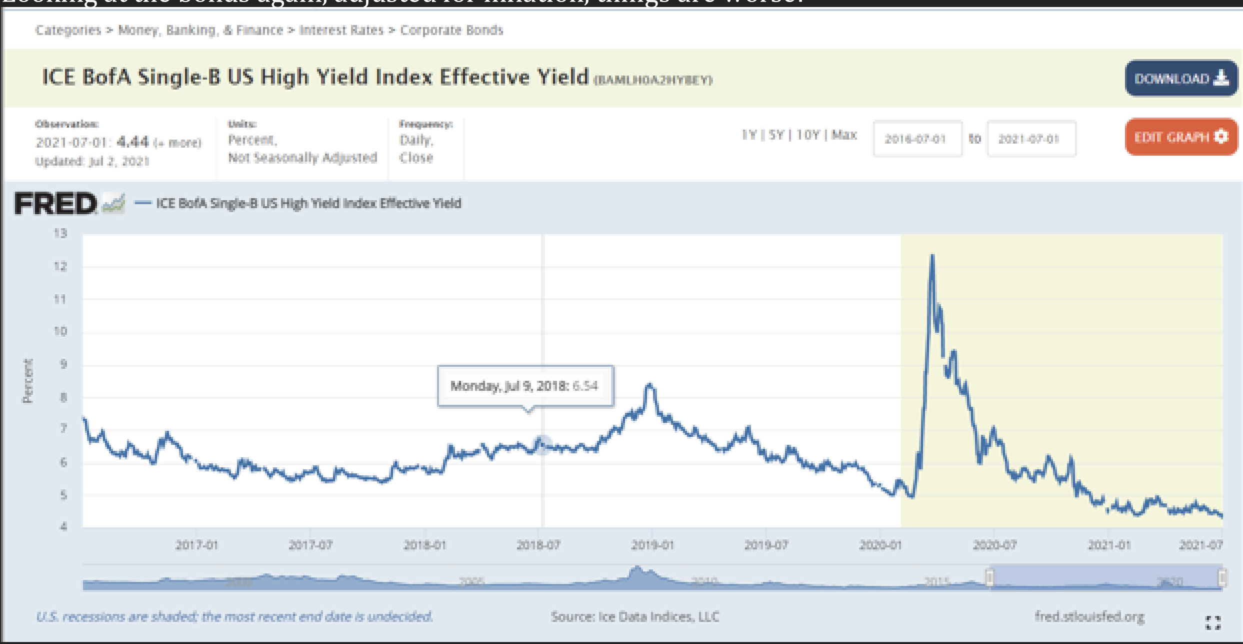
The Fed has backed themselves & the banks in a corner after letting the printer run brrrrr. High Reverse Repo Purchase usage signals that the banks simply don't have the balance sheets to accept the excess reserves. Even accounting for end-of-quarter use spiking, $991.939 billion to 90 participants is absolutely bonkers!!!

Thus, they are forced to park them right back with the Fed using the Overnight Reverse Repo Purchase and 0.05% lending.

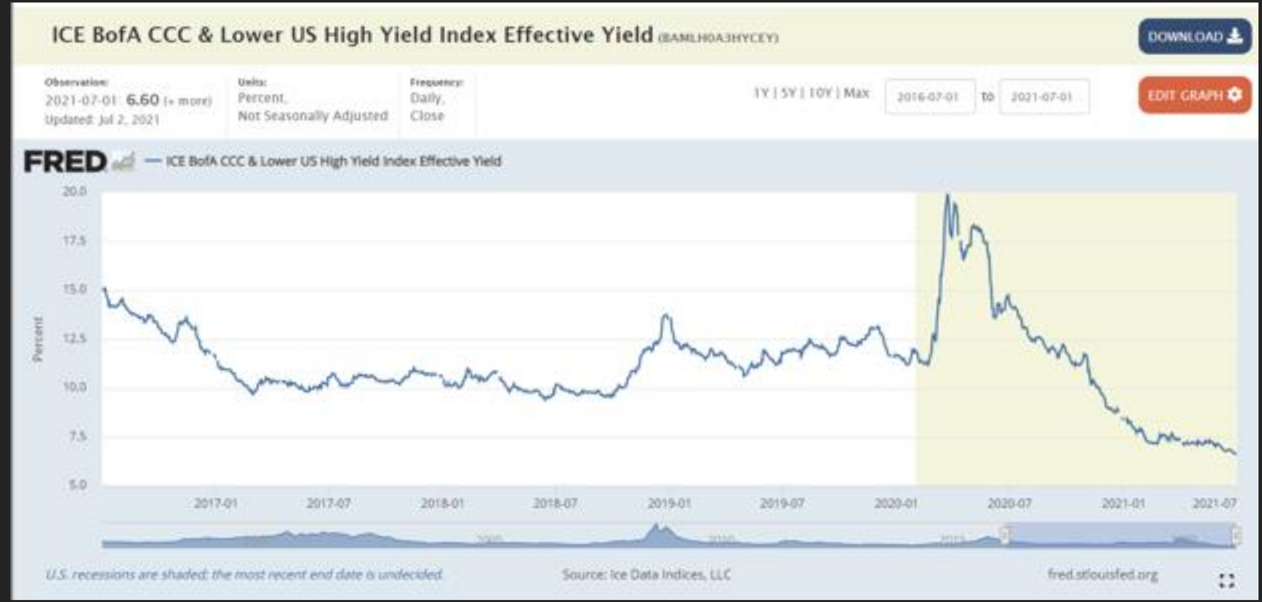
This has created a dangerous game of chicken in the market. Currently, the liquidity in the market is entirely artificial because of the aforementioned brrrrr. If the Fed lets up the slightest bit on the central-bank asset purchases ($120 billion per month currently), it could shut down the entire game. However, if JPow keeps letting the printer run, he risks hyperinflation and further cracks in support from his members. It's turned into either no more liquidity for anyone or so much liquidity that the value of USD becomes near worthless and we see Weimar Republic levels of hyperinflation.

For GME, I believe the thought is that no liquidity means institutions will have to sell off other assets to increase their capital supply. This will continue until they can no longer increase their capital supply to meet margin requirements.
When/if institutions cannot meet their margin requirements (aka prove liquidity to be able to cover positions), DTCC will forcibly close all of their positions and MOASS takes flight
This is the game of chicken the Fed is caught up in—demand for housing (as we covered above) is going down, supply is increasing, yet prices continue to inflate—I believe this is in large part because of the $120 billion per month central bank MBS is allowing prices to continue to increase and build this bubble!

Let's revisit the rate of inflation from my first post. The CPI report had inflation at 5% and we reviewed ICE BofA Single-B US High Yield Index Effective Yield @ 4.47% -.53% adjusted for inflation (Highly Speculative) and ICE BofA CCC & Lower US High Yield Index Effective Yield @ 6.83% 1.83% adjusted for inflation ("extremely speculative" to "default is imminent with little prospect for recovery").
Annualizing the Personal Consumption Expenditures, excluding food and energy (PCE), again the *most conservative* inflation number the government offers, from the BEA report the other day, inflation is at 6.4%--inflation is at least 28% higher than the first time we examined this at 5%!!!
Looking at the bonds again, adjusted for inflation, things are worse!



ICE BofA Single-B US High Yield Index Effective Yield @ 4.44% -1.93% adjusted for PCE inflation (Highly Speculative)



ICE BofA CCC & Lower US High Yield Index Effective Yield @ 6.60% .2% adjusted for inflation ("extremely speculative" to "default is imminent with little prospect for recovery")

Can we let that sink in again for a moment? To get any sort of positive yield an investor must expose themselves to bonds rated **"extremely speculative" to "default is imminent with little prospect for recovery".** If they invest in the Single-B '**Highly Speculative**' they lose principal capital to inflation! Remember, they can't just sit on this cash as the dollar is losing buying power (as we have covered before), the cash would get eaten by inflation, and it is a liability for them—since they must pay interest on client cash. (This is where having *too much* cash is considered a liquidity crisis! There isn't enough good debt to place it in!). No wonder the Reverse Repo Markets are so heavily used!
Before we go any further, let's do some quick level setting on bonds and their risk descriptions:

Moody's		S&P		Fitch		Equivalent to SVO Designations	Rating description	
Long-term	Short-term	Long-term	Short-term	Long-term	Short-term	NAIC		
Aaa	P-1	AAA	A-1+	AAA	F1+	1	Prime	Investment-grade
Aa1		AA+		AA+			High grade	
Aa2		AA		AA				
Aa3		AA−		AA−				
A1		A+	A-1	A+	F1		Upper medium grade	
A2		A		A				
A3	P-2	A−	A-2	A−	F2			
Baa1		BBB+		BBB+		2	Lower medium grade	
Baa2	P-3	BBB	A-3	BBB	F3			
Baa3		BBB−		BBB−				
Ba1	Not prime	BB+	B	BB+	B	3	Non-investment grade speculative	Non-investment grade AKA high-yield bonds AKA junk bonds
Ba2		BB		BB				
Ba3		BB−		BB−				
B1		B+		B+		4	Highly speculative	
B2		B		B				
B3		B−		B−				
Caa1		CCC+	C	CCC	C	5	Substantial risks	
Caa2		CCC					Extremely speculative	
Caa3		CCC−						
Ca		CC				6	Default imminent with little prospect for recovery	
		C						
C		D	/	DDD	/		In default	
/				DD				
				D				

How the Credit Rating Agencies Classify Corporate Bonds and Loans by Credit Risk or the Risk of Default.

0:00

3:44

Any excuse to use this clip again makes my day...

Again, JPow believes this inflation is transitory and will drop back down to 2%. The Fed has been 2 steps behind on inflation and I think they are severely underplaying a new wild dynamic in this inflation madness—people and businesses are willing to pay these increased prices!

We have looked extensively at the record median prices in homes, but let's consider cars for a minute. This is why I think the inflation game has changed! According to data from the Bureau of Economic Analysis June sales for autos fell to 1.30 million vehicles, down 14.2% from June 2019, after a strong March, April, and May.

Vehicle sales picture

The Seasonally Adjusted Annual Rate (SAAR) of sales,(takes the number of selling days and other seasonal factors into account and then annualizes the result), vehicle sales look:

June: 15.4 million SAAR, -9.5% from June 2019; the lowest for any month since January 2014.

May: 17.0 million SAAR, -1.0% from May 2019.

April: 18.6 million SAAR, the highest total for any month in 16 years, +7.4% from April 2019.

March: 17.9 million SAAR, +7.9% from March 2019.
Carmakers and dealers are making money hand over fist though! Dealers by and large don't produce 'economy' cars and trucks anymore. Everything is has shifted to high profit-margin vehicles—for example, Ford (except for the Mustang) doesn't produce cars anymore!
Because of this and shifting to have 'on-demand' inventories, the average transaction price for cars is at record highs, so is average gross profits per unit—the average transaction price (ATP) of new vehicles in June jumped 14.9% from a year ago, to $40,206, a joint forecast from J.D. Power and LMC Automotive—a record surge,
The combination of strong retail volumes and higher prices means that consumers are on track to spend $45.6 billion on new vehicles this month, the highest on record for the month of June. Consumer expenditures on new vehicles are expected to reach a Q2 record of $149.7 billion, up 60.7% from 2020 and up 27.9% from 2019.

Total retailer profit per unit, inclusive of grosses and finance & insurance income, is on pace to reach an all-time high of $3,908, an increase of $2,061 from a year ago. Grosses have been above $2,000 for 11 of the past 12 months. Coupled with the strong retail sales pace, total aggregate retailer profits from new-vehicle sales will be $4.4 billion, the highest ever for the month of June and up an astounding 175% from June 2019.

The combination of strong retail volumes and higher prices means that consumer expenditures on new vehicles are expected to reach a first-half record of $270.8 billion, up 47.8% from 2020 and up 24.7% from 2019.

Retailer profits from new-vehicle sales will reach first-half record levels on both, a per unit, and total basis. Profit per unit for the first half of 2021 will reach $2,844, up $1,310 from the same period in 2020 and up $1,457 from 2019, while total profits will reach $20.2 billion, up $12.1 billion from 2020 and up $11.2 billion from 2019.

The trade-in market is also nuts! The chip shortage and covid have set the secondary market on fire. Normally, it is tempered through rental car companies and the like offloading their fleets. Covid has thrown a huge wrench into that, and add in the chip shortage in new vehicles, has led to what I believe is **the fairy dust on this inflation fire**, reports of low-mileage used vehicles costing more than the new model would cost if it were available.

(timeout, I do hope RC and the GameStop team are reading up on how Toyota is killing this chip shortage since they had this sort of risk already identified in their Business Continuity Plan because of what happened with Fukushima in 2011!)

A study by iSeeCars, which combed through over 470,000 new vehicles and "lightly used" 2019 and 2020 model-year vehicles, found that the gap between new and slightly used had "drastically narrowed"

across the board, and it found that 16 hot models were selling for more money as used vehicles than their equivalent new versions, that were not in stock.
On top of this list is the Kia Telluride, it would sell for $44,166 as new vehicle sold for $47,730 as a slightly used vehicle. The first six on the list were either pickups (GMC Sierra 1500, Toyota Tacoma, Toyota Tundra) or SUVs (Telluride, Mercedes-Benz G-Class, Toyota RAV4 Hybrid).
Rather than haggle till they get the price down, or just not buy as they had done for a couple of years of the Great Recession, consumers are buying are paying whatever it takes to get a new or used vehicle or new or used home as their whole mindset about inflation has changed!

The brakes on inflation have been cut! This beast is going to keep running!

OK, so to try and wrap this up again:
· More cash is going to continue to pour in that needs to be placed.
· Inflation is going to make it impossible to earn positive rates on assets after being adjusted for inflation on anything but “extremely speculative” to “default is imminent with little prospect for recovery” risks.
· Cash can be stashed with the Fed @ 0.05% currently
· Previous collateral (zombie CMBS as an example) is considered junk and may be losing value due to being mistakenly rated/valued to begin, with yield rates, which had been used to secure the balance sheet now also being eaten by inflation. (Washington Prime Group and certain of its subsidiaries filed for Chapter 11 bankruptcy protection since the last time)
· Their cash can’t be used as collateral because it is a liability, and even if used, will suffer a loss of value from inflation.
Opinion: Because of inflation, the shorts are going to drown in their cash. There is no place for it to go to earn a positive yield greater than what inflation will eat, or should be acceptable for the level of risk of default.
With nowhere to park this cash to generate positive yields and while having to contend with balance sheets that are having assets eaten away, participants will continue to use the Reverse Repo to buy time until:
Being down in real terms because of inflation is something that **cannot be made back up** to service the debt and will weigh on balance sheets as they try to protect from margin calls.
Their existing collateral on the balance sheet can get re-rated lower, re-appraised lower, or just eaten by inflation to the point even what they are borrowing in treasuries can’t meet the requirements to hold off a margin call.
They hit the 80 billion Reverse Repo limit because of nowhere else to place cash, are tapped out on treasuries, and no longer able to post acceptable collateral to meet their margin requirements.

Finally, GameStop now faces inflation concerns because of that fat stack of cash they have ready to deploy!

I am sure RC and company have plans to deploy that capital in ways that will earn more than the rate of inflation, but I would like to propose they consider setting at least 1% of that cash aside to hedge the company against inflation moving forward to invest in b I t c o I n and e t h e r e u m.
I know this investment suggestion is probably controversial! However, I've been in crypto longer than GameStop (and DFV has been in GameStop), and it was understanding these fundamentals that helped make his explanations and some of the DD here click for me to ape into GameStop when I learned about it.

I am happy to touch on these subjects in the comments further (but I do want to keep this on the topic as much as possible and try and wrap up), but in short, I believe in PlanB's Stock-to-Flow hypothesis on b I t c o I n.

I think GameStop could benefit some cash to this asset that cannot be inflated away, and as Elon proved, can be turned from cash-b I t c o I n-cash instantly.

More importantly, though, I think the company should allocate a portion of that to staking e t h e r e u m and offering the ability to stake to GameStop's user base.

In the future, I believe GME values decentralization of ownership of our digital assets, which is why we should buy and mint NFT's on GameStop's Blockchain.

For the less blockchain familiar GameStop users, I think GameStop should open up the protocol to allow ETH2 staking with GME? Empower the players to secure the metaverse?

For the balance sheet though, if you're staking on E t h e r e u m 2.0, E t h e r e u m 's parallel PoS network, your operations are earning you a roughly 8% annual percentage return (APR). T**his number is higher than the rate of inflation that we covered as well! Yes, E t h e r e u m fluctuates in price, but as we covered above, staking will also further secure and make the network stronger, which in turn does the same for the metaverse!**
EIP-1559 is in flight. What this means is that net "issuance" of new coins minted is going to be dramatically lowered. To put it in perspective, the issuance rate right now is 4.5% per year, the estimates for the issuance rate after EIP 1559 is implemented are .5 - 1%. Why does this matter?
So b I t c o in issuance halves every 4 years right? (this is what makes the stock-to-flow model tick) Well, an issuance drop from 4.5% is the equivalent of 3 halvenings happening at one time. (4.5 cut in half to 2.25 again to 1.125 and again to .56). E t h e r e u m is already at a multi-year low supply on exchanges, once this happens E t h e r e u m will become more instantly scarce. People have dubbed this the "Cliffening".

I believe this increasingly scarce asset that will also secure the metaverse would be a great place to place cash to avoid inflation!

EDIT 1: Many in the comments are viewing the crypto turn to fight inflation as me turning to shilling crypto. My response to that is:

But let's revisit my crypto comment at the end:

Its value is based on demand/supply dynamics rather than underlying fundamentals (similar to how gold has historically). I believe it should only be included as a long-term hedge against weak stock returns and USD devaluation, for a small part of the company's portfolio.

Let's say they went hog wild and initiated a position of ~1% of the $1 billion portfolio (@10,000,000 ~297 coins @ $33,650) in b I t c o I n only for the longer term (completely screwing over their belief in E t h e r e u m and the metaverse). I believe there might be four scenario's with this strategy:

Scenario	B I t c o I n 2023 price target	Total	impact on portfolio
B I t c o I n completely crumbles	**Price goes down to $3000 (2018 lows)**	-$9,109,000	-$9,109,000
B I t c o I n stays flat. Sideways trading guy gets a new job	($36,500)	$0	$0
B I t c o I n starts a new rally but not as big	$125,000	$36,375,000	$26,3750,000
B I t c o I n Really rallys	$420,000	$124,740,000	$114,740,000

Inflation + loss of buying power in USD is a huge concern. Short of GameStop buying, precious metals (would they then have to take delivery and secure those?), how else would you propose they stave off inflation while protecting the balance sheet? Again, this example, completely ignores E t h e r e u m and the importance it has for the metaverse!

Again, I understand that RC and company are going to be deploying a lot of that war chest but how do we best protect the cash war chest in the interim?!?!

Elon has done it and seen this technique make his company more money than they have by actually selling cars? RC and GameStop bring the metaverse fire!

TL:DR – I believe inflation is the match that has been lit that will light the fuse of our rocket.

Back to Table of Contents

The Anatomy of the MOASS - Part 1/3: The Key Market Concepts that Make the MOASS Possible and Other Important Terminology

DD 👨‍🔬

Disclaimer: Not Financial Advice, I am not a Financial Advisor .

BEFORE READING

IMPORTANT LINKS FOR NEW MEMBERS TO r/superstonk

- APE Security Protocol (how to secure and protect yourself online)
- DD Beginners Guide Page
- Wiki

Feel free to use the contents of this post however you want

- Don't worry about asking for permission to:
    - Copy it / cross-post it / translate it / refine it / Use it in your own posts
    - Do whatever you want

Leave a comment if you have any questions

- If you prefer Chat or do not meet karma requirements, you can hit me up on chat as well

I have found myself more active on Twitter than I ever really expected to be and do what I can to support the SuperStonk and the broader Ape Community, so feel free to follow me if you want to see things like the below:

- Future DD Notifications, and sharing of DD from other contributors and other important SuperStonk Info
- Shit-posting with the other Apes in the community
- Antagonizing Market Adversaries, MSM Shills, etc.
- Weaponization of Social Media

SERIES PREFACE

WIP portions will be linked in the future, but I have included the high-level frame of what will be covered (subject to change)

Part 1 - The Key Market Concepts that Make The MOASS Possible and Other Important Terminology - YOU ARE HERE

- Stock/Securities Concepts
- Trade Positions
- Market Participants
- Important Market/Trade Mechanics
- MOASS Breakdown of "How"

This Part overlaps a lot with content in The MOASS Thesis Summary DD (The MOASS Summary goes into a little more depth on the GME Thesis so it may be a good read if you have not checked it out in the DD Beginners Guide Menu), but includes some refinements

Part 2 (WIP) - MOASS Mechanics, Landscape, Atmosphere, and Tactics: What "Normal" Looks Like in the Months/Weeks Leading to MOASS

- Tactics
    - MSM Propaganda
    - Community Infiltration
    - Price Manipulation
    - Steganography
- Mechanics
    - Loopholes
    - Patterns and Cycles
- What does Normal Look Like (Expectations to set)
    - Price Movement
    - MSM Content
    - Shill Activity

Part 3 (WIP) - MOASS Mindset and Ways to Navigate

- Think Critically
- Understand "Why" You Believe in Your Thesis and the Basics "How" the Thesis is Possible

- Don't be afraid to ask questions to become learned

INTRODUCTION / INTENTION OF POST - PART 1

Part 1 of this DD series is intended to break down the main market concepts that make the MOASS possible. These are all Fundamental Concepts that are not unique to GME.

These terms are key to understanding the MOASS Thesis and speculated value of a GME investment.

Hyperlinks to Investopedia, "the world's leading source of financial content on the web", have been included for most market terms and concepts and it is recommended to check them out if they are not clear. We will be breaking down some of the more complex terms and concepts within the post and framing them within the context of GME.

Table of Contents for Key Concepts

1. Stocks Concepts
    a. Share/Stock
    b. Synthetic Shares
    c. Outstanding Shares
    d. Restricted Shares
    e. The Float
2. Trade Positions
    a. Long Position - Buying/Selling Stock
    b. Short Position - Shorting/Covering Stock
    c. Naked Short Position - Naked Shorting/Covering Stock
3. Market Participants
    a. Retail Investors
    b. Institutional Investors
    c. Market Makers
    d. Prime Brokers (Broker Dealers) and Brokers
    e. Clearinghouses
    f. Mainstream Media (MSM)
4. IMPORTANT MARKET/TRADE MECHANICS
    a. Fails to Deliver (FTD)
    b. Margin
    c. Margin Calls
    d. Margin Calls Who Calls Who
    e. Short Squeeze
5. MOASS Order of Operations

1 - STOCKS CONCEPTS

1.1 - Shares/Stock

Shares are the smallest unit of a Companies Stock

- Stocks and Shares are often used interchangeably
- Technically "shares" would represent how many of a specific company's stock, where buying multiple "stocks" would main that shares of multiple company's were bought

- ex. I bought 2 stocks; 10 shares of GME, and 60 shares of CHWY
- There are different classes of shares that are distinguished on their voting rights, sales charges, and other factors
    - Classes of shares have relatively complex dynamics, but I will not go further into them here, as it is not as relevant to GME

1. 2 - Synthetic Shares

Synthetic Shares are the financial instruments that get produced through Naked Shorting

- Not to be confused with synthetic options positions, which are legal/legitimate trade strategies that "simulate" the profits/losses as if the trader actually held those shares
- Synthetic shares entitle the owner to all of the same rights as an investor owning a non-synthetic share
- Cases where there is an excessive amount of synthetic shares point to the possibility that a stock is being abused or manipulated
- Cannot be easily measured due to limited public transparency at the Market Maker and Prime Broker level

1.3 - Outstanding Shares

The number of Outstanding shares encompasses the amount of issued shares held by all shareholders (both private and public)

- It is possible for there to be more shares outstanding through Naked shorting, which produces Synthetic shares
- The number of issued AND synthetic shares outstanding is very difficult to measure, as they are only recorded on the books of the market makers generating synthetic shares and the prime-brokers they trade through
    - These parties are not incentivized to be transparent and actively obscure these numbers, as the practice of naked shorting excessively is fraudulent and illegal

1.4 - Restricted Shares

Restricted shares include the number of issued shares held by insiders of the company

- These shares are not publicly traded on the stock market

1.5 - The Float

The Float, or Floating Stock is the number of shares of stock that are available to be publicly traded (the number of Outstanding shares minus the amount of Restricted shares that are owned by insiders).

- In theory, the number of shares owned by retail investors and institutional investors should not exceed the float
- GME's float total is currently ~56.89 Million shares (as of 6/10/21)

2 - TRADE POSITIONS

2.1 - Long Position - Buying/Selling Stock

When an investor buys a stock they are considered long on it (this is the type of position most people associate with trading stocks)

- Not to be confused with a long-term investment

- In other words, holders of long positions have a **positive** number of shares
- To close a long position the owner would sell their shares on the stock market

Basic flow of obtaining/closing a long position is:

1. Buy the stock
2. Hold it until the price of it increases to a desired amount
3. Sell it for a profit

2.2 - Short Position - Shorting/Covering Stock

When a short seller shorts a stock they hold a short position on the stock, or owe the party they borrowed from however many shares they shorted

- Not to be confused with a short-term investment
- Investors with short positions effectively are *in debt* or *owe* the number of shares that they have shorted and can be considered ***negative*** on the stock
- To close that position, short-sellers must buy a number of shares equal to the size of their short position (buying to close a short position is known as covering)
- Short positions must be reported to regulators (unlike naked short sales)

Basic flow of obtaining/closing a short position:

1. Borrow a share owned by a lender
2. Sell the stock that was borrowed
3. Gaining the cash based on the price it was at the time it was “shorted”
4. Pay interest as a percentage of the stock's value
5. Since this is a percentage the cost of interest increases if the stock's value increases
6. Hold the position until the price has dropped to a desired price
7. Buy the stock on the open market
8. Ideally the stock is bought back at a lower price than originally borrowed for so the investor can pocket the difference
9. Return the share back to the lender

2.3 - Naked Short Position - Naked Shorting/Covering Stock

Naked Shorting effectively allows a Short Seller, working with a market maker, to short a stock using a without having a borrowed share like normal short selling

- Naked short sales do NOT have to be reported the same way as normal "Short Sales" and can be "hidden"
    - Failures to Deliver the shares that were "fake-borrowed" to the buyer are on of the main ways to find evidence of naked shorting
- Due to a loophole and lack of oversight by regulation, Naked short selling can be used to manipulate the price of certain stocks
    - This type of trade illegal outside of specific situations involving Market Makers
- Naked shorting was targeted for tighter regulation during the financial crisis of 2008 but enforcement has unfortunately not been effective in preventing it from manipulating the market

Basic flow of obtaining/closing a naked short position (kind of complex and involves two specific parties for 2 initial trades called a married put)

1. A Short Seller "A" buys 100 shares from a Market Maker "Z" who can technically sell them without locating them
    a. Market Maker is Naked Shorting the stock, and the Short Seller is receiving 100 synthetic shares
2. Short Seller "A" now buys a Put Option (1 options contract is worth 100 shares) from Market Maker "Z" who is the writer of the put (Writing a put does not require the writer to have the shares on hand)
    a. Writing/selling a put nets +100 shares to the Market Maker, which results in the -100 shares that were naked shorted to be neutralized, so the Market Maker no is at a neutral position (Market Makers generally try to remain net 0 on trades
    b. Short Seller "A" now has 100 shares that can be short sold (they "borrowing" the synthetic shares the Market Maker effectively printed out of thin air), and one put contract that they can make money on as long as the price goes down
3. The steps or the short seller are basically the same as a normal short sale now (2.2 steps 2-8), however, interest from the Short seller does not need to be paid to a lender (no one is formally lending it)
    a. The premium from the put being purchased from the Market Maker is how they benefit
    b. Short Seller "A" now has a short position that they can cover simply by buying 100 shares, which would cancel out the synthetic short position

3 - MARKET PARTICIPANTS

3.1 - Retail Investors

- Retail Investors, also known as individual investors, are your average investors (not a company or organization)
- Referred to as the "Dumb Money" by Wall Street and the "professional" financial community
- Reddit communities
- u/DeepFuckingValue (@TheRoaringKitty on Twitter)

3.2 - Institutional Investors

Institutional Investors are organizations that invest on individuals' behalf

- Examples of Institutional Investors
    - Endowment Funds
    - Commercial Banks
    - Mutual Funds
    - Hedge funds
    - Pension funds

- Insurance companies

Notable institutional Investors involved in the GME Saga so far

- RC Ventures LLC (LONG)
    - To Apes: Ryan "Buckle Up" Cohen, AKA GameStop Chairman, AKA Bringer of SHF Tears 🥰
    - To SHFs and Market Manipulators: Doom
- BlackRock (Long)
- Vanguard Group (Long)
- Fidelity (Long) - May not have an active position on GME Specifically
- Melvin Capital (Short)
- Shitadel Advisors (Short)
- Point72 (Short)

3.3 - Market Makers

Market Makers can be Hedge Funds, Brokers, or Prime Brokers, who, rather than investing and holding long or short positions, they profit by ensuring there is liquidity in the market buy simultaneously submitting buy AND sell orders close to the current price (they play both sides of the market and must always have shares to buy and sell)

- Market Makers ensure that if some another investor wants to buy or sell shares near the current price of a stock, there is a corresponding buyer/seller on the other side of the trade offering to trade (for availability essentially)
    - They will normally offer to buy at an amount that is a bit lower (generally fractions of a percent away) than the last price a share was sold for, or sell at a price that was a bit higher than the last price a share was sold for
        - Ex. Lets say current share price is 200; A Market Maker might have a buy order for 100 shares at $199.75, and have sell orders for 100 shares at $200.25, so assuming both of those trades execute, they net $50 on those 100 shares ($0.50 * 100 shares)
    - Generally, Market Makers intend to remain Net Neutral on their positions, making money based on volume traded, rather than holding positions long enough for them to increase or decrease
    - They employ High Frequency Trading systems (computers) and algorithms to facilitate trading
- When you buy and sell stock those trades are often trading between you and a market maker
- Market makers get "special rules" that enable them to keep liquidity in the market when there is low liquidity
    - Naked shorting is one of the options Market Makers have when navigating a trade that other investors do not have

Notable Market Makers

- Shitadel Securities

- While part of "Shitadel" this organization is separate from the Hedge Fund (Shitadel Advisors)

- Virtu Financial
- Credit Suisse Securities
- Deutsche Bank Securities
- Goldman Sachs and Company

3.4 - Prime Brokers (Broker Dealers) and Brokers

A **Prime-Broker** is a bundled group of services that investment banks and other financial institutions offer to hedge funds and other large investment clients that need to be able to borrow securities or cash in order to engage in netting to achieve absolute returns

- Broker vs Prime-Broker
  - A broker is an individual or entity that facilitates the purchase or sale of securities, such as the buying or selling of stocks and bonds for an investment account. A prime broker is a large institution that provides a multitude of services, from cash management to securities lending to risk management for other large institutions.
- While Brokers often route trades through Market Makers, MMs also through and receive margin from Prime Brokers
  - The Prime Broker is who would Margin Call Shitadel if their short position gets too large or they bleed too much capital
- Retail investors trade through and receive margin from Brokers (not Prime Brokers)

3.5 - Clearing Houses

Clearinghouses are intermediaries between buyers and sellers

- Finalize transactions
- Regulates delivery of assets
- Reports on trading data

3.6 - MSM (Mainstream Media)

Though not a traditional market participant (as in they are not trade/financial entities) the MSM is worth noting due to its role in influencing the financial atmosphere and landscape

- The MSM (specifically the Financial Media in this case) overall is motivated through sponsors and through ratings
  - They often cover topics based on what their sponsors want them to cover, and/or those that are more likely to draw many viewers
- The Financial Mainstream media comes in many forms
  - News Articles
  - Blogs
  - Television
  - Newspaper

4 - IMPORTANT MARKET/TRADE MECHANICS

4.1 - Failures to Deliver (FTD)

FTDs occur when a buyer of a stock ends up not having the money to purchase the stock that they traded for OR, **when a short seller does not own the stock at the time of settlement**

- FTDs are one of the main check-balances to naked shorting, so very high amounts of Failures to Deliver are indicative of this
    - Spoiler: GME has tons of FTDs reported
- FTDs are supposed to be covered within a specific time period in order to avoid violation of regulatory rules

Cycles

Our understanding regarding the "rules" of T+21 and T+35 Cycles was constructed in The SECs Key Points About Regulation SHO

T+21 Cycle

When there are Failures to Delivery that are not satisfied by the required time period (T+4 for Short Sales and T+6 for Long Sales, a Market Maker must satisfy the FTD within 13 days following the T+4/6

- If it was for a long sale that Failed to Deliver, T+6 (7 Days including the trade day) plus another 13 consecutive days (14 Days including the failed settlement day), amounts to 21 days (this is where the T+21 Cycle comes From)

T+35 Cycle

If a FTD passes through T+21, there is a maximum time of 35 calendar days after the initial trade date that the firm clearing the trade must pre-borrow (purchase) the share to satisfy the FTD

- In theory, to avoid breaking the rules, Failures to Deliver must be satisfied some time within 35 Calendar Days of the trade date

4.2 - Margin

- Margin is basically credit that that an investor can use to buy more stock
- When you buy on margin you must stake the assets you have already purchased with your own cash as collateral
- The amount of Margin you can have depends on the value of your collateral
- The value of your collateral and cash but meet the margin requirements in order to continue to buy on margin
- Keep in mind the value of your collateral can change if the price goes up or down and if the value of your collateral/cash drops below the margin requirement you will received a Margin CallAnother way to think about it:

1. Imagine I have $1,000 in stock
2. You obtain a personal loan for another $1000
3. To get the credit you stake your $1000 in stock (if you default it goes to the lender to cover your debt)
4. You buy $1000 more stock with that loan (you now own $2000 in stocks, half in cash half on margin)
5. You will pay interest on the $1000 on margin but if your investment makes more money than the interest then you are still profiting
6. If your investment turns bad (lets say the price of your stock falls 50% and you are left with $1000) your lender can forcibly close out your positions (everything you bought in

cash and staked as collateral along with what you bought on margin so that they can get the $1000 they loaned you back)

4.3 - Margin Call

- A Margin Call is a notice indicating you have a specific amount of time to deposit enough of your own funds to meet your margin requirement (if you cannot meet the requirement the lender is entitled to sell all of your holdings to recover what you borrowed

Margin Examples:

This is a slightly complicated scenario that can be a little hard to follow. Give it a few reads if it doesn't make sense the first time, but basically, Margin is a credit line that you can use to buy more assets (effectively a loan backed by collateral and cash in your own account). If you buy assets with it, you have to pay back what you borrowed, whether the value of your investment goes up or down (if the investment goes up in value, you make more than you normally would, but if the investment goes down in value, you lose more than you otherwise would have without margin).

This gets even more (or less maybe) complicated when you have short positions AND long positions, like most institutional investors. To have short positions, I still need to have margin, but I do not need to use it to buy stocks, It can act as a buffer if I have a short position on a stock that is increasing in value (with a short position, if the price of something I short goes up, I am losing money), and if it gets too high, it can run against my margin line, causing a margin call.

GAIN: Long Positions

1. Imagine I have $1000 in stock XXX (let's say 10 shares worth $100 each)
2. My broker may lend me margin credit line equal to the value of my assets (so $1000 in margin), and let's say they give me a margin requirement of $800, meaning that the value of my non-margin assets (the ones I bought with my money) must be above $800 in order to keep using margin (so as long as stock XXX stays above $80 a share, then I will not get a margin call for being below the requirement)
3. I then choose to use the margin, buying 10 more shares of stock XXX for $100 each, so I now have 20 shares of stock XXX, valued at 100$ a piece
4. If the price of stock XXX goes up to %25 per share, and I sell all 20 shares, I just profited $500 (+$25 on 20 shares)
    a. In this case, closing the position clears me from the margin debt, as I am no longer using it in an open position
    b. If I had not used margin, I would have only walked away with $250 in profit ($25 per share on 10 shares), but instead I made $500, and paid back the credit, plus a little bit of interest.
5. Yay.

LOSS: Long Positions

1. Imagine I have $1000 in stock XXX (let's say 10 shares worth $100 each)
2. My broker may lend me margin credit line equal to the value of my assets (so $1000 in margin), and let's say they give me a margin requirement of $800, meaning that the value of my non-margin assets (the ones I bought with my money) must be above $800 in order

to keep using margin (so as long as stock XXX stays above $80 a share, then I will not get a margin call for being below the requirement)

3. I then choose to use the margin, buying 10 more shares of stock XXX for $100 each, so I now have 20 shares of stock XXX, valued at 100$ a piece
4. If the price of stock XXX goes down %25, bringing the value per share down to $75 a share, the value of my total position is now $1500, and the value of my non-margin assets is $750, which is below the margin requirement (keep in mind, I borrowed $1000, so that is still the amount I have to pay back)
5. My lender will give me a margin call, indicating I have two business days to deposit 50$ into my account in order to meet the margin requirement
    a. If I have the cash to deposit the extra $50 would take my assets to $800 ($750 in stock XXX + 50$ cash)
        i. If the price of stock XXX recovered to above $80 per share, it could also satisfy the requirement
    b. If I do not have the cash to deposit, then I am in trouble, as after two days, they are allowed to liquidate (sell) the assets I bought with my own money, as well as the assets I bought on margin
        i. Let's say this happens, all my borrowed assets are sold first to cover my $1000 loan (since the price of stock XXX was only $750, it only covers $750 of my $1000 margin line
        ii. I now have $750 left in assets of Stock X, but I still owe money from margin, so my lender is entitled to sell $250 work of my shares in order to get their full $1000 back
        iii. I am now left with $500 total ($750 in 10 shares of stock XXX - $250)
6. Not Yay

LOSS: Short and Long Positions
THIS IS THE RELEVANT ONE TO GME

1. Imagine I have $1000 in stock XXX (let's say 10 shares worth $100 each)
2. My broker may lend me margin credit line equal to the value of my assets (so $1000 in margin), and let's say they give me a margin requirement of $800, meaning that the value of my non-margin assets (the ones I bought with my money) must be above $800 in order to keep using margin
3. Instead of using the margin to buy more, I instead short 10 shares of stock YYY which is at $50 a share currently (giving me $500 in extra cash), which I use to buy 5 more shares of stock X
    a. I am now long 15 shares of stock XXX valued at $1500 and short 10 shares of stock YYY valued at -$500 (negative $500) for a net value of $1000
    b. No margin is actively committed to open positions, and I am still using my $1000

4. Now, lets say a short squeeze happens involving stock Y, causing the price to skyrocket to $200 per share
    a. My short position is now -$2000 (10 shares of -$200 each)
5. My net account value is now $-500 ($1500 - $2000) which is now using my margin, and because my account's value is no longer above $800, I no longer meet margin requirements so I get a margin call
6. If I cannot balance my account, the lender will liquidate my $1500 in stock XXX in order to pay the -$2000 I owe, leaving me with -$500 left in debt
    a. I have now defaulted, as I cannot pay the $500
7. Now that I have defaulted, the lender who gave me margin owns my short positions, meaning they are now short whatever was left
    a. The lender can now navigate the short positions however they want (they can hold them and hope the price goes down, and cover to close them, or they can close them immediately, costing them the whole $500 I still owed)
8. GUH!

4.4 - Margin Calls Who Calls Who

Margin calls happen at levels 1-4 when the cell to the left cannot meet margin requirements

- Broker Margin Calls Retail Traders
- Prime Brokers Margin Call Brokers, Hedge Funds, and Market Makers
- The NSCC Margin Calls Prime Brokers
- Defaults roll up left to right
    - If Retail Trader defaults, Broker must take on their leftover positions
    - If Broker, Hedge Fund, or Market Maker defaults, the Prime Broker must take on their leftover positions
    - If Prime Broker Defaults, the NSCC must take on Position
    - If the NSCC Defaults, the Fed must take on the position

Level 1	**Level 2**	**Level 3**	**Level 4**	**Level 4**
Retail Trader	Broker	Prime Broker	NSCC (DTCC)	Fed (JPOW)
x	Market Maker	Prime Broker	NSCC (DTCC)	Fed (JPOW)
x	Hedge Fund	Prime Broker	NSCC (DTCC)	Fed (JPOW)

4.5 - Short Squeeze

A Short Squeeze is a market event that occurs when there is a large short position on a stock whose price rapidly increases higher than expected, normally due to a catalyst

- During the short squeeze, the losses of those who have short positions continue to increase higher it goes
    - Since they **owe** shares, the cost to cover their position increases depending on how high the price goes (there is theoretically no limit on how high a stock can go)

- As market participants who are short on the stock buy to cover, supply decreases and demand increases, causing the price to increase even more rapidly
- While short sellers are scrambling to cover their positions, the rapid price change may entice investors who are not short on the stock to buy it in order to make a quick profit
    - Again, lowering supply and increasing demand

TL;DR

Obligatory TL;DR (Closest thing to one is section 5)

5 - MOASS Breakdown of "How"

The main point of the post is to read and understand section V, but here is section IV to act as a TL:DR

1. Toxic Market Participants have built up massive short positions made through Naked Shorting
2. Retail caught on to this strategy and discovered it can backfire if the company being shorted does not go bankrupt, especially if shares are bought and held indefinitely
3. Rules and regulations have implemented by the DTCC and its subsidiaries have been geared towards preventing market collapse, as well as to minimize the ability to perform illegal trades (naked shorting)
4. The SEC is also doing more to enforce compliance with the "rules"
5. The manipulators are at the mercy of a vicious trade cycle (T+21/35 FTD Cycle) that is forcing those with naked short positions to perform actions to cover (buy back shares that are short), or risk regulatory consequences
6. This act of rapid covering drives up the price, making it more expensive to cover during the next cycle if the share price continues to increase week over week
7. Eventually, the prices of GME will get so high that prime brokers will have no choice but to Margin Call these participants which most likely will not be meetable due to the nature of Short Squeezes, causing them to default and be forcibly liquidated
8. The Prime-Brokers will then take on the position, and if the Prime Brokers cannot cover them and also defaults, the NSCC will be next to attempt to settle all positions left over based on their Recovery and Wind-down Plan (p42)
9. If NSCC cannot afford to close everything with the money reserved for this type of situation, they the Fed must navigate the remaining positions (potentially via printing money/bailout)

Stay Tuned for Parts 2 and 3

Back to Table of Contents

wen moon 10 : Endgame ■ Final TA

DD

Hello everyone, this DD will be the last one I publish untill the **squeeze** hence the title **Endgame.**The reason is simple ; I strongly believe we are in the final stage of the battle with the crooked hedge funds and their agents.

In my humble opinion there is no reason for me to provide more **technical analysis** in the near future , or perhaps evidence for a squeeze. Hundreds of DD, countless data and hours of interview with some of the most brilliant mind and expert out there should be enough to convince you that ---
The things set in motion cannot be stopped.

It's been one hell of a journey from DFV first YOLO post to the recent and exciting development with the company and every crazy event that happened in between.

I've had the time of my life sharing these DD and shitposting with you guys.
I'm ZEN as can be and I hope everyone else is.
at this point I think our hands are nothing but pure diamonds.

without further ado, let's dive in...

PART 1 - Basic charting

Without using any indicators whatsover and just by looking at our daily chart things seem to be progressing well.
u/chayse1984 pointed out in his DD that **GME** are currently about to break out of a cup and handle while being inside of a bullish pennant.
For my smooth out there it means we have roughly a **66%** chance of breaking out on the upside to a bare minimum of about ***450$.***
(measurement from the bottom to the top of the cup on the log chart).
What's also interesting to note; it would bring us exactly where **Elliot Wave guy** told us the 3rd wave would bring us. ***(This was also double checked by Youtuber Trading Sciences;*** Source*)*
When two different analysis made by numerous people point in a direction it's best to assume that these speculation have a very good chance of happening for the simple fact that it plays a key factor in the psychology of trading in individuals.

Chart as analyzed by chayse and myself , cup and handle insine a bullish pennant supported by a trendline.

SOLVING THE CUP AND HANDLE

The first thing we need to find out is how the cup and handle will play out.

It's pretty normal for a cup and handle to retrace as much as **50%** from their **initial high** before a blue sky breakout or in our case a trip to the **moon**. As illustrated below this would be the most possible scenario in my opinion, this would also trap bears causing even more buying pressure if the trend changes rapidly.

GME could go as low as 172$/173$ before breaking out.

This to me is another scenario also **bullish** but less probable, we could see the trend reverse itself as soon as monday and we would resume our journey to the top. Such a weak downtrend would indicate that shorts and bears are now completly powerless, *they don't even believe in their own thesis anymore.* If GME remains above **200$** and start to break out by the end of the week, **HOLY MOLY.**

Hedgies are fucked

If you wish to understand more about Elliot Wave theory I recommend reading Elliot Wave Guy DD or watching this video.

Elliot Wave theory applied to GME

Now we can put all the pieces of the puzzle togheter and it look something like this, two different technique ; same result. Very bullish but also realistic and works perfectly in accordance with **William O'Neil trading strategy about the cup and handle theory and Elliot Wave theory.**
HODL 🚀

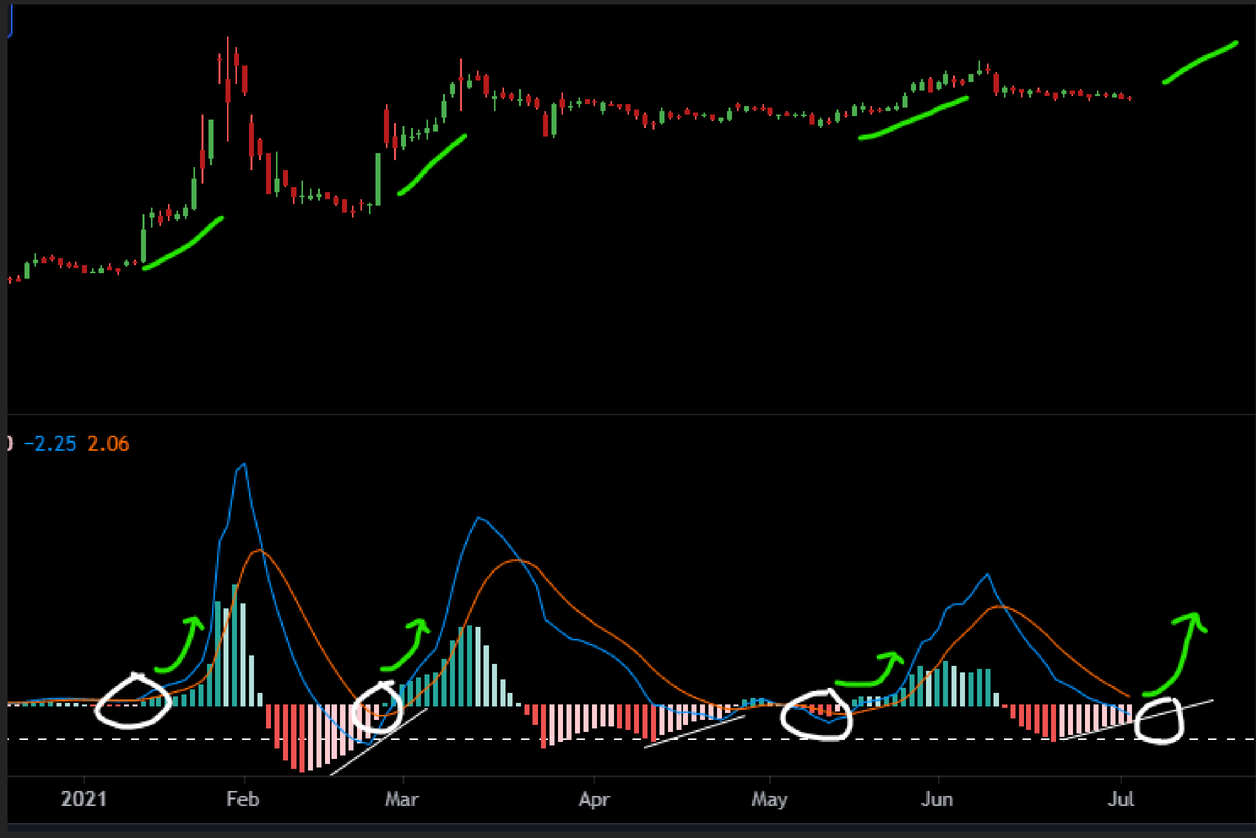
O'neil + Elliot theory applied to $GME

If this is not enough to confirm your bias check out the next section. 🤓

Part 2 - In depth T.A 🌛

MACD

Downtrend is getting weaker and weaker, bears are fucked. Just give it a little more time and this baby is gonna crossover like it always did in the past, as you can see everytime is crosses-over we raise our floor a little bit.



MACDADDY GETTING READY TO 🚀💧🍾

RSI

RSI on GME has a tendency to bounce of the median line (**GREEN**) and explode back up, right now we're consolidating but as you can see it's just a matter of time until it breaks out again, we can also confirm that the current downtrend is very weak and that **APES** are in control.

Wow Kenny ! Is that the best you could do ?

EMA

*The exponential moving average (**EMA**) is a technical chart indicator that tracks the price of an investment (like a stock or commodity) over time. The **EMA** is a type of weighted moving average (WMA) that gives more weighting or importance to recent price data.*

The EMA on the weekly timeframe is looking **great**, the EMA on the daily timeframe reminds me of the way we traded back in march. Consolidating before a break out. **Also BOOLISH LFGGGGG**

WEEKLY EMA

Weekly EMA looking stunning.

GME will most likely bounce off the 20 EMA on the WEEKLY and RIP

DAILY EMA

Last time we traded in between the 20/50 EMA things went crazy afterward.

Huu guys.. 🚀

VOLUME
Well I think everyone has noticed by now that the volume is drier than the **Sahara** desert. But fear not, this is very similar to what happened back in July.
Low volume pullback like this are very attractive to investors as they present low risk high rewards scenario.

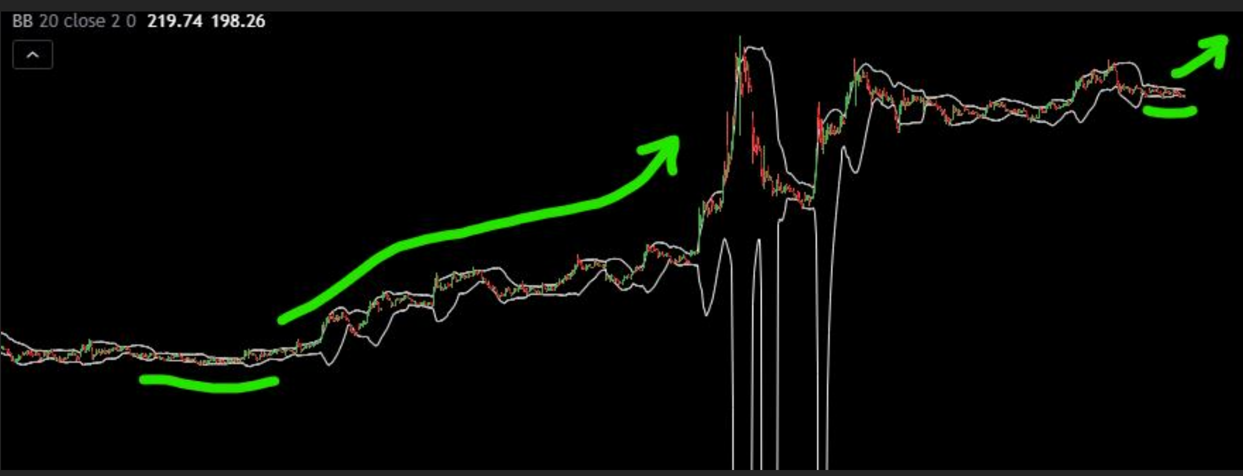
In simple term **FOMO** will be kicking in soon, and the people who didn't buy this will be mad because it's pretty much the last chance you've got at buying **GME** at a some **''reasonable price''.**
I'm sure if you could bo back in time and buy at **4$ / 40$** you would go all in, **don't miss out again.**Because you might never see the low 200's ever.

Also I'd like to point out how similar the chart is looking to the previous run up to 75$ from last summer.
This isn't financial advice, just common sense.

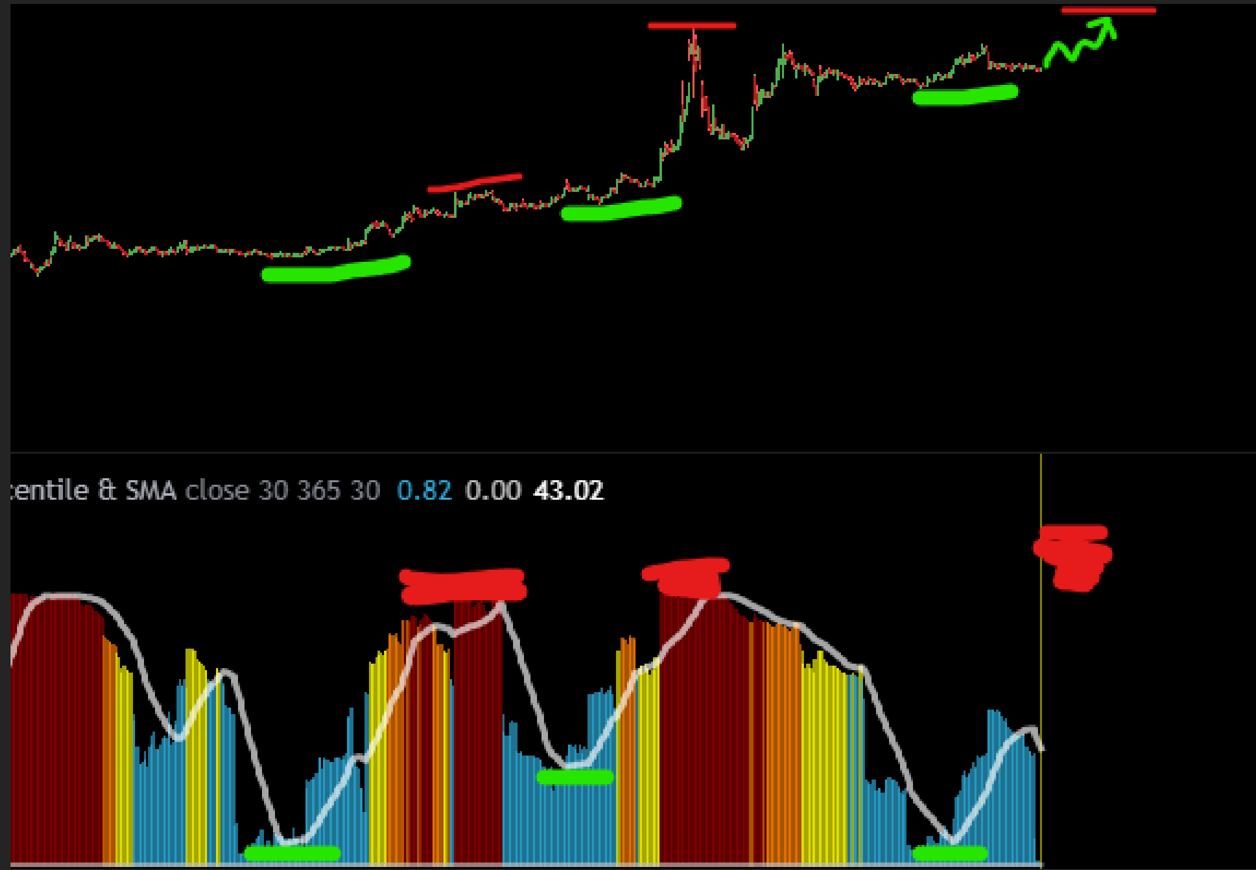
''awww man.. I wish I would have bought at 200$ but I wasn't sure I mean GME is a dying company on paper, right guys ? '' - Some fundamental investor

BOLLINGER BANDS
Bollinger bands *help determine whether prices are high or low on a relative basis. They are used in pairs, both upper and lower* ***bands*** *and in conjunction with a moving average.*

The Squeeze
The squeeze is the central concept of Bollinger Bands®. When the bands come close together, constricting the moving average, it is called a squeeze. A squeeze signals a period of low volatility and is considered by traders to be a potential sign of future increased volatility and possible trading opportunities.
The superstonk is about to go **BRRRRRRRRRRRRRRRRRR** , **the chart is screaming BUY ME** alot of people will miss out on life changing money because **''mUh DyInG BrIcK aNd MoRtaR StorE'' .**



HVP by Bali Purr (Historical Volatility Percentile)
It's my theory that **DFV and many big traders** used this signal as a confirmation to buy **Gamestop** last summer, it rarely gives a signal so when it happens it's huge.
it gave a signal *last month !!!!!!!* , usually it takes a few weeks to breakout add a few more weeks for volatility to reach a **peak**. *As we know volatility is key for us*. **We broke out!!!! SO.. in a few weeks we will MOST LIKELY SEE a HUGE SPIKE in volatility A.K.A TENDIES.** 🍗🍗🍗🍗



HOLY FUCKING MOLY, this is it. Cherry on top of the sundae :D

PART 3 : FINAL WORD AND TLDR 🌙

If you are doubting Techical Analysis let me give you a quote from the book ***trading in the zone*** by **Mark Douglas :**

'' Individuals develop behavior patterns, and a group of individuals interacting with one another on a consistent basis form collective behavior patterns. These behaviors are observable and quantifiable and they repeat themselves with statistical reliability. -- in a sense technical analysis allow you get into the mind of the market. As a method for projecting future price movement, technical analysis as turned out to be far superior to a purely fundamental approach. "

EVERY INDICATOR IS SCREAMING BUYYYYYYYYYYYYYYYYYY

Like I said in the intro I feel like everything is going as it should right now. If you are anxious or feeling fudy, just know that everything is gearing for a move that is gonna literally break the **space-time continuum.** 🚀

Everything is a buy right now, **EVERYTHING**. We're past the point (I THINK) where we'll ever get **GME** at a cheap price . **Buy if you can HODL if you can't**.

If I could go back in time and tell my past self to buy more at 40$ trust I would but I won't have the regret of not going all in at **200$, I just maxed out.**

XX hodler till infinity. 🚀

I will see ya'll on the moon very soon. 🚀

♡
EGGS out -
*EDIT : I want to thank everyone from the bottom of my heart 💝 **X to XXXX hodlers** for all the work you guys have put in to build-up this amazing community.*

[Back to Table of Contents](#)

The Sun Never Sets On Citadel -- Part 1

DD
Hello Superstonk

Preface

I became bothered by a question a few months ago. The GME saga started with MAJOR fight in the financial landscape between Team Citadel vs. Team Other (Blackrock, Vanguard, etc.), and Superstonk is here now because of Team Other getting Ryan Cohen on the board at GME, then "retail" landed on the scene, now Apes, etc. But this ONE question always bothered me:
What did Citadel do to piss everyone off? WHY would they want to give Citadel the most epic beat down in financial history?
So I spent some time looking into that because it *must* be good and...
HO BOY, GET YOUR POPCORN, I'VE GOT SOME GOODS TO SHARE WITH YOU AND IT'S GONNA BE JUICY

Note: this is a strategy post. u/atobitt and u/criand focus on macro topics about Citadel's structure in the overall market, but this series is going to be about financial industry strategy. I have a master's degree in business and specialize in strategy and operations. While I don't have direct experience in finance per se, I really enjoy finding the "hows" and "whys" behind what businesses do.
Also, I'll give shout outs to the Apes who did relevant DD before this. Parts of this are my own discovery, parts are building on the work of those who came before :) This is an overall picture.
Symbol indicators:

- [] - request for link to relevant DD (r/Superstonk DD posts or legitimate sources)

1.0: Introduction

The Price of $GME is artificial. Prior posts (1, 2) have covered how Citadel and other players in the market have greedily, illegally conspired to change the price of stocks for their own profit. While

Citadel's criminal price manipulation of GME represents a failed scheme to fabricate shares for profit, this was only a small corner of a much larger body of activity. ***Citadel's overall activity shows a plan to monopolize markets worldwide and control securities transactions at the exchange level***.
Yep.
Buckle up :)

Key Term

Market Maker (or "MM") – a special role in a stock exchanges around the world. An MM's primary role is to provide liquidity, or "to make sure there are shares available to buy if people want them" as well as "make sure there is a buyer if people want to sell." Exchanges need it: liquidity makes for easy buying and selling.

- A MM is the intermediary for almost any securities transaction. It is positioned between the exchange and the brokers/dealers/funds that do not have access to the exchange, or they use the MM to do the buying work for them, lol. Or the MM is positioned on the other side of a transaction, supplying the securities in demand.
- A MM is always in a position of risk. They are constantly in a place to be on the losing side of a transaction if they "guess" wrong.
- Note: Citadel has many branches, but it's two major branches are its hedge fund and its MM. I will be referring only to its MM activity.

1.1: Plus Ultra

Take a moment to marvel at how Citadel has installed themselves in so many markets around the world. **They are Market Makers and/or liquidity providers in nearly every major exchange on earth:** (*Note: my undersrtanding of a liquidity provider is that it's a bit like a less-powerful MM*)
Citadel Securities own splash page

- US/North America: NYSE, NASDAQ, CBOE (not even going to bother with links here, you know they're there), Toronto
- Europe: London/Ireland, Amsterdam[], Frankfurt[]
- Asia/Pacific: Hong Kong, Singapore, Sydney [], Shanghai []
- (Apologies on missing links, I've saved so many links through this whole drama that I can't find some of my sources anymore. And this is not the full list, this is only what I could put together for this post.)

Citadel is truly an intmidating company based on the position it occupies in markets worldwide.

1.2: E Pluribus Unum

So WHY has Citadel strived to achieve such a large footprint across the globe?
Because there is a flaw in the markets across the world: it depends on Market Makers.

- Exchanges are set up to have several Market Makers providing liquidity.
- So the Market Maker has responsibilities for supply and demand of a given security.

- It’s an essential service so exchanges empower MMs with exclusive powers and responsibilities.

Take a look at the exclusive powers the NYSE gives its DMMs (like a “Super” Market Maker): From the NYSE DMM page

- MMs have *Superpowers* and wield immense control over securities.
- Exchanges rely on incentives for winning bids (coupons) as a way of creating competition and fair prices at the exchange.

MMs are intended to be balanced by competing against each other

- ...so that the customers (brokers) can get the best value, and the Market Makers are financially rewarded for their service...
- …but that means the MMs are competing for as many transactions as possible on the exchange. As much as their risk can allow.

So the better the MMs are at managing risk, the more control they have over the exchange (because they capture more of the transactions)

- And there are advantages for MMs who perform better and capture more volume – they can leverage the volume to achieve better prices and capture even *more* transactions.
- You’ve probably seen this chart, but it shows the size that MMs have become: Citadel is almost as big as the CBOE – the main options exchange for the US
- (Citadel, Virtu, and G1 are all MMs.)
- The important part about that graphic is the NYSE, NASDAQ, and CBOE volumes *include the transactions with Citadel and Virtu*.

The MMs are becoming (or already are) bigger than the exchanges themselves. And the exchanges depend on them.

- Furthermore, the exchange is limited – to a certain location, structure, set of regluations, list of securities, etc. Almost all exchanges are for profit.
- But if the exchange provides no security that can’t be bought on another exchange, then the exchange needs to compete on best price - or else it's revenue goes away.
- And exactly *who* at the exchange offers the best price?
- But a Market Maker is free to engage in **multiple** exchanges. So if a financial product is available in one exchange, but not another, and an MM is in both exchanges, then the Market Maker can offer it because it a separate entity (if it legally can).
- And the Market Maker is free offer their best price at multiple exchanges, or even directly.

What advantage does the exchange itself have? They can’t provide *anything* that the Market Makers themselves can’t/don’t provide.

- *As an analogy, if you are used to shopping for separate items across several stores – food at the farmers market, clothes at the mall, etc. – a company like Amazon or WalMart will have an advantage by selling the same items for a comparable price in one convenient place.*

It’s “malls” vs. “Target/WalMart/Amazon/Costco” all over. We all know who won that one.

1.3: Man o' War

I mentioned “volume” earlier – that is going to be key here.

- Market Making is already very risky, but the size of the established players make it prohibitive for new entrants. A new MM would need significant advantages to compete against Citadel, Susquehanna, and Virtu who will have superior positioning, expertise, technology, market understanding, funding, risk tolerance…

“The way to think about Citadel is as the Amazon of trading,” says Spencer Mindlin, a capital markets technology analyst at Aite Group. In an industry that relies heavily on technology, Citadel has forged ahead by playing “a game of scale. **You reach a point where it’s impossible for others to compete,**” he says. [emphasis mine] - Quartz

Backstory:

- In the early 2010’s Ken tired to make Citadel an investment bank and failed (lol)....
- ...but it ended up being one of those “lemons to lemonade” things for him. Because Ken realized that other MMs were *banks*, which were a major disadvantage. You see, *Banks* were encumbered with “regulations”, “capital requirements” and stupid “investors”. But Market Makers didn’t need a bank, so they didn't need to have those pesky constraints.
- Then Ken stopped trying to be a bank. Which meant he could capture the MM market.
- Citadel went on to buy out competing Market Maker assets from Citi, Goldman Sachs/IMC, and KCG to grow his market share and reduce compeition.
- And now, **the Market Maker field is NOT competitive.** The number of DMMs in NYSE has **decreased** over the years.
- Citadel has heavily “leveled-up” and is bar none THE biggest player on the field.

This is why Citadel is in so many exchanges. Successful practices can be copied from one exchange to the next, with market advantages and rewards that scale. Why shouldn’t Citadel be a MM in every major exchange on earth?

- But you realize what this means, right?

The exchanges have become commodities. They are necessary for fulfilling their role as a securites selling venue, but have no unique value to themselves.

”**We already have 16 stock exchanges, over 30 ATSs and handful of market maker SDPs**, do we really need the banks to further fragment liquidity?” [emphasis mine] - Themis Trading

The TRUE value to the market is a firm that spans multiple exchanges and offers the breadth of securities available at competitive prices.

1.4: The Commonwealth

But, but -- what about compeition? What about Virtu, G1, and the MMs in other countries? I thought you said this was a cOmPEtITivE field.

It’s true, Virtu & G1 do “compete” against Citadel. But they have an... “interesting” relationship which prompts some theories and requires further investigation.

- First, Citadel needs to maintain the appearance of a free market to avoid antitrust lawsuits. They also need other Market Makers to offload the transactions that they are unwilling to take. A duopoloy or even triopoly is fine as long as they control the market.

- Second, from Virtu's perspective (*they're the largest competitor so I'll use them here*), it doesn't make sense to go head-to-head directly with Citadel on transactions – Citadel has better positioning and a technological edge.
- And directly competing with a superior opponent would be expensive for Virtu. However, they would stand to **profit from joining with Citadel** if they took the same positions as them.
- And wouldn't you know it, Apes have discovered that Virtu and Citadel are doing the *exact same things* across many tickers. Here are 2 famous ones: MAX-D, GME [Any more Apes want to do asset comparison between Citadel & Virtu? CALLING SUPERSTONKS MOST QUANTED] (s/o to u/BadassTrader, u/JustBeingPunny, u/Sti8man7)
- That said, Virtu could still compete *indirectly* - they would need to find a niche where they could gain an advantage and separate themselves from Citadel…
- ...and oh look Virtu seems very focused on client experience, where Citadel is focused on product and market position.

So Virtu is disincentivized to directly compete against Citadel, and is incentivized to coordinate with and complement Citadel.

Monopoly much?

1.5: The Crown Jewel

If you STILL believe that being a Market Maker IS competitive and that exchanges are NOT commoditized, and that Virtu and Citadel are taking the same positions for non-collusive reasons ("*Exchanges are the pumping heart of a free economy! Of course EXCHANGES have control and NOT the Market Makers, the Market Makers are just making the plays they see are winners*"), and you need even more convincing… I have bad news.

About 9 months ago the MEMX exchange opened.

Why is that a big deal? Who opened the exchange? Let's check the MEMX website...

- Oh.
- **Citadel and Virtu** (and some other players you might recognize) *OPENED THEIR OWN EXCHANGE.*
- Yeah.

"*But, but – they wouldn't open their own exchange to profit at the expense of the market, would they?*"

- *On the MEMX own splash page*
- "*MEMX will represent the interests of its founders*" - MEMX.com
- So, **founders first, everybody else after.** FROM. THEIR. OWN. FUCKING. SPLASH. PAGE.

"*But, but – maybe it's just a small side thing and it's not really going anywhere?*"

- Right. Yeah. Sure.

"*But, but – wouldn't that piss off the other exchanges? They would want to attack the MEMX founders in some way, right?*"

- Yup.

Exchanges have become so commoditized and Market Makers have such an entrenched advantage that the dominant Market Makers have opened their own exchange, MEMX, whose primary purpose is to serve their interests at the expense of other exchanges.

"Free market."

TL;DR

Citadel is/was moving to monopolize securities transactions at the exchange level.

- Market Makers have the most control over transactions at exchanges.
- Citadel is the largest Market Maker across exchanges worldwide (*can't find the sauce []*).
- Citadel has more power than the exchanges do, offering more products, more ways to purchase them, in more venues than the exchanges.
- Citadel has even started its own exchange in September 2020, which is growing rapidly.
- MM Competition is deterred from directly competing with Citadel - they have too much influence, and competitors are incentivized to coordinate with Citadel, not compete.
- The number of MMs have decreased in major exchanges while Citadel's market share is growing.

Structurally speaking, Citadel is in a position to directly control the price of many securities and transactions at the exchange level.

And that's not even all of it. Part 2 coming soon...

Back to Table of Contents

The Sun Never Sets on Citadel -- Part 2

DD

Part 1

Apes, I'm stunned. I've rewritten this post several times because of what I've discovered. I haven't seen it anywhere else on Superstonk.

All of this is intertwined. I won't be able to get to all of the pieces of Citadel in this part so this DD will continue… and build… into Part 3.

This is a fucking ride.

Preface, part 1: Kudos

First I'd like to follow up on some key critiques from Part 1 and give kudos:.

- EU MMs – MAJOR kudos to u/NoughtyNought who did digging on finding the list of EU MMs.
- DE markets – MAJOR kudos to u/LNhamburg who has been looking into European markets since February and even followed up on my post with an awesome post of their own.

But first, I need to apologize. **I erroneously said Citadel was an MM across the EU in Part 1**. I found conflicting sources, and Citadel *is* an MM in Ireland, but I should have clarified. I'll explain more on "how" and "why" I missed this later, but props to these Apes above who did their Due Due Diligience, I am in your debt. (*"To err is human..."*)

- Several users also pointed out: MEMX lists several "friendly" institutions, including BlackRock and Fidelity, as founders, not just Citadel and Virtu.
- This is true! Kudos to the several users who broght this up: u/mattlukinhapilydrunk, u/Robin_Squeeze

So what should we make of Citadel being at MEMX? *Does Citadel really control MEMX – or even monopolize the market – if Blackrock, Virtu, and Fidelity are there too?*

2.0: Introduction

The price of $GME is artificial. Prior posts have shown how $GME is being illegally manipulated by key players to the financial system, namely Citadel. These companies abuse their legitimate privileges to profit themselves at the expense of the market and investors. But it goes much deeper: **Citadel is now positioned to do more than just monopolize securities transactions. Citadel is positioned to BE the market for securities transactions.**

Wait, what?
Buckle up.

2.1: KING, I

Citadel's influence on the market is all due to one quality: **Volume.**

Volume is king.

- There is no way to understate it. Remember this chart? **Citadel and Virtu's combined volume being larger than ANY exchange** is only the *beginning*, it's our *starting point*.

Do you want to know why it's taking so long to MOASS?

- Look at this tweet estimating the fees the MMs make off of volume. - sauce
- MMs made an estimated $350M+ in **four days**. January 27 (the "sneeze") volume was 24.8 billion equities traded for a **single day**.
- (we now know the MMs also took the full income of the shares they sold since they were selling pledged shares and never delivered)
- This illustrates how the MMs generate revenue off of any volume. They do this with nearly any security or transaction they make a market for.

So the same activities that empower Apes to create the MOASS also provide the MMs with more resources to prolong the arrival of MOASS.

What a fuckin' paradox.

2.2: Kneel before the crown

Volume is king. Once a firm hits a critical mass of transactions, it become impossible NOT to deal with that firm. For example:

Exchanges

- The NYSE & Nasdaq view Citadel/MEMX as a threat. Look at this article posted on the Nasdaq website regarding MEMX:

"MEMX will provide market makers with the ability to bypass the exchanges entirely." (*lol, so pissy*) *(credit to u/Fantasybroke for their awesome comment)*

- As much as these exchanges might be "frenemies" with Citadel, they still need to function as businesses.
- This pandemic posed a major issue for the NYSE: *how could they do IPOs* – a critical function for exchanges – *when all traders were remote?*
- They relied on Citadel. Nine times.
- There was *no other firm* that had the capability to execute. Only Citadel.

Brokers

- Awhile back there was a post about how a broker sent notice to clients saying in effect that they wouldn't know how to source their transactions in the event of Citadel defaulting. Users should expect delays in transactions if that happened.
- (*eToro? WeBull? Schwab? TDA?* ***Superstonk I need the source, help![]***)
- If confirmed, this implies major brokerages are becoming or already are reliant on Citadel for basic, essential functions.

WHAT. THE. FUCK.

Let me it say again another way: we are at a point where MAJOR BROKERAGES AND EVEN EXCHANGES DO NOT KNOW HOW TO FUNCTION WITHOUT CITADEL.

But it's bigger than that – it's not just key players in the market that are reliant on Citadel.
But first.

2.3: The Four Corners

We... manufacture money.
– Ken Griffin

That Ken Griffin quote stood out to me, I have a background in operations with experience in manufacturing & logistics. "Manufacture" implies **certainty** of output, given the correct inputs. Looking at Citadel's actions in the context of manufacturing - supply and demand – we can reverse engineer the

strategy. Understand how we got here. Let's go. (***This is important groundwork, but if you need to skip you can jump to "2.4: Corner 3: Buyer"***)

Overview

You can think of the financial industry as one that manufactures “transactions”, in the same way that the automotive industry manufactures “vehicles” of all varieties.

To manufacture a transaction requires a buyer, a seller, a product, and is produced in a venue (a.k.a. a “Transaction factory”).

- The national “supply” comes from the collection of the different “factories”: exchanges, ATS’s (Dark Pools), SDP’s (single-company terminals), etc. Each of the venues produces a slice of the overall Transactions pie chart.
- Supply of “raw materials” (lol) - buyers and sellers with products - flow into the various factories. Exchanges have been the primary “Transaction factories” for centuries. NYSE and Nasdaq still produce a large portion of US transactions every year.
- These exchanges employ Market Makers as a permanent stand-in buyer, seller, or provider of products at the exchanges – whatever is needed. Exchanges charter MMs to provide the missing pieces to complete the transactions, and provide the MMs with special abilities to do so. Because exchanges benefit from having MMs.

So...

if you were a Market Maker, and you already provide the raw materials for buyer, seller, and product pieces of “production,” what would you want to do next if you wanted to grow?

You would want a **venue.** Then you could manufacture transactions independently.

So guess what Citadel wants to do?

But – is Citadel is ready? Do they really have enough **Products, Sellers, and Buyers** to supply a “factory” of their own?

2.2: Corner 1: PRODUCT

Product is about range. Range of available products is CRITICAL feature demanded by clients, as well as the necessary volume.

Storytime:

- A few months back a reddit user commented about their experience working at a financial firm (***for the love of everything I can’t find the comment now – Superstonk help again!?[]***). I don’t remember the username, probably something like “stocksniffer42” or whatevs, lol. Let’s call him “Greg.”
- Greg would occasionally need to make securities transactions at a nearby terminal, a couple times a week. Price wasn’t really important to Greg.
- But what WAS significant was **availability**. Greg had providers he preferred because they had what he needed. When they didn’t it was super inconvenient for him because THEN

Greg would have to search through enough providers to find what he needed. **The more "availability" that a certain provider offered, the more likely Greg used them.**

- This is pretty much the Amazon/WalMart/Target strategy. You're more likely to buy from them since they have everything. Even if it's not the lowest price.

Exchanges have a limited offering – CBOE doesn't offer the same products as NYSE and vice-versa.

Huh, look at that. Citadel is a MM for multiple exchanges - CBOE, NYSE, and NASDAQ. Looks like Citadel can offer options, securities, bonds, swaps, and pretty much any product under the sun.

Seems like they have "Product" pretty well sorted. What about the other pieces?

2.3: Corner 2: SELLER

Generally, Sellers are interested in only **PRICE**. However, price is the LEAST important aspect of all demand, believe it or not. (*Note: we'll assume some interests overlap between buyer and seller because the same party can alternate roles.*)

Price is supported market-wide by a sense of trust and pre-arranged transaction costs:

- Price is set nationally by **the NBBO** – the National Best Bid and Offer. A national price range that establishes trust with buyers and sellers. Everybody abides by it. Nobody will be scamming anyone on price in the NBBO. Because...
- **Venues** (like exchanges) don't make money off price, they make it from member fees, or sub-penny fees.
- **Product** prices can vary quickly, so it's somewhat relative. Precision pricing isn't a concern for the vast majority of non-HFT trades.
- **Buyers** will proceed if the price is within their acceptable range and doesn't have an undue markup.
- **Market Makers** make very little money on individual transactions, usually.
- (We individual retail investors may want maximum profit through a single transaction (**cough** DIAMOND HANDS **cough**)... but not Market Makers.)

However, institutional sellers have an **additional price agenda**:

- Volume sellers don't want to flood the market of their given security, dropping the price right as they sell. They want to offload the asset in a price-friendly way.
- Strategic sellers don't want the marketplace to know that they changed a position, they want to keep their transactions private.

These sellers would want a venue that won't affect the public price and remains private.

So **price agenda is relative -** it's up to each party to decide their interests. At the point of transaction **price is either pre-negotiated (for volume sells), or else** *precise* **price does not matter for non-HFT transactions.** (*Would you sell $XYZ at $220.05 but NOT at $220.02?*)

Strategically, if Citadel wanted to increase its volume of sellers it would need:

- the ability to absorb large volumes of securities (i.e. buy a lot at a competitive price)
- source a large volume of buyers to match with the sellers.

- have a private transaction venue to attract sellers of any volume

Interesting. Seems like Citadel is probably already doing a lot of this activity through the exchanges or Dark Pools they might be connected to.

How about the last piece?

2.4: Corner 3: BUYER

A Buyer is interested in one thing: **EASE OF ACCESS.**

Like Greg, a buyer wants easy access to a range of securities, acceptable prices, and easy access to to sellers.

Citadel can be all of these and/or provide them, but, wait –

How exactly can clients BUY from Citadel?

Maybe clients can buy from Citadel on the public exchanges?

- True, but Citadel could still lose the bid. Or pay additional fees, or lose on the bid-ask spread.
- Also, that's no good for Citadel. It means the clients are coming to the exchanges, which are the venues Citadel is trying to compete against.

Perhaps their target clients are institutions that want the kind of lower-cost, lower-visibility option that a Dark Pool offers? Can clients buy from Citadel on one of the many Dark Pools/ATSs?

- Yes, but the Dark Pools can be "pinged" by HFTs to reveal positions and interest. Someone else could front run the transaction.
- And again, the venue would be making the transaction, not Citadel.

So why doesn't Citadel do their own Dark Pool then? Why should the US's largest Market Maker pay to use someone else's Dark Pool?

- Okay, let's check if Citadel Has their own ATS. Hmmm… that's weird. There is no ATS registered to Citadel. ***Anywhere.***
- (Dark Pools have to register through form ATS-N due to SEC regulation ATS)

So if Citadel has to compete for buyers in exchanges, and they pay to go through Dark Pools, then why, or how, do clients buy from Citadel? How does Citadel get its volume?

Easy.

Citadel Connect.

Wait, what?

Citadel Connect.

That's right. You've been in these subs for 6 months and you haven't heard of **Citadel Connect**? Citadel's "not a Dark Pool" Dark Pool? (That's not by coincidence, btw).

MOTHERFUCKER WHAT?!?!

Citadel Connect is an SDP, not an ATS. The difference is the reporting requirements. SDPs do not have to make the disclosures that either the exchanges or even the ATSs (a.k.a. Dark Pools) have to.

- (FINRA once took a look at regulating SDPs, but decided not to).

Yep.
There is a laughable amount of search results for Citadel Connect on Google. There are no images of it that I could find. I believe it is an API-type feed that plugs into existing order systems. But I couldn't tell you based on searches. I found no documentation – just allusions to its features.

- So when the SEC regulated ATSs in 2015, Ken shut down Citadel's actual Dark Pool, Apogee, in order to avoid visibility altogether. Citadel started routing transactions through Citadel Connectinstead.
- Citadel Connect doesn't meet the definition of an ATS. There is no competition – no bids, no intent of interest, no disclosures – nothing. It is one order type from one company.
- Order type is IOC (Immediate Or Cancel), and the output is binary – a type of "yes" or "no". You deal only with Citadel.
- *"Citadel, here's 420 shares of $DOOK, will you buy at $6.969?"*
- "YES" --> *transaction complete*, or
- "NO" --> *end transaction*
- Since it's private, the only information that comes out of the transaction is what's reported to the tape, 10 seconds after the transaction.

Okay, so you're just buying from a single company, that doesn't seem like a big deal. And aren't there are a lot of other SDPs? So why is this a problem?
By itself? Not a problem. Buyers and sellers love it, I'm sure.
However…

2.5: KING, II

Volume is king.
Citadel does such volume that it is considered a "**securities wholesaler**", one of only a few in the US. Like Costco, or any wholesale business, it deals in bulk. But Citadel can deal in small transactions, too. Citadel has a massive network of sales connections through its Market Maker presence at US exchanges. It capitalizes on the relationships through Citadel Connect, turning them into clients.

- **Citadel has a market advantage with its volume of clients.**

Citadel Connect integrates into existing ATSs and client dashboards (here's an example from BNP Paribas - sauce). Like Greg's testimonial, I suspect it's easy for just about any financial firm to deal directly with Citadel.

- **Citadel has an ease of access advantage.**

And given Citadel's wide range of products it conducts business in and is a Market Maker for, I'm sure Citadel is an attractive option for just about anyone in the financial industry who wants to buy or sell a

financial product of any kind. Competitive prices. Whether in bulk or in small batches. Whether privately or publicly. However frequently, or whatever the dollar amount might be.

- **Citadel has a privacy and pricing advantage.**

Like Amazon, WalMart, and Target, Citadel is offering *everything*: a wide range of products, nearly any volume, effortless ease of access, the additional powers of an MM, and a nearly ubiquitous presence. Doing so lets Citadel capture a massive amount of market share. So much that it is prohibitive to other players, relegating them to smaller niche offerings and/or a smaller footprint.

- **Citadel has market presence advantage**.

2.6: The Final Piece: VENUE

So guess what Citadel wants to do?

But… do you get it? Have you figured it out?

Citadel doesn't need to **get** a venue.
Citadel ***IS*** the venue.

Citadel is internalizing a substantial volume of transactions from the marketplace. It's conducting the transactions inside its own walls, acting AS the venue in itself.

Said another way, Citadel is "black box"-ing the transaction market, and it's doing so at a massive volume - sauce.

- *Okay, so it sounds like Citadel is just buying and selling from multiple parties, and making a profit off the spread. Every firm does that, though, right? It's just arbitrage, it doesn't make them an exchange.*

Citadel is offering the features of an exchange, or even benefiting from existing exchanges (i.e. the NBBO, MM powers across multiple exchanges) without any of the regulations of an exchange. It can offer more products, more easily, more quickly, more cheaply, and more privately than an exchange could. It's so non-competitive that IEX - yeah, the exchange - wrote about the decline of exchanges:

"...trends of the past decade have seen a sharp increase in costs to trade on exchanges, a sharp decrease in the number of exchange broker members, and a steady erosion in the ability of smaller or new firms to compete for business."

It is doing this at the same time that brokers and even exchanges are relying on Citadel more and more. And, by the way - *why are they so reliant on Citadel in the first place?* Glad you asked.

Volume is limited. So the more volume Citadel takes...

- ...the less volume there is for the competition.
- ...the more reliant the other players are on Citadel for buying and selling.
- ...the less profit for competitors, so the more expensive their services have to be.

This "rich-get-richer" advantage is known as a "virtuous cycle" (hah – "virtuous") – one of the most sought-after business advantages.

Citadel is capturing and internalizing more and more transactions, driving up costs for exchanges and making the competition smaller and smaller while also making them more dependent on Citadel to conduct critical business operations.
"Free market"

2.7: "...to forgive, devine."

Apes, I told you I would follow up on "how" and "why" I missed on Citadel not being an MM across the EU.
The EU marketplace is structured differently than the American markets, with different rules and roles. I knew Citadel had a massive presence in the EU, I just missed the role. I think you can put together why.

2.8: TL;DR

Citadel is moving beyond monopolizing the MM role, it has captured a massive portion of all securities transactions and is moving them off-exchange. For an undisclosed portion of transactions, Citadel IS the market.

- Citadel positioned itself to provide every piece required to provide transactions – buyers, sellers, product – at an unrivaled scale, allowing it to be a wholesale internalizer.
- ("Internalizing" here is shorthand for "one company acting as a private exchange without exchange regulations or oversight").
- Citadel does this through an SDP called "Citadel Connect," which is a type of Dark Pool that doesn't require disclosure.
- Citadel's overall volume and market position are prohibitive to new competition and also drives away all but the largest competitors.
- Even exchanges are losing volume to Citadel's OTC market share, threatening the exchanges' position in the market.

Citadel is capturing more and more of the transactions market, experiencing less competition, as it enjoys more and more entrenched advantages, at the expense of the market and the investor.
This is the groundwork that will set us up for Part 3.

Part 3 coming soon...

EPILOGUE: Dieu et mon droit

"But it's bigger than that – it's not just key players in the market that are reliant on Citadel."
Including this after the TL;DR for all to see. This is why I was delayed.

This is a 2 minute video from Citadel's own page. Watch it. It blew me away when I saw it, and I'll explain why below. Transcription mine (streamlined version):
Mary Erodes: That's a really important shift. The groups that used to make markets, i.e. step in when no one else was there, were the banks. They have shrunk by law. So when we need liquidity in the future… [points at Ken] He's has a fiduciary obligation to care only about his shareholders and his investors. **He doesn't have an obligation to step in to make markets for the sake of making markets. It will be a very different playbook when we go through the liquidity crunch that eventually will come.**

Ken Griffin: I think this is very interesting, "what is the role [Citadel] will play in the next great market correction?" …[In financial crashes] no one buys the asset that represents the falling knife. The role of the market maker is to maximize the availability of liquidity to all participants. Because the perception and reality that you create liquidity helps to calm the markets. We worked with NYSE and the SEC to re-architect trading protocols… **The role of large investment banks has been supplanted by not only Citadel Securities, but by a whole ecosystem of statistical arbitrage that will absorb risk that comes to market quickly.**
[emphasis mine]
Let me summarize. Mary and Ken commented that:

- The old way of stabilizing financial crises was through multiple banks negotiating a solution to stabilize the economy.
- Banks can no longer do this due to regulations and their position in the market.
- Citadel (Ken) sees a Market Maker's role as a stabilizer, to make sure there are no violent price swings.
- Citadel worked with NYSE and SEC to re-architect the markets/economy on this belief that MMs will stablize and calm markets.

IF this is true, and IF what Ken spoke of is an accurate reflection of how the market is now structured, then here is the subtext and implications:

- Market Makers, specifically Citadel and Virtu, are now the ECONOMY'S "immune system," they are the **first and best line of defense against catastrophic collapse.**
- Their function is to make sure that no single security or asset class can expose the market to overwhelming risk.
- They manage this risk through statistical arbitrage and coordination with authorities (NYSE & SEC) on behalf of the market.
- Citadel worked with the oversight organizations to influence the structure of the overall market.

Going deeper:

Everyone in this room knew about naked shorting. And that Citadel was a primary culprit.
Which implies that somewhere, at some point, a deal was reached, tacitly or explicitly. The NYSE and SEC were in on it (at the time):

Citadel/MM's get to control securities prices with relative impunity. Naked shorting and all.

And in return, Citadel is responsible for making sure that no more crashes happen.

WHAT THE FUCK. I have no words.

IF this is true, the implications for the MOASS are...

- Citadel defaulting is the equivalent of the entire economy getting full blown AIDS and spinal cancer at the same time. Knocking out the immune system and the functional response chain of the market.
- This leaves the market vulnerable to violent price swings that can instantly bankrupt other players
- ...which is why the DTCC is so concerned about member defaulting and transferring of assets…
- ...and another reason why the MOASS is taking so long: every player in the economy needs Citadel's assets need to remain intact, to stabilize the market and continue acting as the immune system.

This video is from 2018. It has been over 2 years since then, at the time of this writing.

Buy. Hodl.

Note 1: u/dlauer if you're reading this I'd like to connect re:part 3 - HMU with chat (DMs are off)
Note 2: If you guys find the links I couldn't find (i.e. "Greg", and the brokerage letter saying Citadel defaulting would delay their transactions) - comment and I'll update!
Note 3: Apes, I've seen responses to part one that end in despair. **Be encouraged -** regulators (NYSE, SEC, et. al) don't seem to like the current setup anymore. Gary Gensler's speech last month was laser-focused on Citadel and Virtu (and also confirms this DD):
Further, wholesalers have many advantages when it comes to pricing compared to exchange market makers. The two types of market makers are operating under very different rules. [...]
Within the off-exchange market maker space, we are seeing concentration. One firm has publicly stated that it executes nearly half of all retail volume.[2] There are many reasons behind this market concentration — from payment for order flow to the growing impact of data, both of which I'll discuss. Market concentration can deter healthy competition and limit innovation. It also can increase potential system-wide risks, should any single incumbent with significant size or market share fail.
I don't think the guy likes Citadel very much lol

Edit: I'm seeing some responses that think this post implies Citadel is all powerful or controls everything. Very much not the case. Apes have them by the balls. Buy and Hodl, as always. But it helps to know exactly *what* we are up against, and *why* the MOASS is taking time. Also, we don't really want Citadel to just change the name on the building and get a new CEO - that doesn't really solve the problem, does it?

Back to Table of Contents

New OCC rule passed to fuck the large financial institutions out of using derivatives to pass their tests.

DD 👨‍🔬
u/leisure_rules has pointed me to the OCC - something that I should have been taking a look at since the beginning of my journey into the workings of the Fed.
So I decided to look deeper.
OP: https://www.reddit.com/r/Superstonk/comments/ocfcfi/occ_rule_in_effect_7121_net_stable_funding_ratio/
TLDR start - and this is not short, as the document is close to 10k pages, with this section of 102 pages alone;
After the recent test, it looks like the Fed shat themselves. A new rule was rushed to be introduced by the self-regulating fucks for the banks and split NFSR into 4 categories of application. Despite the rule having been in plan since 2016 and kind of in play, but has a ton of mentions of '08 crash.

the Fed looking back at the '08 crash - I'll fucking do it again!

Only the Category II of the banks have submitted a comment that the fucks in Category II will have a **fire sale** with such strict requirements. Rule passed for more stringent reporting just after the Fed passed

the stress test for the banks, allowing them to buy back shares ($12Bn worth, likely the $12Bn that they got from gouging their customers on overdraft fees - no joke ($11Bn in 2019)).
Because it is instituted on July 1st, 2021 - allowing the banks to have 10 business days to provide a response/plan on how to deal with their shitty NFSR ratio - we are likely looking at a few weeks if the NFSR ration is rated as bad in some of the banks. But we can expect some movement in the market next week - real movement.
Now these agencies are no longer going to count derivatives towards a positive ASF (Available Stable Funding) factor. Further, RSF (Required Stable Funding) factor is set to 100% for the derivatives. This is a double-banana worthy of Rick!
Look at the equation (sauce to u/leisure_rules) :

$$\frac{\text{Total Available Stable Funding (ASF)}}{\text{Total Required Stable Funding (RSF)}} \geq 100\%$$

NSFR Ratio calculation

What is ASF:

- Sum of carrying values of the banking organization’s liabilities and regulatory capital, each multiplied by a standardized weighting (ASF factor) ranging from 0 to 100%.

Here’s the chart of proposed ASF factors: https://www.federalregister.gov/d/2020-26546/p-363
What is RSF:

- Sum of the carrying values of its assets, each multiplied by a standardized weighting (RSF factor) ranging from 0 to 100% to reflect the relative need for funding over a 1 year horizon based on liquidity characteristics of the asset
- PLUS RSF amounts based on the banking organization’s committed facilities and derivatives exposure (CRIAND!!!)

Here’s the chart of the RSF factors: https://www.federalregister.gov/d/2020-26546/p-481
TLDR end;

I’d like to put together a summary of what the fuck is going on - its all in plain English, and I suggest to read it yourself to gain more wrinkles:
Introduction
The OCC, the Fed, and OCC (agencies) are looking into a 2016 rule to establish NSFR (net stable funding ratio) for any institution with >=$10Bn of consolidated assets.
Another two proposals that were being looked into are:

- scope of NSFR
- Complex Institution Liquidity Monitoring Report (FR 2052a) - to basically get self-regulating information from the banks (Smells like Goldman’s F3 to anyone?)

Background
In the ‘08 crash, the banks had issues with risk management, specifically how the banks managed their liabilities to fund their assets.

Further, there was an overreliance on short-term, less-stable funding - no shit, they were leveraged to shits.
In response, Basel Committee on Banking Supervision (BCBS) created 2 liquidity standards:

1. **Liquidity Coverage Ratio (LCR)** - for high net cash outflows in a period of stress
2. **NFSR** - for banks to not be taking handies behind Wendy's after using their credit cards to play the casino

Part of the LCR rule was for the banks to hold a specific amount of unencumbered high-quality liquid assets (HQLA) that can be easily converted into cash to meet payments for a 30-day stress period.
Along with the "poorly done" Dodd-Frank Act, the board (Fed) decided to adopt an "enhanced prudential standards rule, which established general risk management, liquidity risk management, and stress testing requirements for certain bank holding companies and foreign banking organizations."

PROBLEM: The framework never addressed the relationship between a banking organization's funding profile and its composition of assets and off-balance commitments. NO SHIT! ANOTHER PROBLEM: The fucking rule was passed AFTER the recent stress test!

Here's where the margin debt comes in - being 2x that of '00 and '08 crashes. Coupled with u/CriandDD - means the OCC is realizing how big of a shitshow it has become, and was never dealt with until Retail started making money and exposing their shit.

Margin Debt w/ S&P500

Overview of the Proposed Rule and Proposed Scope of Application

- The Proposed Stable Funding Requirement

1. In June '16, comments were invited on the rule
2. Rule was generally consistent with the Basel NSFR, but has some characteristics of U.S. market
3. Proposed rule: maintaining ratio of ASF equal or greater than the minimum funding needs (RSF) over a 1 year horizon to be minimum 1.0.

The Final Rule

- The final rule assigns a zero percent RSF factor to unencumbered level 1 liquid asset securities and certain short-term secured lending transactions backed by level 1 liquid asset securities
- The final rule provides more favorable treatment for certain affiliate sweep deposits and non-deposit retail funding
- The final rule permits cash variation margin to be eligible to offset a covered company's current exposures under its derivatives transactions even if it does not meet all of the criteria in the agencies' supplementary leverage ratio rule (SLR rule). In addition,

variation margin received in the form of rehypothecatable level 1 liquid asset securities also would be eligible to offset a covered company's current exposures
- The final rule reduces the amount of a covered company's gross derivatives liabilities that will be assigned a 100 percent RSF factor

Application of the final rule.

The agencies have decided to break down the application/companies into 4 categories:

- **Category I**: US global systemically important banks (GSIBs) and any of their depository institution subsidiaries with >=$10Bn in consolidated assets
- **Category II**: Top-tier banking organizations, other than US GSIBs, with >=$700Bn in consolidated assets of >=$75Bn in average cross-jurisdiction activity, and to their depository institutions with >=$10Bn in consolidated assets.
- **Category III**: Top-tier banking organizations that have >=$250Bn in consolidated assets, or that have >$100Bn in consolidated assets and also have >=$75Bn or more in:
    - Average nonbank assets
    - Average weighted short-term wholesale funding
    - Average off-balance sheet exposure (not in Category I or II)
- **Category IV**: Top-tier depository institutions holding companies or US intermediate holding companies that in each case have >=$100Bn in consolidated assets and >=$50Bn average weighted short-term wholesale funding (not in Category I, II, or III)

NFSR Requirements by Category

1. Category I: 100%
2. Category II: 100%
3. Category III: 85%
4. Category IV: 70%

Short Sales - I SUGGEST YOU READ THE WHOLE SECTION (IT IS GOLD) (https://www.federalregister.gov/d/2020-26546/p-810)

Back to Table of Contents

The DTCC (Depository That Clears Counterfeits) is finished. They covered up the fraud that enables naked short selling and are why we will MOASS to epic proportions.

DD 👨‍🔬

Edit - Due to my misunderstanding of crypto, NFT dividend has been changed to 'Non-standard'. The point I'm conveying is that a dividend that can't easily be obtained by short sellers to cover.

TL;DR - The naked shorting scandal is much worse than you may have first believed. The 'real' shares in your account hold the exact same rights as any other, but behind the curtain, the DTCC has historically covered up the FTDs and mass naked shorting using CEBE (Counterfeit Electronic Book Entries). This is the DTCC's way of maintaining this reverse Ponzi scheme. This is why a 'non-standard' dividend would ruin them, as they can't 'cook the books' for everyone to get one. The DTCC is fuk.

Edit - If the DTCC wasn't royally fucked...why would they be passing so many rules to push the blame on to the participants? Tits = Jacqued

Docs link

House of Cards was an extraordinary insight to the inner workings of the DTCC. If you haven't read it by now, you should before you read this post, as it assumes a fundamental knowledge of them. I have also obtained much data here from the naked short selling expert Jim DeCosta. If you haven't read his letters to the SEC, **I urge you too.** They're long but they were dumbed down so even the SEC could understand them.

I ain't no financial advisor.

____

A brief history -

For ease of typing I will be using NSS to refer to Naked Short Selling.

NSS has been as systemic issue YEARS before the financial crash of 2008. There were warnings of this to the SEC back in 2006 and of course, they did nothing. The small changes they did implement were miniscule in effect, which continued to enable predatory short sellers to cause financial 'death spirals' to bankruptcy.

Do you know how institutions defended NSS as a necessary evil in the markets? **Pump and dumps.**

NSS was meant to 'curb the fraud' and 'protect investors'. It was argued that pump and dumps would run riot without the ability to sell shares they couldn't borrow. Collectively, these 'shareholder advocates' are generously offering their services in the fight back against pump and dumps.
They're offering to step up and volunteer to become a pseudo-sheriff and sell non-existent stocks into the hands of 'about to become victims'. They don't own the shares, nor did they check the 'borrowability' of them. **They're generously volunteering to take the investors money in exchange for a CEBE,** artificially raising the supply. This of course, immediately does damage to the investment, the company and existing shareholders.
After the naked short has been done, what now? Well the 'would be victim' and the 'shareholder advocate' now fundamentally have goals that are polar opposite. The buyer wants the stock to go to the moon. The naked short seller wants the business to bankrupt. It begs the question; **why would an entity volunteering to protect against fraud, still take the money of the investor?**

Wouldn't you agree that pump and dumps and NSS go hand in hand? Pump up a stock and then bear raid it into the ground? It was a way to maximize profit on the DOWN in the dump phase.

1+1 = 3

The maximum amount of shares that can **LEGALLY** be sold short is governed by the number shares that can **LEGALLY** be borrowed. NSS ignores this fundamental basic mechanism. In fact, the DTCC enables this further due to the fact a single share can be lent out in multiple directions. This is the reason for FTDs in the hundreds of percent.
So how does this play into GameStop? How do you know your share is a real share and not a CEBE?

Answer : YOU DON'T, AND IT DOESN'T FUCKING MATTER. ONE. BIT.

To the general public, your share is as good as my share. It holds the same rights as any other. If I hold 100 shares of the same 1 share, it doesn't matter one bit. I have the legal rights to 100 shares.
You know who it does matter to? The DTCC and its' participants. They have an accounting nightmare on their hands.
Imagine the DTCC selling the same lambo 100 times? Those 100 buyers believe they own a lambo, can sell the title to the lambo, heck they can even use the car as collateral! Well, what happens when Lamborghini decide to issue every single owner with a special keychain?
The DTCC can't replicate this keychain and you as an owner are still legally entitled to receive it.

This is the same situation as GameStop. You thought you were buying shares from a 'real shareholder'. You see a number of shares in your brokerage account. Why would you even think for one second that the shares aren't even there? **You see no reason to ask for the validity of the delivery of certificated shares.** It's also why brokers strongly advocate against clients demanding paper certificates of their

shares. One firm in 1999 urged fellow DTCC participants to hike up fees for share certificates to hinder investors demanding proof of purchase.
So you bought some shares. You see the number. Where are they? Well, they're 'conveniently' held in an anonymous 'pool' of all of the other shares. It's like taking a bunch of green skittles (real shares) and red skittles (naked shares) and throwing them into a bag, mixing em' up and asking a colorblind person to pick one out?
To them? It's any old skittle.
Now what if all the red skittles all needed to be taken back?
What if the bag was FULL of red skittles.
The only person who knew what color went where was the person holding the bag (The DTCC). (wow irony)

The CEBEs at the DTCC do not represent what you think of as 'shares'. Shares are a 'package of rights' attached to a public company. I hate to break it but this doesn't include the other millions of shares (beyond the public float) that are counterfeit in the system. Real shares also hold the right to any dividends distributed.
So say a company issued dividends that were shares to all shareholders? You hold one share? You get another one! The float is 100 million shares. The transfer agent would send a 'real' certificate made out to Cede and Co. for another 100 million shares to give to each and every share holder. What happens when an extra 400 million show up as being 'delivered' to shareholders?
Because the DTCC are complicit in ensuring that this fraud is covered up every time a shareholder tries to exercise of the rights attached to only 'real' shares. These CEBEs at the DTCC are NOT real shares and do not have the rights attached with them. HOWEVER, THEY HAVE TO MAINTAIN THE ILLUSION THAT THEY HAVE THESE RIGHTS TO NOT EXPOSE THIS FRAUD.

Why would they do this? **THEY HAD TO.** Otherwise, they would have to inform the owners of these other 300 million shares that what they had was:

· non-existent
· not actually real
· no rights to the dividend
· their money in the pockets of the seller

What happens if you want to sell your share. The DTCC won't turn around and say, '*you can't sell that because we never got good delivery of your purchase*'. The broker would have normally just sold your counterfeit shares to the next naïve investor. Have you ever heard of an investor who got a proxy solicitation statement that indicated that he or she can't vote his or her shares because they are

counterfeit and there never were any voting rights attached? **The DTCC has to maintain this illusion otherwise the reverse ponzi scheme will be revealed**.

So what happens if a non-standard dividend is issued? The DTCC can't 'cook the books' and are forced to reconcile the float back down to its' issued amount.
Shorts HAVE to close their positions. They need everyone to sell to cancel out their 'fake borrow'.
What if no one sells? YOU GET THE FUCKING MOASS.

So what did you actually buy?'

You bought the right to sell a Counterfeit Electronic Book Entry.
You bought a put option with no expiry date.
You were conned.

Does it matter? Not a fucking bit. You are entitled to the rights just as much as anyone else and the DTCC are going to have a really hard time getting you a dividend that isn't cash or stock.
And if they can't, they have to buy back your share at a price YOU STATE AND THERE IS NOTHING THEY CAN DO ABOUT IT.

The irony? For them to cover, you're going to have to sell something that doesn't exist. That is...if you ever sell...

____
______

Part two?- How T+0 is the best case for the DTCC, naked short selling and outright fraud

Back to Table of Contents

Elliott Waves and The Top Of The Market, Is This THE TOP?

DD 👨‍🔬

Sup Apes

not financial advice

super brief post, I've received so many pings this AM I wanted to address it in a formal post.

the original post is here: https://www.reddit.com/r/Superstonk/comments/o02fnr/elliot_waves_gme_the_sp_500_wen_market_peak_and/?utm_source=share&utm_medium=web2x&context=3

I've seen a lot of chatter regarding my post saying SPY would peak around 430, and I wanted to add a few more targets for your viewing pleasure.

In that post, I believe I gave a target of around high 429, though there are multiple levels to watch out for. Remember, Elliott Wave gives us multiple targets, as we are analyzing many different time frames.

Outlined for your convenience:

1hr

I'm gonna zoom out so you can see the super cycle 5 target, as I believe this to be the most valid/important level. I got this target by measure waves 1-3 and bringing the extension down to the low of 4 (covid flash crash).

First level is the .618 level, next target being the .786.
The .618 level was passed long ago, narrowing our top end super cycle target at 432.08 (blue line):

super cycle from end of 08

clearly, even though i have a shit ton of borderline aneurism inducing levels, it looks like we are running out of steam.
Just for fun, I went and analyzed the grand super cycle of SPX, as the grand super cycle dates back to the low of the great depression (roaring twenties)
super briefly, just look and take from the image what you will.

monthly

IDK about you, but me thinks the music is about to stop.
in the first image, I provided a few targets as I am measure multiple different "cycles" if you will, all of which are point to a high around low to mid 430s.
There is no "magic level" per se, but fibs are not wrong. They are nature in essence, the golden ratio is everywhere.
After hitting our peak, my guess is around 432 should the peak not be today (nothing surprises me anymore) we begin our slow bleed. I do believe Gamestop among many other catalyst will cause a relatively harsh "A" wave if you will, on SPY it will likely drop to at least 345 before any significant buy pressure comes back, though this point would be the "B" wave. the fakeout. media will likely say the crash is over and its okay to buy. SPY won't dip that hard. come on. be realistic.
LIES!
I believe SPY will come back to at least 250, timeframe for this is really hard to gauge, but based on previous bear markets, I'd guess at least a 2 year bear market.
Though we also haven't had an event quite like this before, so as to how long the bear market will ensue, that's anyone's guess.
Given this is our Grand Super cycle completing from the low of the roaring twenties, it really is not crazy to think that we can (and likely will) correct 50% of that move.
IE, it is TOTALLY POSSIBLE for SPX (not spy) to drop down to around 2200 before beginning to recover.

SPX

I'll leave you with this. I won't theorize too much on the events that will cause this, I believe everyone has a pretty solid idea of whats about to happen. I just want to lay out the technicals, and how I PERSONALLY believe this will play out. I can be 100% wrong as can anyone else.
Be well.

It's cynical, but I'm jacked.
TLDR: market peak close, market will fall hard soon. Media will likely say crash is over at the "B" phase of the correction wherein we rebound a bit. Don't fall for it. GME go BOOM soon 🚀

Back to Table of Contents

The MOASS Preparation Guide 2.0

****

I'm just gonna start off by saying that this is a sequel to The MOASS Preparation Guide, a post I wrote a few months ago. I felt it deserved an updated version considering so much that has happened recently, also i've learned a lot since then. This guide will be pretty in depth but don't worry, my view is that when you're explaining something, always imagine you're talking to a 5 year old (ELI5). So make yourself a cup of coffee, and grab a tasty crayola and enjoy.
The subsequent sections are as follows:

- *Pre-liftoff preparation*
- *D-Day*
- *During the MOASS*
- *Immediate Aftermath*
- *Long term aftermath*

****

Please read though this as i believe it is important that we all have an understanding on the game plan 🚀

Pre-liftoff Preparation

- **Brokers preparation -** I think everyone should take the time to understand the nuances and rules that the broker applies on trading. Some brokers may have some sneaky fine prints. So you should make sure that nothing can get in the way of you and your tendies.
    - Take note of the brokers that previous placed trade restrictions here.
    - some brokers (Trading212 for example) have decided to restrict buying if you do not agree to their share lending program (*Do **NOT** agree to this.*)
    - If you have all your shares in one of these bad brokers and can't transfer, don't sweat it too much. **JUST DO NOT SELL YOUR SHARES.** The message was clear as crystal in January: if they prevent free trade like Robinhood did then that means they will lose customers and face litigation, so i *hope* for their sake that they have prepared for this.
    - It also wouldn't hurt to email your brokers customer service and ask them "*will you prevent me from selling if the price goes to X amount?*". Additionally, i would recommend keeping documentation, screenshots and recordings of your positions just incase f*ckery arises. It's good to create a paper trail just incase you need to bring them to court.
- **Back up broker -** If you can, open up an account as soon as possible on a reputable broker and buy at least 1 share. Don't aim to maximize gains but to minimize the regret of missing out just in case your broker decides to f*ck you. The rule of thumb is usually that commission based boomer brokers with horrible user interfaces are the most trustworthy. See the "good brokers" in the link above.

- **Diversify Brokers -** if you can, spread out your holdings across multiple brokers. Also take note of what clearing house they use. You don't want to be caught up in some f*ckery where both brokers wont let you sell because they share the same clearing house. A solution to this could be to transfer shares. Some brokers allow you to transfer shares to others, but small "shit" brokers like eToro for example, do not. If thats the case then **hold** tight and buy on a different broker, if you wanna buy more shares.
    - Here is a list of some brokerages and the respective clearing houses they use.
    - Here is a list of brokers who placed restrictions in a follow up post i made.
    - Trading212 for example: they're becoming Robinhood 2.0 now as they decided to place buy restrictions if you don't agree to their share lending program. Admittedly, I am a Trading212 customer. So this is why you should diversify brokers, you never know when they are going to pull some shady shit.
    - *side-note*: I would stay away from brokers that use Apex Clearing, they're shady as shit.
- **Order Routing -** Order routing is when an order to buy or sell a stock is sent from your broker to an exchange. There are two kinds of exchanges: ***Lit pools and Dark pools.***
    - Dark pools do not display prices at which participants are willing to trade (**ie; in the dark**), whereas lit pools do show these various bids and offers in a stocks. It's been said that the naked shorting gang pay millions to brokers to have millions of orders routed through their own dark pools, to which they can perform shady business (skimming cents off the spread of every order, suppressing buying pressure etc).
    - **This brings me to my point:** If you are thinking about buying some shares, you should route it through IEX, which is an exchange that was made in order to mitigate the affects of high frequency trading. Oh hey, look! Our friends at Citadel don't like IEX.
- **Cash account, not margin -** if you haven't already, request your broker to change your account from a margin account to a cash account. This way your shares are entirely your own and aren't being lent out to short sellers. Note that you need to have no options or short positions active with your account before you do this. If you are reluctant to switching your account then make sure that you have no withstanding deficits in your account so you don't get margin called and your broker automatically closes positions without your consent. Yes, this has happened to people before.
- **Online Security** - If you have learned anything from all this it's that you should not trust anyone. Take the time to enable two-factor authentication on your bank/broker accounts. Also you should have a different password for each account, preferably 20+ characters with a mixture of alphanumeric characters and symbols.
    - Do not use public wifi to log into your broker account.
    - Use a VPN when possible.

- **Taxes -** It is crucial that you learn about your countries capital gains taxes. I would go deeper into this, However different tax rates apply in different countries depending on how long you are holding the stock. To keep this general for all users i will say Just google "*what are the tax laws for stocks in <my country>?*". (If you're a smooth brain, dont worry. I have the solution for you in immediate aftermath section)
- **Prepare a personal balance sheet -** It may be a good idea to prepare a balance sheet. A balance sheet is a snapshot of net worth and lists all your assets, liabilities, cash etc. This will make your life (*and your accountants life*) easier when you need an accountant. If you need a better understanding of balance sheets see this video here.
- **Mental preparation -** This one isn't so obvious, but please prepare yourself for seeing life changing money in your possession. Have a long think what you are going to do with this money. And as a side note: try to not tell too people you're invested, the less people know the easier your life will be.

D-Day

0:00
0:08

- **Take care of your health -** Firstly, on the day of lift off you will definitely feel overwhelmed with emotions and anxiety. You're probably going to feel a little dizzy seeing the price increase exponentially. Please sit down when you are checking the price. The last thing i want to hear is that a fellow ape fainted and cracked their head because of being overwhelmed with emotions. In my opinion, deep slow diaphragmatic breathing really helps to slow down your heart rate and reduce anxiety.
- **Expect Trading Halts -** There is a difference between trading suspension and trading halt. Securities exchanges have the power to temporarily halt, in the middle of the trading day, or delay, at the beginning of the trading day, trading on a stock. halts and delays usually last less than one hour. As opposed to suspensions, which can last two weeks. Suspensions are enforced by the SEC
    - **In the case of trading halt:** The NYSE may stop trading if the price rises too quickly. This is usually done to prevent massive impulse waves and let people calm down for a few minutes. But this is futile in the setting of a short squeeze, because all shorts must cover regardless. You can also check when GME is halted here. Do not freak out if the graph flatlines.
    - **In the case of trading suspension:** I believe that if the infinity pool happens, meaning shorts literally will not be able to cover the potentially billions of synthetic shares they have created, driving the price to literally infinity, that the SEC most likely implement a trading suspension. We won't know unless it happens. But, who knows? They might not. You can read about trading suspensions here.
- **BOTS, BOTS EVERYWHERE -** This could go two ways: either the shorts don't have anymore money to pay shills or we will have a massive influx of bots/shills on here and

<*other stonk subs*> trying to nudge people to sell. They will say something like "wow i sold my 3 shares for 30K" and try to create a narrative that below 100K is the peak. **100K is not the peak.** don't listen to it. we set the price.

- **Reddit might be down -** during the rally from $40 to $90 in February Reddit inexplicably went offline. It happened a couple of other times before when the price rose considerably. This could be due to a DDOS attack or just too much traffic to the site. Either way, if Reddit does go down don't worry. **We are all still here.**
    - The only call to action would be to go to the SuperStonk youtube channel, which the mods said they will do an emergency broadcast when things kick off. So go there for communication.
    - Backup places to check out would be the mods twitter pages
        - https://twitter.com/rensole
        - https://twitter.com/RedChessQueen99
        - https://twitter.com/PinkCatsOnAcid

During the MOASS

- **Diamond hands -** This one i cannot stress enough, the mantra is clear: HOLD! If you sell early you creating downward pressure against the MOASS. If the short position is in the billions of shares (which has been theorized) then this shouldn't be too much of a problem, but regardless **- KEEP THOSE HANDS DIAMOND!** The squeeze could last a few days, week or indefinitely. At this point no one knows. Don't feel pressure to sell when it goes $100K+, if the DD is correct (and it has been so far) then we are not stopping add measly hundreds of thousands.
    - A **forced buy-back** differs from a **Margin call,** in which a margin call is just a notice to "*increase the amount of money in your account before we close your positions, because you won't be able pay us if this goes any higher*"

- Prime brokers will implement forced buy-back of hedge funds to cover their short positions. This means they will go the open market and buy them for what ever someone is will to sell them for.
- The stock price = the last price it sold for. If the only sells available were asking for 1 million, then that means the price will be 1 million. And since it's likely there **aren't** enough shares in existence to cover the amount of shorting that went on then theoretically this ape filled rocket could blast through the moon and land on Alpha centauri B.

- **Whats an exit strategy? -** This one isn't so obvious because the we don't know what the peak will be, but you should have an exit strategy: Plan out what you need on the day of selling, where do you need to be? think about that day and visualize it so you aren't overwhelmed with anxiety when it actually happens. As for selling: all i can say on this matter is do not sell on the way up as it's a bad idea. () Use this exit strategy instead by u/gherkinit:
- **Understand the different types of orders -** Limit Order, Market Order, Stop Limit Order and Stop Loss Order, explanations on the pro's and cons of each can also be found here
    - Some people have noted that certain brokers have limits on the amount you can place an order for **online** (in terms of dollar value). Just to be safe make sure you have phone credit and the number for your broker ready to contact them to execute an order if this applies to you.
    - Also, some brokers may not even limit orders (Revolut as far as i know). Don't sweat it, this is beyond your control. Just sell on the way down, or don't. I don't care this is not financial advice.
- **Sit down when you decide to take gains -** When the dust has settled and you decide to take gains, again, sit down and drink some water and breath.. because you may faint or possibly get sick from seeing that you have sold a single share for an ungodly amount.
- **Don't publish your realised gains publicly -** Obvious one, don't be that person who flaunts the gains online. You are going to cause a lot of fair-weather friends and family to crawl out of the woodwork trying to get their hands on your tendies. It may be tempting to rub it in the faces of the people who doubted you, but just don't. It's not worth it.
- **T+2 settlement -** When you sell a share, it actually doesn't get settled until 2 days after it's executed, meaning you don't actually have the money in your brokerage until 2 days later. Learn about the settlement violations here before you start going off buying other stocks with your gains. This T+2 settlement also gives the SEC the power to reverse any transactions they seem fit due to violations. Not meant to be FUD, i just thought its useful to know. I doubt they will start reversing transactions during the MOASS, but if it does occur. **Hold tight, again: we set the price.**
- **WHAT DO WITH MONEY? -** It should be known that your regular current/checking account is only insured up to $250,000 if you're in the US under the FDIC and €100,000 if you are in the European Union. So its not advised to dump all your money into your bank account straight away. I would wait for T+2 settlement to clear then invest in value

stocks, so you're money isn't tied to your broker, should they have issues. This brings me to the next section...

Immediate Aftermath

0:02

0:02

- **Assemble a team of legal and financial advisers:**
  - **Lawyer up -** Hire a tax attorney to deal with any problems that may arise from all of this. Hire a family law or estate planning attorney that can arrange a Will for your family immediately.
    - side note: do NOT sign anything, from your broker/bank/crayon dealer or anyone if you do not understand it. Make sure you have an attorney read anything you may or may not be asked to sign.
  - **Get an accountant -** Get certified public accountant who helps wealthy families organize their finances and guide you through your finances.
  - **Hire a financial advisor -** Make sure you hire a financial advisor that is sworn to act as a fiduciary (*acting in your best financial interests, not theirs*), preferably with experience managing significant wealth. Make sure you check their certifications and that they aren't trying to push you to buy some insurance policy. The requirements to be a FA aren't concrete so there are a lot of snake oil salesmen that really don't have your best interests at heart. Make sure how you ask how they profit from you being their client and make sure they aren't trying to make commissions. Also, look out for high fees. Minimum advisor fees based on AUM should not be over 1% unless they can justify it with amazing historical returns.
- **Expect to vilified by MSM -** In the case of a financial crisis, i can nearly guarantee that they will try to blame us rather than the hedgies and regulators who caused it. Pay no mind to mainstream media and stand your ground.
  - Expect people to say you just got lucky, expect them to speak as though we are ones who caused this. They will lie, twist and corrupt the truth. Expect your friend who paper-handed a few months back and still think's GameStop is dying brick-and-mortar resent you. You don't need to justify yourself. All of our research has been documented, archived and literally shouted from the rooftops for months. As Michael brrry would say "*I warned, but no one listened*".
  - They may also try and backtrack to a pro-GME narrative now that it's not financial in their interest to side with SHFs. Just remember: **MSM is not your friend, these people are allows pushing the narrative that they are paid push. It's literally their business model.**

- **Do nothing with the money -** this kind of piggy backs off the first point about assembling a team of advisors, but please don't just cash out and go crazy with the money. Sit and think about it for some time. Let reality settle in and decide how are you going to use this money to help yourself and the people around you. Lambos are great but they won't bring you happiness forever. Don't blow that money down the drain. Educate yourself on how wealthy people maintain their wealth.

Longer Term aftermath

- **Expect turbulence in the economy -** this wont be just contained to the world of GME. This is going to have a ripple affect across the world economy as the powers-that-be, who have been taking advantage of the system loops holes, finally pay their debt. Here is some essentials you should check out (in order) if you haven't already, this is 2008 continued:

1. **Inside Job (Full movie)** - by Charles Ferguson
2. **The Bigger Short. How 2008 is repeating** - by u/Criand
3. **A House of Cards** - by u/atobitt
4. **The EVERYTHING Short** - by u/atobitt

High/hyper Inflation - We need to talk about inflation. In v1.0 of this guide I mentioned a possibility of inflation, but as more news has come out it's pretty much a guarantee. Also, I didn't give much recommendations on what to do about it. So, i learned a bit about inflation so you don't have to:

- **The What?**
    - Since governments have moved away from the gold standard, countries have the power to create money out of thin air through quantitative easing.
    - Inflation is the annual percentage rise in the cost of living. Okay so what does that really mean? Here is smooth brain explanation: If you have $1 in 2020, and inflation rises 10% in 2021, you still have your $1 but you only have the buying power of $0.90 relative to last year. This is why holding onto cash is not good in a high inflationary economy.
- **The How?**
    - Everyone always says its from over-printing of money, but in reality this is just a symptom of a failing economy, and a byproduct of the citizens lack of confidence in the currency.
    - In order to counter these rise in prices, the FED (or central bank) will raise interest rates, essentially reducing the amount of money in circulation.
    - The chair of the Fed, JPOW himself, said interest rates won't be raised until 2023. However, fear is arising in the stock market as many speculate we have high inflation because the massive amount of "free money" initiatives to help the country get back on its feet, but it's just not being seen due to COVID-19.
    - I think it is also noteworthy to say there is a difference between high inflation and hyperinflation. Hyperinflation is a term to describe rapid, excessive, and out-of-control general price increases in an economy. While

inflation is a measure of the pace of rising prices for goods and services, hyperinflation is rapidly rising inflation, typically measuring more than 50% per month.

- **How to protect yourself?**
  - Well firstly I'd like to note assets to **avoid** during high inflation:
    - Fixed rate bonds
    - Growth stocks
    - Cash (yes, that includes the money in your savings account)
  - The **best** investments during high inflation:
    - Real estate/land
    - Commodities (Gold, oil etc.)
    - Boomer Value Stocks
- **How about crypt-0?**
  - I can't name certain coins here because of auto-mod, but you know of the big ones I'm talking about.
  - It is assumed that anything with a limited supply will inevitably move with inflation. the loss in confidence people have in fiat currency is prevented with crypt-0-currency as it has an immutable finite supply.
  - However, you also need to bear in mind the *utility* of the asset. Just because something has a limited supply does not mean it's valuable (*The 2021 shit-coin craze being evidence of this*)
  - In a financial nuclear winter event, it may a case that some coins may become too expensive to mine due to rise in electricity prices, leading to a disinterest/disincentivization in holding the asset and thus reducing it's value.
  - Be careful if you decide to hedge with these assets as they are yet to be stress-tested during a financial crisis, some might succeed and many will fail.
- side-note: One silver lining i learned about inflation is that the burden of any debt you may have will be softened as the nominal value of the debt stays the same even as the value of the currency decreases. What does this mean? if you owe money, lets say a mortgage or student loan, it is easier to pay of that debt as it is assumed you wages will increase, while the number of dollars you owe stays the same. (*not that you will have a job after the MOASS anyway (͡° ͜ʖ ͡°)*)

Taken during the 2011 Ocupy Wallstreet March (At National i

If there is anything else you think should be in here let me know in the comments. This is just my opinion and not financial advice. I am just an ape who eats crayons for fun. This will probably be my last DD before valhalla (financially speaking), I'll finish by leaving you with this image (above ^). Remember what happened in 2008 and don't show any mercy. HOLD.

- Socrates (͡° ͜ʖ ͡°)
🚀🚀🚀🚀🚀🚀🚀🚀🚀🚀🚀🚀

TLDR: no tldr you lazy ape, go read it. Its important
———————————————————

- edits 1: Diamond hands section typo : "** ***aren't*** *enough shares", not "are enough shares"*
- *edits 2: removed WardenElites exit strategy, added the gherkinit's exit strategy*
- *edits 3: added mods twitters in Reddit going down section*

Back to Table of Contents

The NYSE threshold list: collapsing shorts and launching the MOASS

DD 👨‍🔬

TA;DR: threshold list killed small shorts in January. Big shorts took on their positions. Threshold list restrictions coming for big shorts too. Watch for GME being added to the threshold list.

TL;DR: restrictions associated with extended periods of failures to deliver inform the past six months of GME shenanigans. These restrictions killed the small players who were short GME in January and allowed big players to take on their position. Big players assumed they could use their powers and resources to turn this losing hand into a big win. Apes stopped them. Now, finally, the big players are going to find these same restrictions applied to them - watch for GME being added to the threshold list.

Background

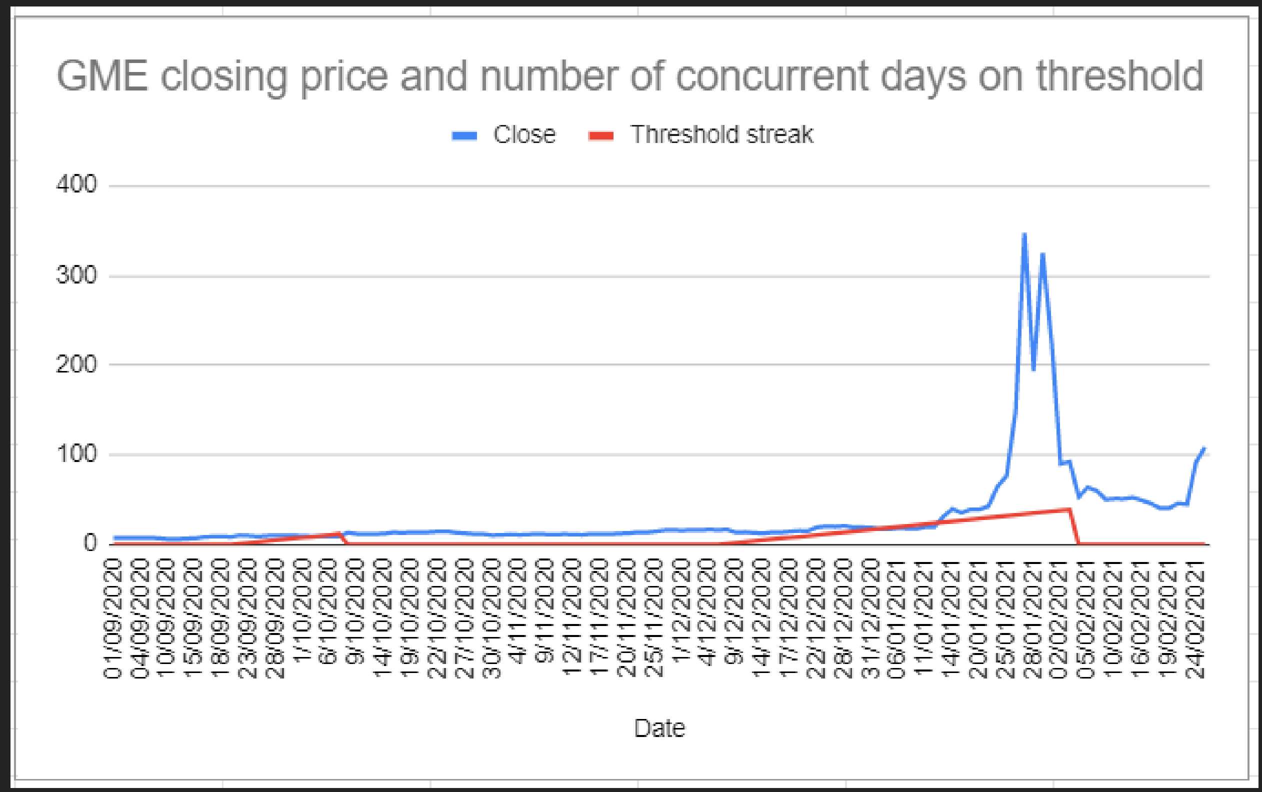
The New York Stock Exchange provides a list of 'threshold securities', which are securities that are regarded as difficult to borrow due to a large number of recent failures to deliver. When a security is on this list, there are limits on a market maker's ability to short sell the security in question and obligations regarding delivery requirements. These restrictions and obligations can increase the longer the security stays on the list. For further information and some relevant links, please see this comment by u/Criand.

There is currently some discussion of this topic because moviestock has been added to the threshold list recently, this post by u/OrwellsWarning presents tweets by u/dlauer and Susanne Trimbath which is a good place to look for discussion of the significance of the threshold list (see the comments).

In short, the ability to perform fucketry is diminished when a security is on the threshold list. u/dlauertweets that it might be unusual for companies like GME to make it onto this list (usually it's small companies). This rather underappreciated post by u/mlebjerg provides graphs of the price of moviestock and GME in relation to their being on the threshold list. Notice that the price of moviestock does not appear to be related to their being on the threshold list. Neither does the price of GME, with a notable exception.

Key point

Given the restrictions that come with being on the threshold list and its relationship with the historical prices of the two securities, I suspect the effect of being on the threshold list do not translate to price changes until the security has been on the list for long enough to compromise the ability of those with short positions to manipulate the price. On the below graph I compare the price of GME with the number of concurrent days it has been on the threshold list:



From the end of December 2020 and into the beginning of February 2021 GME was on the threshold list for 39 market days. I believe that this answers an important question that has been outstanding since February: it explains why they needed to resort to a market halt to stop the January spike but not the February gamma.

The difference between January and February

In this post from April I argue that the unusual market activity during February, the 'gamma swarm' or 'gamma squeeze', was an attempt to launch the MOASS that failed due to those shorting GME flooding the market with ever more short positions, which mitigated attempts to rapidly rise the price. In this post from May I argue that the changes in order flow indicate that the market center Citadel Securities was used to open a large short position in January and the NASDAQ market center was used to manipulate the price in February. These two arguments leave an unanswered question: if the spike in February was prevented by manipulation involving inter-market-center fucketry, why did they need to resort to a trading halt to prevent the January spike?

I think the threshold list answers that question: trading was halted in January because GME had been on the threshold list for weeks prior to the spike, which prevented the other methods of price restricting manipulation available to those shorting GME. After weeks on the threshold list, and in the face of massive buying pressure, they had no winning play left - so they halted trading. I suspect that, with trading halted, they then brought the minimum number of GME shares required to cover the outstanding failures to deliver which then removed GME from the threshold list. I expect that this actually left them with *an even bigger* outstanding short position, considering how much it would have expanded during the January spike: they opened a bigger position due tomorrow, to close the positions keeping GME on the list today. I think this led to the game they've been playing since February.

The story so far

Notice that GME has not returned to the threshold list since early February. I think that this is because the parties shorting GME since then have been more competent, better resourced, and more powerful. I suspect that GME went onto the threshold list in December 2020 because a smaller player, perhaps Melvin Capital, was failing to cover or defer their short positions. Ultimately, this led to the January spike and a more powerful institution capable of the manipulation required to stop the spike stepping in. Essentially, I think at least one smaller player who was short GME collapsed in December and January which undermined the ability of the larger players to control the situation. In response, I suspect that the larger players with market maker privileges and influence over market centers took over these collapsing players.

This is why I think that the short position was *expanded* in January even though I also think some positions were covered. As I discuss in my post regarding the 605 data (also linked earlier, the may post), it appears that the market center Citadel Securities was used to expand a short position during the January spike. Notice that the restrictions associated with a security being on the threshold list are not applied to all parties equally. This is how shorting took place in January, despite GME having been on the list for weeks - it was one of the smaller players failing to deliver that got GME on the list, so the big players were not suffering all of the related restrictions (especially those with influence over their own market center). I suspect that the short position was expanded dramatically in the leadup to the January spike and then, after the trading halt, the *oldest positions* were covered to resolve those failures to deliver that were keeping GME on the threshold list. In this manner, the short position was moved from small players to the big ones and the overall short position expanded while the reported short position lowered substantially.

With their short position bigger than ever, I suspect that they attempted to crash the price in February to convince everyone that it's time to sell their GME shares. At this point, their position is likely looking quite strong - the short positions opened in January were at a high price per share, which means they've received more money from buyers than the current share price. So, on paper anway, they are in a strong position - yes, they owe an insane amount of GME shares, but the price of GME is now much lower. As long as they can *eventually* convince everyone this is over, they'll likely come out of this stronger than ever. If they can keep issuing more short positions that they eventually cover at a much lower price, after shareholders give up and move on, they'll actually have profited over this debacle and gobbled up smaller players. Provided the apes stop buying and move on, they've turned an infinite loss position into a huge win. Masterstroke.

This is a bold plan, it will turn a massive loss into a huge win. So, they go all in and do an excellent job of it. The trading halt works by allowing them to consolidate the short positions into only those players big enough to pull this strategy off. Expanding the short position provides an influx of cash from buyers. Further shorting after the trading halt drops the price in early February. The political fallout allows them to announce very publicly that they've closed their positions. The media narrative fits perfectly to what they need to portray. For the first few weeks of February, it's working.

Except, it doesn't work. It's an excellent play and they executed it well. Regardless, two factors prevent their success. Firstly, millions of weirdos from the internet appear to have disregarded all traditionally authoritative sources of information and keep buying more shares. Given the complete lack of any

evidence to justify this behaviour, it's understandable that this caught the shorts off guard. At this point, it's too late - they're beyond fully committed to this play, they've gambled everything they have and the health of the entire financial markets on this. So, they do what they can to undermine this bizarre online resistance. Unfortunately, for them, they are also facing resistance from other big players who, for whatever reason, are not willing to allow them this victory. This resistance from other big players comes in the form of the February gamma, which attempts to launch the squeeze that was prevented with the trading halt (link to my April post on this, also linked earlier).

This sets the stage for everything that follows, March onwards. In January and early February the shorts win the battles. Smaller players die and cause a massive mess, but this allows the big-shorts to take over their positions and expand their short positions at a favorable price point while doing so. They gamble on an extreme play, a trading halt, to crash the price and it works. However, Apes pervert their attempts to motivate selloffs and realize they are being targeted with misinformation - so, they gather together to defend themselves. Ultimately, this becomes r/SuperStonk. Other big players, perhaps fearing what the big-shorts have become and are doing, instigate the February gamma which reverses a large portion of the price crash and exposes the ongoing manipulation. As February draws to a close, the gamma has failed to launch the rocket and the Apes have only a vague understanding of what is happening. It's a stalemate.

I think the battles fought in January and February have informed everything that followed. The big players short GME have used their power, influence, and resources to avoid any further restrictions on their GME activities. The big players opposing them have done what they can, but can't launch the rocket. Apes' might be described as the wildcard, but I think they're better understood as the battleground. As the months drag on, they grow in sophistication, numbers, and power. Six months into this mess, they're the ones holding the winning hand. It's the Apes' whose shares need to be brought: the shorts always needed retail shares, but after six months of endless shorting they now need *a lot* of retail shares and, much worse, the retail holders know it.

If my outline, story I guess, is correct, then the outcome is inevitable. At least, assuming Apes hold. Eventually, especially in the face of tightening restrictions, GME is going to end up back on that threshold list. Once it does, the powers and privileges allowing those short GME to fight will be steadily stripped away until they can't do anything except watch as their obligations to the NSCC kick in and the attempt to close the infinite loss position they have burdened their peers with begins. I suspect this is why the new restrictions are finishing off with 'rules clarifications' that limit rehypothecation and prevent a borrowed share from being used to 'deliver' an earlier position. Once the failures to deliver can no longer be hidden, GME is going to end up back on that threshold list. Once it's there, those with outstanding failures to deliver will have their ability to short GME restricted and the big-shorts will be caught in the same trap they 'saved' the little shorts from in January.

Finally, please note a recent by u/Feeling_Point_5978 yesterday (I can't link, it's on a different subreddit) for discussion of this in the context of Moviestock. For what it's worth, I think that Moviestock is our canary in the coal mines on this issue. I suspect that the new restrictions, finally in effect from last week, will result in the failures to deliver GME to being piling up quite soon. If this happens, expect to see GME on the threshold list soon after. Once it's there, the restrictions escalate until it's off the list. I suspect that there is only one way GME is getting off that list once it's back on it, and that's the MOASS.

(Please note that my incompetence limits the reliability of any of the above. I argue, think, and suspect many things; my saying it doesn't mean much regardless of how I phrase it - read with caution!)

Back to Table of Contents

Infinity Pool: How GME Will Break the Laws of Supply and Demand and Enable the Money Glitch

DD 👨‍🔬

Introduction

Welcome to Theoretical Microeconomics for Apes.

This post will discuss the interactions of fundamental microeconomic principles of supply, demand, price, and quantity during the MOASS, pose a theoretical example based on a hypothetical Short Interest, and discuss the possible impact of an Infinity Pool depending on its size. One of many reasons that GME will be studied for centuries is because it will stretch fundamentals of supply and demand to their theoretical limits. There are a handful of terms used repetitively throughout this post, so put your wrinkle-caps on and do some word learnin'. Fortunately, there is no quiz or attendance record.

- **Section 1: Microeconomic Principles**
- **Section 2: Microeconomic Principles Applied to the MOASS**
- **Section 3: Key Takeaways**

Disclaimer: I am by no means an expert, nor am I giving advice. My goal here is to understand and discuss theoretical microeconomic principles in relation to the MOASS due to my interest in the underlying mechanics of supply and demand at play. Please refute any incorrect assumptions in the comments and I will amend the post as necessary.

ta;dr: GME is a fascinating experiment of Supply and Demand. Diamond-handed Ape names price for banana

---

SECTION 1: MICROECONOMIC PRINCIPLES

I will provide a brief overview of each concept, with links. It is worthwhile to read the entirety of each article if you are interested in the topic(s).

If you are already familiar with these principles, you can skip to the next section.

1.1 Theory of Price - Link to Article

The theory of price—also referred to as "price theory"—is a microeconomic principle that uses the concept of supply and demand to determine the appropriate price point for a given good or service [or in the case of GME, a security].
The goal is to achieve the equilibrium where the quantity of the goods or services provided matches the demand of the corresponding market and its ability to acquire the good or service. The concept of price theory allows for price adjustments as market conditions change.
Ape Speak: In general, price will go up when demand exceeds supply. When supply = demand, price stay same. When supply exceeds demand, price go down.

1.2 The Laws of Supply and Demand
Law of Supply - Link to Article
The law of supply is the microeconomic law that states that, all other factors being equal, as the price of a good or service increases, the quantity of goods or services that suppliers offer will increase, and vice versa. The law of supply says that as the price of an item goes up, suppliers will attempt to maximize their profits by increasing the quantity offered for sale.
SUPPLY CURVE: Supply in a market can be depicted as an upward sloping supply curve *that shows how the quantity supplied will respond to various prices over a period of time.*
Ape Speak: higher prices gradually convince more Apes to sell over time.
Law of Demand - Link to Article
The law of demand states that quantity purchased varies inversely with price. In other words, the higher the price, the lower the quantity demanded.
DEMAND CURVE: A market demand curve expresses the sum of quantity demanded at each price across all consumers in the market.
Changes in price can be reflected in movement along a demand curve, but do not by themselves increase or decrease demand.
Ape Speak: Typically, higher prices make people buy fewer of something.

1.3 Supply and Demand Curves - Link to Article
Pic#1: Example Supply and Demand Curves plotted together.
The demand curve shows the quantities of a particular good or service that buyers will be willing and able to purchase at each price during a specified period. The supply curve shows the quantities that sellers will offer for sale at each price during that same period. By putting the two curves together, we should be able to find a price at which the quantity buyers are willing and able to purchase equals the quantity sellers will offer for sale.
Any individual point along the Supply or Demand Curve identifies the quantity that will be supplied or demanded at a particular price (i.e., *Quantity Supplied & Quantity Demanded*). When supply exceeds demand, there is a *surplus*. When demand exceeds supply, there is a *shortage*.

Ape Speak: Typically, demand and supply move in opposite directions in relation to price. When you put the two lines on a graph, they intersect at a specific price and quantity - these graphs are useful for analyzing prices.

1.4 Equilibrium - Link to Article

Equilibrium (artificial or otherwise) is something GME users have come to know intimately over the last month. During the MOASS, the price of GME will begin moving wildly towards a new market equilibrium (extreme rising and dipping), after which prices will stabilize and return to earth.

Equilibrium is the state in which market supply and demand balance each other, and as a result prices become stable. Generally, an over-supply of goods or services causes prices to go down, which results in higher demand—while an under-supply or shortage causes prices to go up resulting in less demand. The balancing effect of supply and demand results in a state of equilibrium.

Because Equilibrium is a singular point on a standard graph where two curves intersect, it produces an Equilibrium Price (the Y axis), and an Equilibrium Quantity (the X axis).

A market in equilibrium demonstrates three characteristics: the behavior of agents is consistent, there are no incentives for agents to change behavior, and a dynamic process governs equilibrium outcome.

This is where Apes combined with astronomical Short Interest throw a wrench into the market machinery and stretch the mechanics of supply and demand to the limit.

Ape Speak: Equilibrium is reached when quantity supplied = quantity demanded. Equilibrium produces a measurable *Equilibrium Price* and *Equilibrium Quantity*. Equilibrium = market harmony.

1.5 Price Elasticity of Supply and Price Elasticity of Demand

Elasticity vs. Inelasticity - Perfect Elasticity and Zero Elasticity - Inelastic Supply Explained

Elasticity: In this context, elasticity is another way of saying "rate of change" of a curve. Both Supply and Demand Curves have their own elasticity, which determines exactly how steep the curve is on the graph. See Pic#1. Determining the elasticity of each curve is helpful for understanding where the curves might intersect to create market equilibrium price and quantity.

Elasticity, expressed mathematically, is: E = (% Change in Quantity (Supplied or Demanded) / % Change in Price). It expresses the relationship of how many units become available from sellers or are demanded by buyers in response to changes in price. In theory, Demand and Supply Curves can reach extremes of elasticity - either perfect elasticity, or zero elasticity. It is important to note that elasticity is subject to market conditions, and changes over time - this means that Supply and Demand Curves can have different slopes at different quantities/prices. (Hint: supply being held by a diamond-handed Ape is a market condition that impacts elasticity of supply!)

- Perfect elasticity means that your Supply or Demand Curve is completely flat, and that Quantity Supplied or Demanded changes by an infinite amount in response to any change in price. (We don't really care about this in the context of GME, except to the extent that it helps us understand the flip-side, zero elasticity).

- Zero elasticity (E = 0), which is what we care about in our GME example, refers to extreme cases where a % change in price, no matter how large, results in zero change in Quantity Supplied or Demanded. When elasticity is zero, supply and demand are irresponsive to any change in price, no matter how large.

Ape Speak: Elasticity determines the slope of the Supply and Demand Curves. Low *Elasticity of Supply*means that a big change in price has a small impact on the quantity of shares supplied to the market. Low/zero *Elasticity of Demand* means that a big change in price does not impact demand (in this case, the requirement to close a fixed quantity of short positions).

SECTION 2: MICROECONOMIC PRINCIPLES APPLIED TO THE MOASS

Disclaimer: This is the point of the post at which my understanding of the material presented above collides with my understanding of the last few months of DD. In other words, the proceeding sections could be most accurately classified as an opinion or educated guess.

We're gonna hypothetical them hedgies' clavicles!

Here, I will apply the above-reference microeconomic principles to a MOASS that uses hypothetical numbers. Short Interest is critical here because it represents the number of shares at which the QUANTITY DEMANDED WILL BE FIXED. (Note: this is not a discussion about the possible short interest. I personally believe that the real SI is much higher than in the example I am about to pose.)

Pic#2: Money Glitch Activated: A Hypothetical GME MOASS Supply & Demand Curve

Important Numbers for this example:

- Short Interest: ~400% (280m shares)
- Float: 25m (for ease of calculation)
- Float repurchases to cover shorted shares: 11.2 float repurchases (the last ~25m shares - the final whole float repurchase - is important later on)

2.1. GME Demand Curve and Price Elasticity of Demand - Fixed Demand Enables Infinite Losses

GME Demand Curve

- When shorts must cover and close their positions, they will require a fixed quantity of shares to do so.
- This fixed *Quantity Demanded* means that shorts must cover at any price until the *Quantity Supplied* reaches the *Quantity Demanded*.

GME Price Elasticity of Demand

- Because *Quantity Demanded* is fixed, *Price Elasticity of Demand* is ZERO - the *Demand Curve* is VERTICAL.
- *Quantity Demanded* will not change NO MATTER THE CHANGE IN PRICE.

2.2. GME Supply Curve and Price Elasticity of Supply - The Ceiling is Your Imagination

GME Supply Curve

- The GME *Supply Curve* is the single most important factor for determining the "price ceiling" of the MOASS.
- Because the *Demand Curve* is a vertical line, *Equilibrium Price* is determined by whatever point the *Supply Curve* intersects the *Demand Curve* (in other terms, when *Quantity Supplied* equals *Quantity Demanded*).
- The steeper the slope of the *Supply Curve*, the higher the "price ceiling" of the MOASS

GME Price Elasticity of Supply (PES)

- In practice, GME *PES* (the slope of the *Supply Curve*) will change over time and according to market conditions.
- Paperhands lead to higher *PES* and flatter *Supply Curves*, whereas Diamond hands lead to near-zero *PES* and more vertical *Supply Curves* (Remember when I said that having diamond hands is a market condition?)
- When PES is high, more shares will trade between trading halts. When *PES* is low, fewer shares will be exchanged between trading halts. (Theoretically, as little as a single share could be traded between trading halts).
- At the beginning of the MOASS, *PES* will be higher as paperhands are tempted to sell in the 3-6 figure range. (Smaller changes in price will cause higher quantities to become available)
- The real squeeze begins when Diamond hands begin setting/lowering the *PES*, enabling share prices to exceed 7 figures. (Larger changes in price cause very low quantities to become available)

2.3. GME Theory of Price and Equilibrium - Ape Names Price

Bringing it back to this graphic: Pic#2: Hypothetical GME MOASS Supply & Demand Curve, you can see that a hypothetical *Equilibrium Price* has been established.

Disclaimer: This example does not account for the fact that some amount of the final ~25m shares (the final float once rehypothecated shares are gone) will be re-circulated and change the Price Elasticity of Supply as the Supply Curve approaches the Demand Curve. In other words, the Supply Curve could begin to flatten once Quantity Supplied is one whole float away from Quantity Demanded.

- In this example, a price somewhere between $10m-$100m is sufficient to convince Diamond-Handed Apes to provide enough supply of shares to meet the demand created by Marge's call and create the required liquidity to close all of the outstanding short positions.
- When the short positions are closed, *Equilibrium* has been achieved, *Quantity Supplied* equals *Quantity Demanded*, and the price begins to stabilize (crash). This does not imply that the peak occurs exactly at the moment that the last short position is closed. I believe that the peak will occur sometime shortly after the first of the real shares enter the market, and liquidity begins to normalize.

2.4. GME MOASS, Infinity Pool Edition - The Forever Shorts

But what happens if the Quantity Supplied never reaches the Quantity Demanded?

It would look something like this: Pic#3: GME MOASS Supply & Demand Curve: INFINITY POOL EDITION

- An Infinity Pool of any size will reduce *Price Elasticity of Supply*, thus maintaining a more vertical *Supply Curve* even as real shares enter the market for re-circulation.
- If there is an Infinity Pool that equals or exceeds one whole float (~25m shares +1 share), then the *Price Elasticity of Supply* becomes ZERO, the *Supply Curve* becomes COMPLETELY VERTICAL and never intersects the *Demand Curve*, and Apes can truly name whatever price their broker allows them to enter at the time. There is an absolute *Shortage* of shares.

SECTION 3: KEY TAKEAWAYS

I believe these key takeaways are reasonable given the information already known and presented here, but these are best classified as opinions/ educated guesses:

- **Current State of Relative Equilibrium:** Currently, so long as shorts create artificial equilibrium by meeting demand with artificial supply, the market will remain in a state of pseudo-equilibrium. When the downward price pressure of artificial supply inverts itself into upward price pressure from buying to cover, a wormhole opens. (This is nothing new, but I have yet to hear it expressed in these terms)
- **Real-time Supply & Demand Curve:** Monitoring activity on the bid/ask spread and volume between trading halts during the MOASS will provide insight into the current state of *Price Elasticity of Supply*. At times, the bid/ask spread will be as wide as brokerage maximum-price limits allow.
- **When is the Infinity Squeeze phase of the MOASS truly getting started?** When the *Price Elasticity of Supply* is stupidly low and getting lower. Assuming that Diamond Handed Apes own the float, the real squeeze hasn't started until GME is trading over 7-8 digits. Apes will be some of the last sellers to get in line, so any price action prior to Apes getting in line to name their price is only a buildup to the Infinity Squeeze.
- **Utility of Volume During MOASS as a Predictor of a Potential Peak:** In all likelihood, total volume is not a reliable indicator of a squeeze peak. You would have to possess a relatively accurate idea of the true size of the short position (a.k.a. *Quantity Demanded*), know that there is no additional volume being created by new short positions that open during the MOASS, and know the impact of real shares beginning to re-circulate.
- **Infinity Pool Can Create a True Infinity Squeeze:** Suppose that Apes own the float two-times over. If each Ape placed half of their shares into the Infinity Pool, then the final ~25m shares will be inaccessible by the market, and the short positions can't be closed until other sources of liquidity become available. In that scenario, Apes can name their price for the half of their shares that do not go into the Infinity Pool. I cannot personally fathom what would happen to the price if the entire current float could not

re-enter circulation - perhaps institutional sellers would provide liquidity to stabilize the price later-on, but I do not know the details of how or how long it would take.

- **Dips on the way up:** No matter how far the price crashes down on the way up, I will not be convinced that the squeeze has started until the price is rocketing past $100k-$1m and very few shares are exchanging hands between the trading halts. IMO, any dip between $1m-$10m cannot be the true peak, because by that point it is clear that Apes are diamond handing enough shares to allow Apes to name their own price if they continue to hold.
- **Closing the Last Short Position vs. Timing of the Peak**: When the short positions are closed, *Equilibrium* has been momentarily achieved, *Quantity Supplied* equals *Quantity Demanded*, and the price begins to move towards a new *Equilibrium* with different market conditions. This does not imply that the peak or crash occurs exactly at the moment that the last short position is closed. I believe that the peak will occur sometime shortly after the first of the real shares enter the market, but IDK though.
- **USE LIMIT ORDERS:** How can an Ape name their price if they let the market name the price for them?

As many have said, if everyone waits until backside of the MOASS to sell, there will be no backside.
My personal opinion on the matter, which is obviously not financial advice, is that holding all but 1 share would be the optimal way to assure an Infinity Pool is achieved!

---

ta;dr: GME is a fascinating experiment of Supply and Demand. Diamond-handed Ape names price for banana
Pic #1: Ordinary Supply and Demand Curves
Pic #2: Money Glitch Activated: A Hypothetical GME MOASS Supply & Demand Curve
Pic #3: GME MOASS Supply & Demand Curve: INFINITY POOL EDITION

This is a repost of my content from a month ago. [Further reading on Infinity Pool concept by /u/bluprince can be found here.](https://www.reddit.com/r/Superstonk/comments/mpvx9n/the_infinity_pool_naming_a_theoretical_posit_for). This is a case of two people independently arriving at the same conclusion using different methodologies, which ought to jack your tits that much more.

Back to Table of Contents

Where and how Citadel/other hedge funds have been hiding their short positions, and a true estimate of how many short shares are currently being hidden.

DD 👨‍🔬

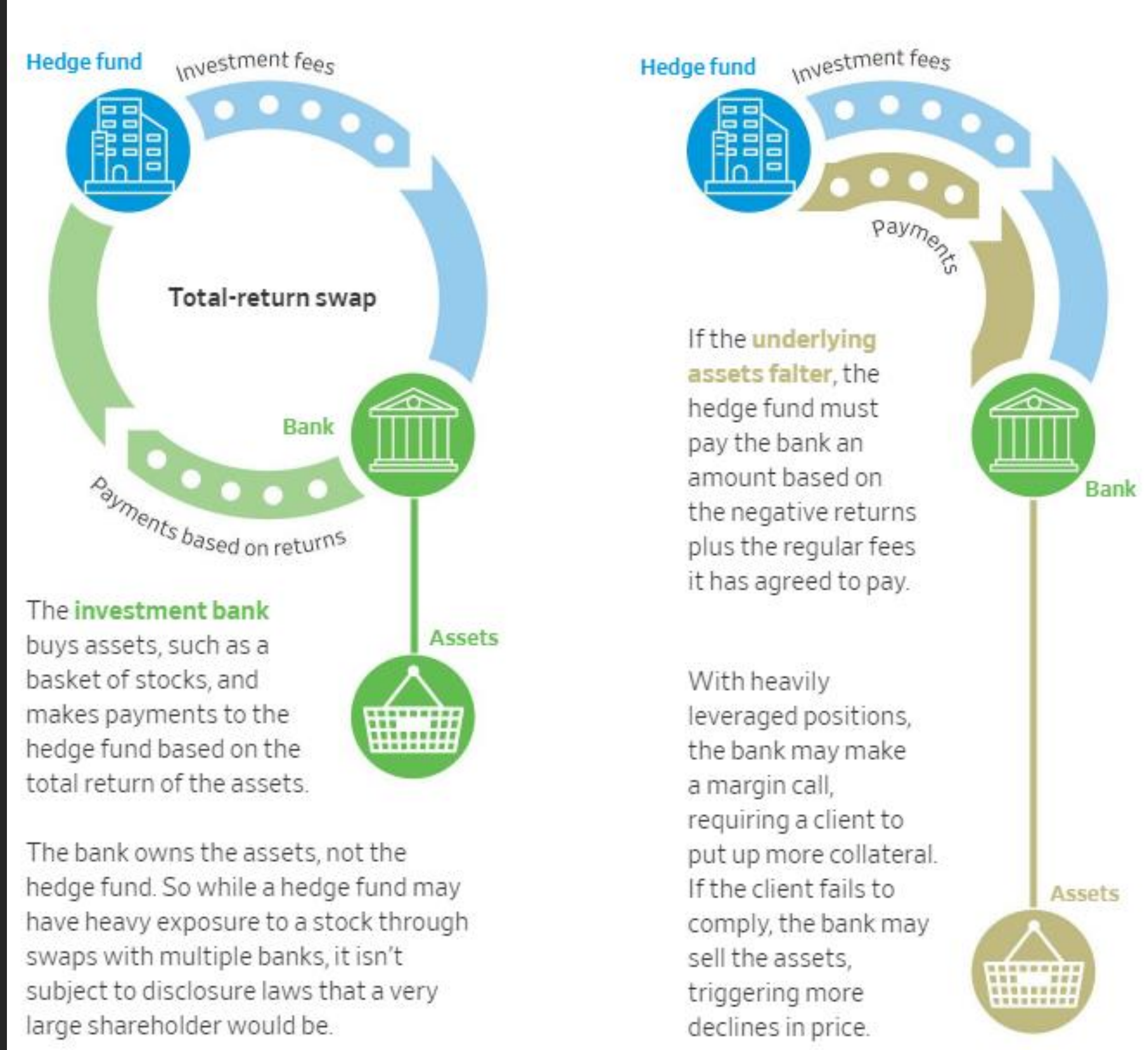
Hello there fellow apes! I have an interesting theory to share with you today, that if plausible, would be able to explain how Citadel (and maybe even other hedge funds with massively overleveraged positions against GME) have been hiding the true extent of their short position, as well as give a good estimate of how many shorts they have truly been hiding.

In order to properly explain this, we need to look at another entity that was in a similarly overleveraged position (suffering heavy losses as a result), and who other to perfectly fit the bill than **Archegos Capital Management**.

The Archegos Capital Management Fiasco:

Archegos, just like Citadel, suffered massive exposure in their positions in the stock market and ended up collapsing with *billions in dollars of losses*. But what exactly were they doing that lead them on this path to utter destruction? Well, according to a WSJ article, *total return swaps played a large role in how overleverged they were in their positions*.

So what in the goddamn is a total return swap? I'm glad you asked. A total return swap is basically a contract between two parties (such as a hedgefund and a bank) , where one party makes a series of payments to the other, and in exchange they are receiving the full return of the assets being held by the other party. In essence, one party is paying another to hold assets for them in exchange for the returns the asset would give them, *as if they had owned it themselves*. WSJ has a nice graphic of the process behind it here, given that this is happening between a hedgefund and a bank:



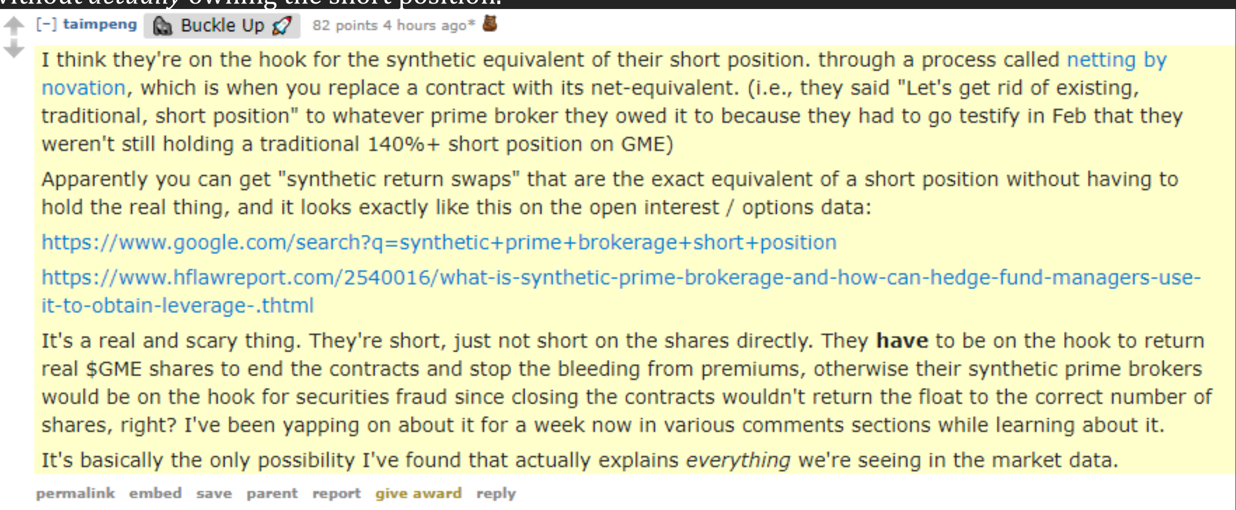
In this demographic, the hedgefund pays fees to the bank to buy assets for them and gets returns based on the returns of the assets. If the position is highly leveraged, the bank can margin call them and sell their positions if they fail the call.

In Archegos' case, they were EXTREMELY overleveraged (as a lot of their positions were concentrated on certain stocks like blue chip stocks), and when they got margin called and couldn't put up the collateral the banks they paid to hold their assets for them sold them into the market, causing *market wide sell offs* in the positions that they held billions of dollars in. This lead to their downfall, and shows why so many people are against total return swaps, especially if you *don't even have to disclose you have them like Citadel and other hedge funds can*.

How does this connect with Citadel and friends?

It doesn't make sense to say that Citadel or Melvin Capital or any other hedge fund that shorted GameStop had *total return swaps*, because they actually *were* in ownership of their short positions. However, as I was scouring the sub, I came across a post (its worth checking out) that had a nice

comment by u/taimpeng that goes into detail on how there could be the exact EQUIVALENT of a short position using *synthetic return swaps*: return swaps between a synthetic prime brokerage and a hedge fund that hedge funds can use to gain massive leverage (similar to Archegos using total return swaps to gain massive leverage on their positions) , that would effectively allow them to have a short position without *actually* owning the short position.



[–] taimpeng Buckle Up 82 points 4 hours ago*

I think they're on the hook for the synthetic equivalent of their short position. through a process called netting by novation, which is when you replace a contract with its net-equivalent. (i.e., they said "Let's get rid of existing, traditional, short position" to whatever prime broker they owed it to because they had to go testify in Feb that they weren't still holding a traditional 140%+ short position on GME)

Apparently you can get "synthetic return swaps" that are the exact equivalent of a short position without having to hold the real thing, and it looks exactly like this on the open interest / options data:

https://www.google.com/search?q=synthetic+prime+brokerage+short+position

https://www.hflawreport.com/2540016/what-is-synthetic-prime-brokerage-and-how-can-hedge-fund-managers-use-it-to-obtain-leverage-.thtml

It's a real and scary thing. They're short, just not short on the shares directly. They **have** to be on the hook to return real $GME shares to end the contracts and stop the bleeding from premiums, otherwise their synthetic prime brokers would be on the hook for securities fraud since closing the contracts wouldn't return the float to the correct number of shares, right? I've been yapping on about it for a week now in various comments sections while learning about it.

It's basically the only possibility I've found that actually explains *everything* we're seeing in the market data.

permalink embed save parent report give award reply

Seriously, give this man an award! This is gold.

Taimpeng here basically states that through netting by novation, its possible that hedge funds like Citadel, Melvin Capital, and other hedge funds can essentially say that they have "closed their short positions", but effectively just create an equivalent of the short position by entering into a contract with a synthetic prime broker to say, "hey, we want you to *swap* our short shares with OTM put contracts. We'll hold the OTM puts and we'll pay you to keep hold of our short shares." This would, in effect explain how those 0.5$ strike July 16th puts appear in the options chain, and why it looks like GME isn't as shorted as it **actually** is. It helps to explain the FTDs to some extent too as a lot of these shares could have been nakedly shorted, but put under the veil of these put contracts that makes it look like the shares actually exist. If this is the case, then we can go down the options chain to all OTM puts of the like and find an estimate of the equivalent accumulation of short shares that the hedge funds have worked together to hide through these OTM put contracts (at least the ones in the option chain that haven't expired) , so l took the liberty of finding where most of these are (this is using yahoo finance options data):

Puts for July 16, 2021

Contract Name	Last Trade Date	Strike	Last Price	Bid	Ask	Change	% Change	Volume	Open Interest	Implied Volatility
GME210716P00000500	2021-06-24 3:16PM EDT	0.50	0.01	0.00	0.01	0.00	-	1	148,426	825.00%
GME210716P00001000	2021-06-16 12:07PM EDT	1.00	0.01	0.00	0.01	0.00	-	6	30,333	700.00%
GME210716P00005000	2021-06-23 1:06PM EDT	5.00	0.01	0.00	0.01	0.00	-	4	18,780	475.00%
GME210716P00020000	2021-06-24 3:37PM EDT	20.00	0.06	0.03	0.06	+0.03	+100.00%	635	18,157	348.44%
GME210716P00050000	2021-06-24 2:44PM EDT	50.00	0.16	0.16	0.17	-0.03	-15.79%	323	17,606	245.70%
GME210716P00030000	2021-06-24 3:34PM EDT	30.00	0.07	0.05	0.13	0.00	-	44	17,468	309.38%
GME210716P00010000	2021-06-21 3:51PM EDT	10.00	0.01	0.00	0.01	0.00	-	35	16,326	375.00%
GME210716P00100000	2021-06-24 3:53PM EDT	100.00	0.68	0.61	0.81	-0.14	-17.07%	329	10,006	164.84%
GME210716P00015000	2021-06-24 3:52PM EDT	15.00	0.02	0.01	0.02	0.00	-	45	9,997	356.25%
GME210716P00012000	2021-06-22 3:53PM EDT	12.00	0.01	0.00	0.01	0.00	-	97	9,779	350.00%

This is for July 16th. Basically what I'm doing is sorting by open interest and adding up the highest ones (as in thousands of open interest) on expirations that have suspicious OTM low strikes like there are here.

For reference, here is what the puts on a options expiration date is *supposed* to look like:

Puts for July 23, 2021

Contract Name	Last Trade Date	Strike	Last Price	Bid	Ask	Change	% Change	Volume	Open Interest	Implied Volatility
GME210723P00070000	2021-06-23 2:29PM EDT	70.00	0.52	0.29	0.83	0.00	-	290	277	196.97%
GME210723P00250000	2021-06-24 9:47AM EDT	250.00	57.00	56.25	59.45	-4.00	-6.56%	11	259	139.32%
GME210723P00010000	2021-06-23 3:34PM EDT	10.00	0.02	0.01	0.02	0.00	-	18	134	359.38%
GME210723P00050000	2021-06-24 12:53PM EDT	50.00	0.22	0.20	0.40	-0.10	-31.25%	32	129	231.45%
GME210723P00100000	2021-06-24 1:56PM EDT	100.00	1.13	0.87	1.39	-0.19	-14.39%	6	123	156.35%
GME210723P00120000	2021-06-24 10:01AM EDT	120.00	1.99	1.73	2.36	-0.46	-18.78%	9	88	139.80%
GME210723P00160000	2021-06-24 2:40PM EDT	160.00	8.00	7.15	8.30	-0.65	-7.51%	6	84	125.20%
GME210723P00150000	2021-06-24 3:56PM EDT	150.00	5.55	5.15	5.85	-0.77	-12.18%	25	74	126.42%
GME210723P00170000	2021-06-24 3:32PM EDT	170.00	10.81	9.80	11.20	-0.84	-7.21%	8	72	124.16%
GME210723P00180000	2021-06-24 3:56PM EDT	180.00	13.95	13.15	14.80	-1.55	-10.00%	6	64	123.88%
GME210723P00140000	2021-06-24 3:57PM EDT	140.00	3.92	3.65	4.20	-0.78	-16.60%	35	52	129.37%

Here, the open interest shows up low overall on strikes OTM like 10$ and 50$ which don't signify much suspicious activity at play.

I will now show you the rest of the dates that these suspicious OTM put open interest appears:

Puts for October 15, 2021

Contract Name	Last Trade Date	Strike	Last Price	Bid	Ask	Change	% Change	Volume	Open Interest	Implied Volatility
GME211015P00001000	2021-06-21 12:08PM EDT	1.00	0.01	0.00	0.01	-0.01	-50.00%	30	4,992	312.50%
GME211015P00010000	2021-06-24 3:42PM EDT	10.00	0.11	0.08	0.11	-0.04	-26.67%	331	3,780	219.14%
GME211015P00006000	2021-06-23 1:51PM EDT	6.00	0.05	0.01	0.13	0.00	-	1	3,700	251.56%
GME211015P00020000	2021-06-24 2:48PM EDT	20.00	0.43	0.39	0.43	+0.03	+7.50%	44	3,691	201.56%
GME211015P00004000	2021-06-22 10:37AM EDT	4.00	0.03	0.01	0.05	-0.02	-40.00%	1	2,429	259.38%
GME211015P00030000	2021-06-24 3:33PM EDT	30.00	0.96	0.50	1.08	+0.16	+20.00%	27	1,839	183.89%
GME211015P00003000	2021-06-22 1:06PM EDT	3.00	0.02	0.00	0.02	0.00	-	21	1,451	253.13%
GME211015P00005000	2021-06-24 11:42AM EDT	5.00	0.06	0.03	0.06	+0.03	+100.00%	52	1,315	253.13%
GME211015P00025000	2021-06-24 3:51PM EDT	25.00	0.55	0.27	0.75	-0.04	-6.78%	316	1,112	187.70%

October 15th, 2021

Puts for November 19, 2021

Contract Name	Last Trade Date	Strike	Last Price	Bid	Ask	Change	% Change	Volume	Open Interest	Implied Volatility
GME211119P00003000	2021-06-24 3:35PM EDT	3.00	0.02	0.02	0.03	-0.03	-60.00%	10	7,681	240.63%
GME211119P00010000	2021-06-24 12:50PM EDT	10.00	0.15	0.15	0.21	-0.02	-11.76%	34	5,905	207.42%
GME211119P00005000	2021-06-23 3:05PM EDT	5.00	0.08	0.06	0.08	0.00	-	107	4,379	232.81%
GME211119P00030000	2021-06-23 10:22AM EDT	30.00	1.50	0.62	1.45	0.00	-	1	3,300	168.60%
GME211119P00100000	2021-06-24 3:05PM EDT	100.00	10.00	6.30	14.40	-1.00	-9.09%	183	2,356	125.75%
GME211119P00150000	2021-06-24 3:17PM EDT	150.00	30.00	25.80	31.75	-0.80	-2.60%	6	2,321	122.29%
GME211119P00027000	2021-06-24 12:25PM EDT	27.00	1.00	0.01	0.93	+0.04	+4.17%	3	1,735	155.96%
GME211119P00013000	2021-06-24 3:49PM EDT	13.00	0.30	0.10	0.65	0.00	-	42	1,542	208.59%
GME211119P00050000	2021-06-23 3:57PM EDT	50.00	2.60	2.05	2.95	0.00	-	16	1,512	149.02%
GME211119P00020000	2021-06-24 3:48PM EDT	20.00	0.47	0.41	0.45	+0.02	+4.44%	2	1,409	177.44%
GME211119P00040000	2021-06-24 3:48PM EDT	40.00	1.75	1.00	1.96	-0.05	-2.78%	8	1,237	153.54%
GME211119P00008000	2021-06-23 3:23PM EDT	8.00	0.14	0.14	0.21	0.00	-	1	1,029	223.83%

November 19th, 2021

Puts for January 21, 2022

Contract Name	Last Trade Date	Strike	Last Price	Bid	Ask	Change	% Change	Volume	Open Interest	Implied Volatility
GME220121P00000500	2021-06-24 3:27PM EDT	0.50	0.01	0.00	0.01	0.00	-	106	132,451	262.50%
GME220121P00001000	2021-06-24 1:43PM EDT	1.00	0.02	0.01	0.02	+0.01	+100.00%	206	29,306	253.13%
GME220121P00002000	2021-06-24 3:27PM EDT	2.00	0.04	0.00	0.03	+0.02	+100.00%	3	16,597	212.50%
GME220121P00005000	2021-06-24 3:58PM EDT	5.00	0.09	0.09	0.11	0.00	-	47	12,471	203.52%
GME220121P00010000	2021-06-24 3:26PM EDT	10.00	0.23	0.23	0.27	-0.01	-4.17%	27	9,574	181.84%
GME220121P00015000	2021-06-23 3:37PM EDT	15.00	0.42	0.43	0.44	-0.02	-4.55%	2	6,535	168.55%
GME220121P00003000	2021-06-24 3:29PM EDT	3.00	0.03	0.03	0.05	-0.01	-25.00%	46	6,320	212.50%
GME220121P00030000	2021-06-24 11:44AM EDT	30.00	1.43	1.19	1.62	-0.09	-5.92%	71	4,654	149.76%
GME220121P00020000	2021-06-24 2:41PM EDT	20.00	0.70	0.67	0.70	-0.03	-4.11%	55	4,455	160.21%
GME220121P00055000	2021-06-23 3:00PM EDT	55.00	4.95	3.00	6.00	+0.25	+5.32%	1	4,250	135.36%
GME220121P00001500	2021-06-22 10:59AM EDT	1.50	0.02	0.01	0.02	0.00	-	6	4,202	228.13%
GME220121P00050000	2021-06-24 3:55PM EDT	50.00	3.80	3.50	4.15	-0.20	-5.00%	64	3,809	138.48%
GME220121P00002500	2021-06-24 10:15AM EDT	2.50	0.04	0.02	0.04	+0.01	+33.33%	30	3,459	215.63%
GME220121P00007000	2021-06-24 3:14PM EDT	7.00	0.18	0.13	0.18	+0.05	+38.46%	35	3,391	192.97%
GME220121P00004000	2021-06-23 3:49PM EDT	4.00	0.07	0.06	0.07	0.00	-	225	3,380	206.25%
GME220121P00100000	2021-06-24 3:49PM EDT	100.00	16.00	15.00	18.50	-1.00	-5.88%	8	3,191	128.29%
GME220121P00025000	2021-06-24 3:08PM EDT	25.00	1.06	0.89	1.24	+0.06	+6.00%	1	2,191	155.86%
GME220121P00005500	2021-06-24 11:38AM EDT	5.50	0.07	0.02	0.21	-0.04	-36.36%	4	2,152	200.78%
GME220121P00095000	2021-06-24 10:42AM EDT	95.00	15.00	11.05	18.25	-1.58	-9.53%	1	2,080	127.52%
GME220121P00004500	2021-06-24 9:47AM EDT	4.50	0.06	0.06	0.10	-0.01	-14.29%	9	1,979	204.69%
GME220121P00003500	2021-06-23 2:25PM EDT	3.50	0.06	0.05	0.06	+0.02	+50.00%	5	1,788	210.94%
GME220121P00012000	2021-06-24 9:42AM EDT	12.00	0.42	0.30	0.39	+0.09	+27.27%	9	1,616	177.93%
GME220121P00115000	2021-06-16 10:32AM EDT	115.00	25.85	18.30	25.85	0.00	-	2	1,593	125.61%
GME220121P00150000	2021-06-24 3:38PM EDT	150.00	38.50	35.30	42.50	-0.82	-2.09%	613	1,359	124.71%
GME220121P00040000	2021-06-24 3:52PM EDT	40.00	2.40	1.81	2.75	-0.39	-13.98%	44	1,152	140.92%

BIG one for January 21, 2022

Contract Name	Last Trade Date	Strike	Last Price	Bid	Ask	Change	% Change	Volume	Open Interest	Implied Volatility
GME230120P00002000	2021-06-24 3:12PM EDT	2.00	0.14	0.13	0.14	0.00	-	56	26,013	168.75%
GME230120P00003000	2021-06-24 3:46PM EDT	3.00	0.22	0.00	0.26	0.00	-	4	8,725	149.22%
GME230120P00005000	2021-06-24 2:12PM EDT	5.00	0.41	0.40	0.43	-0.03	-6.82%	13	6,744	152.54%
GME230120P00020000	2021-06-24 2:25PM EDT	20.00	2.00	1.65	2.59	-0.15	-6.98%	137	3,215	121.68%
GME230120P00010000	2021-06-24 2:27PM EDT	10.00	0.91	0.85	1.00	+0.01	+1.11%	51	2,670	137.55%
GME230120P00007000	2021-06-24 3:53PM EDT	7.00	0.64	0.65	0.68	+0.03	+4.92%	3	1,153	147.75%
GME230120P00022000	2021-06-24 2:54PM EDT	22.00	2.45	1.51	3.00	-0.09	-3.54%	390	1,099	117.85%
GME230120P00004000	2021-06-24 3:53PM EDT	4.00	0.31	0.32	0.33	-0.09	-22.50%	3	1,067	157.42%

Puts for January 20, 2023

January 20, 2023

After crunching the numbers, here is a table of what I found:

Options Expiration	Approximate Suspicious OTM Put Open Interest Total
July 16th, 2021	408,746 put contracts
October 15th, 2021	27,433 put contracts
November 19th, 2021	35,689 put contracts
January 21, 2022	267,336 put contracts
January 20, 2023	56,776 put contracts
Total:	795,980 put contracts

HOLY SMACKEROOS that's a lot of put contracts, and that's just the ones that I could find! There could be a lot more put contracts they spread out that I couldn't find over other expiration dates, these are *just the put contracts where the put open interest stands out suspiciously on low strikes*. For the grand total number suspicious put contracts being at approximately 795,980 put contracts, in terms of shares that would be... **79,598,000** shares short. Not as high as you would think, but also keep in mind that this does NOT include the shorts they have covered already through FTD buy ins in the FTD cycle, as well as shares short they could be hiding through other means that we don't know about. If we were to calculate the short interest based on current data, we would have:

79,598,000 shares short / 70,800,000 shares outstanding ≈ **112% short interest**

Quick edit: This is the short interest based on OTM Put data ALONE. If you were to add the short shares currently reported (9.67M according to Finra data) on top of this, the *revised calculation* would be:

89,268,000 shares short / 70,800,000 shares outstanding **≈ 126% short interest**

AND THIS IS STILL EXCLUDING GOD KNOWS HOW MANY SYNTHETICALLY CREATED SHORTS EXIST.

QUICK EDIT AGAIN: I've recently just read u/criand 's post that goes into depth on the deep ITM

CALL side of options (Side Note: I find it weird that these contracts were around the same strike prices too for both puts and calls, makes me think we can get an idea of the strike prices of their short position based off that, just some food for thought), and I think everyone should take a look at THAT as well as it is most definitely a good read. Just for shits and giggles, I've decided to include the call side of the shares shorted based on his post to grab a good estimate of the synthetic shares overall.

According to his post, approximately 1,100,000 calls in open interest were present (this is during January) , or **≈ 110,000,000 shares overall on the call side regarding suspicious deep ITM calls.** SO, to add that on top of the already existing shares short we have:

199,268,000 shares short / 70,800,000 shares outstanding ≈ 281% Short Interest

Edit: saw some comments asking to do short % of float so here it is

79,598,000 shares short / 55,480,000 float **≈ 143% of float shorted**

Revised calculation:

89,268,000 shares short / 55,480,000 float **≈ 160% of float shorted**

Calculation including the deep ITM CALL side from criand's post:

199,268,000 shares short/ 55,480,000 float ≈ 359% of float shorted

That is a MASSIVE amount of short interest, and shows that **GME is still very much being manipulated even if we can't see it on the surface**. If they have to buy all of these shares at once when we quite possibly own the float MULTIPLE times over, they would have to buy approximately 199,268,000 shares ***MULTIPLE TIMES.*** The share price would *definitely* go into the millions in that circumstance (at least in my opinion), and we KNOW the hedgies can pay it too. ***BUY AND HODL.***

Post DD Message:

Thank you guys again for reading my DD! :) On this DD I felt motivated to find out what the hedgies were hiding in terms of short shares, as I felt left in the dark as to what was happening overall and there was a lack of explanation for *a lot* of things in my mind. This theory only manages to explain a little, but I hope what I found was helpful to you guys and maybe give you a little confirmation bias going forward. It's hard going against the grain, where there are so many people around you that think "oh GameStop is done" and "the squeeze has been over for months now", so I truly applaud each and every one of you that have been hodling with those diamond fucking hands of yours. Anyways, it's getting pretty late right

about now, so I think that's gonna be about it for this DD. I'll try to hang in the comments before going to bed but I hope you guys have a nice rest of your day!

EDIT 2: I've been seeing in the comments that yahoo finance seems to regularly have this phenomenon with their data at night (open interest data resetting). I've removed the images just so the post is a little cleaner now and doesn't stir confusion regarding the data.

Back to Table of Contents

Dark Pools, Price Discovery and Short Selling/Marking

DD 👨‍🔬

Recently, and since I've joined this sub-reddit, there have been a ton of questions around the role that Dark Pools play in US equity market structure. I wanted to put together a post to clarify some things about how they operate, what they do, and what they cannot do.

Dark pools were created as part of Regulation ATS (Alternative Trading System) in 1998. Originally they were predominantly ECNs (Electronic Crossing Networks), including ones you're familiar with today as exchanges such as Arca and Direct Edge. Ultimately though, most dark pools after Reg NMS was implemented in 2007 were either broker-owned (such as UBS, Goldman, Credit Suisse and JP Morgan, to name the top 4 DPs today) or independent block trading facilities, such as Liquidnet. Note that I am not discussing OTC trading, which is what Citadel and Virtu do to internalize retail trades. I'll talk about that in a bit.

To understand Dark Pools, and what makes them different from exchanges, you need to understand some regulatory nuances, and some market data characteristics. From a regulatory perspective, it is easier to get approval for a dark pool (regulated by FINRA), than an exchange (regulated by the SEC). This is on purpose - ATSs are supposed to be a way to foster competition and innovation. Unfortunately, that has resulted in 40+ dark pools and extreme off-exchange fragmentation.

Most dark pools are there ostensibly to allow institutional asset managers to post large orders that they do not want to be visible on an exchange. This is the fundamental difference between dark pools and exchanges - no orders are visible on dark pools (hence "dark"), whereas you can have visible orders on exchanges. Now, you can also have hidden orders on exchanges. And there's nothing preventing an ATS from posting quotes (Bloomberg used to do this on the FINRA ADF). However, generally speaking, today, there aren't dark pools that show any posted orders.

So what about trades? **All trades in the national market system have to be printed to a SIP feed**. It does not matter where they happen. And **all trades during regular trading hours (9:30am - 4pm) MUST be within the NBBO**. These are hard and fast rules that cannot be violated. All trades on exchanges are reported to the regular SIP. All trades that happen off exchange (ATS or OTC) are

reported to the Trade Reporting Facility (TRF) run by NYSE, Nasdaq or FINRA (there are 3 of them). **All trades have to be reported to the TRF within 10 seconds** of being executed, though the reality is that they are reported nearly instantaneously:

Reporting Requirements–OTC Equity Transactions Outside Normal Market Hours:

Trade Execution Time	Reporting Requirement	Extended Hours/Sold – Field 3 Modifier	
		Actual Report Time	Field 3 Modifier
Midnight – 7:59:59:999 am	By 8:15 am (within 15 minutes of system open) on trade date	8:00 – 8:15 am on trade date	Outside normal market hours trade (.T)
		After 8:15 am on trade date	Outside normal market hours trade reported late (.U)
8:00:00:000 – 9:29:59:999 am	Within 10 seconds of execution on trade date	Within 10 seconds of execution	Outside normal market hours trade (.T)
		More than 10 seconds after execution	Outside normal market hours trade reported late (.U)
9:30:00:000 am – 4:00:00:000 pm (normal market hours)	Within 10 seconds of execution on trade date	Within 10 seconds of execution	N/A
		More than 10 seconds after execution	Normal market hours trade reported late (.Z)

There was a question on FOX and Twitter yesterday - can hedge funds "go short" in dark pools and not need to report it? I did not mean to be flippant in my tweet about how that is non-sensical, but I had a long day yesterday and had no brain power left. But such a statement is non-sensical. That's not how dark pools work.

There is practically no difference at all between trades executed on-exchange or off-exchange, especially when you're talking about reporting short positions or short sale marking. The rules are identical, regardless. Short-sale marking is not dependent on whether you trade on-exchange or off-exchange. I'm not trying to make a statement as to whether firms are doing it adequately or accurately, but there is no nexus with dark pools here. I also have never heard of this idea that firms will choose whether to execute on-exchange or off-exchange based on where they want "buying pressure" or "selling pressure" to show up. Every sophisticated trading firm out there is watching the TRF and categorizing every trade that takes place relative to the NBBO. Every time a trade happens at the ask (or near it) they

characterize that as a buy. Every time a trade happens at the bid (or near it) they characterize it as a sell. **You cannot hide what you are doing in dark pools or through OTC internalization** - it cannot be done. **All trades are public and reported within 10 seconds**.
Here's what I think was trying to be said. If trades are taking place OTC, such as retail orders that are being internalized by Citadel or Virtu, both of those firms qualify as Market Makers. Market Makers DO have an exemption for short selling - they are allowed to do so without having located the shares first. However, they still have to mark those sales as "short" and they are still, under standard rules, required to ultimately locate those shares. Again, I'm not trying to get into whether there is naked shorting taking place, or whether these rules are being followed - that's a different conversation. I'm just trying to help you understand that dark pools are not nefarious, and that there is very little difference between dark pools and exchanges from a trading, position marking and reporting perspective.
Ok, so finally, to get to the meat of this - can you use dark pools and off-exchange trading to artificially hold down the price of a stock? I struggle to see the mechanism by which this can be done. I've never heard of it, other than here. As I've said several times, every trade needs to be reported. Every single retail trade that buys GME at the ask is reported to the tape. There's no hiding that. The only market manipulation I've ever studied and measured, and that has been subject to enforcement action by the SEC, has been on exchanges. That is done with layer and spoofing, or other manipulative practices such as banging the close. Retail buying pressure OTC will be picked up on by firms watching the tape, and it will also find its way on to exchanges as the internalizers need to lay off their inventory (they will accumulate shorts, and want to close out those positions). You might claim that this is where naked shorting comes in, but again that's a speculative leap, and really hard to imagine that firms that excel at risk management would put themselves in such a position. I'm not saying it doesn't happen - enforcement actions and lawsuits make it clear that this is an issue. But even if it does happen, the trades to open those short positions were printed to the tape for everyone to see - they cannot be hidden.
tldr; The only difference between dark pools and exchanges is that dark pools don't display quotes, where exchanges do. Dark pool trades are all publicly reported within 10 seconds. You cannot get around short sale marking and position reporting requirements based on where you trade (dark pool or exchange). I don't believe you can suppress the price of a stock through manipulation that only involves dark pools or off-exchange trading, as it is all publicly reported.
EDIT: Let me clear on something: There is WAY too much off-exchange trading. This harms markets. It acts as a disincentive to market makers on lit exchanges. I want market makers on exchanges to make money, and I want open competition for order flow. Off exchange trading is antithetical to those aims. It has its place for institutional orders. But the level of off exchange trading, especially in stocks traded heavily by retail such as GME is a symptom of a broken market structure with intractable conflicts-of-interest, such as PFOF. When the head of NYSE says that the NBBO isn't doing its job for price discovery, this is what she is referring to. If I, as a market maker, post a better bid on-exchange, and then suddenly a bunch of off-exchange trades happen at the price level I just created, then the off-exchange trades are free-riding my quote. They are taking no risk, and reaping the reward, while I take all the risk on-exchange and do not get the trade. That's a real problem in markets, and it's why I have pushed hard for rules to limit dark pool trading, such as you find in Canada, UK, Europe and other markets.

Back to Table of Contents

Hi All, It's Ryan Cohen T+21 Tweet Guy. I'm losing my shit

DD
This is not financial advice.

Edit: So we are clear that T+21 did not happen Thursday, and probably not Friday either (due to the Juneteenth speculation). I reiterate that the main purpose of the post is to demonstrate that Cohen is aware of the mechanics behind this situation and price movement, and that shareholders are in good hands. However, I am inclined to present two main alternatives theses:
A) SHF were able to reach the 100% net capital requirement, moving payment to T+28;
https://www.reddit.com/r/Superstonk/comments/o7g9mn/net_capital_and_t21/
Speculating that injection of 5 million shares through the offering allowed shorts to have enough money to pass the 75% net capital requirement. Personally, I don't think dates are an issue. The public has a limited amount of information to work with and this is the best apes can do. Up until now, this has been accurate.
B) SHF covered not only the previous cycle, but also the current cycle in the runup to 340.
The fact is, apes are going to buy and hodl anyways; many are immune to the dips at this point. I've already gotten hateful comments from gme_meltdown users trying to spread FUD in this forum. Apes give constructive feedback, alternative theories, and support; remember this. And there is plenty of good news to come out of this week - especially solid evidence that the SI is above 200%!

And to the original post:
Hey all, if anyone doesn't remember me, earlier I made a DD on Ryan Cohen's Tweet timing:
https://www.reddit.com/r/Superstonk/comments/nycuk4/cohen_has_reached_the_same_conclusion_as_ucriands/
Observing that RC has tweeted seemingly meaningless tweets on T+21 days. I honestly don't think they have any deeper meaning other than signaling the T+21 day, but there is some speculation on the meanings of them.
Anyways, in this previous post, I calculated that Cohen had an **objectively, statistically significant**trend of tweeting on T+21 days. Back then, the chance that his tweets were "randomly" on T+21 days was **0.0339%.**

Ryan Cohen has tweeted again, the night before a T+21 day!

https://twitter.com/ryancohen/status/1407896835096678402

With the introduction of this 5th tweet, he has now placed tweets on 5/6 T+21 days (missing only the first one, when he might have not even known about the trend). Including his father's day tweet and also this most recent one,

The probability that these tweets are random is 0.0069543%**********. 0.00707%**

That doesn't look very random to me.

For those interested: I used a hypergeometric law in which 173 days since 1/1/2021 (It's probably actually even higher than this as he entered the GME situation earlier than this. 20 Tweets out of 173 days means 20 "successes" in a population of 173. Then, 6 samples (T+21 days had 5 successes in samples (Ryan Cohen Tweets on T+21 days, leading to a hypergeometric probability of 0.000069543; multiplied by 100 to convert to the percent. Statisticians please correct me if I am wrong and I will edit the post. Evidently, it is better to use the chance of picking exactly 5 dates, rather than 5 out of 6 possible; this would be somewhat higher at 0.00707%, but still quite low (hence the edit.)

Another **subjective** assumption I made in my last post was that, because Cohen was well aware of this T+21 net capital cycle, he also timed the 5 million ATM share offering to coincide with a period in which Hedge Funds would want to drive the price down. In doing so, diamond handed apes would simply attribute lowered prices to the share offering, as many of us did.

He gave us FUD immunity.

Surely enough, Gamestop sold 5 million shares and raised 1.6 billion dollars, barely making a *dent* in the price at least in the eyes of a December ape like myself, and announced the completion of the offering leading up to the T+21 days.

I think we can be excited if the price goes up tomorrow (there's some real weird fuckery going on with OTM Puts, crypt0, and other shit right now) but honestly I'm kinda shook he tweeted at all considering DFV has gone quiet. That being said I have no doubt that he's got a team that knows far more than I do about law (nothing) and is covered on this end. Either way, it shows that

Cohen and Co. know what's going on.

They could even read Superstonk DD. Maybe they realized before us. Regardless, I hope my message with these posts can be:

GME Shareholders are in good hands. Buy if you have the means. HODL. HODL till you pass out and then HODL some more. I have no doubt that this stonk will go: Just Up. (Not financial advice)

Things to be jacked for:

Apparently 002 is enforced/officially published 6/24

T+21 is on 6/24

Russel 1000 reconstitution 6/25

$750B in longer term RRP (not overnight) also due by counterparties on Friday, June 25th?

(thanks u/Criand)

Quarter end inc, with RRP already at an all time high?

Just Up

This is not financial advice. Although I was able to finally time my bananas correctly to eat them fresh, quickly following this accomplishment I also ate something I'm very allergic to like a complete idiot.

Needless to say, my desire to Diamond Hand led me to the hospital safely. I ain't goin out until I see this shit explode.

Edit: Also, I flaired this as DD just because the last one was, and it still leads with an objective statistical analysis of the tweet timing, but I may change it to Discussion/Possible DD as there isn't that much to add in terms of the statistics, just an update.
Edit 2: formatting, I'm a dumbass
Edit 3: Instead of picking exactly 5 days out of 6 possible days (T+21 days), it is evidently more relevant to use a different equation picking 5 specific days that are nonrandom; this lands a revised probability of 0.00707%.

Back to Table of Contents

Elliot Waves And GME, The Return Of The Uptrend 🚀

DD 👨‍🔬
Sup Apes
Not financial advice. Seriously. Do NOT listen to me, I am most definitely not a financial advisor. Just an ape who want 🍌
Bump this shit now. not a request: https://www.youtube.com/watch?v=X2LTL8KgKv8
This is gonna be a pretty short post, just giving a brief overview of what I expect/would like to see tomorrow.
Please remember this is a PREDICTION and in no way a guarantee, I take crayons from restaurants and draw on my computer screen.
I know y'all are JACKED after today, and so am I. I'm so jacked that I'm getting high and drunk as we speak (mothafuckin cheers you glorious degenerate bastards, porsche or food stamps)

CHEEERS
Okay so everyone knows the ATM offering is complete. AND everyone knows what happened last time it was complete. Yesterday we finally touched the .618 level that I outlined in this post (see final edit) https://www.reddit.com/r/Superstonk/comments/nwyj77/elliot_waves_and_gme_why_im_jacked_to_infinity/
"holy fuck, just another reason why you shouldn't listen to me, im so retarded (I was probably high in all honesty) when I wrote this and i looked at my fibs as 213 being the 61.8 level to watch... but i am retarded... the proper level is 201... so keep a strong eye on that for a bounce: https://imgur.com/dmywYOA (okay now im acc leaving, the TA wasn't sitting right with me so i took a closer look, and voila... user error smh. Sorry for confusion, I'm just an ape (look CLOSELY at how

the retracemnt is drawn, from the low on 3/24 to the high on 6/8... these are the PROPER ratios to reference, Irdk how I missed that yesterday"
So we hit that yesterday and bounced at 197. The levels don't need to be hit perfectly by any means, but when the level IS hit, we have greater confirmation that the move is complete. Remember wave 2 typically targets at least 50% retracement of 1, though often times it hits the .618 level, or the .786 level. What's important is the LOW IS IN MOTHAFUCKAS (so it seems, i'd love more cheapies), AND we had a seemingly definitive wave 1 on a smaller scale complete. Identifying a wave 1 is often times the hardest part of EW, but the trick is to look for the end of a downtrend. It is imperative that the wave 2 does not cross below the low of wave 1, or the move is invalidated.
Here's a view of what I see:
4hr
My brain is playing tricks on me as I'm writing this, there are a few possible counts when looking intraday but I'm just gonna lay out the one that makes the most sense to me:

30m
So my thinking in this analysis is that the move after the morning dip to a high of 225.8 as a 1 and not the pre market move on news of the ATM offering being complete. The ALT count would be the move in pre market is the (i), but this doesn't really change much, just alters targets by a few points.
So assuming the move to 225.8 was a (i), remember were looking for at least a 50% correction of said move as validation of a (ii). Low and behold, price crossed below the 50% level (white line), so the move is valid thus far.
Do note, the .618 level was not hit, so I'm not ruling that possibility out just yet. Assuming our low of the day at 209.3 was our (ii), that puts the next (smaller timeframe) upside targets at 238.18 (1:1 extension of (i)), remember (iii) can't be the shortest. thus, a minimum extension of 1:1 of (i) is expected, though typically 1.618:1.
The 1.618 level comes out to 256, which ironically is the exact same as the 38.2% retracement level of our cycle wave 1 (run from 113 to 344). This is why I'm more inclined to go with this wave count. Fib is nature, when targets overlap I'm more convinced my count is correct.
The drop to 197 yesterday does not change the overarching 3 within a 3 within a 3 setup at all, all it does is lowers original cycle 3 targets by the respective difference of the previous extension drawings (so like $9 or so). This put minimum CYCLE 3 target at 423 (This overlaps the bigger wave 3 initial target, see below and look at the 100% level, yellow)

target (say it like tarzyay)
okay maybe i shouldn't have gotten drunk for this i'm really losing my train of thought lol, bear with me almost done
in short, the move thus far is valid unless we break below 197, which idk about you, but I don't see that happening any time soon, if ever. Within this current wave subset, the highest we should go (assuming we dont see a hyperextension to 1160, personally I think moves of that scale will come a bit later, but I could be very wrong) is around 565 before a bit of retracement action.

However, if you saw my recent post going over the (seemingly) correlation between eyyyy emm see, when that ticker did its thang, it actually hit the 1.618 level of its JANUARY run up. using that same philosophy with GME, that puts GME at...
get ready for it...
are you ready...?
no you're not.
862.16

We shall see.
I don't really care about the intraday action. Just look for higher highs/lows relative to 197 and were looking good.
Will re evaluate when I must, but it's reallllly hard not to be jacked.
Before I sign off, here's the 1.618 target of the january move... enjoy:
GME
Will show you eyy emm see too just so you can see this shit really did happen, and I have reason to believe it will replicate on GME:

movie stonk
TLDR: I CAN FEEL IT COMING 🚀 also not saying 862 happens tomorrow lol, soon enough 😈
edit: interestingly enough, if we use fib time extensions, .5 level comes to 6/28 (drawing from GME's lowest low ever to the high of january. this doesn't really mean anything but It's interesting how it all ties into outside factors going on... this doesn't mean we squeeze 6/28 lol. Just something interesting)
edit 2: probably nothing but noticed a tiny $.50 gap around the 200 level, worth noting. Its minuscule and doesn't show up on a daily chart, only hourly but you have to squint to see it. This is normal in stocks
Edit: I'm going insane so I dug deeper . I'll probably make a new dd tonight or tomorrow morning 🥴

Back to Table of Contents

Ryan Cohen Started Chewy with $15m in Investments. He is Starting Off at GME with $1bn. This Interview is the Only DD I Need. Possible Blue Prints for GME?

I have added commentary to the interview and bolded what I think are the important takeaways. If you want to read the un-adultured full interview you can find it here. I cut out the end part where he answers some questions about his dad. While very insightful information into the life of RC, I didn't feel like analyzing that particular part as it relates to investing.

Over 7 years RC and Chewy raised around $350m in investments. He sold to PetSmart for 3.5bn. He has already raised $550m + 1.126bn = **$1.676bn** for GameStop**.** The difference is this isn't private money. These monies were acquired by selling to long term devoted investors. He is starting off at GameStop in a significantly better capital position than he did at Chewy. GME **is and is not** a meme.

Cohen also served as **CEO** of **Chewy**, which **PetSmart acquired** in **2017** for **$3.35 billion**, which at the time was the **largest e-commerce acquisition ever**.

Zack Friedman: Why did you see a need for Chewy that didn't exist with Petco, PetSmart, Amazon and other online retailers?

Ryan Cohen: I was going to the neighborhood pet store for my dog food but because I was busy building a business, I didn't always have the time to make the trip. **I tried Amazon** and the big box retailers, but they were all **missing** the **specialized experience** and their **customer service sucked**. Try calling them.

With Chewy, I combined the best from all of them. I saw an opportunity to differentiate from the pack and **convert fanatical pet parents, like myself, into die-hard customers.** Our customers got the **local pet store experience with the convenience of shopping online.**

You can see that RC really believes in what he does. It's a mentality like this why some people would say "Invest in the man, not the company". You see a similar aspect with someone like Elon Musk. Not to put anyone on a pedestal but many investors put a lot of blind faith into him because they believe in his vision. It's great when you get the combination of a great company and a visionary behind the wheel. It's the cherry on top of a sound investment. You can see he built the business because he identified a major flaw in the existing market and sought to remedy it with controversial and groundbreaking business ideas. Some of it was against the grain as he elaborates to further on. You can see a mirror premiss in his investment in GME.

I **focused on bringing a human element to e-commerce**. We provided **24/7 US-based customer service** and included **small touches** like **handwritten** holiday **cards** and personalized pet portraits. These were ways we could **connect with customers** and **build loyalty over time,** optimizing for a **lifetime relationship, not a single transaction**. Chewy's **relationship with customers** was the **secret sauce**.

This is the main reason why Microsoft, and likely Sony, have commission based sales relationships with GameStop. Both companies have the ability to create decreased Customer Acquisition costs though GameStop vs Amazon or WalMart and create longer LifeTime Revenue and increase their Total Addressable Market. GameStop does have the largest digital magazine subscription in the world. Someone like Ryan Cohen will be able to capitalize on this aspect by focusing on Customer Service and Customer Experience. You can tell he as a huge inclination towards his customer loyalty. Another great article in the link at the top of this paragraph.

Friedman: You were **rejected by 100 different investors.** What did you learn from the process? **What made you keep going when you kept hearing no?**

Cohen: For me, each no sounded like they just didn't understand my vision. It was frustrating at times, but never discouraging. **Those "no"s never made me doubt my strategy** – it was the opposite. I was **motivated by** all the **rejections** and they just got me fired up.
Buy and fucking hold. Don't worry about the noise.
Most investors couldn't get past **two hurdles: competing head-on with Amazon** and the **pets.com failure** during the **dot com bubble.** But I was convinced being focused on the **pet category along with high-touch customer service** gave Chewy unique **competitive advantages.Pets.com** was a good idea but a **decade too soon** and without sufficient scale to **cover their costs.**These two hurdles didn't scare me. **I never considered changing my business plan.** One highly respected venture capitalist told me he would be more interested if we were selling live pets over the internet rather than pet supplies. Like most investors, he believed running into Amazon's teeth was suicidal.
I understood that **thinking big** was likely going to be **misunderstood** along the way. I'm contrarian by nature, so **being misunderstood often validates** what I'm doing. It wasn't until Chewy boxes were on doorsteps across the country that the bulk of **investors started to recognize our formula**.
How many times has Ryan and GameStop shown they have a hidden edge that no one expected? That sentiment will only continue to grow.

Friedman: Let's talk about execution and scale. You've said that you used Zappos as a model. You also were inspired by **Jeff Bezos** and **Amazon's growth** and **model**. How do you go from idea to platform to scale? What was the process and **how did you scale so quickly?**
Cohen: In **just three months** we built a **website**, found a **distributor** and **partnered** with a third-party **logistics company.**
What has GameStop done in the last three months? Raised almost 2bn in cash. Made a ton of new hires. Expanded their product offering. Completely changed their board. Increased revenues and online sales. Got rid of the drift wood, thank you for your service Sherman. Revamped their online presence. Sustained insane valuations compared to where they were last year.

In June of 2011 we launched. I focused on four pillars and we did them better than anyone else.
We **started** with the **value proposition** of **delighting our customers**, which we did through **amazing customer service**, **low prices**, **fast shipping**, and **selection**. The onus was on us to create the most efficient supply chain to support that business model.
This is where we start getting into some more serious DD on RC's comments. Anyone who has ever worked for a multi billion dollar corporation recognizes what RC means when he starts talking about building pillars. Pillar systems are some of the most cliche corporate business strategy foundations that exist. What this tells me is this guy is familiar and *in the know* with running a multi-billion dollar company. He obviously has experience with Chewy but this jargon validates that he was actually doing something while he was there. Those who have been following along know that he has made a major shift towards delighting customers and offering a better value proposition. Anyone in the USA who has experienced the Door Dash same day delivery knows what I'm talking about.

When we **reached $200 million in sales**, we had to **insource fulfillment** to be able **scale** to the next level. We **opened** our **first two warehouses in 2014**. By **2018** we had **seven warehouses**around the country and **4.7 million square feet of space.** Each is the size of 13 football fields and four stories high. GameStop, like I just said is using DoorDash for fulfilment along with pickup in store. Covid is probably presenting a lot of challenges for this right now, and no doubt every industry is either going to adapt or die though these times. Maybe RC intends to insource this as well for GameStop. I also do not know what they currently do for warehousing and distribution but I would imagine this would be one of the first things RC would intent to overhaul if he saw fit. Will be curious to see if we can get any insight into these plans, if any. To give you reference 4.7 million square feet is about 3x3 city blocks or it would take about 6km by 6km of property to fit warehouses of that size. Roughly peaking. It's large though. So he is capable of managing logistics of a large scale. This is the scale of multi billion dollar operations.
Edit: A good spot to add u/thechaoschicken 's contribution about GameStop expanding their fulfillment capabilities with a new 700k+ sq.ft facility.

I needed to **hire** the **best people** and **delegate** into their **areas of expertise**. Each employee we hired had a strong bias for action and were excited about the **opportunity to disrupt the pet industry.** We always hired for **will over skill.** One you can teach, the other you can't. Everyone and everything revolved around being **customer obsessed.** We **scaled** from **3 employees** in **2011** to over **9000 Chewtopians** by **2018**.
I specialize in labor management for large corporations. I also ran a small business with several employees. These are the fundamental aspects of managing people. You could literally be entirely unqualified in your field, as long as you delegate to qualified people and hire people based on their attitude vs their qualifications, then you will build a very strong culture and worker base. Most skills can be taught to most people, especially the motivated ones. But only the motivated ones can help you drive business forward. They will grow as much as you nurture them. One of my largest concerns with GameStop is that, judging by their subreddit, they have a ton of disgruntled employees. Sounds like they are often driven to quitting through unreasonable growth and sales expectations and competing with stores that manipulate figures. Among other problems. To see Ryan call his employees "Chewtopians" really signifies that he has a personal relationship with his workers. I would like to see that type of culture expanded in GameStop.

We **prioritized long term growth over short term profitability**. The last thing you want to be is a subscale e-commerce company. You're a **dead man walking,** and **Amazon** will **crush you**. We **rapidly expanded our product offering** to include all pet food and supplies so there was never a reason to shop elsewhere.
Expect the same thing with GME. Sustained growth. Long term investment. He knows what it takes to take on Amazon. We know this. We've seen it before in Chewy. Maybe Bezos will be smart enough to partner this time. Only time will tell. They have already expanded their product offering in the USA. Expect that to continue.

By **2018**, **90%** of our **revenue** was from **repeat customers**.

This is easier to achieve with something like pet food, but holy smokes that is an insane figure.

We raised **six rounds** of **financing** and more than **$350 million** over **seven years**. We grew sales from **$2 million** in **2011** to **$3.5 billion** by **2018**, a **190% annual growth rate**.
190% ANNUAL growth? Jesus christ those kind of returns are practically unheard of on a continued basis. Applying that to GME sends it to a trillion dollar valuation in less than 5 years. Here's a video of Anne Hand, CEO of Super League Gaming talking about the potential market for the gaming industry.

Friedman: What's the most misunderstood thing about entrepreneurship?
Cohen: Don't let the pictures or magazines mislead you, it's not at all glamorous. Negotiating with vendors, reading long contracts, conducting nonstop interviews, convincing investors to give you money, combined with a constant stream of everyday problems, is not fun.
The Type A in me is **competitive** and **loves to win**, but the day-to-day feels like you're losing. If you think you're winning you're probably not doing a great job building your company. Even as our **sales grew** into the **billions**, I always felt behind. Whether that's the right mentality or not, that's how I'm wired.
Friedman: What are three pieces of advice you would give to an aspiring entrepreneur?
Cohen:
I'd be remiss to say my way is the 'right' way. It's simply **what worked for me.** My dad had a glassware importing business, and he told me about how he was talking with his dad one day. His dad had pointed at two trucks. "You see those trucks there?" he'd said. "If what's in one of those trucks will make you more money, and what's in the other truck will make your **customers happier**, choose the one that makes your **customers happier,** even if you make less money." That served as the guiding premise for Chewy.
Second, I was **never afraid to say no.** I was constantly bombarded with new ideas, and when you're growing quickly it's critical to stay focused, **so I said no to almost everything.** There's a time and place for ideation, but in the early days when resources are finite, it's important to choose a handful of things and do them extremely well.
This just provides some insight into his business strategy. Out of the box thinking can be a great thing, so don't be worried if you see some un-orthodox moves come from RC.

Third, my **biggest risk** would have been **not taking risk**. The risk of going **head-to-head** against **Amazon.** The risk of **insourcing fulfillment**. The risk of building a company in **Florida rather** than a **popular tech hub**. The risk of **spending $3 million a month on TV ads,** more than Home Depot HD +1.6%'s budget. The risk of **hiring expensive executives** even though we **weren't profitable.**These decisions were some of the most **controversial** and required me being **comfortable betting against conventional wisdom**, and were often **contrary** to the **advice of my board**. Suffice it to say, I was not the most popular board member.
This is basically where I stopped analyzing the interview. Like i said, he goes on to answer some questions about his dad. Which I believe lend a lot of insight into his personality and life but I didn't really feel comfortable commenting on it. I have no doubt his dad would be pretty proud of what he is

doing now. As a father myself I would be completely blown away if my kids were doing what he's doing. Based on what RC says here I believe you can get a feel for what to expect next. TV/Social Media ads are probably coming. So much meme potential for them. Hiring expensive execs has already started. If anyone could share the DD on that I would love to link it here. The next piece of the puzzle will be what they plan to do with the over 1bn in cash on their books right now. Expecting some type of acquisition or major business expansion.
Tl;Dr: You guys really need to put more blind faith into this guy

Back to Table of Contents

Hyperinflation is Coming- The Dollar Endgame: PART 1, "A New Rome"

DD

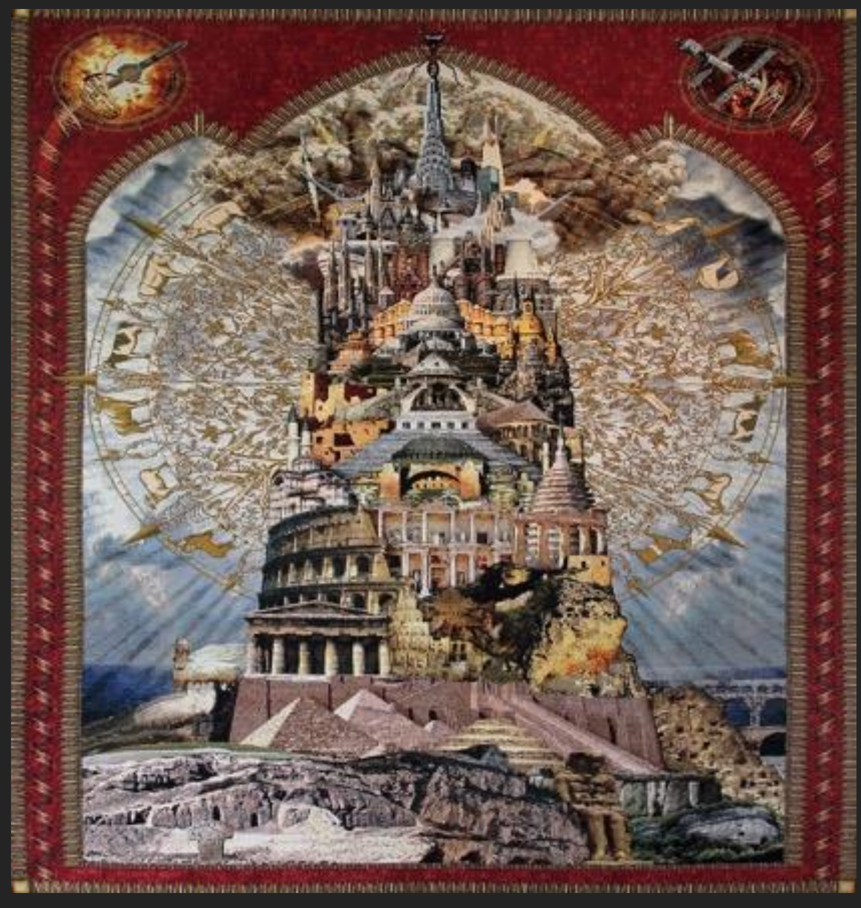
I am getting increasingly worried about the amount of warning signals that are flashing red for hyperinflation- I believe the process has already begun, as I will lay out in this paper. The first stages of hyperinflation begin slowly, and as this is an exponential process, most people will not grasp the true extent of it until it is too late. I know I'm going to gloss over a lot of stuff going over this, sorry about this but I need to fit it all into four posts without giving everyone a 400 page treatise on macro-economics to read. Counter-DDs and opinions welcome. This is going to be a lot longer than a normal DD, but I promise the pay-off is worth it, knowing the history is key to understanding where we are today.
SERIES TL/DR (PARTS 1-4): We are at the end of a MASSIVE debt supercycle. This 80-100 year pattern *always* ends in one of two scenarios- default/restructuring (deflation a la Great Depression) or inflation(hyperinflation in severe cases (a la Weimar Republic). The United States has been abusing it's privilege as the World Reserve Currency holder to enforce its political and economic hegemony onto the Third World, specifically by creating massive artificial demand for treasuries/US Dollars, allowing the US to borrow extraordinary amounts of money at extremely low rates for decades, creating a Sword of Damocles that hangs over the global financial system. The massive debt loads have been transferred worldwide, and sovereigns are starting to call our bluff. Systemic risk within the US financial system (from derivatives) has built up to the point that collapse is all but inevitable, and the Federal Reserve has demonstrated it will do whatever it takes to defend legacy finance (banks, broker/dealers, etc) and government solvency, even at the expense of everything else (The US Dollar).
I'll break this down into four parts. ALL of this is interconnected, so please read these in order:

- Part One: The Global Monetary System- "A New Rome" < (YOU ARE HERE)
- Part Two: Derivatives, Systemic Risk, & Nitroglycerin- "The Ouroboros" <
- Part Three: Banks, Debt Cycles & Avalanches- "The Money Machine" <
- Part Four: Financial Gravity & the Fed's Dilemma- "At World's End" <

Preface:

Some terms you need to know:
Inflation: Commonly refers to increase in prices (per Keynesian thinking). However, Inflation in the truest sense is inflation (growth) of the money supply- higher prices are just the RESULT of monetary inflation. (Think, in normal terms, prices really only rise/fall, same with temperatures. (ie Housing prices rose today). The word Inflation refers to a growth in multiple directions (quantity and velocity). Deflation means a contraction of the money supply, which results in falling prices.
Dollarization (Weaponization of the Dollar): The process by which the US government, IMF, World Bank, and other elite organizations force countries to adopt dollar systems and therefore create indirect demand for dollars, supporting its value. (Think Petrodollars).
Central Banks: Generally these are banks that control/monitor the monetary policy of the country they reside in. They are usually owned by private financial institutions (large banks/bank holding firms). They utilize open market operations to stabilize and set market rates. They are called the "Lender of Last Resort" as they are supposed to LEND (not bailout/buy assets) to other banks in a crisis and help defend their currency's value in international forex markets. CBs are beholden to the "dual mandate" of maintaining price stability (low inflation) and a strong job market (low unemployment)
Monetary Policy: The set of tools that central bankers have to adjust how money moves through the financial system. The main tool they use is quantitative tightening/easing, which basically means selling treasuries or buying treasuries, respectively. *A quick note- bond prices and interest rates move inversely to one another, so when Central banks buy bonds (easing), they lower interest rates; and when they sell bonds (tightening), they increase interest rates.
Fiscal Policy: The actions taken by the government (mainly spending and taxing) to influence macroeconomic conditions. Fiscal policy and monetary policy are **supposed** to be enacted independently, so as not to allow massive mismanagement of the money supply to lead to extreme conditions (aka high inflation/hyperinflation or deflation) *cough Yellen cough*

Part One: The Global Monetary System- A New Rome



Allegory of the Prisoner's Dilemma

Prologue:

In their masterwork tapestry entitled "Allegory of the Prisoner's Dilemma" (pictured in the title image of this post) the artists Diaz Hope and Roth visually depict a great tower of civilization that rests upon a bedrock of human cooperation and competition across history. The artists force us to confront the fact that after 10,000 years of human civilization we are now at a cross-roads. Today we have the highest living standards in human history that co-exists with an ability to destroy our planet ecologically and ourselves through nuclear war. We are in the greatest period of stability with the largest probabilistic tail risk ever. The majority of Americans have lived their entire lives without ever experiencing a direct war and this is, by all accounts, rare in the history of humankind. **Does this mean we are safe? Or does the risk exist in some other form, transmuted and changed by time and space, unseen by most political pundits who brazenly tout perpetual American dominance across our screens?**(Pulled from Artemis Capital Research Paper)

The Bretton Woods Agreement

Money, in and of itself, might have actual value; it can be a shell, a metal coin, or a piece of paper. Its value depends on the importance that people place on it—traditionally, money functions as a medium of

exchange, a unit of measurement, and a storehouse for wealth (what is called the three factor definition of money). Money allows people to trade goods and services indirectly, it helps communicate the price of goods (prices written in dollar and cents correspond to a numerical amount in your possession, i.e. in your pocket, purse, or wallet), and it provides individuals with a way to store their wealth in the long-term.

Since the inception of world trade, merchants have attempted to use a single form of money for international settlement. In the 1500s-1700s, the Spanish silver peso (where we derive the $ sign) was the standard- by the 1800s and early 1900s, the British rose to prominence and the Pound (under a gold standard) became the de facto world reserve currency, helping to boost the UK's military and economic dominance over much of the world. After World War 1, geopolitical power started to shift to the US, and this was cemented in 1944 at Bretton Woods, where the US was designated as the WRC (World Reserve Currency) holder.

Bretton Woods

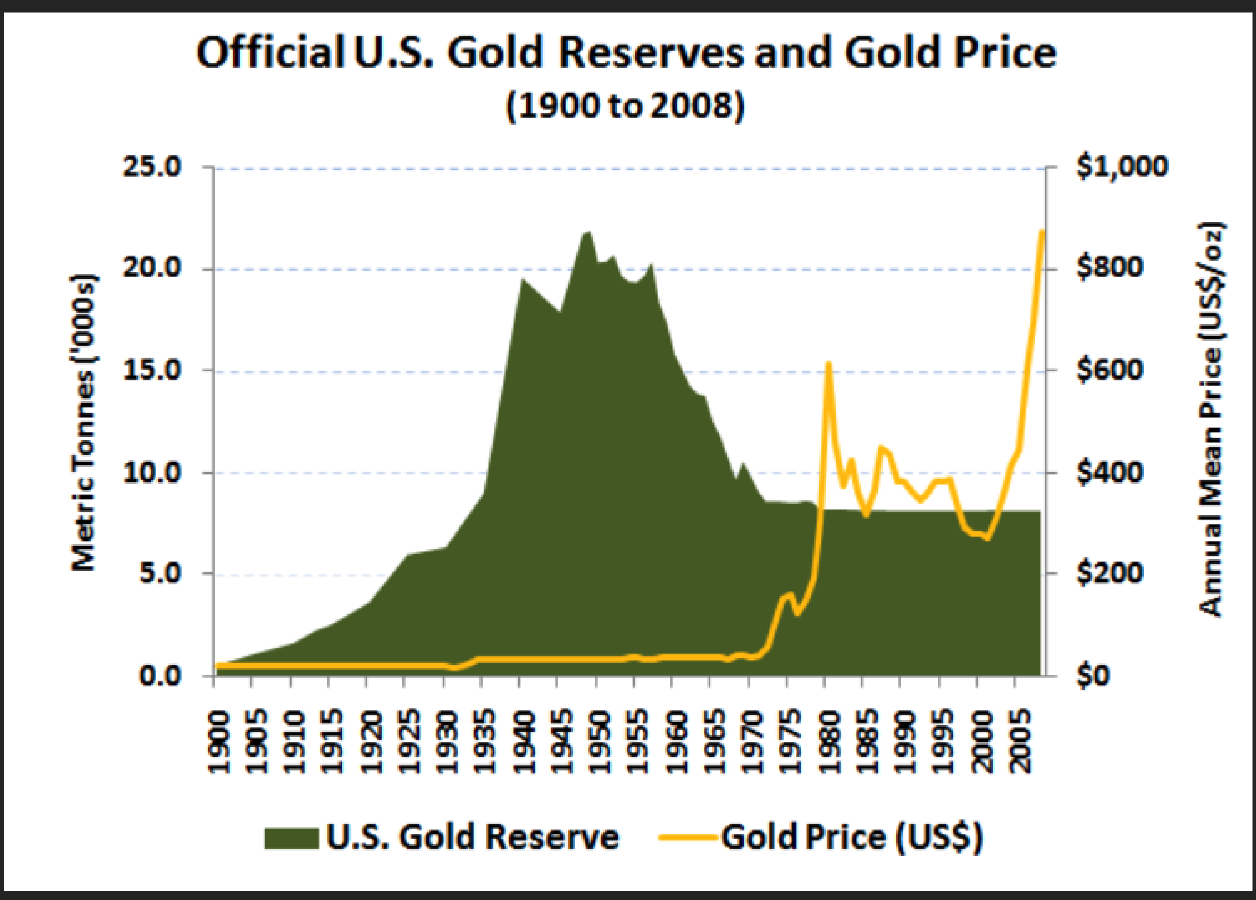
In the early fall of 1939, the world had watched in horror as the German blitzkrieg raced through Poland, and combined with a simultaneous Russian invasion, had conquered the entire territory in 35 days. This was no easy task, as the Polish army numbered more than 1,500,000 men, and was thought by military tacticians to be a tough adversary, even for the industrious German war machine. As WWII continued to heat up and country after country fell to the German onslaught, European countries, fretting over possible invasions of their countries and annexation of their gold, started sending massive amounts of their Gold Reserves to the US. At one point, the Federal Reserve held over 50% of all above-ground reserves in the world.

US Trade Balance

In a global monetary system restrained by a Gold Standard, countries HAVE to have gold reserves in their vaults in order to issue paper currency. The Western European powers all exited the Gold standard via executive acts in the during the dark days of the Great Depression (in Germany's case, immediately after WW1) and build up to War by their respective finance ministers, but the understanding was they would return back to the Gold standard, or at least some form of it, after the chaos had subsided. As the war wound down, and it became clear that the Allies would win, the Western Powers understood that they would need to come to a new consensus on the creation of a new global monetary and economic system. Britain, the previous world superpower, was marred by the war, and had seen most of her industrial cities in ruin from the Blitz. France was basically in tatters, with most industrial infrastructure completely obliterated by German and American shelling during various points of the war. The leaders of the Western world looked ahead to a long road of rebuilding and recovery. The new threat of the USSR loomed heavy on the horizon, as the Iron Curtain was already taking shape within the territories re-conquered by the hordes of Red Army. Realizing that it was unsafe to send the gold back from the US, they understood that a post-war economic system would need a new World Reserve Currency. The US was the de-facto choice as it had massive reserves and huge lending capacity due to its untouched infrastructure and incredibly productive economy.

At Bretton Woods, the consortium of nations assented to an agreement whereby the Dollar would become the WRC and the participating nations would synchronize monetary policy to avoid competitive devaluation. In summary, they could still redeem dollars for Gold at a fixed rate of $35 an oz, a hard redemption peg which the U.S would defend. Thus they entered into a quasi- Gold standard, where citizens and private corporations could NOT redeem dollars for Gold (due to the Gold Reserve Act , c. 1934), but sovereign governments (Central banks) could still redeem dollars for gold. Since their currencies (like the Franc and Pound) were pegged to the Dollar, and the Dollar pegged to gold, all

countries remained connected indirectly to a gold standard, stabilizing their currency conversion rate to each other and limiting local governments' ability to print and spend recklessly.



US Gold Reserves

For a few decades, this system worked well enough. US economic growth spurred European rebuilding, and world trade continued to increase. Cracks started to appear during the Guns and Butter era of the 1960's, when Vietnam War spending and Johnson's Great Society programs spurred a new era of fiscal profligacy. The US started borrowing massively, and dollars in the form of Treasuries started stacking up in foreign Central Banks reserve accounts.

Then-French President Charles De Gaulle did the calculus and realized in 1965 that the US had issued far too many dollars, even considering the massive gold reserves they had, to ever redeem all dollars for gold (remember naked shorting more shares than exist? -same idea here). He laid out this argument in his infamous Criterion Speech and began aggressively redeeming dollars for gold. The global "run on the dollar" had already begun, but the process accelerated after his seminal address, as every large sovereign turned in their dollars for bullion, and the US Treasury was forced to start massively exporting gold. Backing the sovereign government's actions were fiscal and monetary strategists getting more and more worried that the US would not have enough gold to redeem their dollars, and they would be left holding a bag of worthless paper dollars, backed by nothing but promises. The outward flow of

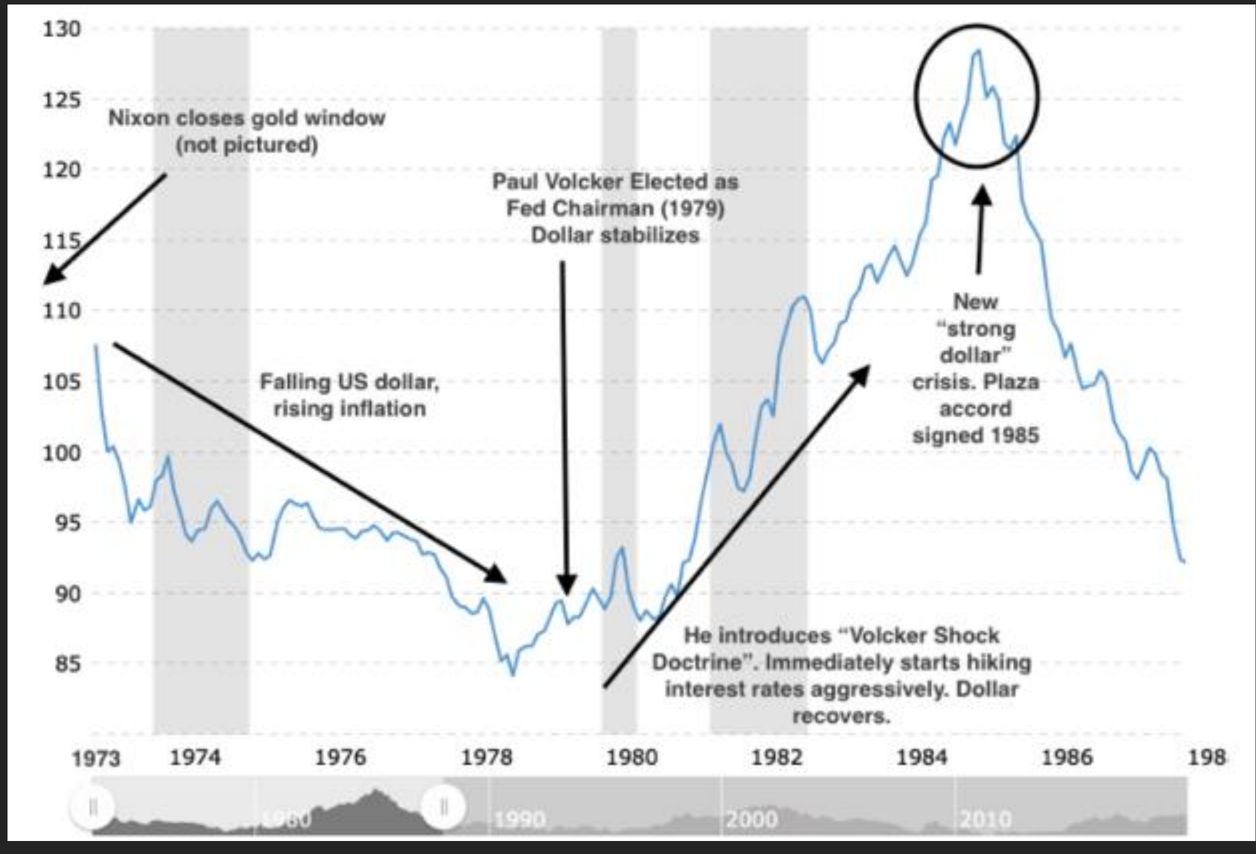
gold quickly became a deluge, and policymakers at all levels of Treasury and the State department started to worry.

Nixon ends Bretton Woods

Nearing a coming dollar solvency crisis, Richard Nixon announced on August 15th, 1971 that he was closing the gold window, effectively barring all countries from current and future gold redemptions. Money ceased to be based on the gold in the Treasury vaults, and instead was now completely unbacked, based solely on government decree, or fiat. Fixed wage and price controls were created, inflation skyrocketed, and unemployment spiked.

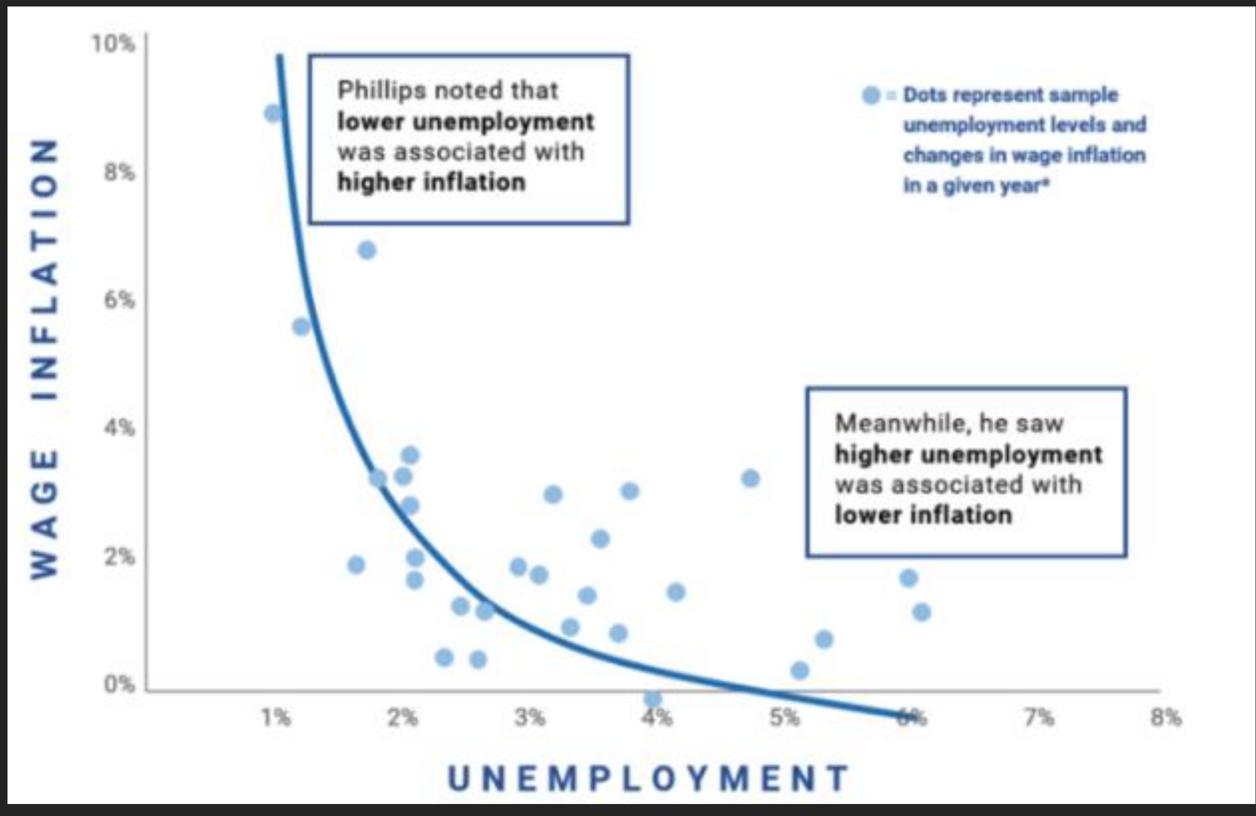
Nixon's speech was not received as well internationally as it was in the United States. Many in the international community interpreted Nixon's plan as a unilateral act. In response, the Group of Ten (G-10) industrialized democracies decided on new exchange rates that centered on a devalued dollar in what became known as the Smithsonian Agreement. That plan went into effect in Dec. 1971, but it proved unsuccessful. Beginning in Feb. 1973, speculative market pressure caused the USD to devalue and led to a series of exchange parities.

Amid still-heavy pressure on the dollar in March of that year, the G–10 implemented a strategy that called for six European members to tie their currencies together and jointly float them against the dollar. That decision essentially brought an end to the fixed exchange rate system established by Bretton Woods. This crisis came to be known as the "Nixon Shock" and the DXY (US dollar index) began to fall in global markets.



DXY

This crisis came out of the blue for most members of the administration. According to Keynesianeconomists, stagflation was literally impossible, as it was a violation of the Philips Curve principle, where Unemployment and Inflation were inversely correlated, thus inflation should theoretically be **decreasing** as the recession worsened and unemployment climbed through 1973-1975.



Phillips Curve

MONKE-SPEK: Philips Curve Explained

- Low Unemployment>Lots of jobs/high demand for labor.
- Thus, more workers are employed, and wages rise>putting more money in more people's pockets.
- These people go out and buy beanie babies, toasters, and bananas (what economist John Maynard Keynes called aggregate demand) and this higher demand leads to higher prices for goods and services. This shows up as inflation.
- Consider the opposite- high unemployment>fewer jobs>less money for people
- Less demand for goods and services> lower inflation

Keynesian economists treated this curve as a law of nature, rather than a general rule. We see exceptions to this rule everywhere- Argentina is a prime example, where they have persistently high unemployment AND high inflation. This phenomenon is called stagflation, and is evidence of inflationary pressures so strong that they overcome the deflationary force of high unemployment. These economists were utterly blindsided by the emergence of stagflation.

After the closing of the gold window in 1971, the crisis spread, inflation kept climbing, and other sovereigns began contemplating devaluing their currencies as their only peg, the US dollar, was now unmoored and looked to be heading to disaster. US exports started climbing (cheaper dollar, foreigners could now import stuff to their countries), straining export economies and sparking talks of a currency war. Knowing they had to do something to stop the bleeding, the Nixon administration, at the direction

of Henry Kissinger, made a secret deal with OPEC, creating what is now called the Petrodollar system. This article summarizes it best:

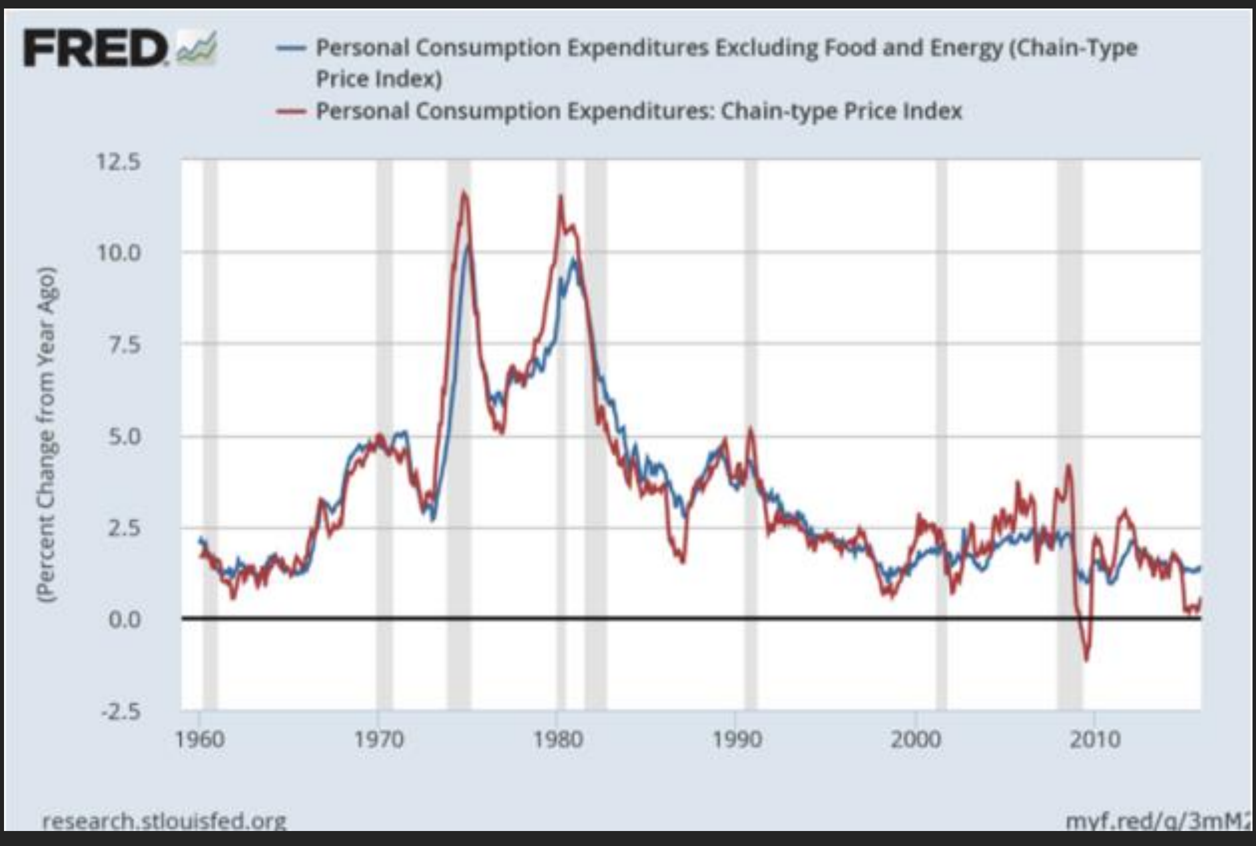
> **The 1973 oil crisis further fixed the value of the dollar as a result of this oil shock, bringing Saudi Arabia and the OPEC countries to make a secret agreement with Washington, the main architect being President Nixon's legendary Secretary of State Mr. Henry Kissinger.** This agreement provided that in exchange for Washington's political and military protection, the OPEC countries would be required to sell oil only in dollars.

The petrodollar was thus born, being a replacement for the gold-linked standard that existed prior to Nixon. Once this system was supported by OPEC members, the global demand for US petrodollars hit an all-time high.

> **Petrodollars became the basis for America domination over the global financial system which resulted in other countries being forced to buy dollars in order to get oil on the international market.**

PetroDollar system

Petrodollars had been around since the late 1940s, but only with a few suppliers. Petrodollars are U.S. dollars paid to an oil-exporting country for the sale of the commodity. Put simply, the petrodollar system is an exchange of oil for U.S. dollars between countries that buy oil and those that produce it. By forcing the majority of the oil producers in the world to price contracts in dollars, it created artificial demand for dollars, helping to support US dollar value on foreign exchange markets. The petrodollar system creates surpluses for oil producers, which lead to large U.S. dollar reserves for oil exporters, which need to be recycled, meaning they can be channeled into loans or direct investment back in the United States. It still wasn't enough. Inflation, like many things, had inertia, and the oil shocks caused by the Yom Kippur War and other geo-political events continued to strain the economy through the 1970's.



PCE Index

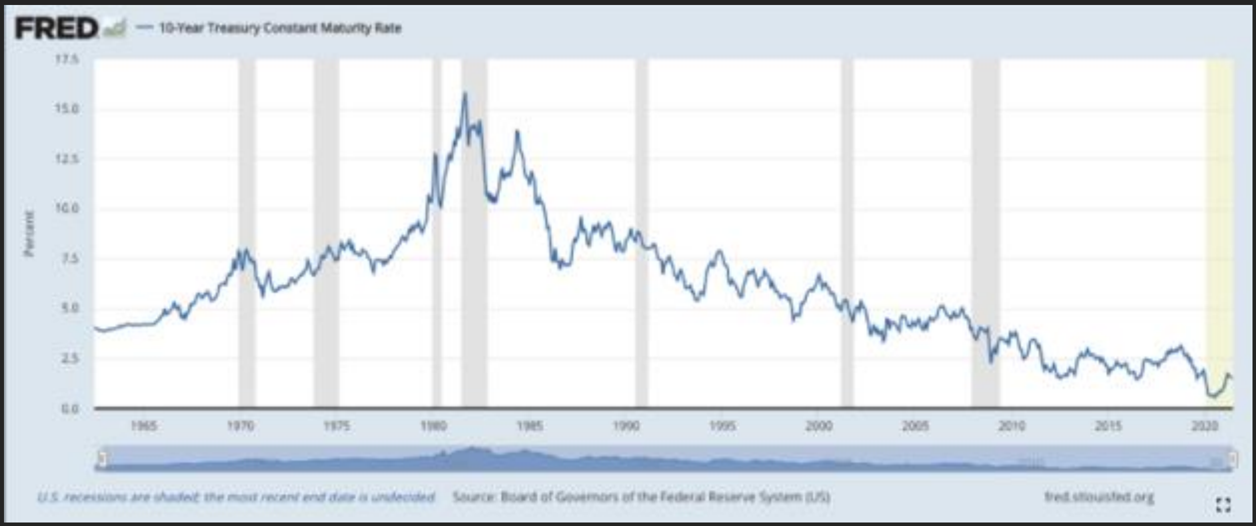
Running out of road, monetary policymakers finally decided to employ the nuclear option. Paul Volcker, the new Federal Reserve Chairman selected in 1979, knew that it was imperative to break the back of inflation to preserve the global economic system. That year, inflation was spiking well above 10%, with no end in sight. He decided to do something about it.

> Volcker fought greater than 10% annual inflation rates with contractionary monetary policy and courageously raised the fed funds rate to 20% in March 1980. He briefly lowered it in June. When inflation returned, Volcker raised the rate back to 20% in December and kept it above 16% until May 1981.[3] That extreme and prolonged interest rate rise was called the Volcker Shock. It did end inflation. Unfortunately, it also created the 1981 recession.[4] President Jimmy Carter appointed him, and President Ronald Reagan re-appointed him in 1983.[5]

Volcker Doctrine

By hiking interest rates aggressively, consumer credit lending slowed, mortgages became more expensive to finance, and corporate debt became more expensive to borrow. Foreign companies that had been dumping US dollar holdings as inflation had risen now had good reason to keep their funds

vested in US accounts. When the Petrodollar system, which had started taking shape in ‘73 was completed in March 1979 under the US-Saudi Joint Commission, the dollar finally began to stabilize. The worst of the crisis was over.
Volcker had to keep interest rates elevated well above 8% for most of the decade, to shore up support for the dollar and assure foreign creditors that the Fed would do whatever it takes to defend the value of the dollar in the future. These absurdly high interest rates put a brake to US government borrowing, at least for a few years. Foreign creditors breathed a sigh of relief as they saw that the Fed would go to extreme lengths to preserve the value of the dollar and ensure that Treasury bonds paid back their principal + interest in real terms.



10yr US treasury yields

Over the next 40 years, the United States and most of the developed world saw a prolonged period of economic growth and global trade. Fiat money became the norm, and creditors accepted the new paradigm, with it’s new risk of inflation/devaluation (under the gold standard, current account deficits, and thus inflation risk, was self-stabilizing). The Global Monetary system now consisted of free-floating fiat currencies, liberated from the fetters of the gold system.
(I had to break this post up into two sections due to the character limit, here is second half of Pt 1): /

Back to Table of Contents

The Fed is pinned into a corner from the 2008 can-kick utilizing QE, and the economic effects of COVID. They are stuck battling a collateral crisis AND a liquidity crisis. The Fed is currently fudging the numbers of treasuries to hide a collateral shortage and to try to prop the economy up.

DD 👨‍🔬

0. Preface

I am not a financial advisor. I do not provide financial advice. Many thoughts here are my opinion, and others can be speculative.

I'm personally happy to see that there is a shift from GME DD to macro-economics DD. Because it provides a much wider insight into how the market is behaving, and how GME would **NOT** be the cause of a market crash. Everything has been a pressure cooker over the past decade, ready to burst, and the new DD provides insight on when things might go down.

The new DD also diverges from the expectations of things to shoot up in price every week, where everyone is watching T+21/T+35/Net Capital cycles. It gives a general "MOASS will most likely occur when everything falls due to liquidation of defaulting Banks / Hedge Funds / Financial Institutions".

It gives me peace of mind, because I do not watch for specific dates around GME to cause the surge. I watch the economy at the macro scale to understand when things could blow.

And to any skeptics - yes, it is possible that GME could never blow up. Do I think it will blow up? Sure I do. But I encourage YOU to read this post, disregarding GME, and to instead understand what is going on with the economy on the macro scale.

Even if the GME play is wrong in your eyes, it is good to understand how the economy could crash harder than it did in 2008. I don't care if you don't believe in GME. I care about you, and don't want YOU to be hurt.

Me IRL - Maybe - Sometime

1. Before We Begin: An Overview of Repo And Reverse Repo

Repo and Reverse Repo might be a bit confusing. You probably saw on this subreddit or in news that the reverse repo market has been blowing up, and it's a bit concerning.

It's not too complicated if you just imagine it between two entities: the Federal Reserve and Banks.

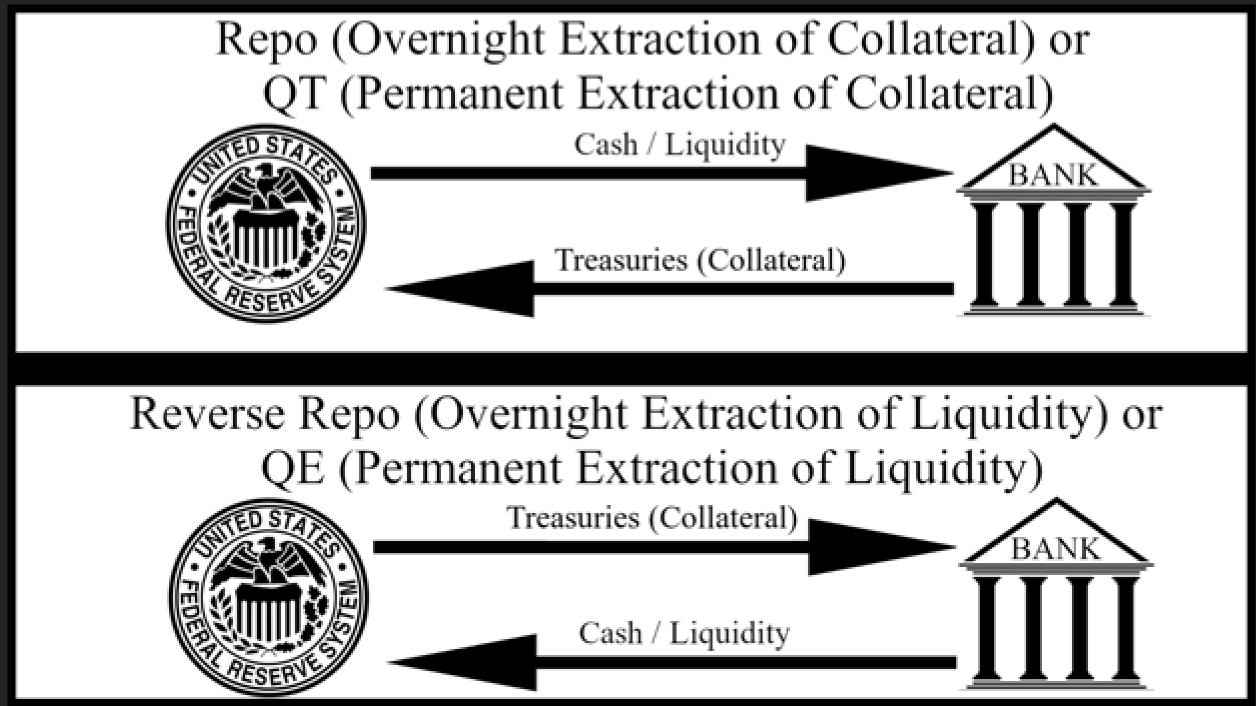
For both Repo and Reverse Repo, it is an agreement between two parties for one of them to sell some security for a price, and they agree to buy that security back at a later date at a higher price based on some interest rate (usually). This is called a "Repurchase Agreement", where "Repo" is a standard "Repurchase Agreement" and the "Reverse Repo" is a "Reverse Repurchase Agreement", the inverse of a "Repo".

The length of these Repurchase Agreements can be various lengths. Such as overnight, one month, three month, etc.. But what we're seeing is **short-term overnight Reverse Repos**. The parties swap, and then the next trading day they swap back. **It is not a permanent extraction of the underlying security. It is an overnight swap. A permanent extraction comes from Quantitative Easing or Quantitative Tightening, both of which I will discuss later.**

- **Repo (Repurchase Agreement) -** This is where the bank swaps collateral (such as US Treasuries) for cash. This is used when the banks have too much collateral and not enough cash, or when the banks want to generate profit off of giving loans to other parties in the repo market.
- **Reverse Repo (Reverse Repurchase Agreement) -** This is where the bank swaps cash (liquidity) for collateral (such as US Treasuries). This is used when the banks have too much cash (liquidity) and not enough collateral. The main reason behind this behavior is to pump balance sheets for the night.

Below is a diagram I made which might make this more clear. It is between the Fed (left) and Banks (right):

Edit: I have a typo here. QT and QE should be flipped in the diagram. QT is permanent extraction of liquidity. QE is permanent extraction of collateral.



Repo and QT Versus Reverse Repo and QE

2. Quantitative Easing Can-Kick of 2008, Slowly Draining Collateral From The Market

Note: If you want an overview of what led to the 2008 crash, check out my previous post which has a summary of the documentary "Inside Job (2010)". It also describes where we're probably headed based on SLR, the DTC, ICC, OCC, NSCC rules, and mortgage default protections expiring June 30th, 2021.

Zoom back in time to 2008. The economy took a massive dump due to Wall Street's abuse of derivatives and leverage. They created a bunch of toxic CDOs mostly consisting of subprime Mortgages to create an economic apocalyptic scenario around Mortgage Backed Securities (MBS). Everything was overleveraged and was a massive balloon of bets based on the performance of the MBS's.

Currently, there's evidence of Wall Street doing the same abuse of toxic CDO's but this time with Commercial Mortgage-Backed Securities (CMBS). [See above linked post for this detail]

The economy was hurting pretty bad from the 2008 crash, and it was going to continue going into a complete death spiral until the Federal Reserve (Fed) introduced Quantitative Easing (QE):

The Fed announced QE1 on November 25, 2008. Fed Chairman Ben Bernanke announced an aggressive attack on the financial crisis of 2008. **The Fed began buying $500 billion in mortgage-backed securities and $100 billion in other debt**. QE supported the housing market that the subprime mortgage crisis had devastated. - Source

If you're still scratching your head on what QE is, here's the Wikipedia overview definition, as well as (hopefully) a more simplified definition.

Quantitative Easing (QE) - is a monetary policy whereby a central bank purchases at scale government bonds or other financial assets in order to inject money into the economy to expand economic activity.

- This is what the Fed will do to extract collateral (including US Treasuries) from the economy in order to push in liquidity. The Fed started doing this in 2008 to extract toxic collateral from the market and encourage economic growth because it allowed more cash flow in the economy.
- This pulls out collateral from the economy, and pushes cash (liquidity) in.
- **It was a ticking timebomb ever since it started, because it extracts collateral from the market, slowly creating a collateral shortage issue.**

Check out the effects of QE on the Dow Jones Industrial Average ($DJI):

DJI Before And After Quantitative Easing Begins

It was helping the economy reverse the death spiral, and it has been pumping the economy ever since the introduction of QE. The problem is, of course, that collateral would continue to be sucked out of the market through the mechanics of QE.

And QE can't continue forever, because collateral is a fundamental part of the repo market which allows cash to flow in the economy. When you don't have collateral, you can't post the collateral in the market for cash from banks, and thus the flow of cash basically shuts down. You cannot perform a normal repo transaction between a Bank / Hedge Fund / Financial Institution.

The Fed tried to stop QE after a while. Instead of pulling collateral out of the economy, they needed to try to push collateral back into the economy. In order to stop QE, they tried what was, in essence, the "reverse" of QE called Quantitative Tightening (QT).

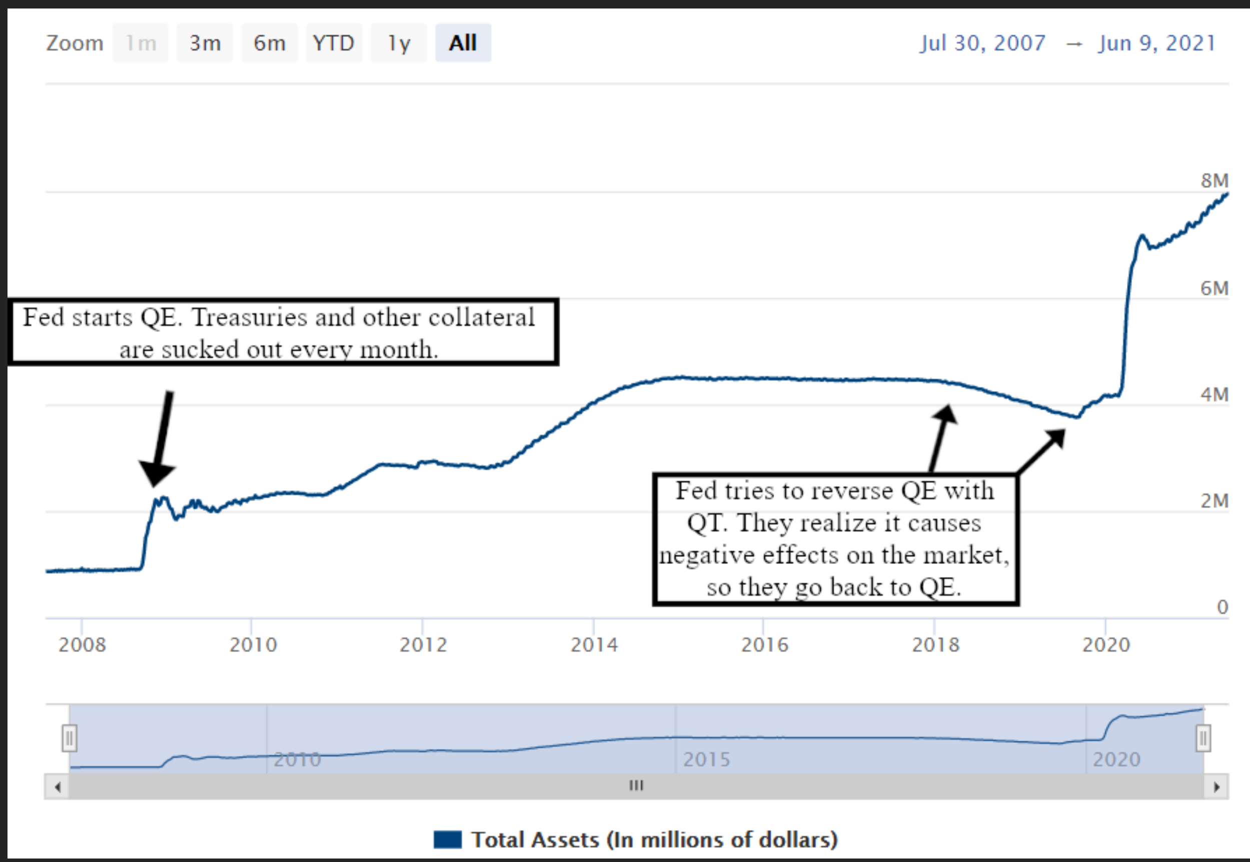
Quantitative Tightening (QT) - (or quantitative hardening) is a contractionary monetary policy applied by a central bank to decrease the amount of liquidity within the economy. The policy is the **reverse ofquantitative easing (QE)**, aimed to increase money supply in order to "stimulate" the economy.

- This is what the Fed will do to extract liquidity from the economy in order to push in collateral. It is used to attempt to reverse the effects of QE, to try to regain balance in the economy.
- This pulls out cash (liquidity) from the economy, and pushes collateral in.
- **The Fed attempted QT in 2018, but it proved to have very bad consequences on the economy. So, they went back to QE in 2019, continuing to can-kick the effects of the 2008 crash.**

This is a chart showing the Fed's "Total Assets", where collateral is an asset for the Fed. So when collateral was extracted from the economy through QE, it went onto their "Assets" side of their balance sheet. When collateral was pushed back into the economy through QT, it was extracted from their "Assets" side of their balance sheet.

1. At the start of QE in 2008, there is a surge of assets due to the buying up of MBS's and treasuries.
2. Around 2018 the assets began to decline because the Fed attempted QT by pushing collateral back into the economy and sucking liquidity out.
3. Around September 2019 the assets began to increase again because the Fed went back to QE after realizing the negative effects it was having on the economy due to causing a liquidity shortage.

So... what happened in September of 2019? **Why did QT fail after a decade of QE**?



https://www.federalreserve.gov/monetarypolicy/bst_recenttrends.htm

3. Quantitative Easing Cannot Be Reversed. The Can-Kick Continues Until The Economy Crashes

Despite pumping in a bunch of liquidity into the market through QE, the economy was **still lacking liquidity**. When the Fed started to reverse QE through QT, the liquidity in the market tightened and thus the negative effects on the economy began to surface in September of 2019.

Repo Rate Spike: A ‘Tail’ Of Low Liquidity

https://blog.pimco.com/en/2019/09/repo-rate-spike-a-tail-of-low-liquidity

Less than a year after starting QT, a liquidity crisis emerged on September 15th, 2019, when the repo rate spiked up severely. This was a clash of events surrounding the lower liquidity issue.

Banks’ “reporting” dates are known inflection points in the short-term funding markets and typically fall at the end of the month, quarter, and of course the year. **But periodically, the 15th of the month is also a pressure point.** Such was the case this past Monday when a short-term funding rate that had been hovering around 2.21% soared as high as 10%.

The funding market succumbed to a trifecta of pressures:

1. Payments on corporate taxes were due on 15 September, leading to high redemptions of more than $35 billion in money market funds.
2. Cash balances increased by an additional $83 billion in the U.S. Treasury general account, which reduces excess reserves and simultaneously acts to reduce the aggregate supply of overnight liquidity available in funding markets.
3. Dealers needed an additional $20 billion in funding to finance the settlement of recent scheduled U.S. Treasury issuance.

...

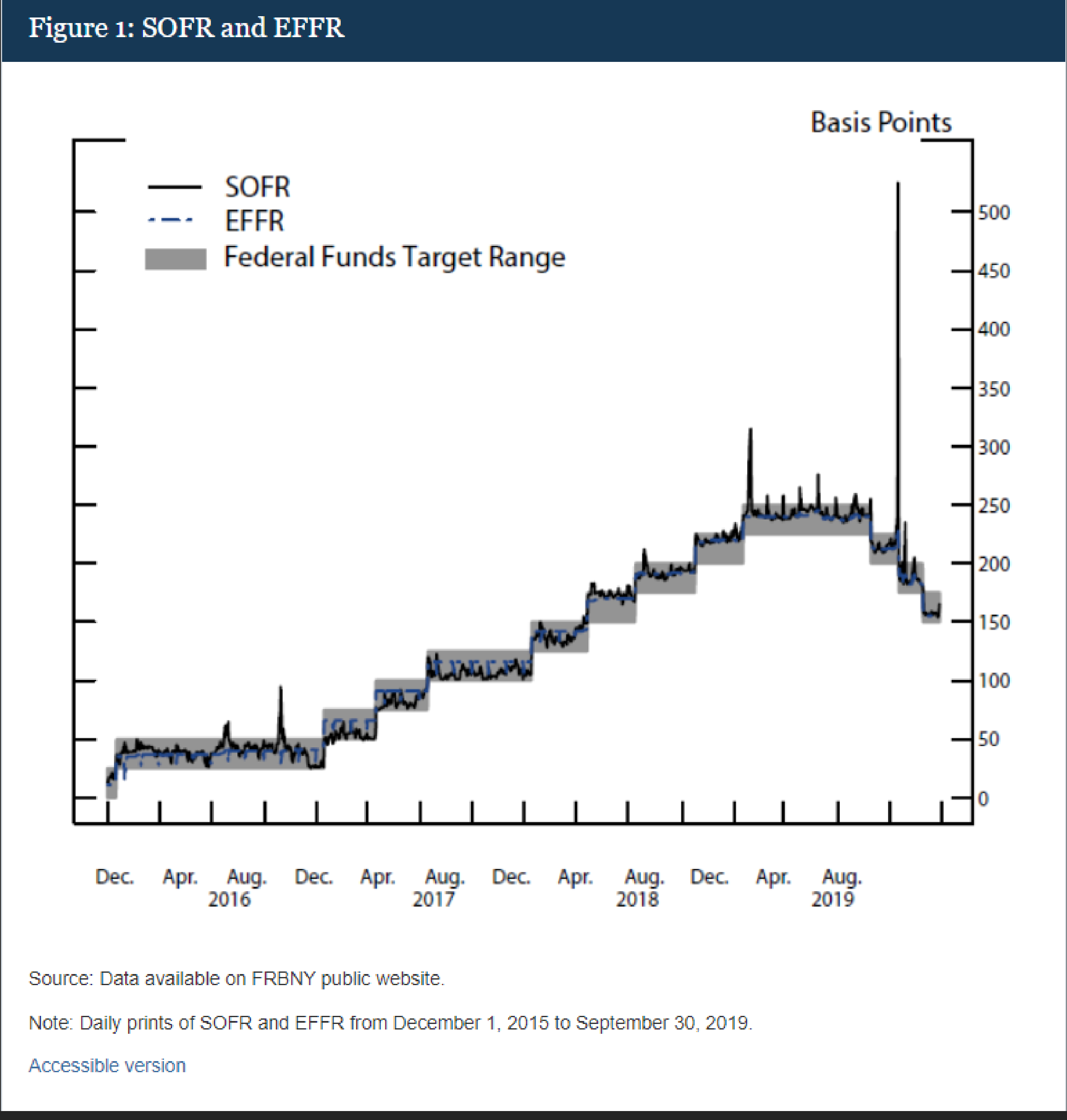
...

On September 15, **as so many institutions needed funding**, **repo rates climbed well above the fed funds upper-end target at the time of 2.25% to briefly touch 5%. The following day, cash repo markets traded as high as 10% for those looking to finance agency mortgage positions overnight**. **Later that morning, the Federal Reserve Bank of New York acknowledged the pressures and conducted its first Open Market Operation (OMO) in more than a decade to add reserves to the funding markets that were clearly in need of the liquidity**. Subsequently, after its meeting Wednesday, the Federal Open Market Committee (FOMC) announced a cut in the interest on excess reserves (IOER) of 0.30% – five basis points more than its cut in the fed funds rate – providing some relief to the upper bound of money-market yields. - Source

Due to the reduced liquidity from QT, because it sucks out liquidity and pushes in collateral, the markets hit a critical point where there was too much cash that was needed and not enough to supply those who needed the cash. There was huge amounts of strain on the economy.

This was most likely due to continued large leverage + derivatives abuse stemming from what led to the 2000-2007 Housing Market Bubble. The Fed realized that QT could not continue because of the liquidity shortage that was arising. **They had to stop QT and continue QE in order to continue to pull out collateral and pump in liquidity. And thus, the collateral shortage time bomb continued ticking.**

Below is the figure of when the repo rate shot up to ~10% within a day. This was awful, because it was much more expensive for loans to go out. The repo market would have shut down from nobody wanting to spend 10% on a repurchase agreement to get cash for the day. How would ANYONE get 10% return **overnight** to pay for these loans? The flow of cash was about to halt.



https://www.federalreserve.gov/econres/notes/feds-notes/what-happened-in-money-markets-in-september-2019-20200227.htm

4. COVID Initiated A Liquidity Crisis In The Banks, Which Now Fights With The Collateral Shortage

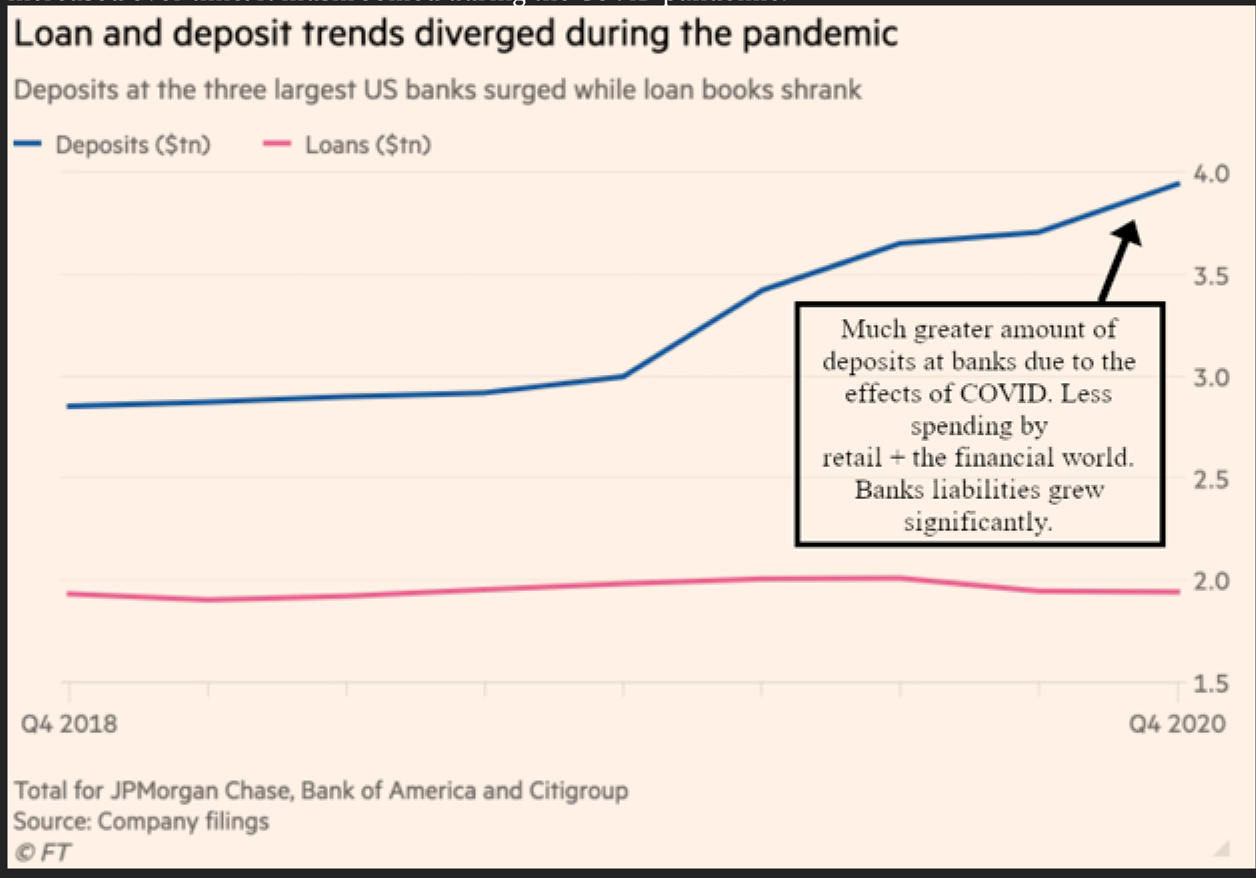
QE continued on until 2020, when suddenly, COVID came in. Nobody expected it.

And boy, **oh boy**, did COVID wreak havoc on the economy and the financial world. While the Fed was slowly approaching a collateral crisis through QE, COVID exacerbated the issue due to the sudden impact

it had on liquidity. COVID increased liquidity, and when you have a sudden surge of liquidity, you need to balance it with collateral. The economic balance was tipping as of March of 2020.
This does not even take into account the effects of many people losing their jobs, being unable to pay rent/mortgages, and other issues that arose from COVID. Those all apply to another ticking time bomb: the CMBS issue, equivalent to the MBS bubble of 2000-2007, which I discussed in my other post.
The COVID pandemic caused a surge of money being printed from stimulus packages in the US. When you print a bunch of money into the economy on a whim, you risk driving inflation of the currency itself. What does inflation encourage? Less spending from companies, due to the higher price. This leads to less loaning of cash in the repo market, and banks obtaining an ever-surplus of cash.
COVID caused a sudden surge of trillions of dollars worth that the economy couldn't handle naturally. Compare the treasury balance versus the deposits over time, and the surge that occurred in 2020 in response to the pandemic. The COVID stimulus bills pumped in a **massive** amount of money into the economy at the risk of inflation. And we're already seeing the effects of inflation occur on the supply chain:

https://www.federalreserve.gov/monetarypolicy/bst_recenttrends.htm

Stimulus checks were sent out to retail. Companies were bailed out. Unemployment increased, resulting in more unemployment benefits going out due to the relief bills. More money printed. More money deposited at banks.
There was a ton of cash (liquidity) being pumped into the economy over the past year from March 2020 to June 2021. Because of this, due to inflation and an excess of cash, banks began to get a surplus of cash deposited. People had more cash. They didn't need to spend money on rent/mortages. Companies didn't want to spend more due to fears of inflation. So, bank deposits went up.
The main problem with this is that the cash deposited with the banks became a liability on their balance sheets. When you have a surplus of liabilities on your balance sheet, you need to 'balance' it out with assets, such as US Treasuries.
The banks were now in trouble because they had way, way too many deposits. They were at risk of defaulting due to their SLR requirements. Here is a figure showing how deposits (liabilities) of banks increased over time. It mushroomed during the COVID pandemic:



https://www.ft.com/content/a5e165f7-a524-4b5b-9939-de689b6a1687

To combat this issue, the Fed decided to introduce a relief program for banks regarding SLR because of the massive increase of liquidity due to the uppercut that COVID created on the financial world.
The supplementary leverage ratio (**SLR**) is the US implementation of the Basel III Tier 1 leverage ratio, **with which banks calculate the amount of common equity capital they must hold relative to their total leverage exposure**. Large US banks must hold 3%. Top-tier bank holding companies must

also hold an extra 2% buffer, for a total of 5%. The SLR, which does not distinguish between assets based on risk, is conceived as a backstop to risk-weighted capital requirements. - Source

In more of a simplified summary, SLR is a requirement of total equity that a bank must hold compared to their total leverage exposure. If they are exposed to leverage, they need to hold enough capital for that position otherwise they are at risk of defaulting. In this case, they only need to hold a measly 3%-5%, dependent on how large of a bank they are. Just like in 2008 - these banks can have massive leverage and SLR is to "help protect the economy" from them abusing leverage.

But hey, the Fed put in place some protections for the year to help these banks since they were obviously overleveraged to begin with. These protections expired on March 31st, 2021.

The Fed Is Ending One of Its Pandemic Relief Programs This Month. Here's How It Will Impact Banks.

The Federal Reserve announced it would not extend SLR relief program, which enabled banks to keep lending in crisis times.

https://www.fool.com/investing/2021/03/29/the-fed-is-ending-one-of-its-pandemic-relief-progr/

The Fed's relief program last year allowed banks to exclude U.S. Treasuries and central bank reserves from the SLR calculation. The relief program was a response to the many non-banking institutions selling Treasuries to raise cash, and coincided with other measures, including the $2.2 trillion CARES Act, which resulted in even more Treasuries being sold into the market. - Source

Right after the expiration of the protection plans of SLR, the Reverse Repo market began to blow up because the banks had way too much liquidity and not enough treasuries on their balance sheets.

The argument that the banks were "parking their money at the Fed" was a reasonable explanation at first. Though, with 0% ROI from the RRP at the time, the banks would literally get no return on their investments. So for that argument, all of their other investments would have had to yield negative in order for RRP to be more enticing. Does this make sense to you that they'd use 0% RRP to be an 'investment'?

The fact that the RRP began to ramp up and then explode after the SLR protections lifted makes this look like a collateral shortage issue. And of course, with QE occurring over the past decade, makes it more likely, because collateral was sucked out of the economy and onto the Fed's balance sheet over the years.

That was of course questionable on whether it was a liquidity or collateral issue, until, the RRP rate dropped negative in March of 2021, as well as in April of 2021.

5. Reverse Repo Rate Flips Negative; Warnings Of Collateral Shortage

Think about it quite simply in a supply/demand factor and the reverse repo when the RRP rate dropped negative.

You are a bank. You want to get Collateral from the Fed to balance your sheets. The Fed says they'll give you a small amount of interest for borrowing their collateral overnight. But now, imagine that the supply of collateral is too low and demand is too high. The Fed will no longer want to pay you for borrowing its collateral so it will shift the interest rate down. If demand really outweighs supply, then the Fed would then want cash from YOU in order for YOU to borrow the collateral.

The overnight repurchase rate, which measures the cost of borrowing short-term cash using Treasuries or other debt securities as collateral, dropped to as low as -0.06% in late March and hit that level again on Wednesday, before stabilizing at around 0.01% on Friday.

https://www.reuters.com/article/us-usa-bonds-repo-explainer/explainer-u-s-repo-market-flirts-with-negative-rates-as-fed-seeks-to-absorb-excess-cash-idUSKBN2C32AI

This was just one of the warning signs that a collateral issue was arising. The RRP rates were already at 0%, so the only way for them to move was either up or down. An increase in treasury demand could shift it down, into the negatives, which it did.

6. The Fed Is Fudging The Numbers And Hiding A Collateral Shortage

The drop in RRP interest rates to the negative **came after** the Fed increased the total borrowing amount of counterparties in the RRP from $30 Billion to $80 Billion.

Fed increases RRP limits from $30 billion to $80 billion to ensure supply at near 0 rates

March 17, 2021 Finadium Editorial Team

https://finadium.com/fed-increases-rrp-limits-from-30-billion-to-80-billion-to-ensure-supply-at-near-0-rates/

Why did they do this? Think of it again as a supply versus demand issue. For simple math, imagine the Fed has 50 members.

- At a limit of $30 Billion per member, that is a total of $30B * 50 = $1.5 Trillion that can be borrowed.
- At a limit of $80 Billion per member, that is a total of $80B * 50 = $4 Trillion that can be borrowed.

What is this doing? Why did the Fed increase the limit?

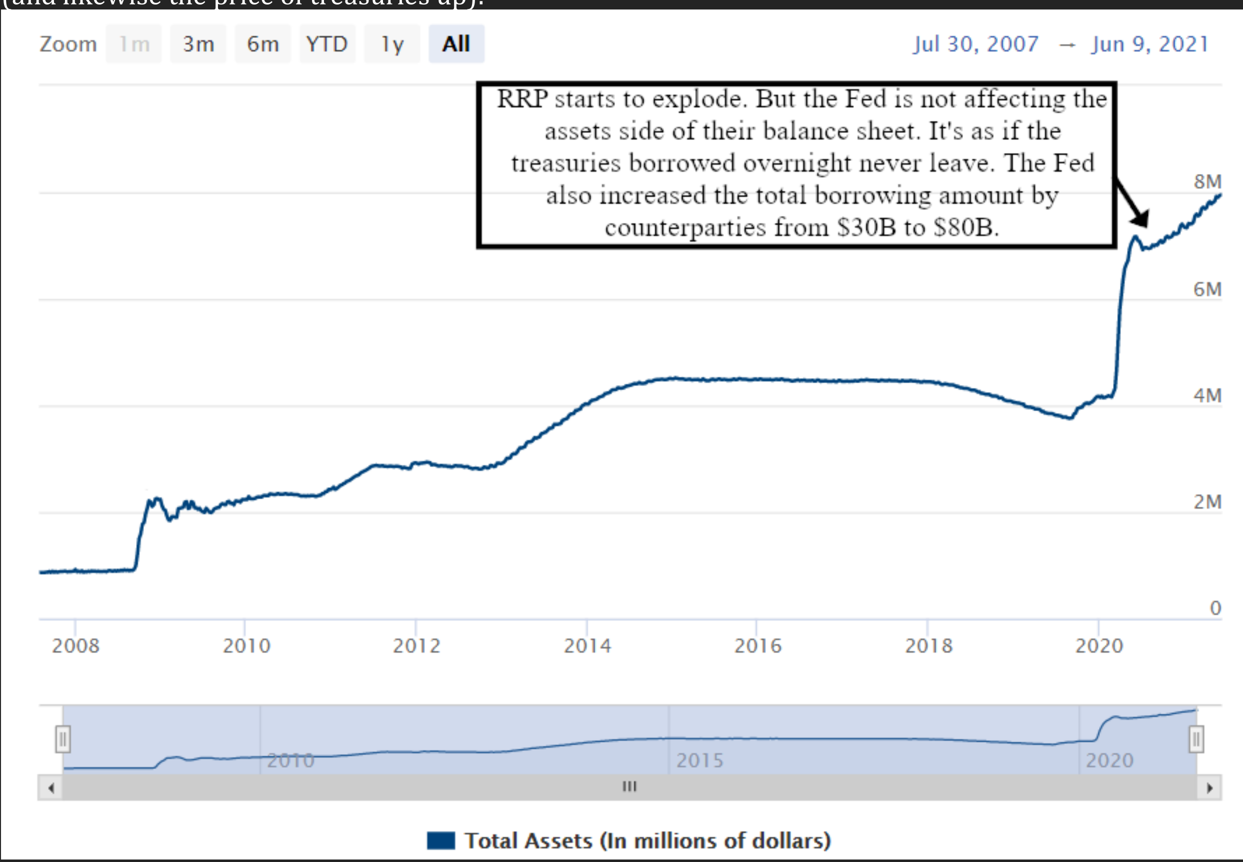
It's artificially inflating the total "supply" of treasuries that can be borrowed by counterparties in the RRP. It is attempting to keep the interest rate positive because there is so much demand for collateral and not enough supply in the markets and on the Fed's balance sheet. The RRP was

already at 0%, there was nowhere for it to go besides negative, which as you know implies a shortage of collateral and a red flag for the financial world.

Not only did they artificially inflate the total supply to combat the demand by increasing the total borrow amount, **the Fed decided to not affect the assets side of its balance sheet during these RRP transactions. This effectively leaves the supply of treasuries on the Fed's balance sheet the same.** This is another method to can-kick to avoid interest rates going negative and flashing a collateral issue.

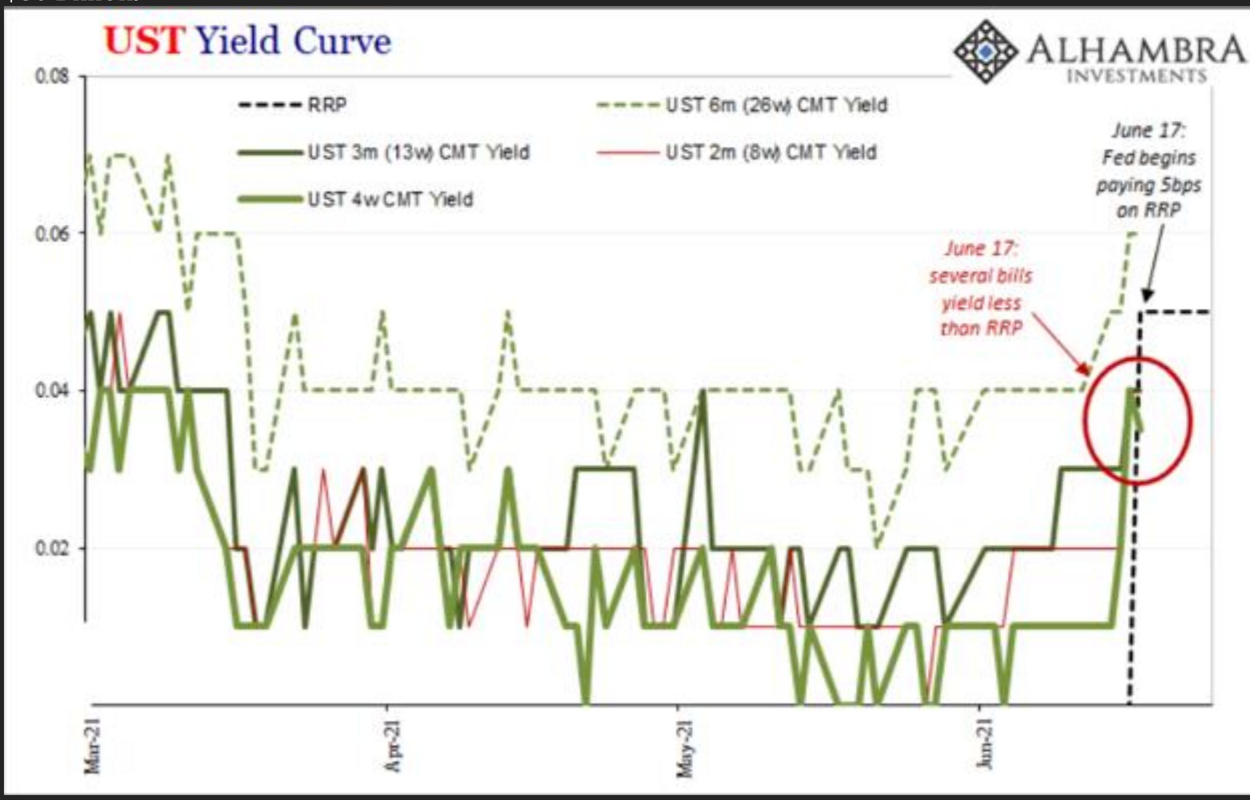
When the Desk conducts RRP open market operations, it sells securities held in the System Open Market Account (SOMA) to eligible RRP counterparties, with an agreement to buy the assets back on the RRP's specified maturity date. **This leaves the SOMA portfolio the same size**, as securities sold temporarily under repurchase agreements continue to be shown as assets held by the SOMA in accordance with generally accepted accounting principles, but the transaction shifts some of the liabilities on the Federal Reserve's balance sheet from deposits held by depository institutions (also known as bank reserves) to reverse repos while the trade is outstanding. - Source

We can see this visually from the Fed's balance sheet that they're not affecting their assets during the RRP. They're allowing counterparties to borrow treasuries **WITHOUT** affecting the supply - desperately trying to get away from the rising demand for treasuries and avoid treasury yields from snapping down (and likewise the price of treasuries up):



https://www.federalreserve.gov/monetarypolicy/bst_recenttrends.htm

On top of this, the Fed showed their hand ONCE AGAIN of fudging the numbers on June 16th when they bumped up the RRP rate to 0.05%. The short-term treasury yields briefly went BELOW the RRP interest amount of 0.05% on June 17th when the new RRP ROI was in effect.
This is a BAD sign because now overnight RRP had a higher return than 2-month and 3-month treasury bonds.
The Fed is fudging the numbers trying to hide the treasury bond shortage.
The Fed cannot keep this up. They're trying to keep the T-bill yield curve propped up despite the treasury shortage. They're not affecting their balance sheet, and they also artificially increased the amount of treasuries in their "supply" by increasing the counterparty borrow limit from $30 Billion to $80 Billion.



https://alhambrapartners.com/2021/06/17/the-fomc-accidentally-exposes-itself-reverse-repo-style/

Date	1 Mo	2 Mo	3 Mo	6 Mo	1 Yr	2 Yr	3 Yr	5 Yr	7 Yr	10 Yr	20 Yr	30 Yr
06/01/21	0.01	0.01	0.02	0.04	0.04	0.16	0.31	0.81	1.28	1.62	2.22	2.30
06/02/21	0.01	0.01	0.02	0.04	0.05	0.13	0.30	0.80	1.26	1.59	2.21	2.28
06/03/21	0.00	0.01	0.02	0.04	0.04	0.16	0.34	0.84	1.30	1.63	2.22	2.30
06/04/21	0.01	0.02	0.02	0.04	0.05	0.14	0.32	0.78	1.23	1.56	2.16	2.24
06/07/21	0.01	0.02	0.02	0.04	0.05	0.16	0.33	0.79	1.24	1.57	2.17	2.25
06/08/21	0.01	0.02	0.02	0.04	0.05	0.14	0.32	0.77	1.20	1.53	2.13	2.21
06/09/21	0.01	0.02	0.03	0.04	0.05	0.16	0.31	0.75	1.17	1.50	2.10	2.17
06/10/21	0.01	0.02	0.03	0.04	0.05	0.14	0.30	0.73	1.14	1.45	2.07	2.15
06/11/21	0.01	0.02	0.03	0.04	0.05	0.16	0.31	0.76	1.16	1.47	2.08	2.15
06/14/21	0.01	0.02	0.03	0.05	0.05	0.16	0.33	0.80	1.20	1.51	2.12	2.19
06/15/21	0.02	0.02	0.03						1.21	1.51	2.12	2.20
06/16/21	0.04	0.04	0.04						1.29	1.57	2.13	2.20
06/17/21	0.05	0.04	0.04	0.06	0.08	0.23	0.43	0.90	1.27	1.52	2.05	2.11
06/18/21	0.05	0.05	0.05	0.06	0.09	0.26	0.47	0.89	1.22	1.45	1.97	2.01

New RRP 0.05% came into effect on 06/17/21. Short-term yields dropped below RRP 0.05%.

https://www.treasury.gov/resource-center/data-chart-center/interest-rates/Pages/TextView.aspx?data=yield

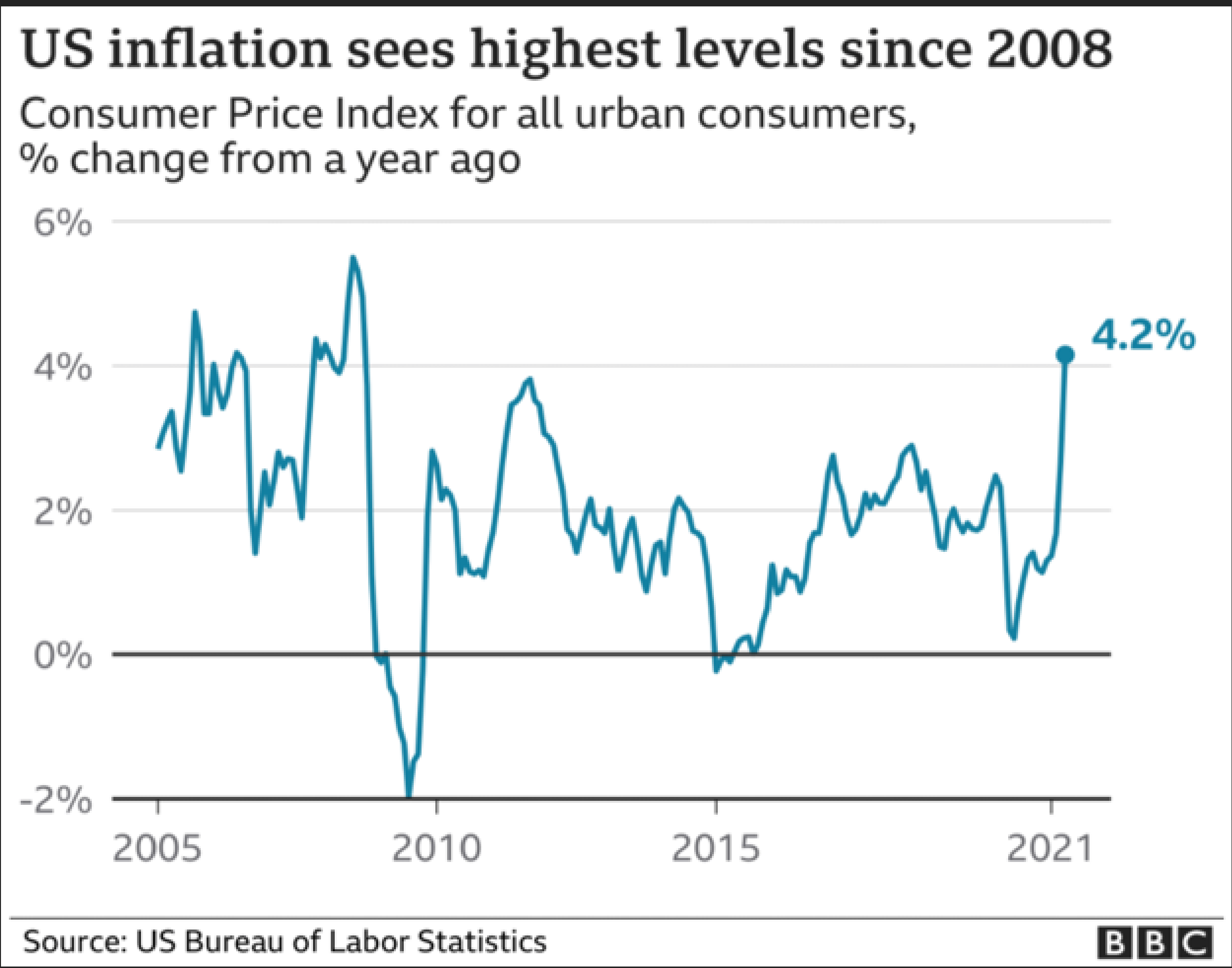
The Fed is also planning on increasing interest rates. This starts to scare the economy, which is most likely why we're now seeing the dump of the stock market over the past few days and the dump leading into the week of June 21st. This is **bad for the markets** because it means it's going to cost more for the economy to function (e.g. what happened in 2019 when Repo Rates spiked to 10%). Companies have to spend more to hire, produce, etc. **It costs the economy more to function.**

The Fed is pinned between a collateral issue from QE sucking out collateral, and a liquidity issue and COVID pumping in too much liquidity for the banks to handle.

The Fed moves up its timeline for rate hikes as inflation rises

PUBLISHED WED, JUN 16 2021·2:00 PM EDT | UPDATED THU, JUN 17 2021·8:59 AM EDT

https://www.cnbc.com/2021/06/16/fed-holds-rates-steady-but-raises-inflation-expectations-sharply-and-makes-no-mention-of-taper.html



https://www.bbc.com/news/business-57090421

7. Quarter Ends Explode The Reverse Repo. The Next Quarter End Is June 30th, 2021.

This is not a date to look forward to for GME potentially rising. This is a date of "Holy shit. **The RRP could explode to the point where treasury supply vs demand is unable to take it any more**".

About 3-4 days prior to quarter ends, the RRP explodes up in the amount of collateral that is borrowed from the Fed. This is because of the underlying plumbing of the financial markets, identified in Section 3 above, causes additional strain on the financial markets. The banks need more collateral to prop up their balance sheets for the night of the quarter-ends.

The RRP borrowed amount can shoot up almost **2-4x the current levels.** The amount of RRP at the moment is $747 Billion. **The RRP could explode 2-4x the amount it is at upon June 25th, 2021**. What if it's $1 Trillion by then due to the massive amount of collateral needed by the banks? More?

Can the Fed handle it?

Can they still prop the yield curve up?

Will the short-term treasuries dip below the RRP amount once more due to this shortage and flash red flags to the world of financial instability in the US?

https://www.reddit.com/r/Superstonk/comments/nylihz/previous_rrp_behavior_on_quarter_ends_massive/

If the US Treasury yield curve snaps down from this instability and the Fed no longer able to prop up the yield curve, then it can drive treasury prices up.
If /u/atobitt's "Everything Short" is true and they're actually shorting treasuries, then that can lead to banks defaulting due to the price of treasuries shooting up. When they default, they'll be forced to buy up all the treasuries that they've shorted into the market.
And it is very possible that they are shorting treasuries.
When performing RRP of 0%, the repo market was most likely shut down due to nobody needing cash loaned out. The banks only profitable move was to perform the RRP with the Fed and then **short**treasuries into the market, **rehypothecating** the treasuries to other parties. This would have also helped prop up the market by artificially increasing the supply of treasuries (collateral) in the market.
If it's true, and they have truly been performing the "Everything Short", then it could initiate a Global Financial Crisis equivalent to The Great Depression.
Do I want that to happen? **No**. But is there a chance? **Yes, there is**.
Is GME going to squeeze? Is the DD just false hopium? I don't think it's just hopium. I believe in the DD. But some users might think otherwise and not believe in GME or the DD. Hello users outside of r/superstonk! If you're reading this, check out the DD on the subreddit!
Even if there's a **slight** chance of a GME squeeze in **your** eyes, and all of these signs are pointing to a market crash...
Why not give it a shot?

Back to Table of Contents

Reverse Repos, DTC-2021-005, SR-NSCC-2021-002, Banks, and the C-Market: How it's all connected and how we might be on the verge of the House of Cards falling.

DD

EDIT: 002 is not coming into effect tommorow as a fellow redditor has pointed out to me in the comments. It is going to get approved or denied, then implemented either same day or up to 10 days after approval(as far as I am aware)

EDIT 2: Fixed some minor formatting and phrasing issues to make the post a little cleaner to look at. (editing on mobile removes the images for some reason)

Hello fellow apes! So the reason I'm writing this right now, as you might imagine, is because reverse repos have gone haywire. I mean, take a look at this:

Deal Date: **Wednesday, June 16, 2021**
Delivery Date: **Wednesday, June 16, 2021**
Maturity Date: **Thursday, June 17, 2021**
Type of Operation: **Reverse Repo**
Auction Method: **Fixed-Rate**
Settlement: **Same Day**
Term of Operation - Calendar Days : **1 Day**
Term of Operation - Business Days : **1 Day**
Operation Close Time: **01:15 PM**
Participating Counterparties: **53**
Accepted Counterparties: **53**

Results	Amount ($B)		Rate (%)		
Collateral Type	Submitted	Accepted	Award[3]	High	Low
Treasury	520.942	520.942	0.00	N/A	N/A

↑ Top

ON RRP last Wednesday

Deal Date: **Thursday, June 17, 2021**
Delivery Date: **Thursday, June 17, 2021**
Maturity Date: **Friday, June 18, 2021**
Type of Operation: **Reverse Repo**
Auction Method: **Fixed-Rate**
Settlement: **Same Day**
Term of Operation - Calendar Days : **1 Day**
Term of Operation - Business Days : **1 Day**
Operation Close Time: **01:15 PM**
Participating Counterparties: **68**
Accepted Counterparties: **68**

Results	Amount ($B)		Rate (%)		
Collateral Type	Submitted	Accepted	Award[3]	High	Low
Treasury	755.800	755.800	0.05	N/A	N/A

↑ Top

ON RRP the day AFTER

So, what gives? Why did all of these counterparties decide to throw money at the FED like they were at a strip club getting the greatest performance of their goddamn lives? That's a 200 BILLION increase in a day. Well, if you look under "Rate (%)" you'll see the award amount has changed to 0.05. That's right folks, banks and other counterparties are now getting **paid** for borrowing treasury collateral as the reverse repo rate isn't 0 anymore. This basically does 2 things:

1. Incentivizes more counterparties to throw money into reverse repos
2. Incentivizes said counterparties to be more loosey goosey with how much treasury collateral they are borrowing

Hence, we have the sudden jump in both counterparties as well as the total reverse repo $ amount. For such a large jump in a day, however, shows that there is a lot of demand for treasury collateral. This proves to me how bad this collateral crisis truly is, and how desperate banks and other counterparties are to get a hold of meaningful collateral. What's weird to me, is the *timing* of all this though. I mean, don't you find it weird that around the same time that 005 gets put into effect, counterparties are incentivized to borrow more treasury collateral? To understand this connection, we need to understand what 005 does.

Quick Rundown on 005:

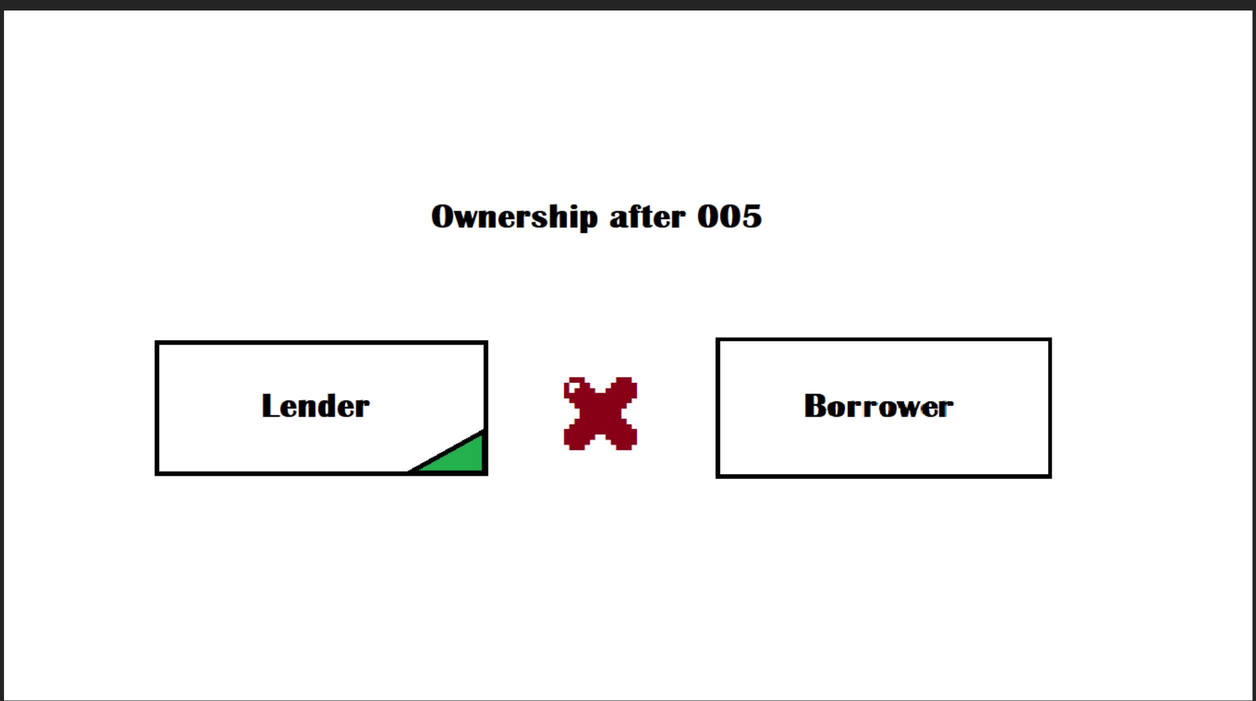
For some of the newer apes around here, or if you are still a little confused about the recent 005 rule enacted by the DTCC, what DTC-2021-005 does (other than soft doxxing people, shame on you DTCC) is essentially making it so if you are borrowing/lending a share, the share being lent is still in the hands of the lender (used to be it goes to the borrower), but is marked as "borrowed".

Ownership before 005

Lender

Borrower

(Apologies for the bad image) Before 005, when a share was lent, ownership of the share went from the lender to the borrower, with the lender often in the dark as to what was happening with their shares; this gave openings for rehypothecation and other shenanigans the borrower could do.



With 005 now in effect, when a share is loaned, the ownership is still in the hands of the lender, the borrower gets the share, and the share is marked as "borrowed".

Through this, you basically can't borrow the same share more than once as well as rehypothecate the shares (meaning you can't re-use the collateral you put up to borrow the share until the share is returned). There's a well written and in depth post that explains it better than I could here that you should also look into if you want a better understanding of 005.

The Connection:

So now that we have a gist of 005, we can begin to connect some dots:

- 005, a rule that is designed to stop a lot of rehypothecation as well as reborrowing of shares more than once, comes into effect.
- The FED ups the reverse repo rate, causing a flood of counterparties looking for treasury collateral to dump a butt load of money into ON RRP, raising the total reverse repo $ amount by over 200 billion.

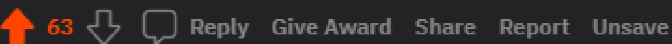
Correlation does not equal causation of course, and this is a loose connection, so we need further proof of anything substantial. Well, take a look at this:

Several Chase customers have started reporting that they have -50 BILLION$ in debt. Ridiculous.

At first I was skeptical that this was a true value and that it could have just been a glitch, but here is what u/jaybaumyo had to say regarding this in the comments:

Dude it's very rare for banks to have glitches like this. These are generally "mission critical" redundant systems.

I'm a software engineer myself and I'll tell you from my personal perspective on why this is unlikely to be a bug: we don't see round numbers with bugs. It's very rare. There's no reason to have "50 billion" as a negative or positive max. That's not a factor of 2. While it's a possibility, it's exceedingly unlikely that the devs chose that to be their max. They would either choose a max number of digits to give you a max number like 999999999.99 or decimal.maxvalue which is a very large number that doesn't have a bunch of 0s.



So, 50 billion is a specific number to have as a max number in coding, one so specific that it is highly unlikely to be a glitch in this circumstance and likely the result of something else, such as Chase's debt leaking into their customers bank accounts.

With Chase customers suddenly reporting -50 billion in debt in their BANK accounts, and with BANKS being some of the primary counterparties of FED ON RRP agreements, my theory is that banks have started getting desperate to hide their debt in any way possible so that they can still stay afloat, even if it means putting their customers in danger. 005 being in place REALLY put banks in fear for a couple of reasons:

1. How overleveraged *they* are
2. How overleveraged hedge funds like *Citadel* are, that we have been theorizing for a while now have been rehypothecating borrowed shares to help reset FTD cycles.

If a large hedge fund like Citadel goes down(who massively shorted the treasury bonds market BTW), the banks know it won't be long before they become next, so this incentive to use reverse repos helped the demand for treasury collateral become more visible to the public than it already was and helped crystalize what we have been saying for months now.

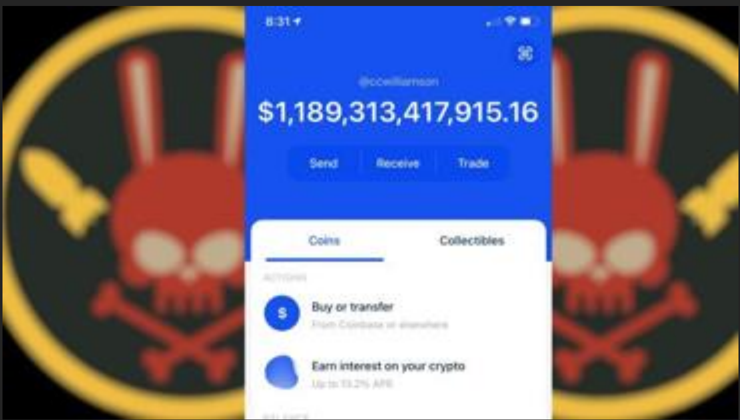
But why is all this coming about now, to the extent that it has other than just the incentive? For them to be this desperate about it, they have to be afraid of something that isn't just DTC-2021-005 (which is already bad enough) . Well, what special certain rule *cough* *SR-NSCC-2021-002* is possibly coming into effect TOMMOROW that automates margin calls, and is asking for supplemental liquidity deposits DAILY to NSCC's clearing fund from its members for their overleveraged positions?

If 002 comes into play, it won't take long before the house of cards comes falling down. They're so desperate in fact, their debt has not only started to leak through their customer's bank accounts, but in other avenues as well.

The C-Market Connection:

Banks, hedge funds, hell the whole house of cards are truly on the brink of destruction right now in my opinion. To truly send this point home, I would like for you to have a look at this as well:

Quick Edit: changed the source that reported on this story to a more reputable source



You're seeing that right: a Georgia man woke up to 1 TRILLION in his account, after investing only 20 dollars in a random C-coin called Rocket Bunny.

Now obviously, he's probably not gonna get to take out *all* 1 trillion dollars, but something is definitely suspicious here regarding the timing of all of this. I mean, do you know how much money 1 fucking trillion dollars is? Who the hell is capable of inflating a random C.C. to the extent that a random guy that put 20 dollars into it got 1 TRILLION out of it? There's only two entities that I believe are capable of such feat, and they are ALSO the ones in massively overleveraged positions:

1. Banks
2. Hedge funds

But first: Why use the c-market as a way to hide debt, and how?

1. The c-market is massively unregulated at the moment which is the perfect place to take advantage of to hide a bunch of money.
2. By inflating random C.Cs, when they take profits it could be used to *hide the true value of the debt itself.*

Let me explain that second point. Right now, as far as we know the overleveraged positions of these entities are *unrealized losses*. They don't become real losses until they exit their positions. So, by inflating random C.C.s , they're using the profits they gain to report larger assets overall on the books vs liabilities (not reporting on what they did in the C-market specifically of course, they *really* aren't required to report that). Since their losses are unrealized, we have the illusion on the accounting front that they are thriving and don't have much debt when they are *actually on the verge of collapse and are probably using these profits to help cover their losses when they become realized.*

For the c-market, the manipulation could honestly be a combination of both banks, hedge funds and other entities we may not even know of that are also really overleveraged in the market right now. I just think it makes more sense with banks and the hedgies because:

In terms of banks:

- The FED is basically hoarding treasury collateral at this point, so banks and other counterparties can only use so much treasury collateral through ON RRP to report less losses on the books.

In terms of hedge funds:

- Hedge funds aren't qualified counterparties (to my knowledge) for reverse repos, so inflating random C.Cs is one of the only ways (besides resetting FTD cycles infinitely through rehypothecation/options fuckery, which we know with DTC-2021-005 in effect is next to impossible to keep doing forever now) that they can continue to stay afloat and give the illusion on the books that they have outstanding financial performance.

Conclusion/TLDR:

I think DTC-005 coming into effect was the trigger for the house of cards to finally come down, and with NSCC-002 coming into effect after approval, we could see some potentially catastrophic effects in the market in the near future. We've already been seeing some debt being leaked into customers bank accounts, as well as in the c-market. Banks, hedge funds, and any other massive financial entity in an extremely overleveraged position are probably shitting themselves right now because they KNOW they don't have the money to support supplemental liquidity deposits DAILY as well as the possibility of an automatic margin call, when they are most likely BILLIONS in debt. If I were Kenny boy, I would grab my mayo and start running for the hills.

Post DD Message:

Again guys, I just want to thank all of you for reading through my DD! :) The messages and support you guys have given me on my last post as well made me genuinely very happy to see, and it made me more motivated to continue to try to make some DD! Hopefully you guys have enjoyed reading through it, and as for me I might hang out in the comments for a bit before going to sleep soon because its about midnight right now where I live. As always, I will try to continue to improve my DD in the future and this DD, as with any, isn't perfect; I am glad this community helps to chizzle my DD into something closer and closer to it though with every post.

Back to Table of Contents

GME, Banks Falling Off a Cliff, The Movie Stock, Elliot Waves, WUT Mean For This Week? 🚀

DD 👨‍🔬

Sup Apes

Elliot waves guy here doing my best to give you your daily dose of confirmation bias before the market opens!

Not financial advice, I do unimaginable things with the crayons I get when I ask for a kid's menu at restaurants.

NON NEGOTIABLE: PLAY THIS AS YOU READ (This song slowly builds, idk the vibes feel right https://www.youtube.com/watch?v=bvBfiRWLj_0)
HAPPY FUCKING FATHERS DAY TO ALL YOU PAPA SILVERBACKS OUT THERE!!! If you're drunk from the day's festivities, this read will be even better.
This might be a shorter post, I don't have too much to say as of yet other than I'm FUCKING JACKED 🚀
First off, I'm sure you all have seen the posts regarding bank stocks following and how we can potentially use that as a predictive indicator in terms of GME stock price. Great work here if you missed the post: https://www.reddit.com/r/Superstonk/comments/o42bfm/big_banks_lost_a_lot_of_value_on_january_14th_but/
Let's take a look at the banks last week:
OOOOF
This might be one of my favorite screenshots of all time. Let's take a look at the banks back in the middle of january and see if that had any correlation to GME goin bananas at the end of January.
death to big banks
Given that GME's run peaked in the end of January, the conclusions that I draw from that are the banks hit a low around GME's peak. Granted, there were many outside factors at play back then, so this is all speculative. However, Let's look at GME in january now, pay close attention to the dates on the bottom and compare those to the banks above:

squeeze for ants

just from eyeballing, we can see that the banks seem to find their "bottom" as GME begins to lift off. Does this mean the banks will go to zero before GME squeezes? absolutely not, please don't think that will be the case. HOWEVER, we can assume that the financial sector and GME have some sort of inverse relationship, simply based on the erratic price action between the pairs.
This time around, I'm expecting banks to continue to fall as GME rises. Can't halt buying this time around!

I haven't charted out the bank stocks because frankly I don't really care, I want the major banks at 0 personally, wouldn't pay a penny more to hold that garbage (all my homies hate the financials sector)
Alright, so we can *seemingly* use the falling stock price of banks as a predictive indicator for upwards GME price action. Do note, I didn't conduct any significance tests or anything, this is all simply from comparing candle charts and looking for similarities/differences.

Speaking of comparing candle charts, something super interesting was brought to my attention in a group discussion, big shoutout to u/roman_axt for the hard work you ultra wrinkly brained primate.
Below are images of GME and the movie company, courtesy of u/roman_axt as the arrows are drawn so the smoothest of brains can interpret what tf is going on. Do note, these are from about a week ago, so not all candles are up to date (if it even matters)
movie company

GME

The reason I bring this up is because some of my friends in the trading world (that only trade off price action mind you, they don't really understand the whole GME saga) noticed this as well. It APPEARS that the movie company and GME not only move in a somewhat similar/predictable pattern, but GME seems to be lagging behind by about 2 or so weeks. Do note, this is just an approximation from eyeballing, please take this all with a grain of salt and remember I am retarded.

Here is a view sent to me by one of my good friends who noticed the same fishiness occurring (from mobile thinkorswim):

moveee stonk

gAmEsToNk

now what REALLY has me jacked is the pattern lines up from a few weeks ago, when the movie stock was trading for sub $16/share. It then ran to upwards of 70+. I was able to predict the movie stock's relative high's and low's using EW as well, which I've gotta say is actually super exciting. I own none, BUT it worked on a seemingly "impossible" to time stock. Idk about you, but I don't believe in coincidences.

Disclaimer, I hodl ZERO of the movie stock, I have always believed it was a distraction. the fact that the media is talking about it should tell you enough.

Now let's tie this assumption into my GME elliot waves analysis, try not to get too jacked:

4hr

As stated time and time again, we are in a 3 within a 3 within a 3, which is quite literally an elliot wave trader's wet dream. This setup is valid down to about 113, so I wouldn't worry about "is the structure still valid?" yes. yes it is.

This is literally as bullish a setup you can get, all we need is a match to light the fuse. Our cycle 3 (white line) is targeting at the MINIMUM 440, though I would love to see the 1.618:1 ratio hit, as is most common for wave 3. This puts GME at roughly 582, though remember this is all pre squeeze.

As always, the motto is simple. Buy hodl, sell for life changing money (not no 10k/share bullshit, 8 figures/share is life changing in my eyes, and that's just my floor).

I'm not saying we will break into the 400+ range this week by any means, but man the stars are aligning for some crazy shit to go down. I'm fookin jacked m8.

Lastly, let's take a look at SPY and the VIX, as we can use each as a tool to gauge not only sentiment, but potential fuckery before it happens. In my post regarding the SP500 and GME, I brought up how In the January squeeze, SPY took a fucking HIT as GME broke into the hundreds for the first time ever. Here's my view of SPY:

4hr

NGL, SPY is kind of in no man's land right now. I'll have to see how we open to have a better idea of where it's going. By all means this COULD be the beginning of our long awaited bear market, but it could very well form an impulsive wave 1 to the upside to make for a final push to around 430 before shit hits the fan

My OWN PERSONAL THESIS is that we will see the markets pumped to valhalla 1 last time to try and draw as many "suckers" in so wall street can offload the bag at the peak. Put yourself in their shoes, seems like a logical play to strike fear into everyone, then prop the markets up a bit longer to make everyone think its okay, then proceed to dump the bag on them
Lastly, the VIX, the fear/volatility indicator:
VIX
Finished up 16% on friday? spicy. In one of my posts I mentioned how we can use the VIX to gauge when GME will potentially do something erratic. just compare the spikes of the VIX and GME, you'll see there's at least some correlation there. I mean shit, end of january? Clear as kenny's "for sale" sign on his marked down penthouse that he suddenly is in a rush to sell. wonder why? (I think it sold actually lol, even funnier).
I'm preparing for the best while always expecting the worst. I'm never disappointed this way and always excited, 10/10 would recommend.
June 30 is the end of the grace period for banks, worth noting. I'm expecting the VIX to FLY when that happens, though again, pure speculation.
TLDR: worth the read. Banks falling is a potential indicator that GME will do some crazy shit, GME also *appears* to be lagging behind the movie stock. That part is pure speculation, but speculation is part of the fun part no? (Sorry the song doesn't fit perfectly, you'd be surprised how much time i spend trying to link a fitting song lol. as long as you're jacked, i consider this a job well done)

Now Imma go get high af so I'm well rested for MONDAY🚀 🚀 🚀

edit: funny story cause y'all are fam, I went to the porsche dealer yesterday to test drive my post-moass whip, and the salesman googled me before I came in to make sure I wasn't some degenerate looking to crash their pristine GT4. I get there, and the salesman said he googled me and knew me as the elliot wave guy. Simulation confirmed. during the drive we talked about trading, I showed him my wave count, hopefully he got some GME. idk, random. Thought I'd share cause I thought it's a nice story. This movement is bigger than we can comprehend. EW guy is in the bio of my socials, so he put 2 and 2 together after googling my real name.
Edit 2: proof I went and they let me drive the gt4: https://imgur.com/a/uzTn3OR

Back to Table of Contents

DEBUNKING THE 20% INFLATION DDs! IT IS CRUCIAL TO FACT-CHECK BEFORE UPVOTING DDs WITH WILDLY ABSURD CLAIMS!

.

DD 👨‍🔬

I've seen multiple posts (Post 1and Post 2) rise to the top this weekend regarding true inflation estimated to 19-20% which I am here to explain why this is wildly incorrect.

TADR: The math to arrive at the 19-20% true inflation is wrong. OP from Post 1 incorrectly used current velocity of M2 rather than the **growth** (rate of change) in the velocity of M2.

OP from Post 2 straight up used the wrong equation. **The equation he used was for nominal GDP, and NOT inflation.**

Debunking Post 1:

https://www.reddit.com/r/Superstonk/comments/o2dw45/thoughts_on_the_feds_balance_sheet_after_todays/

When asked about the source of the equation for the first post, OP links us to here: https://saylordotorg.github.io/text_macroeconomics-theory-through-applications/s15-01-the-quantity-theory-of-money.html

Long-Run Inflation

We now use the quantity equation to provide us with a theory of long-run inflation. To do so, we use the rules of growth rates. One of these rules is as follows: if you have two variables, *x* and *y*, then the growth rate of the product (*x* × *y*) is the sum of the growth rate of *x* and the growth rate of *y*. We can apply this to the quantity equation:

money supply × velocity of money = price level × real GDP.

The left side of this equation is the product of two variables, the money supply and the velocity of money. The right side is likewise the product of two variables. So we obtain

growth rate of the money supply + growth rate of the velocity of money = inflation rate + growth rate of output.

We have used the fact that the growth rate of the price level is, by definition, the inflation rate.

The equation is *growth rate of the money supply + growth rate of the velocity of money = inflation rate + growth rate of output.*

Let growth rate of the money supply be M, growth rate of the velocity of money be P, inflation rate be I, and growth rate of output (growth in GDP) be Q.

Rearranging for I, we get:

I = M + P - Q

From OP's news article source on projected M2 growth, M = 25%, however OP mistakenly used the static Q1 2021 velocity of money instead of the **growth rate** of the velocity of money. Unless someone can find a reliable article on velocity of M2 forecast, I will use the growth from the past year which would be the % change from Q1 2020 to Q1 2021 which is -18.6%, **NOT 1.122%**.

From OP's news article source on projected GDP growth, Q = 6.5%

Now plugging everything back into the equation:

I = 25% + (-18.6%) - 6.5%

= -0.1%

I know this result is kind of odd as surely inflation should not be this low, but just by using the sources for the equations provided by OP, this is the correct conclusion.

Debunking Post 2:

https://www.reddit.com/r/Superstonk/comments/o42ftz/theres_been_a_lot_of_talk_about_inflation_what/

I'm fairly certain OP wrote this DD based on the DD from post 1 but when asked about the source of their equation, OP provides us with a new link (it's in edit 2 of OP's post):
https://thismatter.com/money/banking/money-growth-money-velocity-inflation.htm

Nominal GDP = Quantity of Money × Velocity of Money
But yet, the equation OP used in their DD is:
What follows is a sort of explainer into the basics of inflation. Are you ready? Here we go: **Inflation**= (money supply) * (money velocity).
...which as you can see is completely different from the equation of his source.
Nominal GDP = Quantity of Money (aka money supply) * Velocity of Money (aka money velocity)
NOMINAL GDP DOES NOT EQUAL INFLATION
If we look deeper in OP's source, it actually shows the correct equation to find inflation:
If money velocity is constant, then:
Money Growth = Real GDP Growth + Inflation
or, rearranged:
Inflation = Money Growth – Real GDP Growth
or
Inflation = ΔP = ΔM – ΔY
The key phrase here is *if money velocity is constant* which we know is not.
Now if we include the growth of money velocity, we end up with the equation from the source of post 1's OP.
growth rate of the money supply + growth rate of the velocity of money = inflation rate + growth rate of output.
Again, rearranged for inflation rate:
Inflation rate = Money Growth + **Money Velocity Growth** – Real GDP Growth
which is the same equation as above (I = M + P - Q)

Conclusion

I understand we wants our tits jacked but it's important to fact check DDs, especially if they contain hugely absurd claims. I know many apes might upvote posts without checking the math for themselves especially if OP makes these huge claims sound convincing. I find it ironic how OP from Post 2 titles his DD.
Theres been a lot of talk about inflation. What you don't realise is that you can calculate it and view it on Trading View. Do it for yourself and see. **The Math Doesn't Lie**. 20% + inflation this year.
but is incapable of explaining his numbers when challenged in the comments (turns out the math DOES lie when done incorrectly).

I do believe both OP's wrote their DDs in good faith but again, it is crucial that DDs (especially ones that reach the top) have been reviewed and fact checked to avoid spreading misinformation whether or not they please Jacques Tits, especially if OPs are non-receptive when clearly debunked or given valid criticism.
Also, I think we really need a **DEBUNKED** (or Counter-DD) flair which will encourage wrinkled apes to debunk or atleast challenge top DDs ultimately increasing their reliability and quality.
🚀🚀🚀
Edit: For those asking if the -0.1% inflation is accurate based on this equation, I would be very skeptical. Personally, I don't think this equation is an accurate way to find inflation because although Q2 2021 M2V data has yet to be released, if we were to use the growth of M2V from Q2 2020 to Q2 2021 (variable P) I am quite confident P would be much closer to 0% because there was a very steep drop in M2V from Q1 and Q2 of 2020.

Back to Table of Contents

AnnihilationGod presents: The Big Short Data Collection for Everyone - Or: How to data proof irregularities in GMEs trading history for everyone (AGods GME Mastersheet + Full collection Download link at the end)

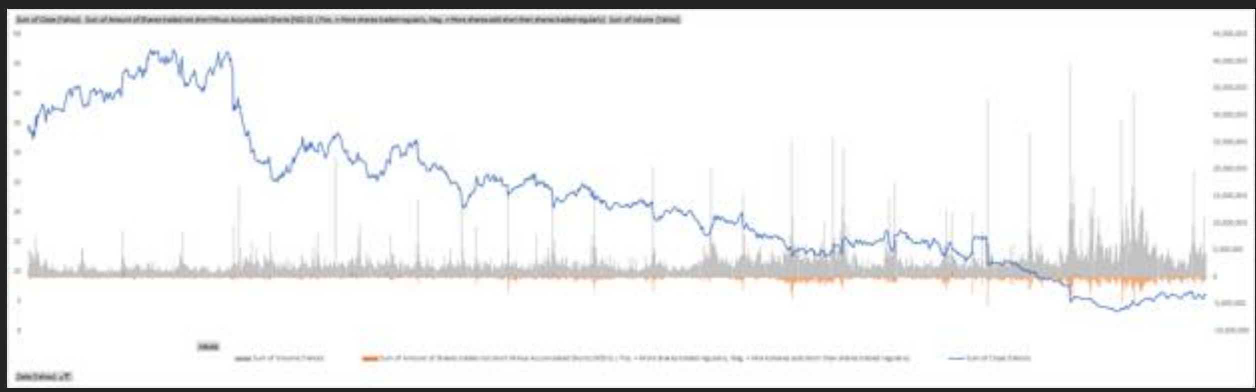
DD 👨‍🔬
!NEW CHARTS AT THE END OF THE POST - Updated 21.06.2021 01:42 CET!
Hey everyone,
time is running out for some people in the market and it's neither GME nor retail.
A big issue in this whole GME situation is a lack of data. Retails just have access to limited informations, sometimes non, but in generall not enough.
I spend the last month learning everything I could about data, what data is available and how to get this free data.

Thx to u/hamzah604 for this great meme! :D

Yeah, RegSho. Everyone knows RegSho. But the data just goes back as far as 1 year and thats it.
Really?
On the visible level - Yes.
On smart brain level - No.
I realised that the useable timeframe is moving on with the time passing by. So I asked myself - do they delete the files the moment they disappear on the webside?

So I merged ALOT links in Excel, threw them into JDownloader and VOILA:11.551 Files - and a way more accurate data collection then Apes ever had!

I extracted all available GME data and all available CBOE Data back to 2010, merged them with Historical Data provided by Yahoo, Nasdaq and Fail To Delivery and **made on big MasterSheet for every GME retail.**
The overall accuracy is around 45%. Means, 45% **50,37% (recalculation at the end)** of all shares traded between 2010 and 2021 are displayed in the data. Its lower at the beginning of the timeframe, but gets better over time.
I already produced some charts for people with the excel-level ape.
I further organised my whole data collection, zipped it and **uploaded it on Mega so that EVERY FUCKING RETAIL has access to better data for free**, totally unrelated to GME. Its a shame that retails are getting no support - so we have to help each other!
One chart from the Mastersheet shall be displayed here to raise your attention for data:



Timeframe 2015-2020 - Does anyone else see a pattern? (Source: Mastersheet)

Comparison	Shorts Volume in Data	Volume in Data	SVR	Volume that is not short (Volume - Short)	Volume (that is not short) - Short Volume
OSTK	1,024,282,297	2,097,386,025	48.84	1,073,103,728	48,821,431
MSFT	25,770,453,900	55,777,403,670	46.20	30,006,949,770	4,236,495,870
FB	18,839,706,425	42,407,003,792	44.43	23,567,297,367	4,727,590,942
GME	**3,764,564,280**	**7,003,234,066**	53.75	3,238,669,786	-525,894,494

Because my first calculation was like: WTF GME? This doesnt make any sense - Should compare! (thx to the discord dudes giving me this stock names for a comparison). The results are - interesting - And like: WTF?

I dont know if this data set is enough to proof naked short selling with data, but if this is the case, I really would like this SEC Award! :D SEC pls?
You can download the Mastersheet here:
https://easyupload.io/ogovzr
Contains all Information I could find for GME in the data sets. Contains prebuild charts and comparisons.

You can download the whole fkn collection (1,4 GB zipped, 4 GB unzipped - 22.734 Files)
https://mega.nz/file/ikgUUCRC#HxOl0afMatKWpmmWrYOBMwQgQwVU2MHgGSoG0p1uRQk
Contains my entire data collection - have fun! And pls, share it with every community that could have use for this information. The data collection is about ALL stocks - and I think alot retails rely their investment on bad data atm. If you want to work with the raw data on your own, get Notepad ++ - makes it way more easier to work with this amount of data.

To the Moon!!!

Thats the part a youtuber would ask for your financial support, but I have another request:If you make money because of this data collection, you already made a fortune in stocks and you are happy to finally have some quality data **- give some money to charity.**

I worked 4 month to get this done - and you would make me happy if your donation would be for a **Children's hospice** - because this is something that should be supported more. And I am pretty sure they would love to play some Mario or have a nice stuffed animal of their favorite character.

Let's take care of each other and support people who need our help.

Let's change the world.

Gamers and Retails United!

Best wishes and have a great Weekend!

Your

AnnihilationGod

PS: I'll publish the link to the updated versions of the collection and mastersheet on my Twitter:@ Annihil4tionGod or here at r/Superstonk . If you got any questions regarding the data and so on, pls reach out.

Usefull links to get daily data about shorting:http://regsho.finra.org/regsho-June.html
https://www.cboe.com/us/equities/market_statistics/short_sale/?mkt=bzx
https://www.cboe.com/us/equities/market_statistics/short_sale/?mkt=byx
https://www.cboe.com/us/equities/market_statistics/short_sale/?mkt=edga
https://www.cboe.com/us/equities/market_statistics/short_sale/?mkt=edgx
Historical Data (open, high, low, close, volume:):
https://de.finance.yahoo.com/quote/GME/history?p=GME
https://www.nasdaq.com/de/market-activity/stocks/gme/historical
SEC Search Edgar (better then Sec.report):https://www.sec.gov/edgar/search/?r=el#/dateRange=all&category=form-cat0

Add: I wanna thank SC - he helped me alot over the past months - this collection would not exist without his advice and support whenever I could not solve a problem!

Thx SC!;) I owe you a beer!

Update 22:50 CET

Add2:I couldnt accept that i couldnt find any stock so far with a negative quote like GME - so I made another research. I decided to choose the stock mentioned in this article I had read back in Feb 2021: https://www.securitiesfinancetimes.com/securitieslendingnews/industryarticle.php?article_id=224548&navigationaction=industrynews&newssection=industry

Ticker:	A: Shorts	B: Volume	Volume that is not short (B-A=C)	D=C-A
CXRX	172,426,252	332,095,171	159,668,919	-12,757,333
Data Starts:	2015 06 29	Data Ends:	2018 06 07	
Amount of Entries:		4223		

Perhaps someone who already downloaded the collection could crosscheck this pls?

Add3: 20. June 2021:I have to admit that I did a mistake while calculating the accuracy of the data. It is 50.37% instead of 45% like i wrote before.

Yahoo	Starts	Data Overview: GME Mastersheet
13,900,437,600	20100104	Stock: GME
	Ends	
	20210616	
Short in Data (S)	Volume in Data (V)	% of Volume Covered
3,764,564,280	7,001,990,166	50.37
Regular Volume (RV) that is not short - Normally traded shares - so this contains normal bought and sold shares RV= (V Minus S)	3,237,425,886	
	More shares shorted (-) or more traded regularly (+)? (	Recalculated on 20. June 2021
	-527,138,394	

I looked deeper into the data to understand the relationship between regular volume and short volume better. This is the result for the Timeframe 2010-2021. I am trying to increase my data collection tonight and will try to find out, if the balance had been positiv before 2010.

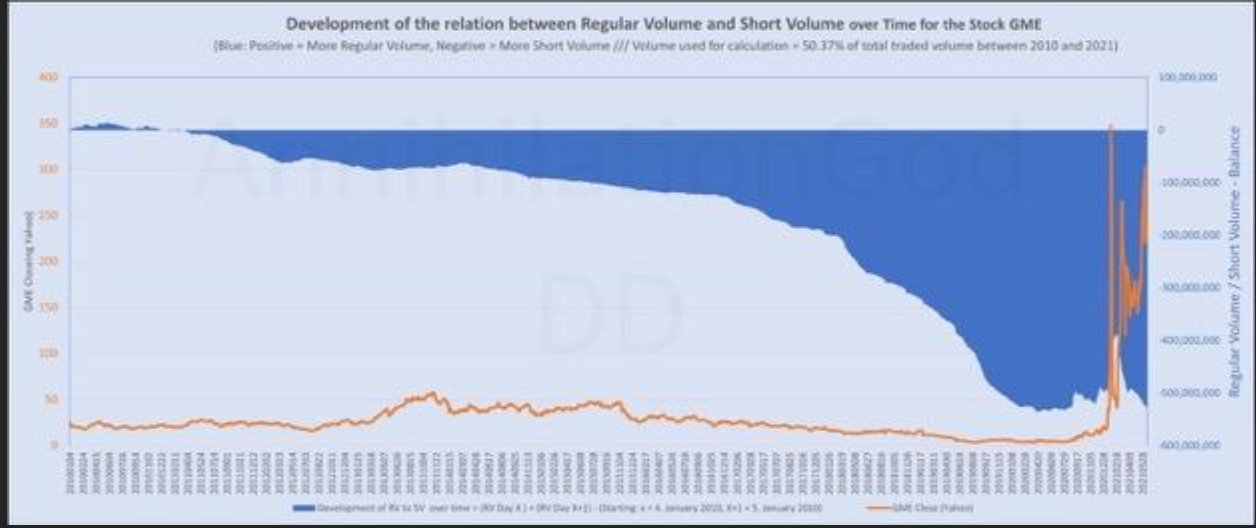


Chart GME

Chart OSTK - I though it would be a good idea to use OSTK again because i already compared it above with GME.

Back to Table of Contents

I think the Fed just accidentally proved us right

DD 👨‍🔬

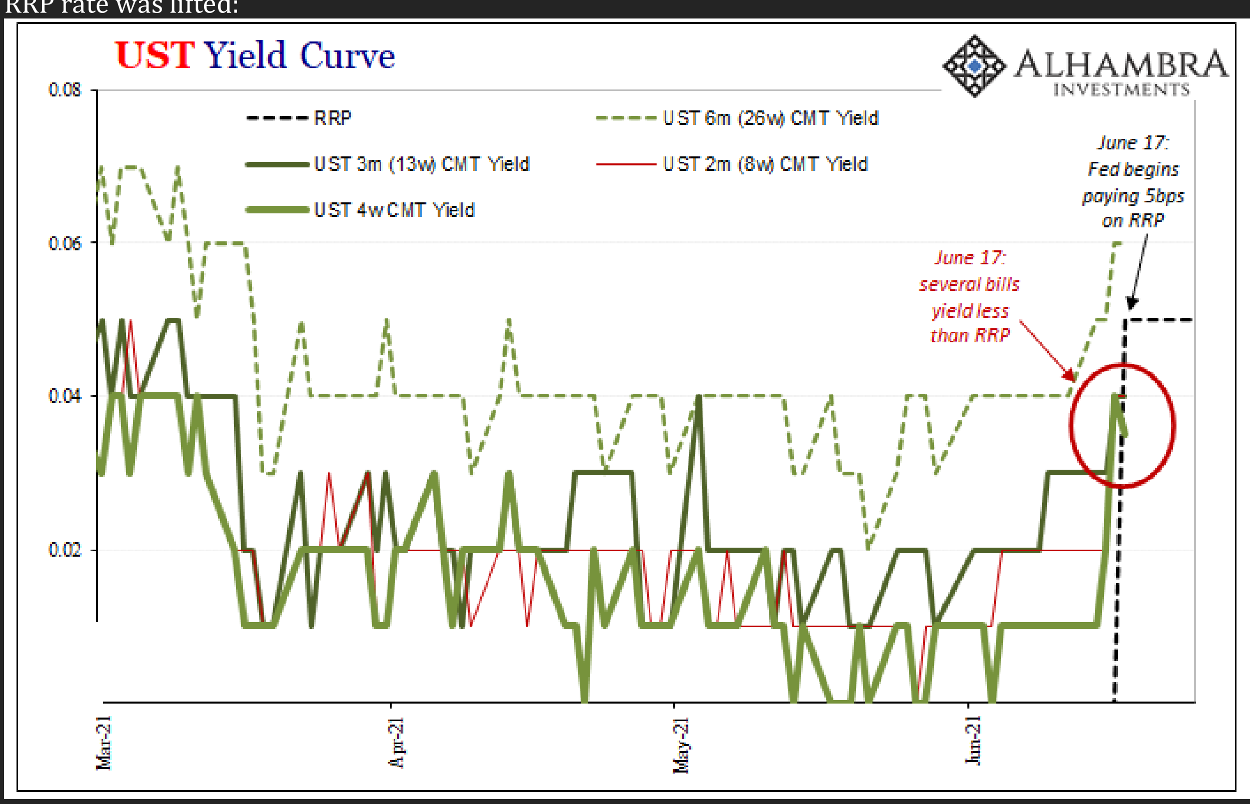
Some background reading: Detailed & Simplified

As we all know, usage of the ON RRP Facility just jumped up over $200B, setting a new record at $755.8 billion from now 68 counterparties. Why?

Well, during the FOMC meetings, the Fed announced a few things around QE that are circulating through MSM, freaking everyone out about there being 'too much money' and risks of inflation - but a key change that isn't getting as much attention is their decision to raise the IOR and ON RRP rate 5 basis points (.05%), effectively trying to raise the 'floor' of the FFR. (If this doesn't make sense to you, please read this explanation)

Long story short, the Fed is now incentivizing more usage of the facility in its efforts to raise the interest rates away from negative territory, by offering to pay counterparties 5 basis points instead of 0 to park cash every night. This seems counterintuitive right, since continued QE is pumping cash into the system, and now the Fed is paying to take it back out at the end of each day - but it actually makes sense when you look at the affect it has (or should have) on short-term interest rates in the open market.

While the ON RRP rate was still 0, we could all assume that the 'too much money' narrative was in fact the issue. However, something interesting happened to short-term T-bill yields yesterday when the ON RRP rate was lifted:



short-term yields went the WRONG DIRECTION

What does this mean? Well, the goal was to start easing yields back up from near-zero or potentially negative levels by lifting the 'floor' of the ON RRP. If the issue was **purely** due to too much money being in the system, it would've worked. Banks, MMFs, GSEs, etc. would take the 5 basis points from the Fed and not bother parking their excess cash elsewhere for less interest.

So the reverse repo is now at 5, yet bill yields at the 4-, 8-, and 3-month maturities are **all less than this**. Why? It can only mean this one thing, there is a stark and very dire need for high-quality collateral, otherwise nothing would ever yield below this secured alternative with the Federal Reserve. Who would

buy a 4- or 8-week UST bill returning one and a half maybe two basis points less than lending to the Fed secured by the same instrument? They're giving up guaranteed profit
This all points to the true underlying issue that we collectively have been yelling about here **- there is a MAJOR collateral liquidity issue in the money markets. I WONDER WHY....**

edit:
TL;DR
The Fed just inadvertently showed us that the liquidity issue around ON RRP usage isn't 'too much cash' - it's **too little collateral.**
from u/scamiran:
There's plenty of liquidity in the market.
Solvency? Not so much. But everyone wants to pretend that if there is sufficient liquidity, there must be solvency.
That's how you get zombie banks and stagflation.
e2: if anyone wants to further learn about this stuff, I highly recommend looking into Jeff Snider as a great place to start - his research into this is the basis of this whole post https://alhambrapartners.com/author/jsnider/ or **Alhambra Investments**

Back to Table of Contents

Reverse Repo Operations - Explaining Their Purpose

DD 👨‍🔬
There seems to be a lot of misinformation regarding Reverse Repo Operations so I figured I would try to explain it so we can understand why it's happening and how it may effect us.
First off, Why does RRP exist? Reverse Repo Programs work to control Short Term Interest Rates, and thereby liquidity in those markets
When SHORT TERM rates threaten to turn negative, the Fed steps in to set the floor. Why are short term rates pushing downward? People are moving into short term fixed income because they don't want to go into longer dated securities that could depreciate in value if inflation continues.
I'll try to describe this in fairly simple terms, but know that it is much more complicated than how I describe it below.
Think of it like this:
1. Inflation worries kick in. Prices will be higher in the future than they are now, so fixed income investors want more yield to compensate. That way their real returns aren't negative.

2. 30 Year Treasury Bond Holders see their treasuries market value drop and their YTM increase as new issuance rates trend higher. New treasuries entering the market have better yield so the old treasuries that were issued at lower yield drop in price as they effectively are paying less annually.
3. The Fed buys bonds and distressed debt They do this to set a "floor of sorts" on the price of these assets. If the price of these assets drop substantially, there could be a sell off, which would only compound the demand for higher yields to assume the risk with these fixed income assets. By purchasing these longer dated assets, they are introducing money into the system, inflating asset values, increasing liquidity across the spectrum and weakening the dollar. This in conjunction with 0 reserve requirements means there is a lot of CASH floating around.
4. Investors Don't Want to Assume Risk Cash Hoarding is apparent, which goes against the idea of inflation. Yet, this is directly a result of the Monetary AND Fiscal Expansionary Policy. Lower taxes, stimulus checks, asset purchase programs, reduced reserve requirements, low Fed Fund Rate. All being used to prop up the market. So investors are okay with LOSING money (holding cash) to not assume risk. This would, depending on your school of thought, infer that asset values are inflated and inflation will not continue. Asset values should decrease. But they aren't, why?
5. Where to go? Short Term FI The Fed recognize that much of this inflation is their own actions. These actions force people to assume less risk. Investors know that long term FI is inflated AND not paying enough to deal with inflation, so why not just assume 0 risk and deal with losing a little more in the short term? Treasury issuance is down and the Fed is trying to unwind their balance sheet, so, once again, short term rates trend negative. This places a lot of demand on the short term FI market. People are buying up Money Markets, Treasuries low in duration, etc. Fannie Mae and Freddie Mac are only allowed to invest their cash in short terms markets backed by government securities, demand being high in that area places added pressure. Simply put, investors have fewer places to park their cash short term, and rates run the risk of going negative.
6. Fed Sets the Floor The Fed comes in and sets the floor at 0% with their Reverse Repo Program. Essentially they tell these banks, MMs, etc. We can ensure you're not Paying others to hold your cash, we'll hold it and pay you nothing, but at least it will be worth the same tomorrow (nominally, not in real value). But there's only so much demand for this. Optimally, investors want their cash to be worth the same tomorrow as it is today, in real terms (factoring inflation). This has not been the situation since pre-covid.
7. What's the goal? Now, the Fed have upped the RRP to .05%. They want to drive up the floor slowly. Doing this will add demand for short term securities and reduce liquidity in the market as cash is being used rather than going to risky assets that have inflated values (which would only serve to put more pressure on inflation). The hope is that investors will utilize RRP until the deemed riskiness of other assets subsides post covid and inflation expectations subside. The Fed are going all in on managing expectations of inflation while hoping the economy recovers. Once riskier assets are deemed safer, the Fed can unwind their risky assets at fairer value, the liquidity doesn't return until the Fed reduce theirs, and inflation worries are subsided.
How much is .05%? Who's getting paid? If a bank places 1 Billion in the RRP, they'll receive 1,388.89 daily on their placement. This is what they would receive from the Fed for placing their cash with them.

A lot of the investors utilizing the RRP are Money Market Funds looking to keep their yield high enough so that retail/institutional investors stay in the funds.
EDIT (to show the calculation on interest):
Repos are done on a 360 calendar year along with being done on a yield basis
Reverse principal + Interest = Reverse principal *(1 + (y * t / 360)) where y is the yield or REPO rate, t is maturity of the reverse REPO
Therefore, to solve for interest,
1,000,000,000 + INT = 1,000,000,000*(1+(.0005*1/360))
1,000,000,000 + INT = $1,000,001,388.89
INT = 1,388.89
These are done as an agreement of repurchase. The Fed gives bank a "security" with the promise to repurchase later at the higher price.
What does this mean for apes and GME? Decreased liquidity is only applicable for risky assets that investors have the option to avoid. If a hedge fund is margin called, they will want to unwind other non-risky, uncorrelated positions first. They'll attempt to keep correlated positions (like AMC on a GME squeeze) so that they can capture some of the upside. So they'll first utilize cash-like securities if possible. This is why one could reasonably make the connection that increased RRPs means more gunpowder for covering their assets during a squeeze. While it's possible, it likely won't be a catalyst, only a possible sign that the market is deeming there is more risk "somewhere" in the market. That could be anywhere: in treasuries, other equity, ABS, MBS etc.
The other issue arises if investors deem the banks as risky. THIS IS THE MAJOR THING TO WATCH. It's important to keep an eye on the relation between the RRP rate and the IOER (rate the feds pay bank reserves). Bank disintermediation essentially means investors seek parking their assets in MMMFs (Money Market Mutual Funds) over the banks themselves who are subject to deposit insurance. Banks losing consumer cash due to withdrawals, means reduced liquidity, lower revenues and increased expenses. They can't leverage as much, and then borrowers aren't able to receive the loans they may require (especially post covid). Corp rates, MBS and CREs especially see higher rates which could lead to lower profit expectations or even bankruptcies.
Unfortunately, there are so many pieces, all interrelated that it's hard to discern exactly what will happen, let alone, could happen. What is clear is that we are near a ledge that is very susceptible to falling off the edge. The RRP is good to look at, but it likely won't be the catalyst to a squeeze, just a implication of what is happening on a more macro scale. Expecting RPPs to be correlated to GME price is FUD. I know all I have to do is hold. There are many possible ways we could take off, but relying on the idea that any particular catalyst is the ONE, and only ONE, is damaging.
tldr; RRPs may not be the catalyst we are after and it's correlation with GME should not imply causation. It does imply a lot of other issues in the economy and is definitely something important to keep an eye on.

Back to Table of Contents

I processed 16 years of data across 8 stocks to prove something no one cares about: GME's price is ending in .00 10X more than it should be.

DD 👨‍🔬

I'm back and so is my fondness of the .00. I spent all week trying to shake the thought of it... but just as the return of 005 was, the return of .00 is inevitable.

Speaking of .00, Did you know in June that 29% of our open, close, high, and low prices have ended in .00? 48 data points, 14 being .00 price points, 29%. That's up from 15% in May and 13% in April. I didn't know either until I gave up sleep for this.

Now, before you come at me with **why** the frequency of .00 price points are increasing with reasoning such as "as prices increase so do chances of .00 price points"... I know! This whole post will be dedicated to proving that even with certain understandings of why a stock might end in .00, **GME is a true outlier** (and you know what that means 🚀🚀🚀).

Earlier this week I succumbed to my madness and had to see if my own noticing of .00 key (open, close, high, and low) price points was *frequency illusions* or fact. Frequency illusion, or Baader-Meinhof

Phenomenon, is your internal bias that causes something to appear more often only after learning or noticing that thing for the first time.

Before now, I thought I was simply seeing what I wanted to see. You can check out my previous post to see what started it all, but a quick recap is that in 2021 GME has a 61.06% rate of having a key price point during a trading day end in .00. The average for the 18 prior years is 9.25%, last year was 5.14%. GME is seeing key price points at .00 more often, and the rate is increasing.

I appreciate the love my first post on .00 received. I also appreciate the perspective that other apes were able to provide as my brain is smoother than the gelato my wife treats me to once a month. Since then, I've quadrupled my research in an attempt to directly address some of the top reasonings for .00 price points to determine if GME is following a trend that exists across all stocks or is a **1.00-of-a-kind**in just another way.

TL;DR: Buy & Hold. Read the title again too. I predict we will continue to see an abundance of .00 key price points as we approach the MOASS. GME is a true outlier and in my next post, I will be mapping GME's .00 price point frequency to the FTD cycles.

This post is broken into sections each starting with a quick summary.

.00 | The Data

I've exported all my data from Yahoo's historic price exports. I love transparency.

I am going to cover the following in this post.GME historical data from January 2002 to June 15, 2021

	Date Range	# Open with .00	# High with .00	# Low with .00	# Close with .00	Total	Trading Days	Min. Open	Max. Open	Max / Min Open	% Trading Days with .00
GME	2003	12	5	9	9	35	252	$3.83	$9.50	2.4804	13.89%
GME	2004	9	6	4	6	25	252	$7.29	$11.55	1.5844	9.92%
GME	2005	8	3	2	1	14	252	$9.28	$18.90	2.0366	5.56%
GME	2006	16	5	6	3	30	251	$15.91	$28.89	1.8158	11.95%
GME	2007	8	13	11	6	38	251	$25.45	$63.68	2.5022	15.14%
GME	2008	11	13	8	6	38	253	$18.33	$62.15	3.3906	15.02%
GME	2009	2	7	8	2	19	252	$20.46	$32.52	1.5894	7.54%
GME	2010	7	5	4	3	19	252	$17.29	$25.50	1.4748	7.54%
GME	2011	3	3	5	0	11	252	$18.71	$28.31	1.5131	4.37%
GME	2012	4	9	6	4	23	250	$15.82	$27.83	1.7592	9.20%
GME	2013	7	7	9	2	25	252	$22.67	$57.68	2.5443	9.92%
GME	2014	7	9	9	2	27	252	$32.11	$49.71	1.5481	10.71%
GME	2015	7	7	10	7	31	252	$28.37	$47.62	1.6785	12.30%
GME	2016	9	6	4	3	22	252	$20.59	$33.20	1.6124	8.73%
GME	2017	5	6	3	6	20	251	$16.01	$26.33	1.6446	7.97%
GME	2018	8	5	4	2	19	251	$11.72	$19.92	1.6997	7.57%
GME	2019	3	5	2	0	10	252	$3.25	$16.02	4.9292	3.97%
GME	2020	4	5	3	1	13	253	$2.85	$21.31	7.4772	5.14%
GME	2021	19	18	22	10	69	113	$17.34	$379.71	21.8979	61.06%

And the following stocks for comparisons and baselines.AMC historical data from January 2014 to June 15, 2021

	Date Range	# Open with .00	# High with .00	# Low with .00	# Close with .00	Total	Trading Days	Min. Open	Max. Open	Max / Min Open	% Trading Days with .00
AMC	2014	6	8	5	5	24	252	$19.86	$26.80	1.3494	9.52%
AMC	2015	7	6	1	5	19	252	$23.00	$35.83	1.5578	7.54%
AMC	2016	10	8	5	5	28	252	$19.73	$35.45	1.7968	11.11%
AMC	2017	14	14	16	15	59	251	$11.15	$34.65	3.1076	23.51%
AMC	2018	12	13	9	8	42	251	$12.25	$21.00	1.7143	16.73%
AMC	2019	7	5	5	3	20	252	$7.24	$16.58	2.2901	7.94%
AMC	2020	4	3	10	4	21	253	$2.15	$7.70	3.5814	8.30%
AMC	2021	4	2	5	4	15	111	$1.99	$58.10	29.1960	13.51%

TSLA historical data from June 29, 2010 to June 15, 2021

	Date Range	# Open with .00	# High with .00	# Low with .00	# Close with .00	Total	Trading Days	Min. Open	Max. Open	Max / Min Open	% Trading Days with .00
TSLA	2011	4	8	3	0	15	252	$4.36	$6.93	1.5894	5.95%
TSLA	2012	6	7	3	5	21	250	$5.32	$7.64	1.4361	8.40%
TSLA	2013	12	5	2	0	19	252	$6.62	$38.79	5.8595	7.54%
TSLA	2014	15	7	6	3	31	252	$28.10	$57.33	2.0402	12.30%
TSLA	2015	9	4	13	6	32	252	$37.17	$56.04	1.5077	12.70%
TSLA	2016	10	7	17	6	40	252	$28.46	$53.29	1.8725	15.87%
TSLA	2017	7	8	6	8	29	251	$42.95	$77.34	1.8007	11.55%
TSLA	2018	14	13	4	6	37	251	$50.56	$75.00	1.4834	14.74%
TSLA	2019	13	10	2	6	31	252	$36.22	$87.00	2.4020	12.30%
TSLA	2020	31	32	24	11	98	253	$74.94	$699.99	9.3407	38.74%
TSLA	2021	18	16	11	4	49	111	$552.55	$891.38	1.6132	44.14%

AMZN historical data from January 2005 to June 15, 2021

	Date Range	# Open with .00	# High with .00	# Low with .00	# Close with .00	Total	Trading Days	Min. Open	Max. Open	Max / Min Open	% Trading Days with .00
AMZN	2005	2	2	4	2	10	252	$1.30	$4.30	3.3077	3.97%
AMZN	2006	4	3	5	5	17	251	$2.64	$4.72	1.7879	6.77%
AMZN	2007	6	0	3	2	11	251	$2.37	$4.01	1.6920	4.38%
AMZN	2008	3	3	5	3	14	253	$2.62	$5.82	2.2214	5.53%
AMZN	2009	1	2	1	2	6	252	$4.18	$8.69	2.0789	2.38%
AMZN	2010	8	8	6	5	27	252	$6.96	$29.69	4.2658	10.71%
AMZN	2011	6	7	6	1	20	252	$9.20	$42.96	4.6696	7.94%
AMZN	2012	1	2	2	2	7	250	$7.71	$18.39	2.3852	2.80%
AMZN	2013	8	4	3	4	19	252	$13.14	$55.41	4.2169	7.54%
AMZN	2014	5	5	5	4	19	252	$44.61	$69.47	1.5573	7.54%
AMZN	2015	6	13	5	3	27	252	$46.02	$131.19	2.8507	10.71%
AMZN	2016	17	8	9	3	37	252	$80.57	$129.07	1.6020	14.68%
AMZN	2017	11	7	11	4	33	251	$124.96	$201.95	1.6161	13.15%
AMZN	2018	24	16	24	3	67	251	$196.10	$421.38	2.1488	26.69%
AMZN	2019	30	20	15	1	36	252	$255.71	$382.77	1.4969	14.29%
AMZN	2020	34	24	20	4	82	253	$302.40	$567.98	1.8782	32.41%
AMZN	2021	20	5	8	1	34	111	$479.75	$582.45	1.2141	30.63%

OSTK historical data from January 2005 to June 15, 2021

	Date Range	# Open with .00	# High with .00	# Low with .00	# Close with .00	Total	Trading Days	Min. Open	Max. Open	Max / Min Open	% Trading Days with .00
OSTK	2005	14	7	15	6	42	252	$28.74	$69.60	2.4217	16.67%
OSTK	2006	9	8	7	5	29	251	$13.45	$32.26	2.3985	11.55%
OSTK	2007	8	5	10	5	28	251	$14.45	$38.99	2.6983	11.16%
OSTK	2008	7	12	2	5	26	253	$6.97	$28.49	4.0875	10.28%
OSTK	2009	8	6	6	3	23	252	$7.65	$17.68	2.3111	9.13%
OSTK	2010	4	7	4	1	16	252	$11.10	$23.95	2.1577	6.35%
OSTK	2011	6	8	5	6	25	252	$7.67	$16.94	2.2086	9.92%
OSTK	2012	2	9	8	0	19	250	$5.01	$15.94	3.1816	7.60%
OSTK	2013	14	6	9	4	33	252	$11.25	$35.00	3.1111	13.10%
OSTK	2014	6	4	6	2	18	252	$14.00	$30.51	2.1793	7.14%
OSTK	2015	4	7	3	2	16	252	$12.06	$25.79	2.1385	6.35%
OSTK	2016	6	7	2	3	18	252	$10.19	$19.15	1.8793	7.14%
OSTK	2017	22	7	20	15	64	251	$14.10	$74.25	5.2660	25.50%
OSTK	2018	13	10	15	5	43	251	$12.75	$86.55	6.7882	17.13%
OSTK	2019	5	1	3	3	12	252	$6.63	$26.89	4.0558	4.76%
OSTK	2020	12	7	13	5	37	253	$2.54	$124.65	49.0748	14.62%
OSTK	2021	12	7	1	0	20	111	$48.50	$109.01	2.2476	18.02%

AAPL historical data from January 2005 to June 15, 2021

	Date Range	# Open with .00	# High with .00	# Low with .00	# Close with .00	Total	Trading Days	Min. Open	Max. Open	Max / Min Open	% Trading Days with .00
AAPL	2005	1	0	1	1	3	252	$1.14	$2.67	2.3421	1.19%
AAPL	2006	1	3	3	3	10	251	$1.85	$3.32	1.7946	3.98%
AAPL	2007	6	3	3	6	18	251	$2.96	$7.16	2.4189	7.17%
AAPL	2008	4	4	2	1	11	253	$2.93	$7.12	2.4300	4.35%
AAPL	2009	6	2	2	3	13	252	$2.84	$7.61	2.6796	5.16%
AAPL	2010	6	7	1	6	20	252	$6.87	$11.65	1.6958	7.94%
AAPL	2011	4	5	5	4	18	252	$11.31	$15.06	1.3316	7.14%
AAPL	2012	2	4	3	1	10	250	$14.62	$25.09	1.7161	4.00%
AAPL	2013	2	4	3	5	14	252	$13.86	$20.45	1.4755	5.56%
AAPL	2014	5	6	5	5	21	252	$17.68	$29.82	1.6867	8.33%
AAPL	2015	4	5	5	1	15	252	$23.72	$33.62	1.4174	5.95%
AAPL	2016	4	5	2	2	13	252	$22.50	$29.55	1.3133	5.16%
AAPL	2017	5	3	3	7	18	251	$28.95	$43.78	1.5123	7.17%
AAPL	2018	6	5	1	2	14	251	$37.04	$57.70	1.5578	5.58%
AAPL	2019	5	8	2	2	17	252	$35.99	$72.78	2.0222	6.75%
AAPL	2020	5	7	15	4	31	253	$57.02	$138.05	2.4211	12.25%
AAPL	2021	0	7	2	3	12	111	$119.03	$143.60	1.2064	10.81%

GOOG historical data from January 2005 to June 15, 2021

	Date Range	# Open with .00	# High with .00	# Low with .00	# Close with .00	Total	Trading Days	Min. Open	Max. Open	Max / Min Open	% Trading Days with .00
GOOG	2005	3	3	1	0	7	252	$87.32	$215.97	2.4733	2.78%
GOOG	2006	3	2	7	3	15	251	$167.94	$254.53	1.5156	5.98%
GOOG	2007	0	2	6	3	11	251	$217.69	$369.18	1.6959	4.38%
GOOG	2008	4	2	4	2	12	253	$130.76	$345.14	2.6395	4.74%
GOOG	2009	1	2	0	4	7	252	$143.64	$311.21	2.1666	2.78%
GOOG	2010	2	4	0	2	8	252	$218.34	$313.82	1.4373	3.17%
GOOG	2011	2	6	2	5	15	252	$236.11	$320.17	1.3560	5.95%
GOOG	2012	3	2	6	1	12	250	$279.12	$383.92	1.3755	4.80%
GOOG	2013	6	3	5	4	18	252	$351.01	$558.08	1.5899	7.14%
GOOG	2014	2	3	3	1	9	252	$495.64	$611.11	1.2330	3.57%
GOOG	2015	20	17	18	6	61	252	$493.30	$776.60	1.5743	24.21%
GOOG	2016	27	19	25	3	74	252	$667.85	$816.68	1.2228	29.37%
GOOG	2017	35	15	22	6	78	251	$778.81	$1,075.20	1.3806	31.08%
GOOG	2018	43	23	25	5	96	251	$973.90	$1,271.00	1.3051	38.25%
GOOG	2019	37	33	19	8	60	252	$1,016.57	$1,363.35	1.3411	23.81%
GOOG	2020	38	30	27	5	100	253	$1,056.51	$1,824.52	1.7269	39.53%
GOOG	2021	15	14	12	1	42	111	$1,702.63	$2,524.92	1.4830	37.84%

NFLX historical data from January 2005 to June 15, 2021

	Date Range	# Open with .00	# High with .00	# Low with .00	# Close with .00	Total	Trading Days	Min. Open	Max. Open	Max / Min Open	% Trading Days with .00
NFLX	2005	2	2	4	2	10	252	$1.30	$4.30	3.3077	3.97%
NFLX	2006	4	3	5	5	17	251	$2.64	$4.72	1.7879	6.77%
NFLX	2007	6	0	3	2	11	251	$2.37	$4.01	1.6920	4.38%
NFLX	2008	3	3	5	3	14	253	$2.62	$5.82	2.2214	5.53%
NFLX	2009	1	2	1	2	6	252	$4.18	$8.69	2.0789	2.38%
NFLX	2010	8	8	6	5	27	252	$6.96	$29.69	4.2658	10.71%
NFLX	2011	6	7	6	1	20	252	$9.20	$42.96	4.6696	7.94%
NFLX	2012	1	2	2	2	7	250	$7.71	$18.39	2.3852	2.80%
NFLX	2013	8	4	3	4	19	252	$13.14	$55.41	4.2169	7.54%
NFLX	2014	5	5	5	4	19	252	$44.61	$69.47	1.5573	7.54%
NFLX	2015	6	13	5	3	27	252	$46.02	$131.19	2.8507	10.71%
NFLX	2016	17	8	9	3	37	252	$80.57	$129.07	1.6020	14.68%
NFLX	2017	11	7	11	4	33	251	$124.96	$201.95	1.6161	13.15%
NFLX	2018	24	16	24	3	67	251	$196.10	$421.38	2.1488	26.69%
NFLX	2019	30	20	15	1	36	252	$255.71	$382.77	1.4969	14.29%
NFLX	2020	34	24	20	4	82	253	$302.40	$567.98	1.8782	32.41%
NFLX	2021	20	5	8	1	34	111	$479.75	$582.45	1.2141	30.63%

Reason for .00 #1.00 | As a stock price increases, .00 key price points are more common.

Is the statement backed by data: **Yes**. See below.

GME Myth or Fact: **Myth**. Although the rate of .00 key price points has increased with the stock's price, GME is trending 5-10x higher than the average stock for .00 appearances at price points greater than $100.

Before I go into the numbers, I want to take a second to explain why this statement is reasonable to believe without first checking the data. If a stock is $1.50 it would require a 33% movement to hit a .00 key price point. If a stock is $15.50 it would only require a 3.2% movement. Therefore, it's safe to believe that as a stock price increases that the occurrence of .00 key price points will also increase.

That simple understanding wasn't enough for this smooth brain of mine. I wanted to see just how common these .00 key price points were within different price brackets. I'm a simple ape that likes patterns and nice flat numbers. My TV volume is at a flat 20 and my stock will be at a flat 20,000,000.00 soon too, and I'll love every short moment of it before the rocket continues rising.

For this experiment, I deemed testing and verifying using only the Open Price of GME and the stocks in my data pool would suffice.

I tallied the occurrence of how many times each stock opened in my set price ranges and also tallied how many times each stock opened at .00 within my set range. This can be used to tell us the percentage of times my data pool opened at .00 within each price range. There were no surprises here:

		Percentage of Opens at .00 Price Points | January 03, 2005 - June 15, 2021								
		GME	AMC*	AMZN	OSTK	AAPL	TSLA*	GOOG	NFLX	8 Stock Summary
Opening Price Range	<$20	2.85%	3.03%		2.63%	1.48%	2.43%		1.47%	2.25%
	$20 - $29	2.35%	2.67%	0.00%	3.68%	1.48%	3.45%		2.69%	2.54%
	$30 - $39	2.64%	6.62%	1.89%	5.35%	2.07%	5.00%		2.80%	3.55%
	$40 - $49	3.24%	0.00%	3.60%	7.69%	1.87%	4.65%		0.71%	3.63%
	$50 - $59	3.66%	0.00%	2.44%	5.38%	2.99%	3.93%		3.57%	3.72%
	$60 - $69	0.00%		1.02%	5.21%	0.00%	3.95%		1.76%	3.24%
	$70 - $79	0.00%		3.26%	12.50%	1.52%	7.69%		20.00%	5.85%
	$80 - $89	0.00%		3.47%	9.38%	3.33%	23.08%	0.00%	5.26%	5.03%
	$90 - $99	0.00%		3.08%	15.00%	7.69%	0.00%	1.79%	6.10%	5.26%
	$100 - $149	20.00%		5.24%	6.67%	0.46%	12.50%	2.38%	4.12%	4.03%
	$150 - $199	19.51%		3.97%		1.59%	10.91%	0.66%	3.07%	2.74%
	$200 - $249	16.67%		4.70%			16.67%	1.10%	25.00%	3.06%
	$250 - $299	50.00%		9.29%			29.41%	0.50%	10.22%	4.85%
	$300 - $349	0.00%		7.36%			14.29%	0.93%	9.85%	5.44%
	$350 - $399	0.00%		4.61%			25.00%	1.94%	13.46%	8.39%
	$400 - $449			14.06%			6.38%	2.33%	18.52%	8.50%
	$450 - $500			0.00%			12.50%	3.85%	9.90%	7.89%
	$500+			20.69%			15.71%	11.31%	15.44%	15.40%
	Any Price	3.06%	3.41%	10.29%	3.67%	1.59%	5.26%	5.82%	4.49%	5.30%

Looking across all eight stocks, the percentage of time a stock opened at .00 increases pretty steadily as the stock price increases.

This confirms the original believed statement that as the price increases so does the appearance of .00 key price points. *However*, we can see that **GME is a clear outlier**. Once the price broke $100, we've seen an increase in .00 appearances that is **unlike any other stock**. This tells us that we are not just seeing more .00 appearances in 2021 than previously, but also that GME is trending in more .00 at this price level than normal.

Reason for .00 #2.00 | Retail is more likely to place orders at .00 and GME is *THE* retail movement.

Is the statement backed by data: **No**. I was not able to find data on retail orders and if orders ending in .00 are more common.

GME Myth or Fact: **Myth**. There is a lack of quantitative data on retail orders and there is no correlation between the percentage of .00 appearances in 2021 of GME (61.06%) and AMC (13.51%).

Before we go further, I think it's important to understand the reasoning. The idea here is twofold: First, retail is more likely to place orders ending in .00, and second retail's tremendous support of GME leads to a larger influence of the .00 price point. There is no exact data that I was able to find on the first point, and the second is conjecture based on the first. It's tough to tackle this directly.

First, for retail placing orders ending in .00, It's unreasonable for me to come to any conclusion on this. I do see a large number of posts educating users on limit orders versus market orders. That tells me that the number of retail investors that are purchasing stock at .00 price points may be smaller than anticipated. There is also an affinity for .69 and 4.20 tail ends as well. Since I can't prove or disprove this, let's tackle the second part.

For the second part, I would assume the same trend of greater .00 appearances due to increased retail support would also be seen in the movie stock. That wasn't the case.

A recap of GME's % of trading days with .00 appearances:

Date Range	Number of Times $GME Price Ending in $X.00					% Trading Days with .00 Appearance
	Open	High	Low	Close	Total	
2003	12	5	9	9	35	13.89%
2004	9	6	4	6	25	9.92%
2005	8	3	2	1	14	5.56%
2006	16	5	6	3	30	11.95%
2007	8	13	11	6	38	15.14%
2008	11	13	8	6	38	15.02%
2009	2	7	8	2	19	7.54%
2010	7	5	4	3	19	7.54%
2011	3	3	5	0	11	4.37%
2012	4	9	6	4	23	9.20%
2013	7	7	9	2	25	9.92%
2014	7	9	9	2	27	10.71%
2015	7	7	10	7	31	12.30%
2016	9	6	4	3	22	8.73%
2017	5	6	3	6	20	7.97%
2018	8	5	4	2	19	7.57%
2019	3	5	2	0	10	3.97%
2020	4	5	3	1	13	5.14%
2021	19	18	22	10	69	61.06%

And the other stock's rate of .00 appearances:

Date Range	Number of Times $AMC Price Ending in $X.00					% Trading Days with .00 Appearance
	Open	High	Low	Close	Total	
2014	6	8	5	5	24	9.52%
2015	7	6	1	5	19	7.54%
2016	10	8	5	5	28	11.11%
2017	14	14	16	15	59	23.51%
2018	12	13	9	8	42	16.73%
2019	7	5	5	3	20	7.94%
2020	4	3	10	4	21	8.30%
2021	4	2	5	4	15	13.51%

For 2021, it currently sits at 13.51% appearance of .00 key price points, an increase of only +2% on the 8-year average. Even with recent movements, there has not been an increase in .00 appearances.

This wasn't enough for me. We all know GME is the real play, so this didn't seem like a fair comparison. I wanted to take it a step further and attempt to track how much retail interest or hype around a stock would play into the appearance of .00 price points.

Reason for .00 #3.00 | Large movements in a stock's price lead to more .00 appearances.

Is the statement backed by data: **No**. I compiled a total of 106 trading years and tracked the spread of Minimum Open Price and Maximum Open Price for each year compared to that year's percentage of .00 appearances and see no relation.

GME Myth or Fact: **Myth**. Although GME’s stock price is rising as we approach the MOASS and we are seeing an increase of .00 price points, it appears to only be a coincidence.

This was a fun one to tackle. How do I compare GME, a once-in-a-ever opportunity, to other stocks?

I felt that the larger the spread between Min. Open Price and Max Open Price in a given year would provide a good telling of a stock’s movement and potential retail hype. I believe that the larger the spread, the more retail hype there would be. I then compared the spread to the percent of trading days with a .00 appearance.

I uncovered that the appearance of .00s doesn’t appear to relate to a more volatile stock.

Years with the lowest spread of Min Open price to Max Open Price:

	A	B	C	D	E	F	G	H	I	J	K	L
1	Ticker	Date Range	Open .00	High .00	Low .00	Close .00	Total .00	Trading Days	Min. Open	Max. Open	Max / Min Open	% Trading Days with .00 Appearance
2	AAPL	2021	0	7	2	3	12	111	$119.03	$143.60	1.2064	10.81%
3	NFLX	2021	20	5	8	1	34	111	$479.75	$582.45	1.2141	30.63%
4	GOOG	2016	27	19	25	3	74	252	$667.85	$816.68	1.2228	29.37%
5	GOOG	2014	2	3	3	1	9	252	$495.64	$611.11	1.2330	3.57%
6	GOOG	2018	43	23	25	5	96	251	$973.90	$1,271.00	1.3051	38.25%
7	AAPL	2016	4	5	2	2	13	252	$22.50	$29.55	1.3133	5.16%
8	AAPL	2011	4	5	5	4	18	252	$11.31	$15.06	1.3316	7.14%
9	GOOG	2019	37	33	19	8	60	252	$1,016.57	$1,363.35	1.3411	23.81%
10	AMC	2014	6	8	5	5	24	252	$19.86	$26.80	1.3494	9.52%
11	GOOG	2011	2	6	2	5	15	252	$236.11	$320.17	1.3560	5.95%
12	GOOG	2012	3	2	6	1	12	250	$279.12	$383.92	1.3755	4.80%
13	GOOG	2017	35	15	22	6	78	251	$778.81	$1,075.20	1.3806	31.08%
14	AAPL	2015	4	5	5	1	15	252	$23.72	$33.62	1.4174	5.95%
15	TSLA	2012	6	7	3	5	21	250	$5.32	$7.64	1.4361	8.40%
16	GOOG	2010	2	4	0	2	8	252	$218.34	$313.82	1.4373	3.17%
17	GME	2010	7	5	4	3	19	252	$17.29	$25.50	1.4748	7.54%
18	AAPL	2013	2	4	3	5	14	252	$13.86	$20.45	1.4755	5.56%
19	GOOG	2021	15	14	12	1	42	111	$1,702.63	$2,524.92	1.4830	37.84%
20	TSLA	2018	14	13	4	6	37	251	$50.56	$75.00	1.4834	14.74%
21	NFLX	2019	30	20	15	1	36	252	$255.71	$382.77	1.4969	14.29%
22	TSLA	2015	9	4	13	6	32	252	$37.17	$56.04	1.5077	12.70%
23	AAPL	2017	5	3	3	7	18	251	$28.95	$43.78	1.5123	7.17%
24	GME	2011	3	3	5	0	11	252	$18.71	$28.31	1.5131	4.37%
25	GOOG	2006	3	2	7	3	15	251	$167.94	$254.53	1.5156	5.98%
26	GME	2014	7	9	9	2	27	252	$32.11	$49.71	1.5481	10.71%
27	NFLX	2014	5	5	5	4	19	252	$44.61	$69.47	1.5573	7.54%
28	AAPL	2018	6	5	1	2	14	251	$37.04	$57.70	1.5578	5.58%
29	AMC	2015	7	6	1	5	19	252	$23.00	$35.83	1.5578	7.54%
30	GOOG	2015	20	17	18	6	61	252	$493.30	$776.60	1.5743	24.21%
31	GME	2004	9	6	4	6	25	252	$7.29	$11.55	1.5844	9.92%
32	GME	2009	2	7	8	2	19	252	$20.46	$32.52	1.5894	7.54%
33	TSLA	2011	4	8	3	0	15	252	$4.36	$6.93	1.5894	5.95%
34	GOOG	2013	6	3	5	4	18	252	$351.01	$558.08	1.5899	7.14%
35	NFLX	2016	17	8	9	3	37	252	$80.57	$129.07	1.6020	14.68%
36	GME	2016	9	6	4	3	22	252	$20.59	$33.20	1.6124	8.73%
37	TSLA	2021	18	16	11	4	49	111	$552.55	$891.38	1.6132	44.14%
38	NFLX	2017	11	7	11	4	33	251	$124.96	$201.95	1.6161	13.15%
39	GME	2017	5	6	3	6	20	251	$16.01	$26.33	1.6446	7.97%
40	GME	2015	7	7	10	7	31	252	$28.37	$47.62	1.6785	12.30%
41	AAPL	2014	5	6	5	5	21	252	$17.68	$29.82	1.6867	8.33%
42	NFLX	2007	6	0	3	2	11	251	$2.37	$4.01	1.6920	4.38%
43	AAPL	2010	6	7	1	6	20	252	$6.87	$11.65	1.6958	7.94%
44	GOOG	2007	0	2	6	3	11	251	$217.69	$369.18	1.6959	4.38%
45	GME	2018	8	5	4	2	19	251	$11.72	$19.92	1.6997	7.57%
46	AMC	2018	12	13	9	8	42	251	$12.25	$21.00	1.7143	16.73%
47	AAPL	2012	2	4	3	1	10	250	$14.62	$25.09	1.7161	4.00%
48	GOOG	2020	38	30	27	5	100	253	$1,056.51	$1,824.52	1.7269	39.53%
49	GME	2012	4	9	6	4	23	250	$15.82	$27.83	1.7592	9.20%
50	NFLX	2006	4	3	5	5	17	251	$2.64	$4.72	1.7879	6.77%

Years with the highest spread of Min Open Price to Max Open Price.

	Ticker	Date Range	Open .00	High .00	Low .00	Close .00	Total .00	Trading Days	Min. Open	Max. Open	Max / Min Open	% Trading Days with .00 Appearance
57	OSTK	2016	6	7	2	3	18	252	$10.19	$19.15	1.8793	7.14%
58	AAPL	2019	5	8	2	2	17	252	$35.99	$72.78	2.0222	6.75%
59	GME	2005	8	3	2	1	14	252	$9.28	$18.90	2.0366	5.56%
60	TSLA	2014	15	7	6	3	31	252	$28.10	$57.33	2.0402	12.30%
61	NFLX	2009	1	2	1	2	6	252	$4.18	$8.69	2.0789	2.38%
62	OSTK	2015	4	7	3	2	16	252	$12.06	$25.79	2.1385	6.35%
63	NFLX	2018	24	16	24	3	67	251	$196.10	$421.38	2.1488	26.69%
64	OSTK	2010	4	7	4	1	16	252	$11.10	$23.95	2.1577	6.35%
65	GOOG	2009	1	2	0	4	7	252	$143.64	$311.21	2.1666	2.78%
66	OSTK	2014	6	4	6	2	18	252	$14.00	$30.51	2.1793	7.14%
67	OSTK	2011	6	8	5	6	25	252	$7.67	$16.94	2.2086	9.92%
68	NFLX	2008	3	3	5	3	14	253	$2.62	$5.82	2.2214	5.53%
69	OSTK	2021	12	7	1	0	20	111	$48.50	$109.01	2.2476	18.02%
70	AMC	2019	7	5	5	3	20	252	$7.24	$16.58	2.2901	7.94%
71	OSTK	2009	8	6	6	3	23	252	$7.65	$17.68	2.3111	9.13%
72	AAPL	2005	1	0	1	1	3	252	$1.14	$2.67	2.3421	1.19%
73	NFLX	2012	1	2	2	2	7	250	$7.71	$18.39	2.3852	2.80%
74	OSTK	2006	9	8	7	5	29	251	$13.45	$32.26	2.3985	11.55%
75	TSLA	2019	13	10	2	6	31	252	$36.22	$87.00	2.4020	12.30%
76	AAPL	2007	6	3	3	6	18	251	$2.96	$7.16	2.4189	7.17%
77	AAPL	2020	5	7	15	4	31	253	$57.02	$138.05	2.4211	12.25%
78	OSTK	2005	14	7	15	6	42	252	$28.74	$69.60	2.4217	16.67%
79	AAPL	2008	4	4	2	1	11	253	$2.93	$7.12	2.4300	4.35%
80	GOOG	2005	3	3	1	0	7	252	$87.32	$215.97	2.4733	2.78%
81	GME	2003	12	5	9	9	35	252	$3.83	$9.50	2.4804	13.89%
82	GME	2007	8	13	11	6	38	251	$25.45	$63.68	2.5022	15.14%
83	GME	2013	7	7	9	2	25	252	$22.67	$57.68	2.5443	9.92%
84	GOOG	2008	4	2	4	2	12	253	$130.76	$345.14	2.6395	4.74%
85	AAPL	2009	6	2	2	3	13	252	$2.84	$7.61	2.6796	5.16%
86	OSTK	2007	8	5	10	5	28	251	$14.45	$38.99	2.6983	11.16%
87	NFLX	2015	6	13	5	3	27	252	$46.02	$131.19	2.8507	10.71%
88	AMC	2017	14	14	16	15	59	251	$11.15	$34.65	3.1076	23.51%
89	OSTK	2013	14	6	9	4	33	252	$11.25	$35.00	3.1111	13.10%
90	OSTK	2012	2	9	8	0	19	250	$5.01	$15.94	3.1816	7.60%
91	NFLX	2005	2	2	4	2	10	252	$1.30	$4.30	3.3077	3.97%
92	GME	2008	11	13	8	6	38	253	$18.33	$62.15	3.3906	15.02%
93	AMC	2020	4	3	10	4	21	253	$2.15	$7.70	3.5814	8.30%
94	OSTK	2019	5	1	3	3	12	252	$6.63	$26.89	4.0558	4.76%
95	OSTK	2008	7	12	2	5	26	253	$6.97	$28.49	4.0875	10.28%
96	NFLX	2013	8	4	3	4	19	252	$13.14	$55.41	4.2169	7.54%
97	NFLX	2010	8	8	6	5	27	252	$6.96	$29.69	4.2658	10.71%
98	NFLX	2011	6	7	6	1	20	252	$9.20	$42.96	4.6696	7.94%
99	GME	2019	3	5	2	0	10	252	$3.25	$16.02	4.9292	3.97%
100	OSTK	2017	22	7	20	15	64	251	$14.10	$74.25	5.2660	25.50%
101	TSLA	2013	12	5	2	0	19	252	$6.62	$38.79	5.8595	7.54%
102	OSTK	2018	13	10	15	5	43	251	$12.75	$86.55	6.7882	17.13%
103	GME	2020	4	5	3	1	13	253	$2.85	$21.31	7.4772	5.14%
104	TSLA	2020	31	32	24	11	98	253	$74.94	$699.99	9.3407	38.74%
105	GME	2021	19	18	22	10	69	113	$17.34	$379.71	21.8979	61.06%
106	AMC	2021	4	2	5	4	15	111	$1.99	$58.10	29.1960	13.51%
107	OSTK	2020	12	7	13	5	37	253	$2.54	$124.65	49.0748	14.62%

Across the board, there is a pretty flat rate of 12% of trading days seeing a .00 key price point.

In 2021, GME saw a minimum open price of $17.34 and a maximum open price of $379.71, an increase of 21X. And what is GME's percentage of days in 2021 with a .00 key price point? 61.06%.

The largest one-year spread (until GME has its way with me) I found was in OSTK in 2020. I saw a low of $2.54 and a high of $124.65, an increase of 49X. Yet, OSTK's percentage of days in 2020 with a .00 key price point was only 14.62%.

While reason #2.00 was more inconclusive because of a lack of data, reason #3.00 can clearly be dismissed as false. There is no relation between a stock's open spread in a given year with the percentage of trading days with .00 appearances.

That's all I have for now. There are no dates or prices this data allows us to spectate on, but it does show that something is fishy.

I applaud you for making it through this data-heavy DD. As I mentioned at the start of my post, I'm not done yet. I think there is more here as the frequency of these .00s is steadily increasing. In my next post, I will be mapping GME's .00 price point frequency to the FTD cycle.
Now I look to you, ape. Please help me out by providing further reasoning as to why GME might be seeing .00 price points. I'm happy to do further research, discuss, and add another wrinkle to this smooth brain of mine. I want every piece to this .00 puzzle.

Back to Table of Contents

The OBV does not lie. The price is WRONG! 💎🙌HODL!🚀

DD 👨‍🔬
Hello Apes, Bones here, im going to explain what exactly the OBV is, what it does and how it pertains to GME.🚀

So what is the OBV? Well OBV stands for "On Balance Volume"
•On Balance Volume (OBV) measures buying and selling pressure as a cumulative indicator that adds volume on up days and subtracts volume on down days.
⚠The actual value of the OBV is unimportant; concentrate on its direction. ⚠

- When both price and OBV are making higher peaks and higher troughs, the upward trend is likely to continue.
- When both price and OBV are making lower peaks and lower troughs, the downward trend is likely to continue.
- During a trading range, if the OBV is rising, accumulation may be taking place—a warning of an upward breakout.

- During a trading range, if the OBV is falling, distribution may be taking place—a warning of a downward breakout.
- When price continues to make higher peaks and OBV fails to make higher peaks, the upward trend is likely to stall or fail. This is called a negative divergence.
- When price continues to make lower troughs and OBV fails to make lower troughs, the downward trend is likely to stall or fail. This is called a positive divergence.

https://www.fidelity.com/learning-center/trading-investing/technical-analysis/technical-indicator-guide/OBV

Now that you have a brief idea of what OBV stands for and how its used in technical analysis i will present how to use it as an indicator for GME price action.

So if you look at the (180/1 day) chart for GME you will see that the price of GME is going down (at the moment).... BUT, the OBV is staying flat and actually continuing its upward pattern ever so slightly.

(GME OBV 180 day chart)

"But why would the price go down if the OBV is going up or staying flat?"

Vlad the stock impaler

Thats because there is actually buying pressure outweighing the selling pressure or coming damn near close to being even!

-There are many great DDs out there explaining how hedgies use ETFs to short gamestop. In my opinion I believe the OBV is indicating that YOU, the Diamond Handed Apes are HODLING your shares and buying more that the OBV is staying up do to holding and buying pressure, and it proves that the price is indeed WRONG!
Hedgies are shorting gamestop through ETFs/ Dark Pools to artificially deflate the price, this keeps the price of GME down temporarily until they stop, once they stop shorting ETFs, GME begins uptrending because of buying pressure. There are no more shares available to short Gamestop (GME), so they resort to shorting ETFs that contain GME like XRT which is a big one. this does not effect the volume on GME because the hedgies are shorting ETFs, not GME directly, therefore the price of GME deflates but the OBV is showing otherwise. This is only a temporary fix for the hedgies. They are FUK either way.
This leads me to believe the price is 100% WRONG! Hedgies are trying to get Apes to paper hand and sell. And Apes are proving that it takes nothing to HOLD, and costs them everything to kick the can down the road.

Listen here hedgies, you cant kick the can down the road forever, DIAMOND HANDS got you beat. It costs nothing to hodl these shares to the moon and it will cost you everything to try and make apes paper hand.

Diamond Hands (APES OWN THE FLOAT....and then some)

📈As for me, I like the stock📈
🐻Hedies R Fuk🐻
🚀🦍See you on the moon Apes 🦍 🚀
-Boner out✌
(If i missed something or if anyone has info to add please leave it in the comments or DM me and i can add it)
❌ Obligatory: *not financial advise* ❌

Back to Table of Contents

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]

DD 👨‍🔬

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

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

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.

	A	B	C	D
1	FTD Date	Cover Date	GME FTD	ETF FTD
80	3/25/2021	4/28/2021	20,295	394,415
81	3/26/2021	4/29/2021	62,109	1,950,179
82	3/29/2021	4/30/2021	86,859	522,001
83	3/30/2021	5/3/2021	17,841	791,348
84	3/31/2021	5/4/2021	14,031	1,262,037

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	1,192,835

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,SAA,DMRS,BBSC,OMFS,FDIS,STSB,SSLY,IWM,SCHA,PBSM,UWM,VTHR,URTY,VTI,TILT,VLU,HDG,AVUS,MMTM,DSI,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:

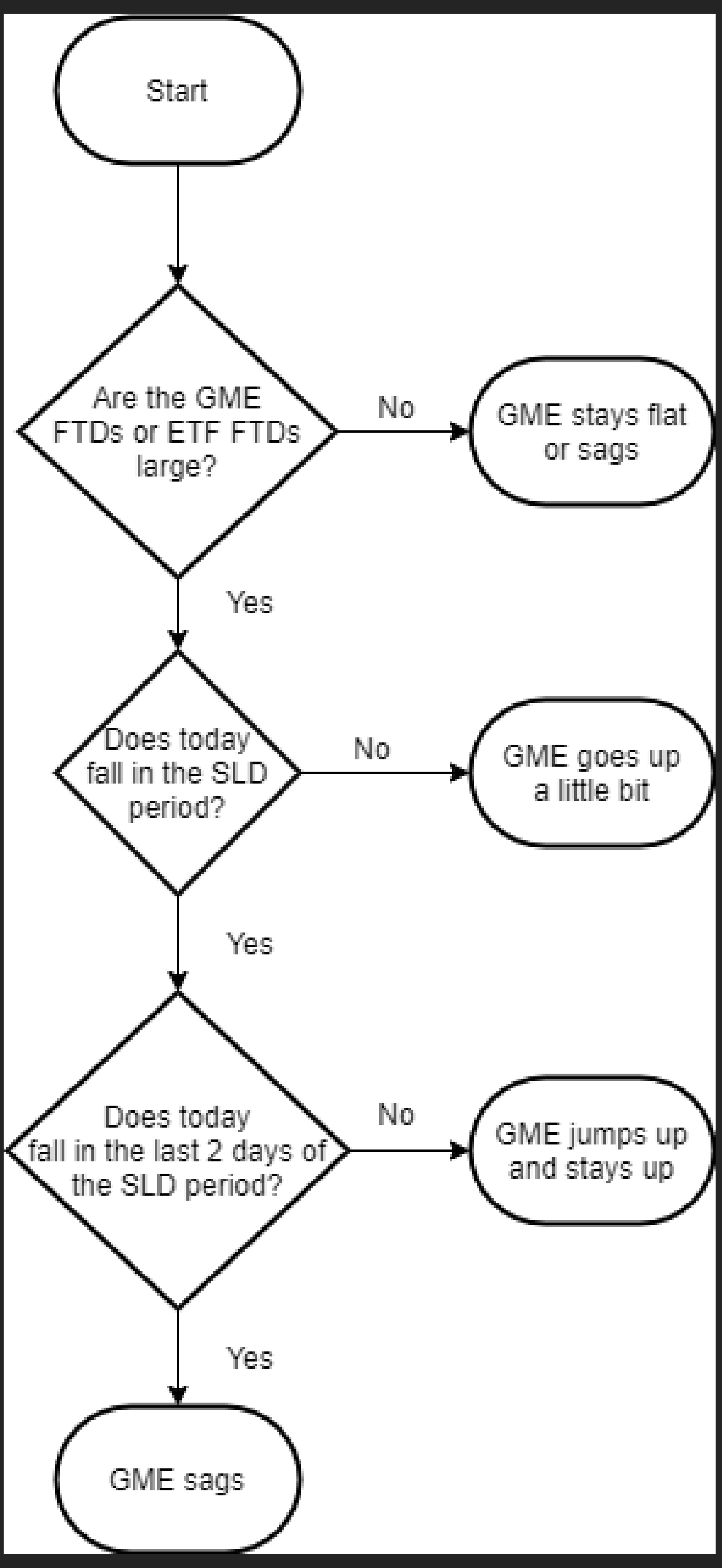
- Column A is the settlement date when the share officially becomes an FTD.
- Column B is the last possible day to cover the FTD

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 hightlighted 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 17, 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/dentisttft

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.

Back to Table of Contents

The Bigger Short. How 2008 is repeating, at a much greater magnitude, and COVID ignited the fuse. GME is not the reason for the market crash. GME was the fatal flaw of Wall Street in their infinite money cheat that they did not expect.

DD 👨‍🔬

0. Preface

I am not a financial advisor, and I do not provide financial advice. Many thoughts here are my opinion, and others can be speculative.

TL;DR - **(Though I think you REALLY should consider reading because it is important to understand what is going on**):

- The market crash of 2008 never finished. It was can-kicked and the same people who caused the crash have **still** been running rampant doing the **same bullshit in the derivatives market** as that market continues to be unregulated. They're profiting off of short-term gains at the risk of killing their institutions and potentially the global economy. **Only this time it is much, much worse.**
- The bankers abused smaller amounts of leverage for the 2008 bubble and have since abused much higher amounts of leverage - creating an even larger speculative bubble. Not just in the stock market and derivatives market, but also in the crypt0 market, upwards of 100x leverage.
- COVID came in and rocked the economy to the point where the Fed is now pinned between a rock and a hard place. In order to buy more time, the government triggered a flurry of protective measures, such as mortgage forbearance, expiring end of Q2 on June 30th, 2021, and SLR exemptions, which expired March 31, 2021. **The market was going to crash regardless. GME was and never will be the reason for the market crashing.**
- The rich made a fatal error in **way** overshorting stocks. There is a potential for their decades of sucking money out of taxpayers to be taken back. The derivatives market is potentially a **$1 Quadrillion market**. "Meme prices" are not meme prices. There is so much money in the world, and you are just accustomed to thinking the "meme prices" are too high to feasibly reach.

- The DTC, ICC, OCC have been passing rules and regulations (auction and wind-down plans) so that they can easily eat up competition and consolidate power once again like in 2008. The people in charge, including Gary Gensler, are not your friends.
- The DTC, ICC, OCC are also passing rules to make sure that retail will **never** be able to to do this again. **These rules are for the future market (post market crash) and they never want anyone to have a chance to take their game away from them again**. These rules are not to start the MOASS. They are indirectly regulating retail so that a short squeeze condition can never occur after GME.
- The COVID pandemic exposed a lot of banks through the Supplementary Leverage Ratio (SLR) where mass borrowing (leverage) almost made many banks default. Banks have account 'blocks' on the Fed's balance sheet which holds their treasuries and deposits. **The SLR exemption made it so that these treasuries and deposits of the banks 'accounts' on the Fed's balance sheet were not calculated into SLR, which allowed them to boost their SLR until March 31, 2021 and avoid defaulting. Now, they must extract treasuries from the Fed in reverse repo to avoid defaulting from SLR requirements. This results in the reverse repo market explosion as they are scrambling to survive due to their mass leverage.**
- This is not a "retail vs. Melvin/Point72/Citadel" issue. This is a "retail vs. **Mega Banks**" issue. The rich, and I mean **all of Wall Street,** are trying **desperately** to shut GameStop down because it has the chance to suck out trillions if not hundreds of trillions from the game they've played for decades. They've rigged this game since the 1990's when derivatives were first introduced. **Do you really think they, including the Fed, wouldn't pull all the stops now to try to get you to sell?**

End TL;DR

A ton of the information provided in this post is from the movie **Inside Job (2010)**. I am paraphrasing from the movie as well as taking direct quotes, so please understand that a bunch of this information is a summary of that film.

I understand that **The Big Short (2015)** is much more popular here, due to it being a more Hollywood style movie, but it does not go into such great detail of the conditions that led to the crash - and how things haven't even changed. But in fact, got worse, and led us to where we are now.

Seriously. **Go**. **Watch**. **Inside Job**. It is a documentary with interviews of many people, including those who were involved in the Ponzi Scheme of the derivative market bomb that led to the crash of 2008, and their continued lobbying to influence the Government to keep regulations at bay.

Inside Job (2010) Promotional

1. The Market Crash Of 2008

1.1 The Casino Of The Financial World: The Derivatives Market

It all started back in the 1990's when the **Derivative Market** was created. This was the opening of the literal Casino in the financial world. These are bets placed upon an underlying asset, index, or entity, and are **very** risky. Derivatives are contracts between two or more parties that derives its value from the performance of the underlying asset, index, or entity.

One such derivative many are familiar with are **options** (CALLs and PUTs). Other examples of derivatives are **fowards**, **futures**, **swaps**, and variations of those such as **Collateralized Debt Obligations (CDOs)**, and **Credit Default Swaps (CDS)**.

The potential to make money off of these trades is **insane**. Take your regular CALL option for example. You no longer take home a 1:1 return when the underlying stock rises or falls $1. Your returns can be amplified by magnitudes more. Sometimes you might make a 10:1 return on your investment, or 20:1, and so forth.

Not only this, you can grab leverage by borrowing cash from some other entity. This allows your bets to potentially return that much more money. You can see how this gets out of hand really fast, because the amount of cash that can be gained absolutely skyrockets versus traditional investments.

Attempts were made to regulate the derivatives market, but due to mass lobbying from Wall Street, regulations were continuously shut down. **People continued to try to pass regulations, until in 2000, the** Commodity Futures Modernization Act **banned the regulation of derivatives outright**.

And of course, once the Derivatives Market was left unchecked, it was off to the races for Wall Street to begin making tons of risky bets and surging their profits.

The Derivative Market exploded in size once regulation was banned and de-regulation of the financial world continued. You can see as of 2000, the cumulative derivatives market was already out of control.

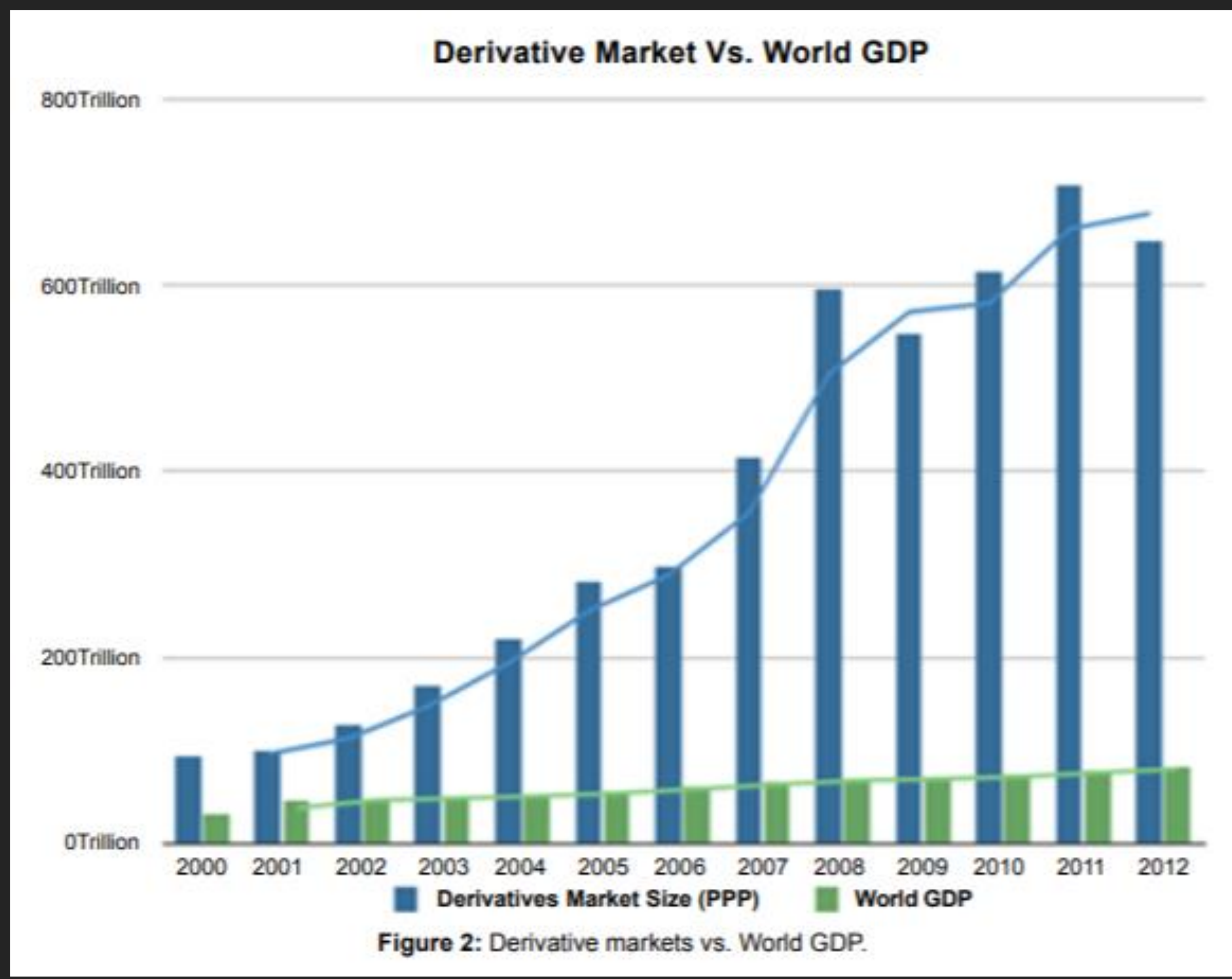


Figure 2: Derivative markets vs. World GDP.

https://www.hilarispublisher.com/open-access/investment-banks-and-credit-institutions-the-ignored-and-unregulateddiversity-2151-6219-1000224.pdf

The Derivatives Market is big. **Insanely big**. Look at how it compares to **Global Wealth**.

Category	Value ($ Billions, USD)	Source
Silver	$44	World Silver Survey 2019
Cryptocurrencies	$244	CoinMarketCap
Global Military Spending	$1,782	World Bank
U.S. Federal Deficit (FY 2020)	$3,800	U.S. CBO (Projected, as of April 2020)
Coins & Bank Notes	$6,662	BIS
Fed's Balance Sheet	$7,037	U.S. Federal Reserve
The World's Billionaires	$8,000	Forbes
Gold	$10,891	World Gold Council (2020)
The Fortune 500	$22,600	Fortune 500 (2019 list)
Stock Markets	$89,475	WFE (April 2020)
Narrow Money Supply	$35,183	CIA Factbook
Broad Money Supply	$95,698	CIA Factbook
Global Debt	$252,600	IIF Debt Monitor
Global Real Estate	$280,600	Savills Global Research (2018 est.)
Global Wealth	$360,603	Credit Suisse
Derivatives (Market Value)	$11,600	BIS (Dec 2019)
Derivatives (Notional Value)	$558,500	BIS (Dec 2019)
Derivatives (Notional Value - High end)	$1,000,000	Various sources (Unofficial)

https://www.visualcapitalist.com/all-of-the-worlds-money-and-markets-in-one-visualization-2020/

At the bottom of the list are three derivatives entries, with "Market Value" and "Notional Value" called out.

The "Market Value" is the value of the derivative at its current trading price.

The "Notional Value" is the value of the derivative if it was at the strike price.

E.g. A CALL option (a derivative) represents 100 shares of ABC stock with a strike of $50. Perhaps it is trading in the market at $1 per contract right now.

- Market Value = 100 shares * $1.00 per contract = $100
- Notional Value = 100 shares * $50 strike price = $5,000

Visual Capitalist estimates that the cumulative Notional Value of derivatives is between $558 Trillion and $1 Quadrillion. So yeah. **You** are not going to cause a market crash if GME sells for millions per share. The rich are already priming the market crash through the Derivatives Market.

1.2 CDOs And Mortgage Backed Securities

Decades ago, the system of paying mortgages used to be between two parties. The buyer, and the loaner. Since the movement of money was between the buyer and the loaner, the loaner was very careful to ensure that the buyer would be able to pay off their loan and not miss payments.

But now, it's a chain.

1. Home buyers will buy a loan from the lenders.
2. The lenders will then sell those loans to Investment Banks.
3. The Investment Banks then combine thousands of mortgages and other loans, including car loans, student loans, and credit card debt to create complex derivatives called "**Collateralized Debt Obligations (CDO's**)".
4. The Investment Banks then pay Rating Agencies to rate their CDO's. This can be on a scale of "AAA", the best possible rating, equivalent to government-backed securities, all the way down to C/D, which are junk bonds and very risky. **Many of these CDO's were given AAA ratings despite being filled with junk**.
5. The Investment Banks then take these CDO's and sell them to investors, including retirement funds, because that was the rating required for retirement funds as they would only purchase highly rated securities.
6. Now when the homeowner pays their mortgage, the money flows directly into the investors. The investors are the main ones who will be hurt if the CDO's containing the mortgages begin to fail.

Inside Job (2010) - Flow Of Money For Mortgage Payments

Bond Rating			
Moody's	Standard & Poor's	Grade	Risk
Aaa	AAA	Investment	Lowest Risk
Aa	AA	Investment	Low Risk
A	A	Investment	Low Risk
Baa	BBB	Investment	Medium Risk
Ba, B	BB, B	Junk	High Risk
Caa/Ca/C	CCC/CC/C	Junk	Highest Risk
C	D	Junk	In Default

Investopedia

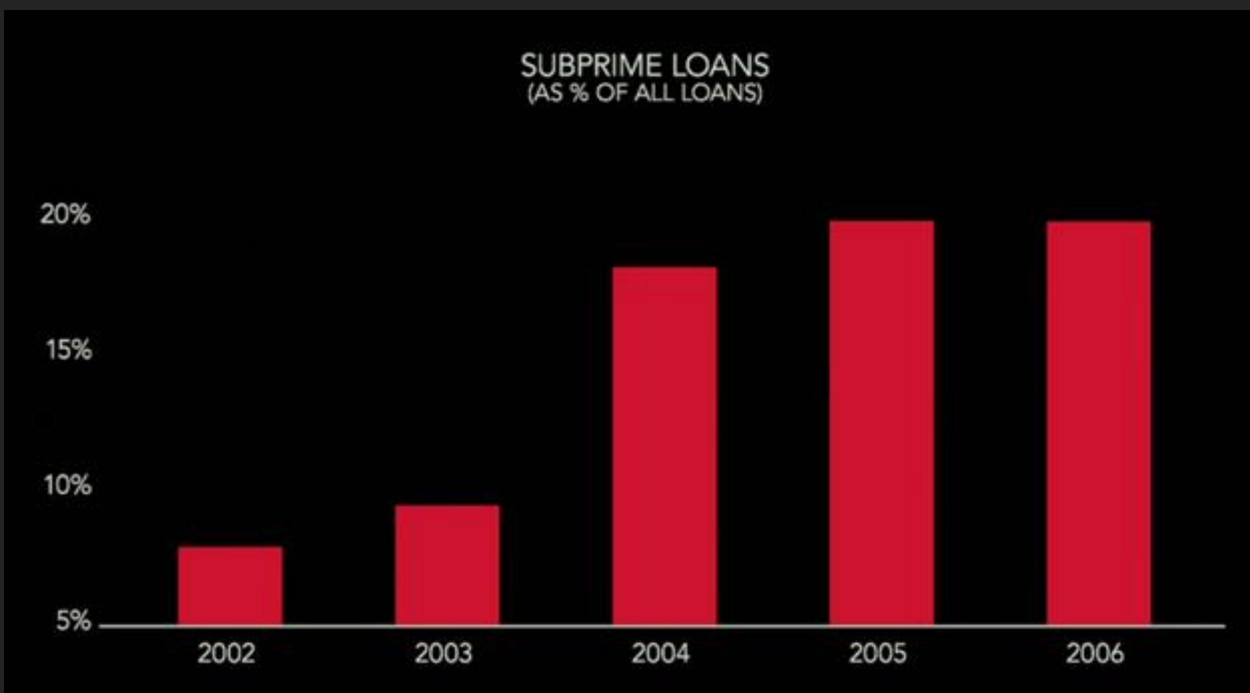
https://www.investopedia.com/ask/answers/09/bond-rating.asp

1.3 The Bubble of Subprime Loans Packed In CDOs

This system became a ticking timebomb due to this potential of free short-term gain cash. Lenders didn't care if a borrower could repay, so they would start handing out riskier loans. The investment banks didn't care if there were riskier loans, because the more CDO's sold to investors resulted in more profit. And the Rating Agencies didn't care because there were no regulatory constraints and there was no liability if their ratings of the CDO's proved to be wrong.

So they went wild and pumped out more and more loans, and more and more CDOs. Between 2000 and 2003, the number of mortgage loans made each year nearly quadrupled. They didn't care about the quality of the mortgage - they cared about maximizing the volume and getting profit out of it.

In the early 2000s there was a huge increase in the riskiest loans - "Subprime Loans". These are loans given to people who have low income, limited credit history, poor credit, etc. They are very at risk to not pay their mortgages. It was predatory lending, because it hunted for potential home buyers who would never be able to pay back their mortgages so that they could continue to pack these up into CDO's.



Inside Job (2010) - % Of Subprime Loans

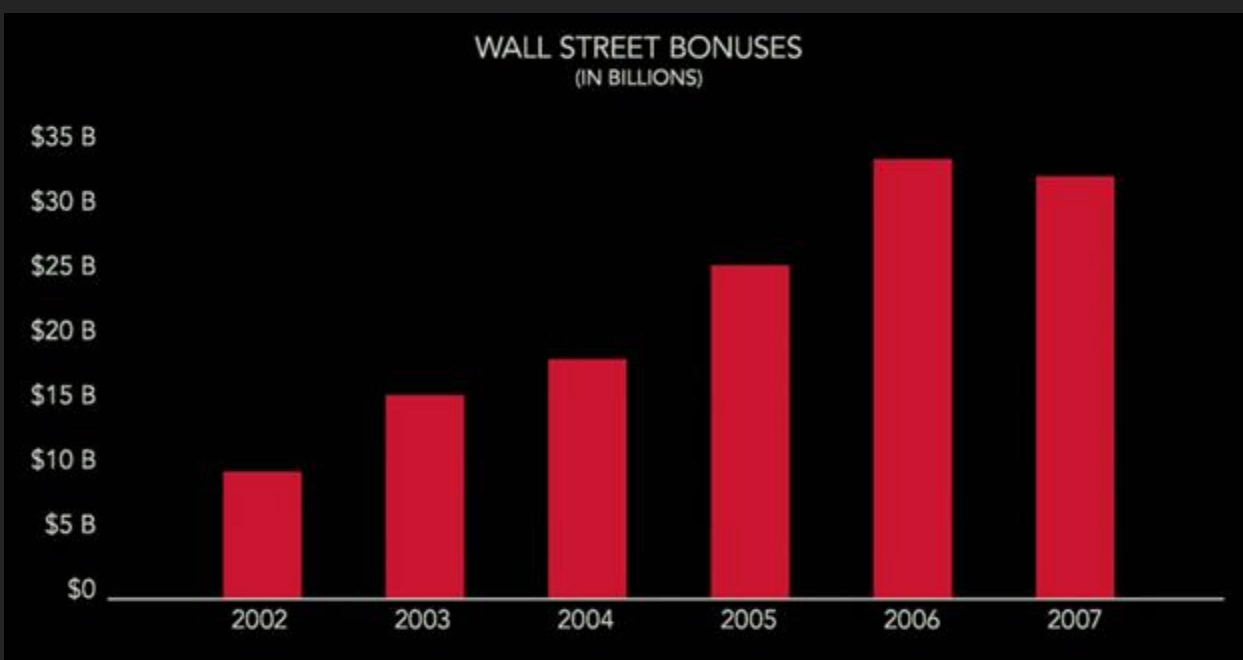
In fact, the investment banks **preferred** subprime loans, because they carried higher interest rates and more profit for them.

So the Investment Banks took these subprime loans, packaged the subprime loans up into CDO's, and many of them still received AAA ratings. These can be considered "toxic CDO's" because of their high ability to default and fail despite their ratings.

Pretty much **anyone** could get a home now. Purchases of homes and housing prices skyrocketed. It didn't matter because everyone in the chain was making money in an unregulated market.

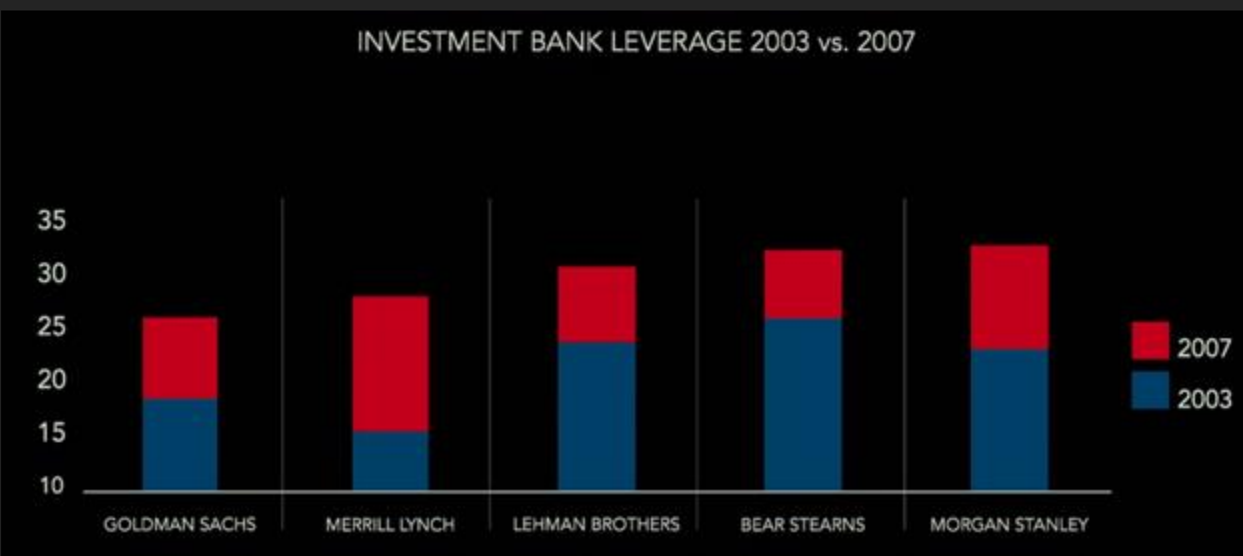
1.4 Short Term Greed At The Risk Of Institutional And Economic Failure

In Wall Street, annual cash bonuses started to spike. Traders and CEOs became extremely wealthy in this bubble as they continued to pump more toxic CDO's into the market. Lehman Bros. was one of the top underwriters of subprime lending and their CEO alone took home over $485 million in bonuses.



Inside Job (2010) Wall Street Bonuses

And it was all short-term gain, high risk, with no worries about the potential failure of your institution or the economy. When things collapsed, they would not need to pay back their bonuses and gains. They were literally risking the entire world economy for the sake of short-term profits.
AND THEY EVEN TOOK IT FURTHER WITH LEVERAGE TO MAXIMIZE PROFITS.
During the bubble from 2000 to 2007, the investment banks were borrowing heavily to buy more loans and to create more CDO's. The ratio of banks borrowed money and their own money was their leverage. The more they borrowed, the higher their leverage. They abused leverage to continue churning profits. And are still abusing massive leverage to this day. It might even be much higher leverage today than what it was back in the Housing Market Bubble.
In 2004, Henry Paulson, the CEO of Goldman Sachs, helped lobby the SEC to relax limits on leverage, allowing the banks to sharply increase their borrowing. Basically, the SEC allowed investment banks to gamble a lot more. **Investment banks would go up to about 33-to-1 leverage at the time of the 2008 crash**. Which means if a 3% decrease occurred in their asset base, it would leave them insolvent. **Henry Paulson would later become the Secretary Of The Treasury from 2006 to 2009**. He was just one of many Wall Street executives to eventually make it into Government positions. Including the infamous Gary Gensler, the current SEC chairman, who helped block derivative market regulations.

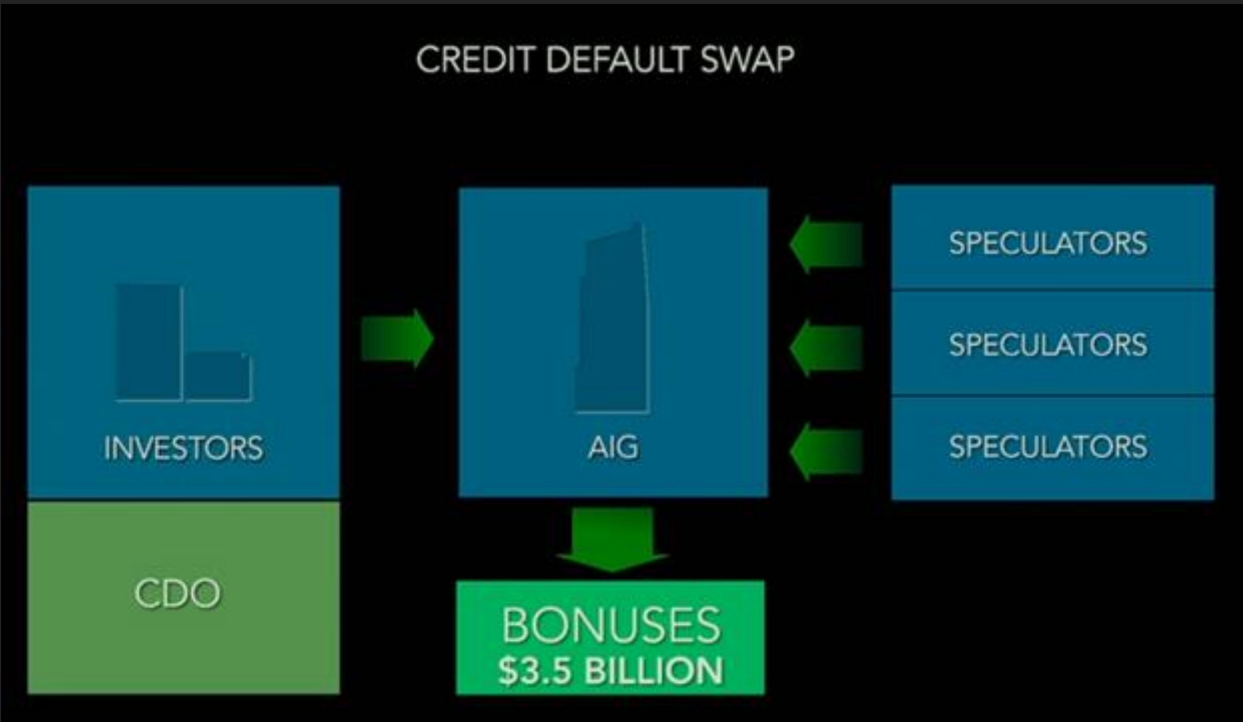


Inside Job (2010) Leverage Abuse of 2008

The borrowing exploded, the profits exploded, and it was all at the risk of obliterating their institutions and possibly the global economy. Some of these banks knew that they were "too big to fail" and could push for bailouts at the expense of taxpayers. Especially when they began planting their own executives in positions of power.

1.5 Credit Default Swaps (CDS)

To add another ticking bomb to the system, AIG, the worlds largest insurance company, got into the game with another type of derivative. They began selling Credit Default Swaps (CDS).
For investors who owned CDO's, CDS's worked like an insurance policy. An investor who purchased a CDS paid AIG a quarterly premium. If the CDO went bad, AIG promised to pay the investor for their losses. Think of it like insuring a car. You're paying premiums, but if you get into an accident, the insurance will pay up (some of the time at least).
But unlike regular insurance, where you can only insure your car once, **speculators could also purchase CDS's from AIG in order to bet against CDO's they didn't own**. You could suddenly have a sense of rehypothecation where fifty, one hundred entities might now have insurance against a CDO.



Inside Job (2010) Payment Flow of CDS's

If you've watched The Big Short (2015), you might remember the Credit Default Swaps, because those are what Michael Burry and others purchased to bet against the Subprime Mortgage CDO's.
CDS's were unregulated, so **AIG didn't have to set aside any money to cover potential losses**.
Instead, AIG paid its employees huge cash bonuses as soon as contracts were signed in order to incentivize the sales of these derivatives. But if the CDO's later went bad, AIG would be on the hook. It paid everyone short-term gains while pushing the bill to the company itself without worrying about footing the bill if shit hit the fan. People once again were being rewarded with short-term profit to take these massive risks.
AIG's Financial Products division in London issued over $500B worth of CDS's during the bubble. Many of these CDS's were for CDO's backed by subprime mortgages.
The 400 employees of AIGFP made $3.5B between 2000 and 2007. And the head of AIGFP personally made $315M.

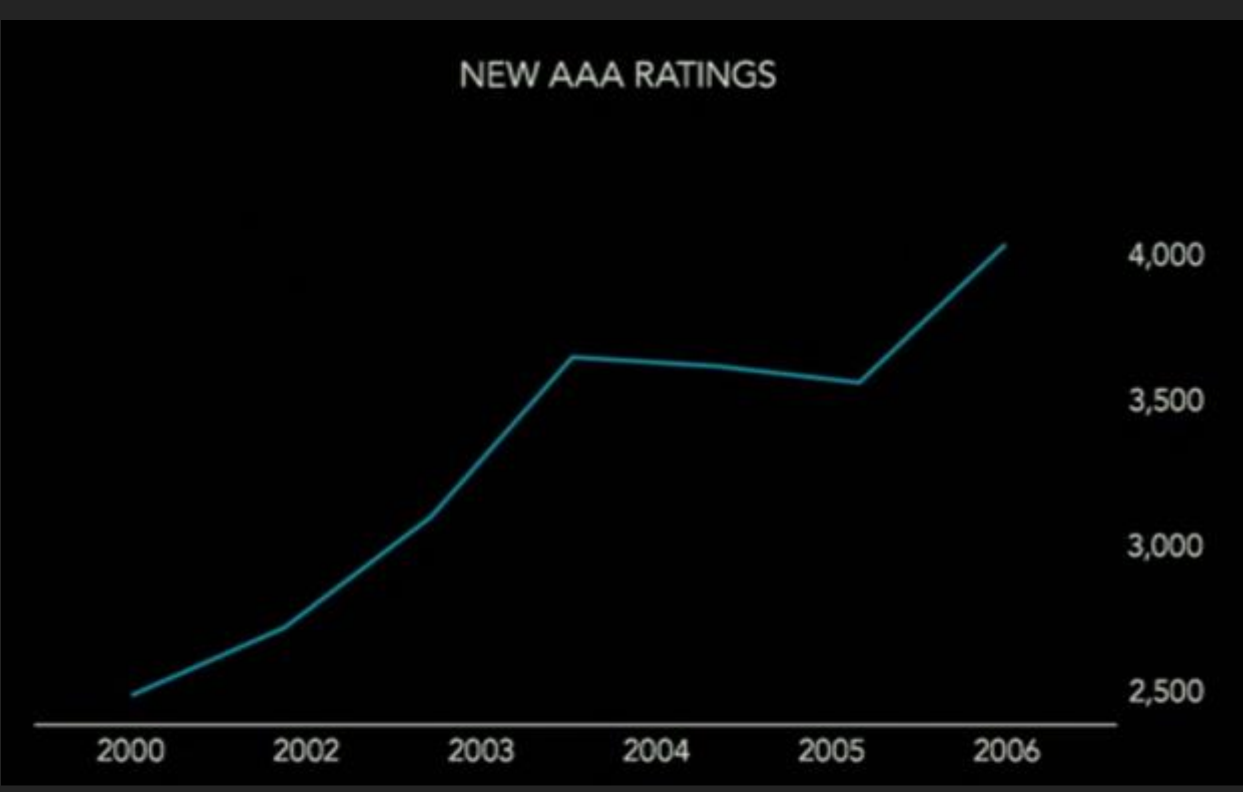
1.6 The Crash And Consumption Of Banks To Consolidate Power

By late 2006, Goldman Sachs took it one step further. It didn't just sell toxic CDO's, it started actively betting against them at the same time it was telling customers that they were high-quality investments. Goldman Sachs would purchase CDS's from AIG and bet against CDO's it didn't own, and got paid when those CDO's failed. Goldman bought at least $22B in CDS's from AIG, and it was so much that Goldman realized AIG itself might go bankrupt (which later on it would and the Government had to bail them out). So Goldman spent $150M insuring themselves against AIG's potential collapse. They purchased CDS's against AIG.

Inside Job (2010) Payment From AIG To Goldman Sachs If CDO's Failed

Then in 2007, Goldman went even further. They started selling CDO's specifically designed so that the more money their customers lost, the more Goldman Sachs made.
Many other banks did the same. They created shitty CDO's, sold them, while simultaneously bet that they would fail with CDS's. All of these CDO's were sold to customers as “safe” investments because of the complicit Rating Agencies.
The three rating agencies, Moody’s, S&P and Fitch, made billions of dollars giving high ratings to these risky securities. Moody’s, the largest ratings agency, quadrupled its profits between 2000 and 2007. The more AAA's they gave out, the higher their compensation and earnings were for the quarter. AAA ratings mushroomed from a handful in 2000 to thousands by 2006. Hundreds of billions of dollars worth of CDO's were being rated AAA per year. When it all collapsed and the ratings agencies were called before Congress, the rating agencies expressed that it was “their opinion” of the rating in order to weasel their way out of blame. Despite knowing that they were toxic and did not deserve anything above 'junk' rating.

Inside Job (2010) Ratings Agencies Profits



Inside Job (2010) - Insane Increase of AAA Rated CDOs

By 2008, home foreclosures were skyrocketing. Home buyers in the subprime loans were defaulting on their payments. Lenders could no longer sell their loans to the investment banks. And as the loans went bad, dozens of lenders failed. The market for CDO's collapsed, leaving the investment banks holding hundreds of billions of dollars in loans, CDO's, and real estate they couldn't sell. Meanwhile, those who purchased up CDS's were knocking at the door to be paid.

In March 2008, Bear Stearns ran out of cash and was acquired for $2 a share by JPMorgan Chase. The deal was backed by $30B in emergency guarantees by the Fed Reserve. This was just one instance of a bank getting consumed by a larger entity.

2008

March 16

Bear Stearns collapses, sold to J.P. Morgan Chase

https://www.history.com/this-day-in-history/bear-stearns-sold-to-j-p-morgan-chase

AIG, Bear Stearns, Lehman Bros, Fannie Mae, and Freddie Mac, were all AA or above rating days before either collapsing or being bailed out. Meaning they were 'very secure', yet they failed.

The Fed Reserve and Big Banks met together in order to discuss bailouts for different banks, and they decided to let Lehman Brothers fail as well.

The Government also then took over AIG, and a day after the takeover, asked the Government for $700B in bailouts for big banks. At this point in time, **the person in charge of handling the financial crisis, Henry Paulson, former CEO of Goldman Sachs**, worked with the chairman of the Federal Reserve to force AIG to pay Goldman Sachs some of its bailout money at 100-cents on the dollar. Meaning there was no negotiation of lower prices. **Conflict of interest much?**

The Fed and Henry Paulson also forced AIG to surrender their right to sue Goldman Sachs and other banks for fraud.

This is but a small glimpse of the consolidation of power in big banks from the 2008 crash. They let others fail and scooped up their assets in the crisis.

After the crash of 2008, big banks are more powerful and more consolidated than ever before. And the DTC, ICC, OCC rules are planning on making that worse through the auction and wind-down plans where big banks can once again consume other entities that default.

1.7 The Can-Kick To Continue The Game Of Derivative Market Greed

After the crisis, the financial industry worked harder than ever to fight reform. The financial sector, as of 2010, employed over 3000 lobbyists. More than five for each member of Congress. Between 1998 and 2008 the financial industry spent over $5B on lobbying and campaign contributions. And ever since the crisis, they're spending even more money.

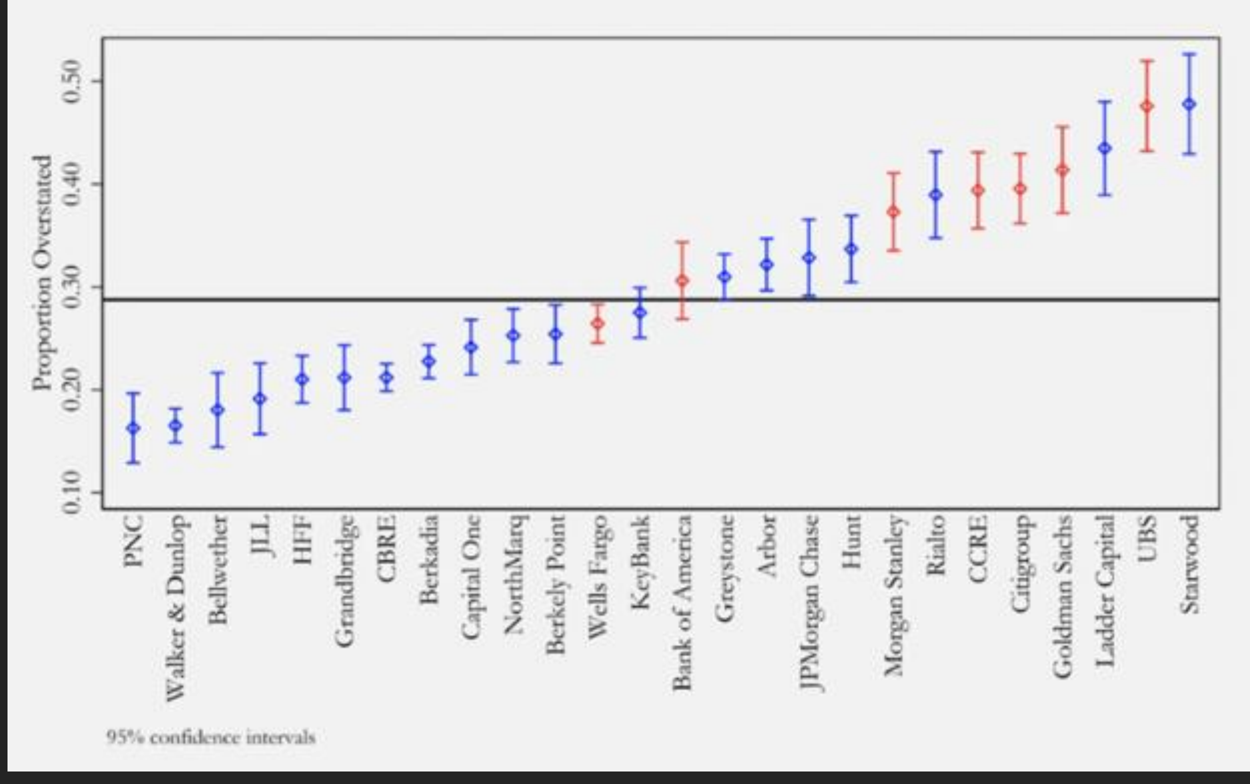
President Barack Obama campaigned heavily on "Change" and "Reform" of Wall Street, but when in office, nothing substantial was passed. But this goes back for decades - the Government has been in the pocket of the rich for a long time, both parties, both sides, and their influence through lobbying undoubtedly prevented any actual change from occurring.
So their game of playing the derivative market was green-lit to still run rampant following the 2008 crash and mass bailouts from the Government at the expense of taxpayers.
There's now more consolidation of banks, more consolidation of power, more years of deregulation, and over a decade that they used to continue the game. And just like in 2008, it's happening again. We're on the brink of another market crash and potentially a global financial crisis.

2. The New CDO Game, And How COVID Uppercut To The System

2.1 Abuse Of Commercial Mortgage Backed Securities

It's not just /u/atobitt's "House Of Cards" where the US Treasury Market has been abused. It is abuse of many forms of collateral and securities this time around.
It's the **same thing** as 2008, but much worse due to even higher amounts of leverage in the system on top of massive amounts of liquidity and potential inflation from stimulus money of the COVID crisis.
Here's an excerpt from The Bigger Short: Wall Street's Cooked Books Fueled The Financial Crisis of 2008. It's Happening Again:
A longtime industry analyst has uncovered creative accounting on a startling scale in the commercial real estate market, in ways similar to the “liar loans” handed out during the mid-2000s for residential real estate, according to financial records examined by the analyst and reviewed by The Intercept. A recent, large-scale academic study backs up his conclusion, **finding that banks such as Goldman Sachs and Citigroup have systematically reported erroneously inflated income data that compromises the integrity of the resulting securities.**
...
The analyst’s findings, first reported by ProPublica last year, are the subject of a whistleblower complaint he filed in 2019 with the Securities and Exchange Commission. Moreover, the analyst has identified complex financial machinations by one financial institution, one that both issues loans and manages a real estate trust, that may ultimately help one of its top tenants — the low-cost, low-wage store Dollar General — flourish while devastating smaller retailers.
This time, the issue is not a bubble in the housing market, **but apparent widespread inflation of the value of commercial businesses, on which loans are based.**
...
Now it may be happening again — this time not with residential mortgage-backed securities, based on loans for homes, **but commercial mortgage-backed securities, or CMBS, based on loans for businesses.** And this industrywide scheme is colliding with a collapse of the commercial real estate market amid the pandemic, which has **business tenants across the country unable to make their payments.**

They've been abusing Commercial Mortgage Backed Securities (CMBS) this time around, and potentially have still been abusing other forms of collateral - they might still be hitting MBS as well as treasury bonds per /u/atobitt's DD.
John M. Griffin and Alex Priest released a study last November. They sampled almost 40,000 CMBS loans with a market capitalization of $650 billion underwritten from the beginning of 2013 to the end of 2019. **Their findings were that large banks had 35% or more loans exhibiting 5% or greater income overstatements.**
The below chart shows the overstatements of the biggest problem-making banks. The difference in bars is between samples taken from data between 2013-2015, and then data between 2016-2019. Almost every single bank experienced a positive move up over time of overstatements.
Unintentional overstatement should have occurred at random times. Or if lenders were assiduous and the overstatement was unwitting, one might expect it to diminish over time as the lenders discovered their mistakes. **Instead, with almost every lender, the overstatement *increased* as time went on**.
- Source



https://theintercept.com/2021/04/20/wall-street-cmbs-dollar-general-ladder-capital/

So what does this mean? **It means they've once again been handing out subprime loans (predatory loans). But this time to businesses through Commercial Mortgage Backed Securities.**
Just like Mortgage-Backed Securities from 2000 to 2007, the loaners will go around, hand out loans to businesses, and rake in the profits while having no concern over the potential for the subprime loans failing.

2.2 COVID's Uppercut Sent Them Scrambling

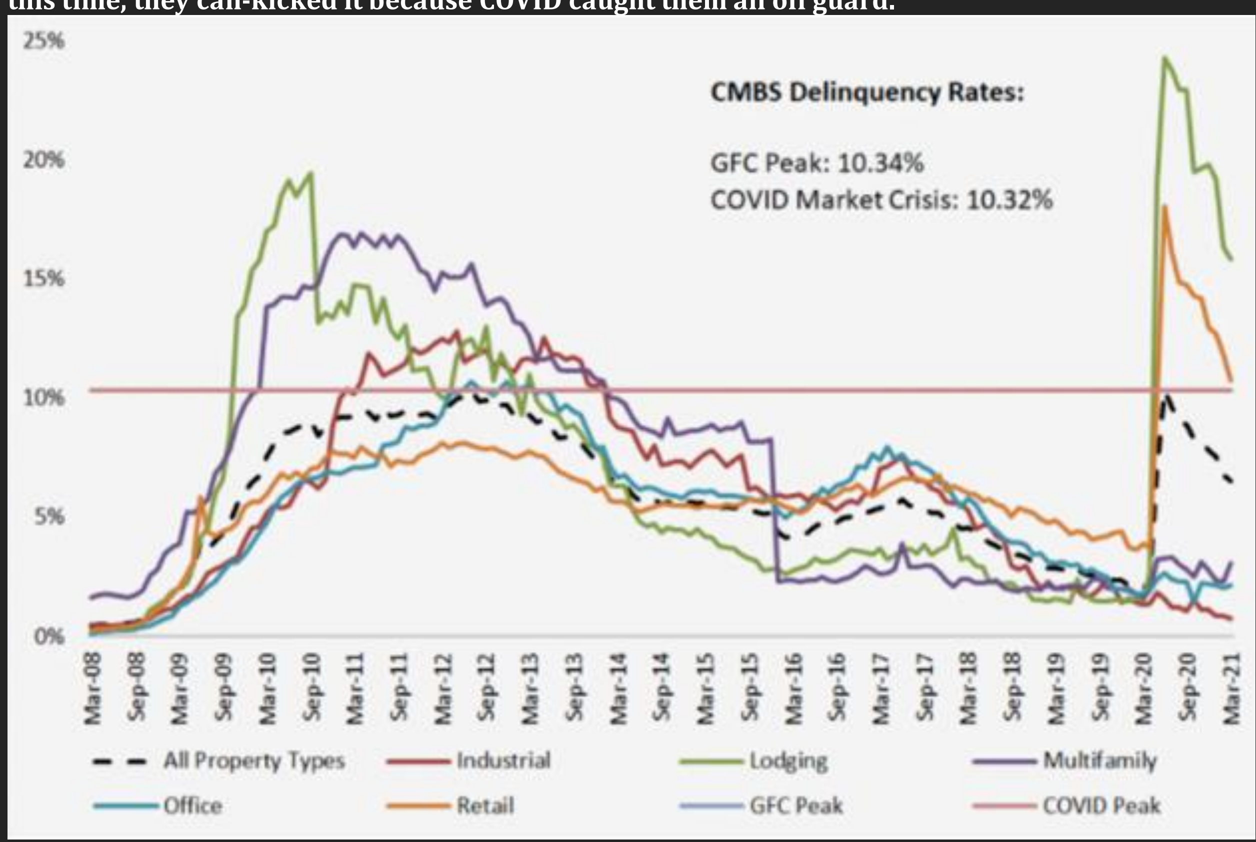
The system was propped up to fail just like from the 2000-2007 Housing Market Bubble. Now we are in a speculative bubble of the entire market along with the Commercial Market Bubble due to continued mass leverage abuse of the world.

Hell - also in Crypt0currencies that were introduced after the 2008 crash. **Did you know that you can get over 100x leverage in crypt0 right now? Imagine how terrifying that crash could be if the other markets fail.**

There is SO. MUCH. LEVERAGE. ABUSE. IN. THE. WORLD. All it takes is one fatal blow to bring it all down **- and it sure as hell looks like COVID was that uppercut to send everything into a death spiral.**

When COVID hit, many people were left without jobs. Others had less pay from the jobs they kept. It rocked the financial world and it was so unexpected. Apartment residents would now become delinquent, causing the apartment complexes to become delinquent. Business owners would be hurting for cash to pay their mortgages as well due to lack of business. The subprime loans all started to become a really big issue.

Delinquency rates of Commercial Mortgages started to **skyrocket** when the COVID crisis hit. They even surpassed 2008 levels in March of 2020. Remember what happened in 2008 when this occurred? **When delinquency rates went up on mortgages in 2008, the CDO's of those mortgages began to fail. But, this time, they can-kicked it because COVID caught them all off guard.**



https://theintercept.com/2021/04/20/wall-street-cmbs-dollar-general-ladder-capital/

2.3 Can-Kick Of COVID To Prevent CDO's From Defaulting Before Being Ready

COVID sent them **Scrambling**. They could not allow these CDO's to fail just yet, because they wanted to get their rules in place to help them consume other failing entities at a whim.

Like in 2008, they wanted to not only protect themselves when the nuke went off from these decades of derivatives abuse, they wanted to be able to scoop up the competition easily. That is when the DTC, ICC, and OCC began drafting their auction and wind-down plans.

In order to buy time, they began tossing out emergency relief "protections" for the economy. Such as preventing mortgage defaults which would send their CDO's tumbling. **This protection ends on June 30th, 2021**.

And guess what? **Many people are still at risk of being delinquent**. This article was posted just **yesterday**. The moment these protection plans lift, we can see a surge in foreclosures as delinquent payments have accumulated over the past year.

When everyone, including small business owners who were attacked with predatory loans, begin to default from these emergency plans expiring, it can lead to the CDO's themselves collapsing. **Which is exactly what triggered the 2008 recession**.

Mortgage forbearance drops as expiration date nears

2 million loans still in forbearance

https://www.housingwire.com/articles/mortgage-forbearance-drops-as-expiration-date-nears/

2.4 SLR Requirement Exemption - Why The Reverse Repo Is Blowing Up

Another big issue exposed from COVID is when SLR requirements were leaned during the pandemic. They had to pass a quick measure to protect the banks from defaulting in April of 2020.

In a brief announcement, the Fed said it would allow a change to the **supplementary leverage ratio to expire March 31**. The initial move, announced April 1, 2020, **allowed banks to exclude Treasurys and deposits with Fed banks from the calculation of the leverage ratio**. - Source

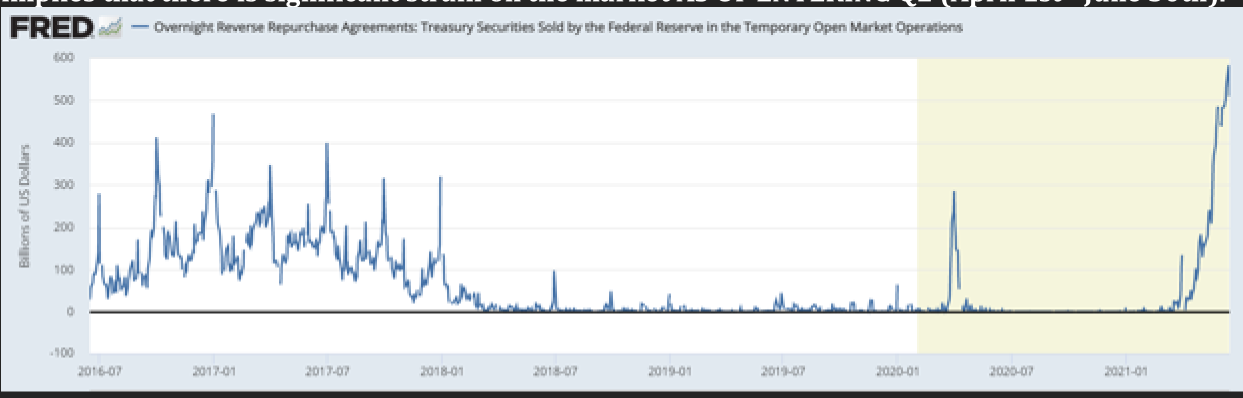
What can you take from the above?

SLR is based on the banks deposits with the Fed itself. It is the treasuries and deposits that the banks have on the Fed's balance sheet. Banks have an 'account block' on the Fed's balance sheet that holds treasuries and deposits. The SLR pandemic rule allowed them to neglect these treasuries and deposits from their SLR calculation, and it boosted their SLR value, allowing them to survive defaults.

This is a **big**, **big**, **BIG** sign that **the banks are way overleveraged by borrowing tons of money just like in 2008.**
The SLR is the "Supplementary Leverage Ratio" and they enacted quick to allow it so banks wouldn't fail under mass leverage for failing to maintain enough equity.
The supplementary leverage ratio is the US implementation of the Basel III Tier 1 **leverage ratio**, with which **banks calculate the amount of common equity capital they must hold relative to their total leverage exposure. Large US banks must hold 3%. Top-tier bank holding companies must also hold an extra 2% buffer, for a total of 5%.** The SLR, which does not distinguish between assets based on risk, is conceived as a backstop to risk-weighted capital requirements. - Source
Here is an exposure of their SLR from earlier this year. The key is to have **high SLR, above 5%, as a top-tier bank**:

Bank	Supplementary Leverage Ratio (SLR)
JP Morgan Chase	6.8%
Bank Of America	7%
Citigroup	6.7%
Goldman Sachs	6.7%
Morgan Stanley	7.3%
Bank of New York Mellon	8.2%
State Street	8.3%

The SLR protection ended on March 31, 2021. Guess what started to happen just after?
The reverse repo market started to explode. This is VERY unusual behavior because it is not at a quarter-end where quarter-ends have significant strain on the economy. The build-up over time implies that there is significant strain on the market AS OF ENTERING Q2 (April 1st - June 30th).



https://fred.stlouisfed.org/series/RRPONTSYD

Speculation: SLR IS DEPENDENT ON THEIR DEPOSITS WITH THE FED ITSELF. THEY NEED TO EXTRACT TREASURIES OVER NIGHT TO KEEP THEM OFF THE FED'S BALANCE SHEETS TO PREVENT THEMSELVES FROM FAILING SLR REQUIREMENTS AND DEFAULTING DUE TO MASS OVERLEVERAGE. EACH BANK HAS AN ACCOUNT ON THE FED'S BALANCE SHEET, WHICH IS WHAT

SLR IS CALCULATED AGAINST. THIS IS WHY IT IS EXPLODING. THEY ARE ALL STRUGGLING TO MEET SLR REQUIREMENTS.

2.5 DTC, ICC, OCC Wind-Down and Auction Plans; Preparing For More Consolidation Of Power

We've seen some interesting rules from the DTC, ICC, and OCC. For the longest time we thought this was all surrounding GameStop. Guess what. **They aren't all about GameStop**. Some of them are, but not all of them.

They are furiously passing these rules because the COVID can-kick can't last forever. The Fed is dealing with the potential of runaway inflation from COVID stimulus and they can't allow the overleveraged banks to can-kick any more. They need to resolve this as soon as possible. June 30th could be the deadline because of the potential for CDO's to begin collapsing.

Let's revisit a few of these rules. The most important ones, in my opinion, because they shed light on the bullshit they're trying to do once again: Scoop up competitors at the cheap, and protect themselves from defaulting as well.

- **DTC-004:** Wind-down and auction plan. - Link
- **ICC-005:** Wind-down and auction plan. - Link
- **OCC-004:** Auction plan. Allows third parties to join in. - Link
- **OCC-003**: Shielding plan. Protects the OCC. **-** Link

Each of these plans, in brief summary, allows each branch of the market to protect themselves in the event of major defaults of members. They also **allow members to scoop up assets of defaulting members**.

What was that? Scooping up assets? **In other words it is more concentration of power**. **Less competition**.

I would not be surprised if many small and large Banks, Hedge Funds, and Financial Institutions evaporate and get consumed after this crash and we're left with just a select few massive entities. That is, after all, exactly what they're planning for.

They could not allow the COVID crash to pop their massive speculative derivative bubble so soon. It came too sudden for them to not all collapse instead of just a few of them. It would have obliterated the entire economy even more so than it will once this bomb is finally let off. They needed more time to prepare so that they could feast when it all comes crashing down.

2.6 Signs Of Collapse Coming - ICC-014 - Incentives For Credit Default Swaps

A comment on this subreddit made me revisit a rule passed by the ICC. It flew under the radar and is another sign for a crash coming.

This is ICC-014. Passed and effective as of June 1st, 2021.

Seems boring at first. Right? That's why it flew under the radar?

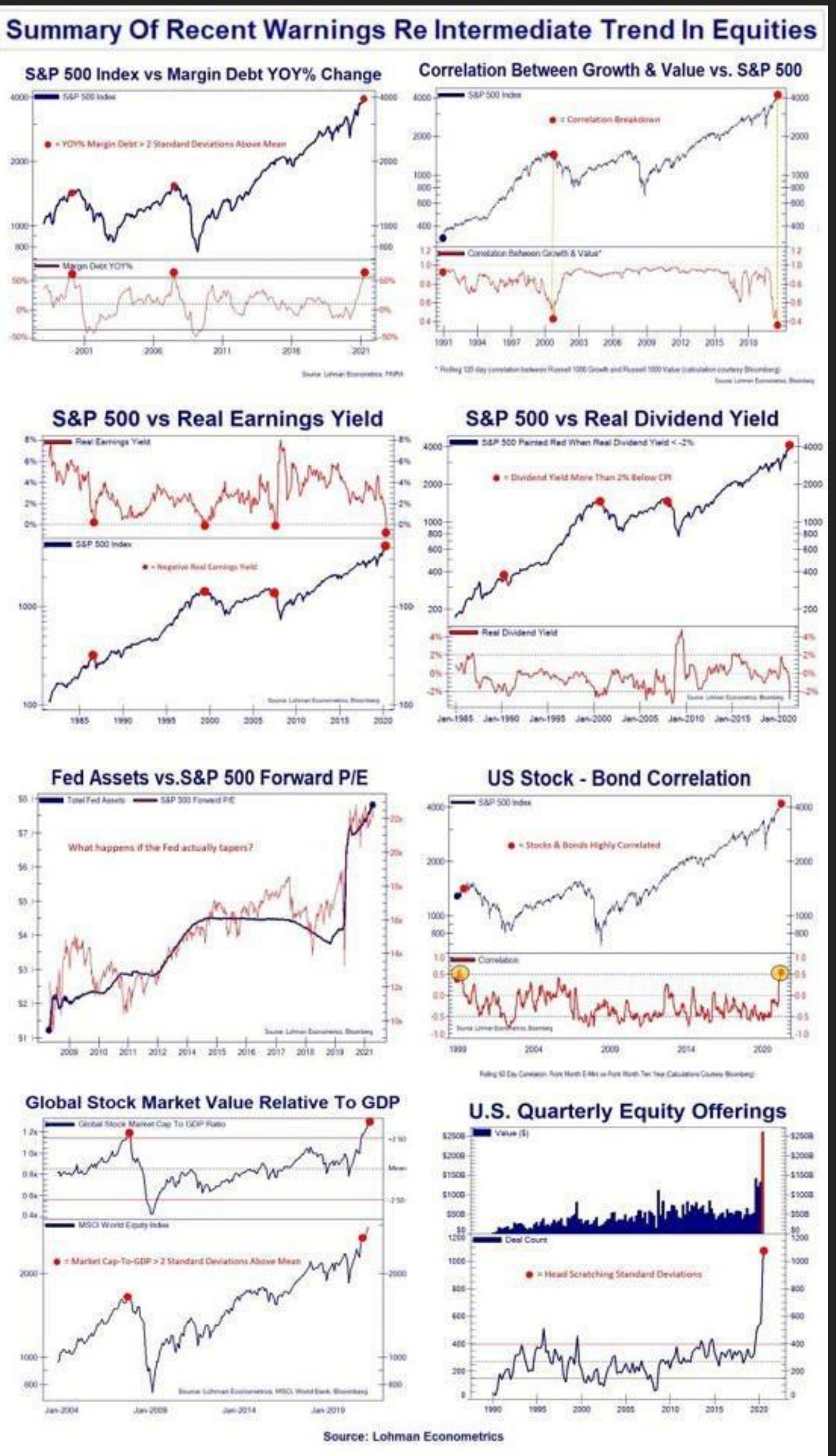
But now that you know the causes of the 2008 market crash and how toxic CDO's were packaged together, and then CDS's were used to bet against those CDO's, check out what ICC-014 is doing **as of June 1st**.

I. Clearing Agency's Statement of the Terms of Substance of the Proposed Rule Change

The principal purpose of the proposed rule change is to modify ICC's fee schedules to introduce credit default index swaption ("Index Option") incentive programs for the second half of 2021. These revisions do not require any changes to the ICC Clearing Rules.

ICC-014 Proposed Discounts On Credit Default Index Swaptions

They are providing incentive programs to purchase Credit Default Swap Indexes. These are like standard CDS's, but packaged together like an index. Think of it like an index fund.
This is allowing them to bet against a wide range of CDO's or other entities at a cheaper rate. Buyers can now bet against a wide range of failures in the market. They are allowing upwards of 25% discounts.
There's many more indicators that are pointing to a market collapse. But I will leave that to you to investigate more. Here is quite a scary compilation of charts relating the current market trends to the crashes of Black Monday, The Internet Bubble, The 2008 Housing Market Crash, and Today.


Summary Of Recent Warnings Re Intermediate Trend In Equities
S&P 500 Index vs Margin Debt YOY% Change
Correlation Between Growth & Value vs. S&P 500
S&P 500 vs Real Earnings Yield
S&P 500 vs Real Dividend Yield
Fed Assets vs.S&P 500 Forward P/E
What happens if the Fed actually tapers?
US Stock - Bond Correlation
Global Stock Market Value Relative To GDP
U.S. Quarterly Equity Offerings
Source: Lohman Econometrics

3. The Failure Of The 1% - How GameStop Can Deal A Fatal Blow To Wealth Inequality

3.1 GameStop Was Never Going To Cause The Market Crash

GameStop was meant to die off. The rich bet against it many folds over, and it was on the brink of Bankruptcy before many conditions led it to where it is today.

It was never going to cause the market crash. And it never will cause the crash. The short squeeze is a result of high abuse of the derivatives market over the past decade, where Wall Street's abuse of this market has primed the economy for another market crash on their own.

We can see this because when COVID hit, GameStop was a non-issue in the market. The CDO market around CMBS was about to collapse on its own because of the instantaneous recession which left mortgage owners delinquent.

If anyone, be it the media, the US Government, or others, try to blame this crash on GameStop or anything **other than the Banks and Wall Street**, **they are WRONG.**

3.2 The Rich Are Trying To Kill GameStop. They Are Terrified

In January, the SI% was reported to be 140%. But it is very likely that it was **underreported at that time**. Maybe it was 200% back then. 400%. 800%. Who knows. From the above you can hopefully gather that Wall Street **takes on massive risks all the time, they do not care as long as it churns them short-term profits**. There is loads of evidence pointing to shorts never covering by hiding their SI% through malicious options practices, and manipulating the price every step of the way.

The conditions that led GameStop to where it is today is a miracle in itself, and the support of retail traders has led to expose a fatal mistake of the rich. **Because a short position has infinite loss potential**. There is SO much money in the world, especially in the derivatives market.

This should scream to you that any price target that **you** think is low, could very well be extremely low in **YOUR** perspective. You might just be accustomed to thinking "$X price floor is too much money. There's no way it can hit that". I used to think that too, until I dove deep into this bullshit.

The market crashing no longer was a matter of simply scooping up defaulters, their assets, and consolidating power. The rich now have to worry about the potential of **infinite** losses from GameStop and possibly other meme stocks with high price floor targets some retail have.

It's not a fight against Melvin / Citadel / Point72. **It's a battle against the entire financial world**. There is even speculation from multiple people that the Fed is even being complicit right now in helping suppress GameStop. **Their whole game is at risk here.**

Don't you think they'd fight tooth-and-nail to suppress this and try to get everyone to sell?

That they'd pull every trick in the book to make you think that they've covered?

The amount of money they could lose is unfathomable.

With the collapsing SI%, it is mathematically impossible for the squeeze to have happened - its mathematically impossible for them to have covered. /u/atobitt also discusses this in House of Cards Part 2.

https://www.thebharatexpressnews.com/short-squeeze-could-save-gamestop-investors-a-third-time/

And in regards to all the other rules that look good for the MOASS - I see them in a negative light.
They are passing NSCC-002/801, DTC-005, and others, in order to prevent a GameStop situation from **ever** occurring again.
They realized how much power retail could have from piling into a short squeeze play. These new rules will snap new emerging short squeezes instantly if the conditions of a short squeeze ever occur again.
There will **never** be a GameStop situation after this.
It's their game after all. They've been abusing the derivative market game for decades and GameStop is a huge threat. It was supposed to be, "crash the economy and run with the money". Not "crash the economy and pay up to retail". But GameStop was a flaw exposed by their greed, the COVID crash, and the quick turn-around of the company to take it away from the brink of bankruptcy.
The rich are now at risk of losing that money and insane amounts of cash that they've accumulated over the years from causing the Internet Bubble Crash of 2000, and the Housing Market Crash of 2008.
So, yeah, I'm going to be fucking greedy.

Back to Table of Contents

Elliot Waves, GME, The S&P 500, Wen Market Peak and GME Boom?

DD 👨‍🔬
Sup Apes
Not Financial Advice
I'm so honored to finally have the Elliot Wave Guy flair!!! I post on twitter pretty consistently now, if you wanna see snippets of analysis and whatnot intraday (also in the event my reddit gets hacked) https://twitter.com/gavinmayreal
Please remember this is all just my theory, I can very well be wrong. I’m just an ape who want banana 🍌
This post isn't gonna be talking about GME's wave's as much, rather the broader market, and how we can use SPX (I'm gonna be referencing $SPY in this post, ETF that tracks the SP500, SPYDER GANG) as a gauge of when to expect some erratic GME movement.
I have one request before I begin, please blast this song while reading, it sets the mood: https://youtu.be/MN3x-kAbgFU
Okay then, hope everyone is having an amazing evening! I think it's a pretty safe assumption to assume that the majority of apes here understand the GME situation pretty well. What I'm gonna be focusing on in this post is how we can use elliot waves on SPY to not only predict the top of this absurd, seemingly endless bull market, but more importantly, how we can use these targets on the broader market in relation to GME.
We all know by now that GME is a negative beta stock. Simply put, **Beta** is a numeric value that measures the fluctuations of a stock to changes in the overall stock market. Beta measures the responsiveness of a stock's price to changes in the overall stock market. ... The volatility of the stock and systematic risk can be judged by calculating beta.
normal stocks have a positive beta, usually around 1.0, meaning if the market (SPY) drops 1 point, we can assume said ticker will drop 1 point as well. idk what GME's beta is as of now, though it's probably something ridiculously negative (anyone with a bloomberg terminal wanna lmk the actual beta?). I've seen numbers ranging from -5 to -40... needless to say, GME does indeed have a negative beta.

wut mean?
There have been many great thesis's drafted regarding GME boom = market crash, which I think are completely true. In short, the market crash makes GME moon, or GME moon causes the market crash. why? I know people have noticed the wild crip toe fluctuations and drops, this is partly attributed to capital requirements, meaning if shorts don't post collateral by x time on x date, marge comes a calling. But think about the stock market. It's no secret that hedgies are also long certain stocks, after all they manage billions and billions of dollars. Citadel recent 13f: https://whalewisdom.com/filer/citadel-advisors-llc#tabholdings_tab_link

Do note the last reported 13f is 3/31, reported quarterly.
Interesting how their largest position reported is short SPY huh? Anyways, not much of a point digging through their holdings, you can if you want but I don't see it as a super useful way to spend your time.
if (when) the market takes a turn and enters a bear market, needless to say their long positions lose value. What happens when their long positions are suddenly worth less and they need to post collateral to avoid marge calling in... See where I'm going with this?
onto the wavvveeeesssssss
Below is a monthly view of SPY:

monthly
This is our SUPER CYCLE, starting from the low of the 08 fin crisis. Now let's zoom in and see where we're at on a smaller scale:

4 hr compressed
Remember, the order for wave cycles is grand super cycle, super cycle, cycle, primary, intermediate, and so on. What's important is you can distinguish where we are at in any cycle. For SPY, we are actually in the 5th wave of our 5th wave of our 5th wave... can anyone tell me what that means?
I'll wait...
come on...
I know you know...
Okay fine I'll tell you. Using EW, we can clearly see that we are nearing the tippy top of this raging bull market. From a grand super cycle standpoint alone, my next target comes out to 428.5, and my cycle 5 (not super cycle, too lazy to draw a bunch of lines lol) target comes out to 429.69 (nice).
now, this under no circumstances is saying SPY will peak at exactly 429.69 and begin to trend downward (though that would be pretty fucking funny right, i mean 69? come on, doesn't get any better than that). However, what we DO know is that GME and the rest of the market are correlated.
So, my working thesis is that the top of the stock market is not only predictable, but imminent. Tying this into GME, well, you know the rest.
Speaking of GME, a little update on the waaavvveees:
4hr

1hr
Do note, we have not actually hit the 61.8% retracement of our cycle 1 (201), we under no circumstances have to hit that for the structure to be valid. In fact, the structure is valid unless we break under 112.83 (bottom of cycle 1), so I wouldn't worry about that at all haha. I'm still waiting for a significant move to give updated GME upside targets, tis a waiting game for now. What's new? Wish I had more time, need more shares.
Regarding SPY, because this is our super cycle, and we are nearing the peak, that means that we must then correct that entire move via an ABC correction, targeting minimum 50% of that entire move. Where does that put SPY when all is said and done?
SHEEEEEEESH

50% of the entire 5 wave super cycle puts SPY at 247.67 (assuming ~ 429 is the top). It could go higher than 429 without a doubt, though i doubt much higher in all honesty.
Alright, I think I covered everything. Thanks for reading and have a great rest of your night!
TLDR: The top of the market is imminent, using EW, we are literally at the tippy top with only a few points till bear market ensues. GME moves inverse the market for a variety of reasons... the market is near the top, GME moves inverse the market, the market is near the top........... mmm yes it's all coming together...
JACKED TO INFINITY!!! BUY AND HODL!!! 🚀
edit: okay, maybe let's dance isn't the best song to listen to for this, remember the big shorts' "dont fucking dance?" my bad, gme exciting, rest of market for everyone not in GME, not so much. Have updated with another banger, also sets the mood :)
edit 2: Just for reference, here is SPY vs GME at the end of January:
SPY: https://imgur.com/BaQ1cu1
GME: https://imgur.com/oYtGCgc

Back to Table of Contents

Why big name banks like Bank of America, JP Morgan Chase, Citigroup and more were excluded from bonds sales in the EU, and what banks have been doing for YEARS to manipulate the market to fuck everyone else over

DD 👨‍🔬

Edit: I just want to thank everyone for the support you guys have been giving me in the comments! I truly appreciate it and I am greatful that this community is a really nice and caring one. I wouldn't want to go to the moon any other way, this sub is really something else. :)

Hello fellow apes! Its been difficult finding something to properly write up about lately, but I think I've got some right now all things considered.

By now, you may have seen posts like this floating around on reddit:
https://www.reddit.com/r/Superstonk/comments/o0ctw1/eu_freezes_10_banks_out_of_bond_sales_over/?utm_medium=android_app&utm_source=share
Here is a quote that I think helps effectively summarize an alternative article the OP of the post provided regarding this topic:
"A spokesperson for the European Commission, which handles debt issuance on behalf of the European Union, said that banks found to have violated EU competition rules “will not be invited to bid for individual syndicated transactions. "

Wut mean?

Basically, the articles were saying that the EU had to literally FORCEFULLY stop banks from participating in their bonds sales because of how ridiculous their borrowing has gotten, along with their history of market manipulation in the past. The fact that a lot of these banks are common names here in the US: JP Morgan Chase, Bank of America, Citigroup, etc. speaks volumes to how bad the fuckery has really gotten.
I want to just elaborate a bit: these banks are trying to not just borrow bonds from the US, but ALSO from the EU just to try to fix their balance sheet and make their debt look a little bit more reasonable. The EU saw ahead of the disaster and took IMMEDIATE action to stop it, as they didn't want the fire to spread to them and screw them as well.
Its quite clear at this point that they have fucked the system, but what have they been DOING exactly to fuck the system, and fuck EVERYONE except themselves just to keep themselves afloat?
I refrence another article in the following paragraph, from this source:
https://ec.europa.eu/commission/presscorner/detail/en/ip_21_2004
Here is exactly what they have been doing, according to a European article speaking on the European commission fining banks like these for violating EU anti-trust laws (keep in mind, this was from April of 2021 and are regarding different bonds but multiple big name banks are probably still doing this overall):

1. Logged onto multilateral/ bi-lateral chat rooms on Bloomberg terminals and knew each other suspiciously well despite being in "direct competition".
2. Because of how well they knew each other, they updated each other frequently on their trading activities.
3. They had at times agreed to hold back on bidding and offering in the market if it meant they would come into competition with each other.
4. They had split trades between each other to either combine or reduce their positions to meet a specific customer's request (the article doesn't specify on what customer in particular) without the customer themselves knowing they were dealing with more than one entity and thus in theory the customer's choices were limited.

Conclusion/TLDR:

Basically, Bank of America, Merrill Lynch, Crédit Agricole, and Credit Suisse all aligned their trading activities in such a way that they acted as a SINGLE entity to manipulate the bonds market in April 2021 and got caught for it and fined. But remember, these were just the banks that GOT CAUGHT doing this.

With the EU recently barring more big banks like JP Morgan & Chase and Citigroup from participating in their bonds sales it looks like they are suspicious of them as well in corroborating in market collusion to a similar degree.

How many more banks are in on this collusion, acting as one big entity to further their own agenda in the market and fuck everyone else over, that has been happening for MULTIPLE years now? Is their debt so big now that they are preying on EU bonds and the EU realizes what could happen if these big name banks colluded in bonds sales together and spread their debt amongst themselves so they don't all go down together? I feel like when the whole truth comes out and more gets revealed regarding this it will possibly be the absolute WORST case of financial corruption in this "free market" in history.

Post DD Message

And as always guys, thanks for reading my posts! :) I know I haven't posted as much lately regarding DD and in all honesty the reasoning for that was because a lot of my DD would get debunked, and I felt discouraged to continue making more without stronger sources to back up my claims. I tried to make my DD a little stronger today, and I hope you guys have enjoyed reading it! Hopefully I can continue to improve more with DD in the future and make something really good in quality.

Sources:

https://ec.europa.eu/commission/presscorner/detail/en/ip_21_2004

https://quebecnewstribune.com/news/business/eu-freezes-bond-sales-of-10-banks-for-violating-antitrust-laws-18190/

Back to Table of Contents

Riding Elliot Waves to the Moon, Why GME from a Technical Standpoint Alone is Better Than Gold 🚀

DD 👨‍🔬

Sup apes, Elliot Waves guy here.

I wanted to write this post because for one, my last post blew up way more than I ever expected, so I have a lot of new readers now. If you missed my previous post, you can check it out here (seriously, I can't thank this community enough for all your love and support) https://www.reddit.com/r/Superstonk/comments/nwyj77/elliot_waves_and_gme_why_im_jacked_to_infinity/

This post isn't gonna be going over technical levels as much, rather a general overview of why I believe the stock price is about to take off from a technical perspective only, and how it all ties into the bigger picture. I also noticed on my last post, there was an issue with the images loading when I added them directly to the post, so from now on I'll just be linking everything via imgur.com

I had to make a small edit in my recent post as I didn't analyze the proper fib ratio when saying 213 appeared to be the bottom. In EW theory, wave 2 typically retraces 61.8% of wave 1, though the 61.8% level I used in that analysis was actually from the start of a 5 wave impulse within the cycle, not the actual cycle. I have circled the proper fib ratios for the apparent Cycle 1 and 2 that appear to have completed:
https://imgur.com/r9UEkkr
Hopefully you caught my edit in my recent post, but if you didn't, this puts our bottom of cycle 2 at 201. We did not hit this level to the T, though given the nature of the rebound from the lows yesterday, I'm inclined to say that we will not see us hit 201... though if we do, expect a bounce:
https://imgur.com/3CVBUu5
Wave 3 is often the longest and strongest of the 5 wave impulse, but what I want you to note that is specifically interesting about this specific situation with GME, we are in a 3 within a 3 within a 3, just starting the Cycle 3 (the order is grand super cycle, super cycle, cycle, primary, intermediate, and so on)
In the image I'm about to link, do note just because a price target based on the line I drew is on a certain date, do not bank on anything happening by said date. This is solely for visualization purposes. For reference our cycle 1 took over 2 months to pan out, though this can be attributed to many outside factors causing us to trade sideways for a considerable amount of time (circled, March 24 to June 8). Grand super cycle is illustrated in blue, super cycle in yellow, and cycle in white:
https://imgur.com/PJfbmCL
Just for reference: I'm gonna link a car/truck company and a company that does electricity generally (boomer stocks are great examples of EW in action, also automod doesn’t let me use other tickers lol) note how wave 3 is the strongest for both:
Cars and trucks that starts with eff: https://imgur.com/yG6itXH
Electricity, generally : https://imgur.com/FLfk2Xy
Granted, these were not a 3 within a 3 within a 3, but even from a visual standpoint on boring ass stocks, you can see Elliot Wave theory come to fruition.
As for GME short term, I can't quite give short term upside targets yet, as I am yet to see a primary 1 and 2 complete. To verify this action, I'm looking for a strong ish move to the upside followed by a 50%-61.8% correction of that move.
This is THE time to really be loading up, to be honest, from an EW standpoint, this is about as good a setup you can dream of, the risk/reward from a technical standpoint is worth drooling over, and this isn't even factoring in a short squeeze.
Do note, when the rocket really kicks off, and I mean well above 5 figures, this is when I'll have to take out my big crayon and draw that whole movement set as a 1, if that makes sense. Worrying about that later haha, for now all i know is buy, hodl, buy some more, okay maybe some more, and hodl for 8 figures or more.
Will try to post every day of the trading week by popular demand, in the event my account gets attacked (as has happened to previous well known DD creators in the past), check out my twitter: https://twitter.com/gavinmayreal Much easier to do small updates on their as well 🚀

I just started posting my analysis on twitter, disregard the follower count hahaha I used to be a youtuber back in the day, sort of retired cause I don't really like where it's gone, but if people would like I can start posting genuine tutorials on my Youtube.
GME? bullish af. Shorts? fuk. Tits? Jacked.
My Cycle 3 targets are as follows: https://imgur.com/g80KXrX
Please remember, these are CYCLE 3 targets, not intermediate or primary, meaning don't be upset if we dont break 500 this week... It is inevitable that we will in due time, and the ball is really about to start rolling. Can it just be Monday already?
also note, quad witching comes up this Friday:

https://preview.redd.it/mkvwok0vpw471.png?width=859&format=png&auto=webp&s=86bdbd4d9c9f50b398d683185efd316542da47c6
TLDR: GME is at the bottom of a cycle 3, within a super cycle 3, within a grand super cycle 3. this is the most bullish EW trading setup possible, and EW traders dream of finding this setup. These low prices won't last 🚀 Hopefully Automod doesn't block it this time 🤞
Edit: lol super random, I bought assassins creed Valhalla from my local GameStop recently, if you know, what are the best weapons? 🤣

Back to Table of Contents

Cohen has reached the same conclusion as u/Criand's T+21 Net Capital thesis: An analysis of tweet activity and corporate announcements

DD 👨‍🔬
This is not financial advice. I am a retard who always lets one banana in the bunch he buys go bad because I can't time eating the bananas correctly.
UPDATE WITH LATEST RC TWEET:
https://www.reddit.com/r/Superstonk/comments/o6tax3/hi_all_its_ryan_cohen_t21_tweet_guy_im_losing_my/
TL;DR: CHANCE THAT THIS IS RANDOM IS NOW 0.0069543%!
And another edit now that June 24th has passed:

So we are clear that T+21 did not happen Thursday, and probably not Friday either (due to the Juneteenth speculation). I reiterate that the main purpose of the post is to demonstrate that Cohen is aware of the mechanics behind this situation and price movement, and that shareholders are in good hands. However, I am inclined to present two main alternatives theses:
A) SHF were able to reach the 100% net capital requirement, moving payment to T+28;
https://www.reddit.com/r/Superstonk/comments/o7g9mn/net_capital_and_t21/
Speculating that injection of 5 million shares through the offering allowed shorts to have enough money to pass the 75% net capital requirement. If that is the case we will see on July 5th/6th (Mon/Tues, depending on Juneteenth). Personally, I don't think dates are an issue. The public has a limited amount of information to work with and this is the best apes can do. Up until now, net capital cycles have been the best way to predict price movements, aside from T+35 day-per-day FTD's (refer to u/dentisttft 's posts)
B) SHF covered not only the previous cycle, but also the current cycle in the runup to 340.
The fact is, apes are going to buy and hodl anyways; many are immune to the dips at this point. I've already gotten hateful comments from gme_meltdown users trying to spread FUD in this forum (talk about brigading, huh?). Apes give constructive feedback, alternative theories, and support; remember this. And there is plenty of good news to come out of this week - I mean, Cohen *did make the tweet on supposed T+21*. And the price didn't go up; that's proof enough that the price movements are not due to his tweets but due to underlying mechanisms.

And the original post ---

This post will re-analyze Cohen's tweets and Gamestop's positive price movements in relation tou/Criand's new T+21 net capital thesis.

First of all I would like to lead you to Criand's new post, "Revisit to Net Capital".
https://www.reddit.com/r/Superstonk/comments/ny2ov4/a_revisit_to_net_capital_what_is_truly_driving/
I believe that TA does not apply to our favorite stock (but look forward to Elliot Wave guys proving me wrong), but the initial T+21/T+35 cycles were unique in that they don't rely on normal stock behavior, and instead analyze the unique situation GME is in (excessive shorting, FTD's). Additionally, it has had almost a 100% success rate at predicting price movements.
I believe the net capital requirement thesis ties this together by eliminating loose ends in the previous theory, such as the shaky T+35 price movements, in addition to providing a solid explanation as to *why*these movements occur.
I decided to take this opportunity to revisit speculation on Cohen's tweets/Gamestop major news, their timing, and analyze if these were the causes of price movements (and thus not the actual cycles). I decided to investigate by going full retard on my only day off and investigating each news report compared to the net capital cycle. The result has my ***tits absolutely, indescribably jacked*****:**

If you'd like to follow along, let's open Criand's beautiful chart -

https://preview.redd.it/xh4u2ugmfs471.png?width=1438&format=png&auto=webp&s=85188eccc2bf3841bb98e37e5be98b8badcc01c7
and take a look with some positive Gamestop news catalysts and tweets from our favorite Ryan Cohen. I'll keep this area to data only and leave speculations for the end.

1. The Ice Cream Cone

https://twitter.com/ryancohen/status/1364650709669601289
Ryan Cohen tweets the famous ice cream cone on Feb 24, **lining up perfectly with the T+21** net capital requirement date. The price rockets that day. Edit: The tweet was at 1:57PM. A large influx of buying volume began in the morning (9:30, 10:30), and the spike came at 2:30PM. The tweet may have exacerbated the T+21 cycle, but did not cause it.

2. Voluntary redemption of senior notes is announced.

https://news.gamestop.com/news-releases/news-release-details/gamestop-announces-voluntary-early-redemption-senior-notes-0
GME announces a voluntary early redemption of senior notes on April 13th. Price spike is April 13 AH – T+14 date is April 15th. The positive news does not correlate with price movement.
Side note: DFV Final Yolo update: April 16th

3. Cohen train tweet.

https://twitter.com/ryancohen/status/1386485746916380673
April 25th: Cohen tweets a train coming. South Park. **This is one day before the T+21** or 75% Net capital cycle. Additionally:

4. Gamestop announces completion of the At-The-Market equity offering program.

https://news.gamestop.com/news-releases/news-release-details/gamestop-completes-market-equity-offering-program#:~:text=GameStop%20disclosed%20on%20April%205,time%20through%20the%20ATM%20Offering.
This news is **placed directly on the T+21** date. *Price spikes.*

May 3rd; Gamestop completes voluntary early redemption of senior notes, leading them out of debt. T+7 is May 5th, no price movement on this announcement. They also announce acquisition of a 700,000 sq. ft fulfillment center, resulting in *no price movement*.
May 11; Gamestop tweets man on the moon, T+14 is May 14th,
May 12, Gamestop Esports twitter profile is launched.
None of these announcements result in significant price movement. Neither do Cohen's tweets in between T+21 dates. These should go to show that his tweets are not the *cause* of the price movements.

May 25, Ryan Cohen tweets “Don’t try this at home” at 12:32 AM, midnight before market open on the T+21 cycle the next day.

https://twitter.com/ryancohen/status/1397047791889879041
Price spike.

Later that day, the Gamestop NFT is found. It has a launch date of July 14, 1 day before June 24 T+14 cycle.

May 29, Cohen tweets “R.I.P. dumb ass”, noting that the T+21 cycle has been figured out and the Hedgies. Are. Fuk.

Speculation:

Cohen is *fully aware* of the T+21 net capital loop that the hedge funds are trapped in. Given that both good news and hype tweets are clearly insufficient to result in a positive price movement (See: May 3rd, May 11, May 12, April 13), I am highly doubtful that an ice cream cone tweet is enough to drive up the price by over 100%.
I believe that Cohen has had this figured out since very early on, and that’s clear in his tweet behavior on later T+21 dates.
This can also explain why Gamestop made the choice to conduct a share offering on 6/9 -
6/9, the Gamestop shareholder meeting, as meme of a date as it may be, is *not* on a significant net capital requirement date, and thus Cohen and friends were well aware that the price would fall again. To counteract negative sentiment, he announces the share offering; effectively, FUD immunity, because any negative movement can be attributed to it. Additionally, it provides *1 billion dollars* in capital for future positive announcements, which he can place on the T+21 dates; for example, the June 24 T+21, which is in close proximity to the Russel rebalancing. Note: So far, only Cohen tweets have lined up with T+21 dates. If positive Gamestop news; an acquisition, a dividend, NFT’s, esports deals lines up… oh god. No dates, but those with shares have nothing to worry about - they're in good hands. *Only up.*

Tl;dr: Cohen is well aware of the T+21 dates and has lined up his own tweets *in clear indication* of it. The 6/9 ATM market offering, although I know many apes including myself were disappointed by, is basically FUD immunity as the price falls in between T+21 cycles. Furthermore, it raises capital for positive corporate announcements which can be lined up with T+21 dates, which so far, only Cohen tweets have lined up with. Positive news and RC tweets that are *not* on T+21 dates do not result in price movement, indicating that they are not the catalyst themselves, but may compound them.

We’re in good hands. If you hodl shares, there’s nothing to worry about. HODL!

Edit: formatting. If anyone has criticisms, announcements, or additional news that I missed, please comment below.

Not financial advice.

EDIT: Guys I fucking missed one.

On March 25, Cohen tweets our smoky teddy,

https://twitter.com/ryancohen/status/1375159657166209031

Lining up with the T+21 date on March 25th.

With this, out of 18 Cohen tweets since his activity in Gamestop, 4 of them line up with the 5 T+21 cycle days thus far, missing only the first one on January. While it is *possible* that this is a coincidence, given that there's about 180 days since the beginning of all this I don't think it's very likely. If anyone is a statistics legend and could calculate the probability that this is random it would be much appreciated. Also, I don't think there's much of another reason why he would tweet an ice cream cone.

edit: Reached out to friend who is a statistics major. He just graduated and doesn't want to do math but his response was - "Pretty sure though just from inspection it'll be statistically significant".

edit 2: Update - math wrinkle brain messaged me with:

"I can't post bc of karma but the probability of having at least 4 right dates on 5 while picking 18 out of 180 is **0.0339%** It's an hypergeometric law."

In basically any statistical research model this is ***significant***. As always if anyone has any corrections to this please comment or message me. Tits jacked!

FAQ: When is the next T+21?

June 24 (it says in chart)

Back to Table of Contents

A revisit to Net Capital. What is truly driving these T+21 loops, the March and June gamma runs, and how skyrocketing ETF FTDs might cause big price movements in the coming weeks.

DD 👨‍🔬

0. Preface

Well well, I think it's time to revisit an old topic. Net Capital. I posted about this in the past and for some reason gave up on it. I can now provide **counter DD to my own T+21/T+35 theory**.

Remember - I am not a financial advisor and I do not provide financial advice! Everything in here is based on research and discussion with others on the topics. As always, do your own research and criticize. Take my opinions with a grain of salt.

Wanting to revisit the Net Capital topic was a few things. There were posts about ETF FTDs spiking **severely** as of May 12th - even more than the highest peaks of January. I had my own doubts over time of how we could possibly have multiple cycles overlapping, when it felt more like there would be only a single cycle. And of course, some people commented and/or posted counter DD! Which I think is awesome, it's always good to provide counter DD.

Kenny and his gang love to continue digging a hole for themselves - while the whole financial world tries desperately to contain this potential market crash from coming to fruition.

GME shorts and Reverse Repo Market go **brrrrrrrr**.

TLDR: Sorry I'm too lazy right now. About to post this and go to sleep. 😎

Kenny And The Boys

My previous post about Net Capital was thinking that we'd see significant price movement T+14 days after April 16th options expirations. That didn't happen, so I tossed it out of the window. (Criand, you dumb bitch)

Which then led me down the path of the T+21 Loop Missing Link. It got pretty popular. It's the whole T+21/T+35 conjunction theory that occurred May 24th and May 25th. While it definitely **appears** to be right, **I have been doubting it ever since May 24th**. Especially after a courageous ape u/dentisttftposted the Counter DD to T+21 theory. T+35 (May 24th) didn't have significant enough price movement. If it truly was a new T+35 initiating a loop, then it should have exploded up in price on May 24th. And for that, I think it's time to put that theory to bed.

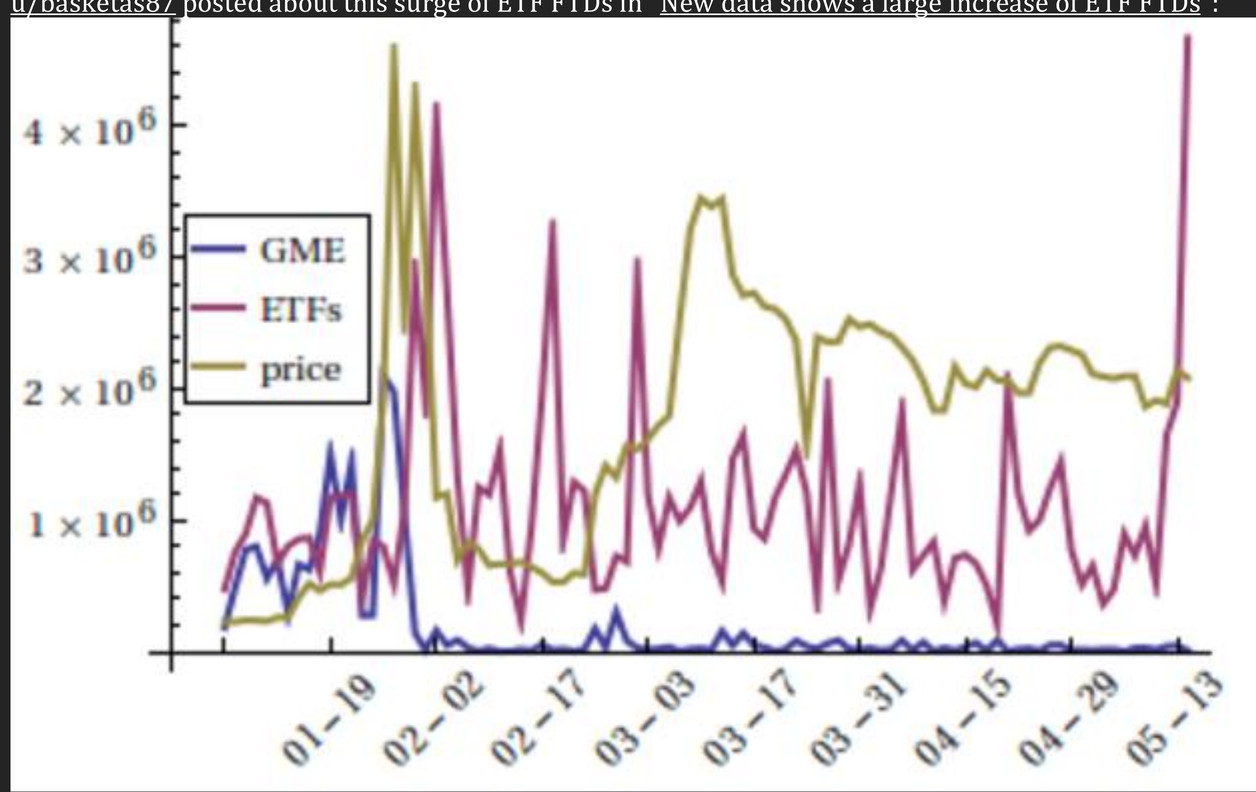
The counter DD that /u/dentisttft posted is excellent and you should definitely take a look. If my post is wrong, /u/dentisttft still proposes another possibility: that T+35 from the FTD spike could initiate buy pressure around June 17th.

Ever since the counter DD, I decided to revisit Net Capital since that is what /u/keijikage brought to my attention so many weeks ago. Very smart guy by the way! Always very knowledgeable and provides amazing discussion!

Looking back on Net Capital now, especially with the ETF FTD spike that occurred on May 12th, it might finally paint the picture as to what has been going on this whole time with the "T+21 cycle", the March Gamma Ramp, and the June Gamma Ramp.

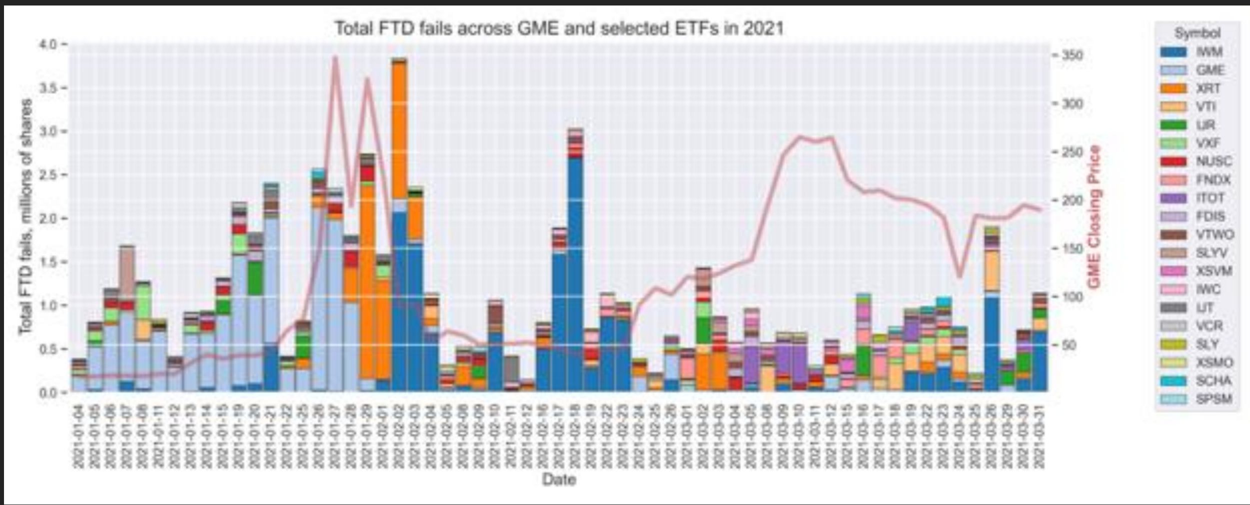
1. GME FTDs, ETF FTDs, Massive Resurgence Started May 12

First, I want to discuss ETF FTDs, as something absolutely wild occurred in May. Note that we do **not**have the full months FTD data yet. The SEC releases the data in first half and second half of the month reports. So, it cuts off quite conveniently when FTDs began to go haywire.
For a while now it's been theorized (with some pretty damn good evidence) that ETFs containing GME have been heavily shorted. Supposedly they will short the ETF, buy up all of the other stocks in the ETF that were shorted, but leave GME alone. There's a net 0 effect on the other stocks but a net short on GME. This then starts to cause ETF FTD anomalies which they also try to suppress, but they can't hide forever. Because it appears that as of May 12th, these FTDs have begun to spill out of hiding.
u/basketas87 posted about this surge of ETF FTDs in "New data shows a large increase of ETF FTDs":



GME Price Vs. GME FTDs and ETF FTDs (which contain GME); Source: /u/basketas87

You can immediately see the ETF FTDs absolutely **SKYROCKETED** just before the cutoff of the SEC FTD bi-monthly report. **We don't even know how high this has gone in the following days or if its come crashing back down**. **Remember - these are aggregate. We don't sum up the FTDs between dates. Whatever the number is upon a date is the current total of FTDs reported.**
For a date-by-date tracking for these FTDs between January and the end of March, /u/broccaaaprovided an excellent chart in "The naked shorting scam using ETFs: mass shifting of FTDs from GME to 20+ ETFs & 27+ billion dollars still owed in remaining SI". This gives us an easier look at the exact dates when FTDs spiked earlier in the year.
I selected GME and 19 ETFs containing GME. I chose to only look at the ETFs that contain the most GME shares and had large numbers of FTDs in 2021. - /u/broccaaa



Aggregate FTDs for GME; GME and ETFs; Source: /u/broccaaa

Some notable aggregate FTD dates from this chart:

1. January 29th
2. February 2nd
3. February 18th

And of course, the latest absolutely insane **May 12th**. Once again, we don't even know what the FTD numbers are for the second half of May. It could very well be much higher.

2. Net Capital And Market Makers; Citadel's Can-Kicked Bag

Net Capital is detailed out in this post but I will do a quick summary. It revolves around Net Capital Requirements For Brokers or Dealers - 240.15c3-1:

...is designed to ensure that a broker-dealer holds, at all times, more than one dollar of highly liquid assets for each dollar of liabilities (e.g., money owed to customers and counterparties), excluding liabilities that are subordinated to all other creditors by contractual agreement. The premise underlying the net capital rule is that if a broker-dealer fails, it should be in a position to meet all unsubordinated obligations to customers and counterparties and generate resources sufficient to wind down its operations in an orderly manner without the need of a formal proceeding...

...**A broker-dealer must ensure that its actual net capital exceeds its required minimum net capital at all times.** - Source

Or in other words, you must have enough capital to not be "margin-called". In this case, Citadel is a prime victim to this rule as they are a Market Maker and must sustain enough net capital to not go bust. If they do not, they're a risk to their customers and counterparties. This rule tries to ensure that they have enough money to pay up in the event of a default.

The very interesting part of this rule comes down to how they're calculating Net Capital in regards to short securities:

(A) Deducting the market value of all short securities differences (which shall include securities positions reflected on the securities record which are not susceptible to either count or confirmation) unresolved after discovery in accordance with the following schedule:

Differences [1]	Numbers of business days after discovery
25 percent	7
50 percent	14
75 percent	21
100 percent	28

Net Capital Rule; Short Securities Deduction From Net Capital Per "Days After Discovery"

What this basically means is that after the short security difference is found to be unresolved after discovery (think FTD popping up is the "discovery"), then it's going to slowly start eating away at their net capital the longer it remains unresolved/undelivered:

- Day 0 after discovery = 0% of the unresolved short security is calculated into their net capital
- Day 7 after discovery = 25% of the unresolved short security is calculated into their net capital
- Day 14 after discovery = 50% of the unresolved short security is calculated into their net capital
- Day 21 after discovery = 75% of the unresolved short security is calculated into their net capital
- Day 28 after discovery = 100% of the unresolved short security is calculated into their net capital

When you have these debts accounted for into your net capital, it is taking away that value, because it is a short difference you **owe**. As the days go by, net capital starts chunking down. So, if you have a rather large short security difference discovered one day (such as May 12th) then you want to resolve it quickly or risk defaulting.

Do you find a way to stuff the unresolved shorts back under the rug? Do you deliver and force buy-ins? Both? That appears to be the loop they've been stuck in, which slowly bumps the price floor upward.

You'll notice that there's a familiar number in there. **Day 21**. T+21? Oooh. Tasty. **Here we go**.

The total timeframe for Net Capital is 28 days, but Citadel most likely cannot allow the Net Capital threshold to go past 75%. They must kick-the-can and force buy-ins on or before T+7, T+14, T+21 but complete the entire process by the net 75% threshold of T+21. They can't risk it going to 100% or else they'll most likely default.

Wham, bam, the T+21 loop ignites itself continuously.

3. Plotting The Net Capital Loop - The Counter of T+21 and T+35

The major option dates still play a big role. But I don't think T+35 theory is what's really applying here.

What are "major options"? These are the **only** options that were available for the year 2021 back in early 2020. These are the option dates that were most likely opened up initially by shorters at the start of COVID. Perfect time to place bets and start their kill shot on GameStop:

- January 15, 2021
- April 16, 2021
- July 16, 2021

Upon expiration, unrealized losses now became realized losses, and their overall capital receives a dent. It most likely gets harder to hide FTDs and hide them under the rug.

You know the most curious thing?

Posts about Citadel working the night-shift started just after April 16th options expirations. **That's also right around when Bank of America shut down a bunch of their locations. I won't buy their excuses. Bank of America looks like they're a bag holder and is freaking out too.**

Something big had to of happened as of April 16th, and it's most likely that they had a huge dent in their capital that is now causing a slow bleed-out of FTDs that they've hidden, which then must be satisfied within the Net Capital timeframe of T+7, T+14, T+21, T+28, or else they can go net negative and default.

And of course, following April 16 options expirations, the ETF FTDs start to skyrocket on May 12th. My main intuition is that they were unable to hide these any more and they have started to spill out. Ruh-roh.

First, I'll plot out the T+21 Net Capital loop so that it isn't **too** cluttered:

Plotted Net Capital "T+21" Cycle, December 22 to July 26

Upon December 22, the clock starts ticking. It's possible that at this point the price was too high for them to **NOT** worry about Net Capital any more, and they had to start can-kicking and forced buy-ins.
Each loop is separated T+21 because it appears that they cannot sustain higher than the 75% threshold each time. You can see the T+21 loop we're familiar with, starting December 22, and then traveling through January 25, February 24, March 25, April 26, May 25. And potentially continuing on to June 24 and July 26. [The next two dates if any apes are curious].
To get a closer look of the potential effects of the various Threshold amounts (T+7 (25%), T+14 (50%), T+21 (75%)) I've zoomed in on March 25th to May 25th. **ENHANCE**!

Plotted Net Capital "T+21" Cycle, March 25 to May 25, Price Spikes Prior to Each Threshold (T+7, T+14) Date

In the above it's **unlikely** but there is a chance that they have too many FTDs to shuffle around by the time Net Capital 25% (T+7) Threshold hits. This could initiate some buy-in pressure on or before that date, typically the day before, as outlined in the **light green** circle. The day before because they don't want those positions to be 50% upon the next day. They must be resolved **BEFORE**.

It is also **unlikely** but a greater chance that they have too many FTDs to shuffle around by the time Net Capital 50% (T+14) Threshold hits. This again could initiate some buy-in pressure on or before that date, typically the day before, as outlined in the **blue** circle.

And of course upon Net Capital 75% (T+21) Threshold, they must complete their rug-hiding and/or buy-ins to avoid going Net Negative. It is possible that the rug-hiding and buy-ins are in conjunction with one another, slowly increasing the price floor, and that **between each threshold they try to short the stock more to push down the price**.

Looping back to Section 1 when we identified the major FTD dates:

1. January 29th
2. February 2nd
3. February 18th
4. May 12th

There's a potential relationship to be seen with these insane FTD dates. Now this chart I'm about to show is highly speculative. I'm unsure if the Net Capital loop initiates upon the FTD spikes (though it certainly should, per Net Capital rule, because that would be when they are "discovered").
I say I'm unsure because I only see one data point here so far and somewhat of a second data point from the price run-up we've been seeing the past few days.

Plotted Net Capital "T+21" Cycle, December 22 to July 26, and FTD Spike Relationship

In the above picture, look at January 29th's FTD spike. Plotting the full 28 days of Net Capital out where 100% of the debts would be accounted for, that lands it on March 11th. They want to resolve this **before** March 11th, while the debts are still 75% accounted for. Remember that date? March 10th? I sure do. This **could** be why we saw the price spike, and why T+35 is incorrect in theory. But, it appears the major option dates still play a role, because of the May 12th FTD spike that just occurred, which followed April 16th options. Likewise, the January 15th options may have initiated the FTD spikes around January 29th and February 2nd.
If the **same** situation occurs due to the May 12th FTDs, then plotting out the full 28 days of Net Capital lands us on June 22nd. **If** these FTDs initiated Net Capital T+0 upon May 12th, then things could get crazy on or before June 22nd.

It is very possible that the run-up from May 25th to June 8th was all due to this new set of FTDs, and they had to start buy-ins on or before T+14 and T+21 from May 12th due to the sheer amount of unresolved shorts that were eating away at their Net Capital. If the FTDs aren't fully hidden again or all the buy-ins aren't complete, there's still T+28 to look towards, which lands on **June 22nd**. They would need to hide these FTDs again and/or buy-in on or before June 22nd. This would keep in line with the March 10th squeeze.

This could also very well explain what was going on with AMC. (Don't freak out on me yet, I love looking at AMC because it's very good analysis to track. It's been following the **same exact T+21 pattern** as GME)

4. AMC Behavior - Given Up On By Shorts? Too Expensive To Juggle With GME?

AMC has gone on an absolute RUN. It increased nearly 70% in one day. Take a look at the following chart now that you know about Net Capital and the different T+7, T+14, T+21, T+28 Thresholds:

AMC Behavior from May 12th to June 24th

Damn. Did they just GIVE UP on AMC and decide that it's too much to deal with? Do they not have enough capital to deal with both GME and AMC (and possibly other short meme stocks)? I think so,

because this lines up quite well. They had to fix Net Capital for AMC by T+7 (25%) Threshold on June 4th probably because it was too expensive to handle alongside GME, and GME is the one they **really** need to keep their ammo for.

Between T+7 and T+14, they of course short some more, trying to pull the price down in preparation of the next Threshold cycle of T+14, which will probably cause an equivalent or greater amount of buy-ins. This lands on... June 15th. And if it's like previous cycles, that would imply that they want to do the buy-ins by June 14th (next Monday) to avoid those unresolved shorts hitting the next threshold amount. Big price spike coming again?

Even then, the current T+21 cycle isn't over. The threshold of 75% doesn't land until June 24th, where things very likely will continue to spike upward with an equivalent or greater spike of the run before T+7 (25%) Threshold.

I truly think that they've put all of their effort into containing GME and have more or less "given up" on AMC because it's not as big of a deal to them. That's why it's mooning like crazy while GME is taking a little time to wake up.

5. GME Behavior - Shorts Holding On As Long As They Can

With the same exact timeframe of AMC, let's finally look at GME and the current cycle going on. The ETF FTDs from May 12th line up T+28 (100% Net Capital Threshold) on June 22nd. Again, **if** the Net Capital loop initiated upon that FTD spike, then things could get absolutely wild on or just before June 22nd. Otherwise, it might just be the standard T+21 Net Capital loop, which has that extra pressure from the ETF FTDs, where the Net Capital loop initiated on May 25th, and ends on June 24th.

GME Behavior from May 12th to June 24th

By the time of T+7 (25% Threshold), it appears that they really needed to apply some buy-ins, and the price started to rise quite significantly. Just like AMC, but not as extreme, because they want to put all of their energy into keeping this bad boy from popping off.

Once again... take a look when T+14 (50% Threshold) will hit. June 15th. From the above analysis, the buy-ins would occur on or before this threshold date, typically right before. Know where that lands? Next Monday. June 14th.

It's possible that they won't be able to sustain to the 75% threshold any more, but now must sustain the 50% threshold of T+14 where they need to resolve their unresolved shorts by.

Maybe there will be a big price spike next Monday. Otherwise, keep an eye out for the T+28 date of the ETF FTDs, landing June 22nd, or the original T+21 date, landing June 24th.

I believe we're also waiting for the Russell 1000 change the week of June 24th. ;)

Back to Table of Contents

Clarification of when GameStop will issue a press release stating the ATM Offering is complete, sale price max, maximum offering, update on outstanding shares, the reason why MarketWatch and Ortex differ, and other Form 424B5 goodies with highlighted pictures!

DD 👨‍🔬
Hey there! This comes straight from the 424B5 Form! Here is the link for reference.
https://gamestop.gcs-web.com/sec-filings/sec-filing/424b5/0001193125-21-186796
We will not receive any update about the completion of the ATM offering today. The earliest an announcement could be made is Monday. This is based off of T+2 settlement. Also, based on past press releases, this will not happen until after market close on any given day.
https://i.imgur.com/tuz8Nhh.jpg
GameStop is updated before the market opens every day on how many shares were sold the previous day. Which also points to any announcement of the completion of the offering happening after market close.
https://i.imgur.com/sr8Undy.jpg
$255.39 is not the max sell price. This was the average share price on June 4th and they used it for calculating the fee projections of this offering.
$1,276,950,000 is not the maximum amount of funds GameStop can raise from this offering. Again, they used this for calculating the fee projections of this offering. This was understandably confusing because the last offering had a maximum amount allowable to raise.
https://i.imgur.com/5cljjEg.jpg
As of June 1st 2021 Outstanding Shares numbered 71,815,131 shares. If I am reading this correctly, that number includes 2,435,881 restricted shares.
https://i.imgur.com/dPp6A21.jpg
Edit 1: If GameStop sells all 5 million shares then the new Outstanding Shares will be 76,815,131.
Thanks to /u/Cspawn for the image!
https://i.imgur.com/Dvnq05P.jpg
BTW the restricted shares is why MarketWatch and Ortex Outstanding Shares differ.
Ortex is adding the restricted shares to the 71,815,131 number which brings them to 74,251,012.
https://i.imgur.com/0EX7jDx.jpg
MarketWatch is including the restricted shares in the 71,815,131.
https://i.imgur.com/9VCvtvS.jpg

MarketWatch and Ortex updated their Outstanding Shares numbers based on the 424B5 form and not because they saw new shares enter the market. This makes sense, because if they could do that then they would account for all the synthetic shares on the market as well....
Edit 2: thank you to /u/Dclaw504 for finding this info! The 10-Q release specifically says that restricted shares are included in the number of outstanding shares!!
https://i.imgur.com/7dowX8b.jpg
Hers is the link to the 10-Q released June 9th 2021. the info on restricted shares os located on page 13.
https://gamestop.gcs-web.com/sec-filings/sec-filing/10-q/0001326380-21-000066
I hope this helps clarify some things!

Back to Table of Contents

Elliot Waves and GME, Why I'm Jacked To Infinity With Today's 82 Point Drop 🚀

DD 👨‍🔬
Sup apes, (refer to edit 8 for updated downside target, i looked at my levels wrong, and want you to have accurate information)
hoooooollllyyyy fuck what a day
Lower your pitchforks please, I know we broke below the "impossible" 219. First of all, this isn't financial advice, I'm quite literally retarded and use crayons to predict where a stock will go.
Here's yesterday's prediction if you missed it: https://www.reddit.com/r/Superstonk/comments/nw84nw/elliot_waves_and_gme_why_tomorrow_should_be/
Buckle up, this isn't gonna be short, I'm going super in depth for you guys cause I've never been more jacked...
I'm not gonna lie, the drop caught me off guard a bit, but its because I wasn't looking big enough... Here's a view of my previous charting, where you can visualize the "cycle" waves with the white lines (SS from yesterday as I already drew new waves):

previous wave cycle deemed invalid
So why am I excited? Originally I was looking at the previous movements as cycle movements, where i thought the move from our low on 3/24 (last earnings) was a 5 wave CYCLE, but todays price action showed be that that whole move to 344 was actually just a wave 1 within that cycle, and today was wave 2..... completed...
wave 3 is the longest and most explosive wave of the 5, and were about to fucking start it...
So how do we verify all of this? First of all, really quick, here are basic EW rules (just inserting a screenshot from wikipedia cause It's way better than my explanation)

RULES

I want you to look at wave 4 specifically, as this is why I am redrawing. notice how 4 can't retrace into the territory of 1? Well the top of my previous 1 was at 218.93, which is why I said it should theoretically be impossible to break below this. HOWEVER, since we did indeed break below (hit a low of 211), this invalidates that wave structure, forcing me to tHiNk OuTsIdE tHe bOx here...

Just so you know, the price targets I outlined (to the upside at least) are invalid now, as I had to redraw the cycle set. that being said, the new price targets to the upside are so fucking juicy you might just kiss me...

Also, I'm gonna be referencing the rules of the waves pretty frequently in this post, so feel free to reference the rules above^

Try not to get too jacked, this is just the 3rd cycle wave illustrated, just take a look...

you done fucked up kenny g

I believe that Gamestop did indeed start their 5m share offering today, or at least some of it, but im not gonna speculate on that, I'm just the waves guy. So how can we confirm that today was a cycle 2? Let's take a look...

Remember how wave 2 targets 61.8% of the entire wave 1 right? Here are the fib targets from the bottom to the top of my newly drawn cycle 1:

for reference, the 61.8 level here is 213.24

BAM!!! WAVE 2 CONFIRMED! Now refer back to EW rules, or if you're a good ape and did your homework, you already know that wave 3 can't be the shortest wave, and often is the longest and most powerful of the 5 wave impulse...

So, assuming that 213 is the bottom of our cycle 2 (pretty confident in this, possible we retrace to 177.51 **but super fucking unlikely imo,** given the nature of the bounce at 213)

Okay, so wave 3 can't be the shortest, what happens if it doesn't hit the 1.618:1 target? (in this case it is 586.1)

It has to hit, at the minimum 1:1 of wave 1. If it doesn't reach this target, the wave is not finished. This means **at the very minimum**, this cycle 3 should target 442.83.

100, 123.6, and 161.8 are initial targets, could go even higher depending on wtf happens

Do note though, these are CYCLE targets, I am in no way saying that we will see 442 or 586 tomorrow, BUT these are the bigger targets to watch for as of now. To give more precise targets for the waves within this cycle (intermediate, minor etc) I will need for at least an intermediate "1" to complete, so likely by tomorrow I'll be able to pinpoint more precise intraday/daily/weekly targets for your viewing (and buying) pleasure.

disregarding EW, another reason why I'm excited about today's drop is a GAP UP from 6/1. If you've been following me for a while, I always point out gaps, and their significance. You can visualize the gap below by the green box.

GAP

If you've been following me since march, this is how I was able to predict the 350 to 180 drop, but that was before I knew EW theory. now that this gap is filled (we have one on the daily chart as well that was also filled today, doesn't matter as much as that "gap" only appears on the daily, meaning the price action filled the areas in the after hours/pre market. We can determine this by looking on a 4hr chart. You can compare the daily and the 4hr below:

daily

4hr

See the difference?

Anyways, not too significant, just worth noting. In any scenario, a gap fill is a great indicator to switch direction and play the reversal.

alright, you should be jacked now. Not only do we (appear) to have confirmation of cycle wave 2 completion (61.8% of wave 1), but this newly drawn cycle fits into my super cycle target a lotttttt better...

for reference, my super cycle is visualized by the yellow lines. Given that this is the beginning of our 3, the price targets seem to line up a lot better with the original super cycle drawing... If anything, the super cycle wave 3 will finish even higher than initially predicted:

jacked to da max

I dont even really trade technical patterns anymore, but I couldn't ignore this beautiful cup and handle forming...

checks out

This lines up with the wave 2 bottom, cup and handle patterns are very bullish, bias confirmed.

If you want me to update this post tomorrow in real time let me know, I had fun nonetheless, it was cool adapting in real time and reconstructing an analysis. I feel super privileged to be learning this theory on such an erratic situation, and to all the haters, you can't argue with human nature. This shit works.

Oki I think I'm done. Thanks for trusting me and giving me a platform to try and spread a skill I've been trying to put into action. I'm no expert by any means, to be completely honest I've only been studying this theory for about 3 months, and am nowhere near an expert.

TLDR: 213 looks like the very bottom, hard to deny that today was a cycle wave 2. It was rough to watch, but when you take a step back and look at where we are, it's really hard not to be bullish. I have trader friends that absolutely hate GME and have zero faith in it, even they said they're buying today...Buckle up my friends, we all know what happened after the last earnings call... to be completely honest, if price action is as similar to march 25 (which mind you was also the bottom of a "2") tomorrow should be face ripping 🚀

BUY AND HODL!!! I emptied the rest of my ammo in at 238 today and couldn't be more jacked!

Edit: holy shit I made the front page of all of Reddit… thank you all so much for the love 🤍🤍 to the fucking moon 🚀
Edit 2: great comment by u/ricecooker8055BH
“((1)) Apr13 low 132=>((2))=>((3))=>((4))=>((5)) Jun8 hi 344 ==> MINUTE ((i))
The drop from Jun8 hi 344 to Jun10 low 211 ==> MINUTE ((i))
The next wave MINUTE ((iii)) is considerably/extremely bullish.
Why?
Elliottician dream is to identify this wave known as THIRD OF THIRD IMPULSIVE RALLY (within MINOR WAVE 3). This is the DEADLY TSUNAMI WAVE that hit Sumatra, Indonesia; Phuket, Thailand in 2004 and Fukushima, Japan 2011. You don't want to go against this KILLER WAVE.
There will be a lot of ARCHEGOS body bag when this unfold. Really? Based on DD we read, and with the measured objective 555/766/978, I don't know how many HF can survive it if MARGIE CALLING.
What's gonna trigger it? Probably SEC, DTC I don't know.
I know it's confusing...LONG STORY SHORT...this is fking BUUUUULLISH! BUY&HOLD 💎🙌🦍💪 🚀🚀🚀🚀🚀🚀🚀🚀🚀”
edit 3: Morning, looks like I was correct in this analysis, 213 does seem to be the bottom of our cycle 2... confirmation in that alone is enough for me to be happy with today.I'm still waiting for a bigger intermedia movement to really have an idea of the targets, but based off this mornings price action, this is what I'm watching as of now: https://imgur.com/auYvUMj also thank you all so much for the support on this post, really does mean the world <3
edit 4: lol im literally dead broke, but i deposited another $80 into my TD (i hold xxx on fidelity, only x on td) to buy my last (till i get paid) share at 231... these prices won't last!
edit 5: I feel like there were a few misconceptions from my post, first of all, In no way do i expect to hit 500+ today. The targets outlined are CYCLE 3 targets, but I haven't seen enough movement to draft intermediate waves and so on... ALL I CARE ABOUT is that 213 is the bottom of wave 3 (within 3 within 3, uber bullish), that in itself is huge.
Edit 6: there’s no truer pain than watching your favorite stock dip and not having liquid funds to buy the dip ▯ give em hell for me
edit 7: about to hit the gym, probably not gonna update for a bit... we seem to be holding above 213, though for clarify, if we do happen to break below, its not the end of the world by any means. EW theory here is valid so long as we dont drop below like 110 ish (bottom of cycle 1) in this subset, so anything under 213 would be ideal to buy.making an ASSUMPTION here in that GME isn't done with their 5m offering (I believe i read somewhere the offering has to be under 255/share? someone correct me if im wrong)... Just remember that every short piling onto this mess is gonna get squeezed out very, very soon. Technical indicators are probably gonna trigger algo buys soon, as we are nearing oversold territory
edit 8: holy fuck, just another reason why you shouldn't listen to me, im so retarded (I was probably high in all honesty) when I wrote this and i looked at my fibs as 213 being the 61.8 level to watch... but i am retarded... the proper level is 201... so keep a strong eye on that for a bounce: https://imgur.com/dmywYOA (okay now im acc leaving, the TA wasn't sitting right with me so i took a closer look, and voila... user error smh. Sorry for confusion, I'm just an ape (look CLOSELY at how

the retracemnt is drawn, from the low on 3/24 to the high on 6/8... these are the PROPER ratios to reference, Irdk how I missed that yesterday

Back to Table of Contents

Danger Zone Part 2 - Shorts are terrified of a $310+ close. Projected price movement for the next few months based on T+21, ever-increasing, and poking harder at the first domino just waiting for it to fall.

DD 👨‍🔬

0. Preface

Welcome. WELCOME. More patterns. More dates (T+21 dates).

I'm not a financial advisor - I don't provide financial advice. Also, you must be pretty nuts to be listening to a Pomeranian.

I made a post before about the price entering the DANGER ZONE and thought it was above $160. Well,

let's revisit that topic because of the interesting price movement we have been getting.

Somebody. PLEASE call Kenny. Marge? You there?

TLDR: Danger Zone part 2

- **The price floor continues to rise each T+21 cycle.**
- **Price goes on a Crabby Move 🦀 on normal T+21 dates - floor rises about $30 each time.**
- **Price goes on a Parabolic Move 🚀 between T+21 dates where major options come into play (January 15, April 16, July 16) - floor rises about $80 each time.**
- **If the price pattern continues, we should see a $500 floor by January 2022.**
- **Shorts haven't covered. They post unrealized losses and unrealized gains to mess with you.**
- **Retail average base cost is (probably) around $156.57. This is most likely the shorter average short price.**
- **Shorts with an average price of $156.57 would experience 100% loss around $313.14. (Speculative based on data - the real cost could be around $350).**
- **Shorters are terrified of $300+, there's been a big battle here for a few days, hinting that small short positions are about to hit margin call territory (the Danger Zone).**
- **The current price momentum in this gamma is much stronger than the previous two gammas of January and March. They're trying desperately to not let it take off.**
- **The moment one shorter falls, the dominos fall.**
- **I like the stock. I also like you. 😉**

1. Ever-Rising Price Floor And Projection For The Next Few Cycles

I've been getting pinged a lot on the next T+21 dates and when the next possible parabolic move could be coming. You might say "Past performance is no guarantee of future results" and generally I would agree. But with T+21 consistently occurring and the parabolic moves so far looking like they were triggered by major option dates, I'd say it's a pretty good bet that past performance will guarantee future results.

- Every 21 trading days a price spike occurs. Upon each spike, the clock resets to 0, and you count up 21 trading days following. Note that you must ignore holidays.
- Major options dates appear to drive parabolic moves upward. "Major dates" are the only option dates which were available early last year for the 2021 trading year.
  - January 15 --> February 24 - March 10; Parabolic Move
  - April 16 --> May 25 - June 9; Parabolic Move (Maybe more movement to come)
  - July 16 --> August 24 - September 8; Parabolic Move (Projected)

I will say, the only thing that could make this crap the bed is if DTC-2021-009 somehow affects T+21. Guess we'll have to see what happens on June 24th, the next T+21. I'm thinking it does not, since T+21 is most likely not caused by a DTC rule, and therefore the DTC can't mess with that timeframe.

On another note, there is speculation that T+21 is not actually a thing. It could be due to other mechanics we don't fully understand (T+35 rule or Net Capital for example). **That being said,** we're consistently in this loop so far. So, for the sake of making it easy to understand the loop, I think it's safe to continue calling it T+21.

Without further ado, here you go! Projection of price movements with T+21 dates labeled for the next few months.

Price Projection Based On Rising Floor Every T+21 Days And Major Option Expirations

It's a bit of a wild chart, so I'm sorry if it's cluttered. I've plotted with curvy lines the parabolic momentum that we see, and the crabby moves we get dependent on the different factors at play that cycle:

1. February 24 -> March 25: Parabolic Move 🚀 (January 15 options)
2. March 25 -> April 26: Crabby Move 🦀
3. April 26 -> May 25: Crabby Move 🦀
4. May 25 -> June 24: Parabolic Move 🚀 (April 16 options)
5. June 24 -> July 26: Crabby Move 🦀
6. July 26 -> August 24: Crabby Move 🦀
7. August 24 -> September 8: Parabolic Move 🚀 (July 16 options)

In the chart, there's blue boxes starting at the floor of the previous cycle and ending at the floor of the next cycle. I drew them very roughly, so the numbers on the graph aren't exact. Sorry. I'm moving a bit quick.

You'll see that the floor has continued to rise. Although I'm sure many have already seen that from the exponential floor posts! This is expanding on those posts and is a visualization to show that the floor rises every T+21 day cycle. So far, it looks like it rises at a very nice rate, even with the crabby cycles:

- Crabby Moves 🦀 increase the floor roughly $30 each time.
- Parabolic Moves 🚀 increase the floor roughly $80 each time.

If the patterns follow, we could see the following price floors. Note that between April 26 and May 25 that the price broke below the previous floor. That's ok and expected. They can short a hell of a lot more shares to try to pull the price down between these cycles, but the floor continues to rise upon each T+21 date, despite this trickery.

T+21 Date	Price Floor (Roughly)	$ Increase From Previous	% Increase From Previous (Rounded)
February 24	$45	-	-
March 25	$116	$71	157%
April 26	$148	$32	28%
May 25	$182	$34	23%
June 24	$259	$77	42%
July 26 (Projected)	$289	$30	12%
August 24 (Projected)	$318	$29	10%
September 8 (Projected)	$396	$78	25%

After September 8 I don't think we'll see another parabolic move for a while, since that would be due to the last "major option date" of 2021 (July 16 options). The next "major option date" would be for January 2022. But, if the pattern continues, then the price floor would be around $500 by January 2022. Ooftah. Think they could last that long?

2. Short Position "Gains" And "Losses" Are Unrealized. They Averaged Up.

I want to bring your attention to another matter that has popped up a lot, and there's a lot of celebration around it. The articles about short sellers "losing" billions of dollars in short positions on meme stocks. Horray!!! Shorts are bleeding money! Right? I don't think so. They're bleeding, but not for this reason.

Short sellers lose almost $5 billion in one day on meme stocks

CNBC's Kristina Partsinevelos reports on how much short sellers have lost betting against meme stocks like AMC and Workhorse as retail investors push the names higher.

THU, JUN 3 2021 • 10:15 AM EDT

https://www.cnbc.com/video/2021/06/03/short-sellers-lose-almost-5-billion-in-one-day-on-meme-stocks.html#:~:text=CNBC's%20Kristina%20Partsinevelos%20reports%20on,investors%20push%20the%20names%20higher.

I've always thought these articles being posted were interesting.... almost as if they wanted to convey that the shorters "covered". (A few small shorters, like new retail shorters, might have covered. But not the big ones).
Hint hint. They haven't covered. They do not plan to cover. The margin call Thanos snap when they get liquidated will finally make them cover.

mcuban OP • 4mo

19 Awards

Their goal is to never cover their short. But that would take the company going out of business or being delisted. That wont happen here.

Best thing you can do is hold on to the stock and do business with GameStop. If everyone goes to their website and buys from them that is going to help the company which will help the stock which will help everyone here.

If you still believe in the reason you bought the stock, and that hasnt changed, why sell ?

https://www.reddit.com/r/wallstreetbets/comments/lawubt/hey_everyone_its_mark_cuban_jumping_on_to_do_an/

I always look back at the total PUT OI going on an absolute tear in January when they hid SI% and think to myself, "Damn. That's totally not normal."
Take a look at this. PUT OI spikes to 2e6 OI = **200m shares worth in PUTs.** These PUTs were spread far and wide to many options expiring from February 5 all the way to January 2023. What in the hell? Totally normal hedge move, yup. Totally normal.

Data Date	Total CALL OI	Total PUT OI
1/11/2021	373,744	418,683
1/12/2021	391,743	430,837
1/13/2021	397,107	426,051
1/14/2021	401,921	536,511
1/15/2021	440,181	605,996
1/19/2021	279,031	286,610
1/20/2021	318,134	370,376
1/21/2021	348,991	403,426
1/22/2021	396,063	448,954
1/25/2021	319,708	533,349
1/26/2021	385,500	858,273
1/27/2021	419,271	1,123,004
1/28/2021	319,387	1,537,317
1/29/2021	336,998	1,708,422
2/1/2021	261,320	1,577,871
2/2/2021	289,448	1,771,333
2/3/2021	354,541	1,889,445
2/4/2021	383,624	1,956,144
2/5/2021		2,088,427

CALL and PUT OI Comparison; Data from /u/yelyah2

They're not covering. They're hiding their shorts and trying everything they can to scare you off.
So in my eyes these articles are all bull. Especially this one from the start of March:

Melvin Capital posts return of more than 20% in February, sources say

PUBLISHED WED, MAR 3 2021•4:50 PM EST | UPDATED WED, MAR 3 2021•6:55 PM EST

https://www.cnbc.com/2021/03/03/melvin-capital-posts-return-of-more-than-20percent-in-february-sources-say.html

I remember getting pinged about this article and being told that Melvin won, shorters exited, blah blah blah, that was the FUD back then.

How could they possibly gain 20% in February after getting obliterated in January? Well... they, and other shorters, must have averaged up their short position price. Anyone who took advantage of the GME peak price in January was able to have a fun time with gains.

Short Position Unrealized Gains / Losses Based On Opening New Shorts

Their overall short position price went up, so they could post that they had returns/gains on that massive downward momentum in February. But these gains are all unrealized. They aren't covering, they're just digging a deeper hole because that's all they can do.

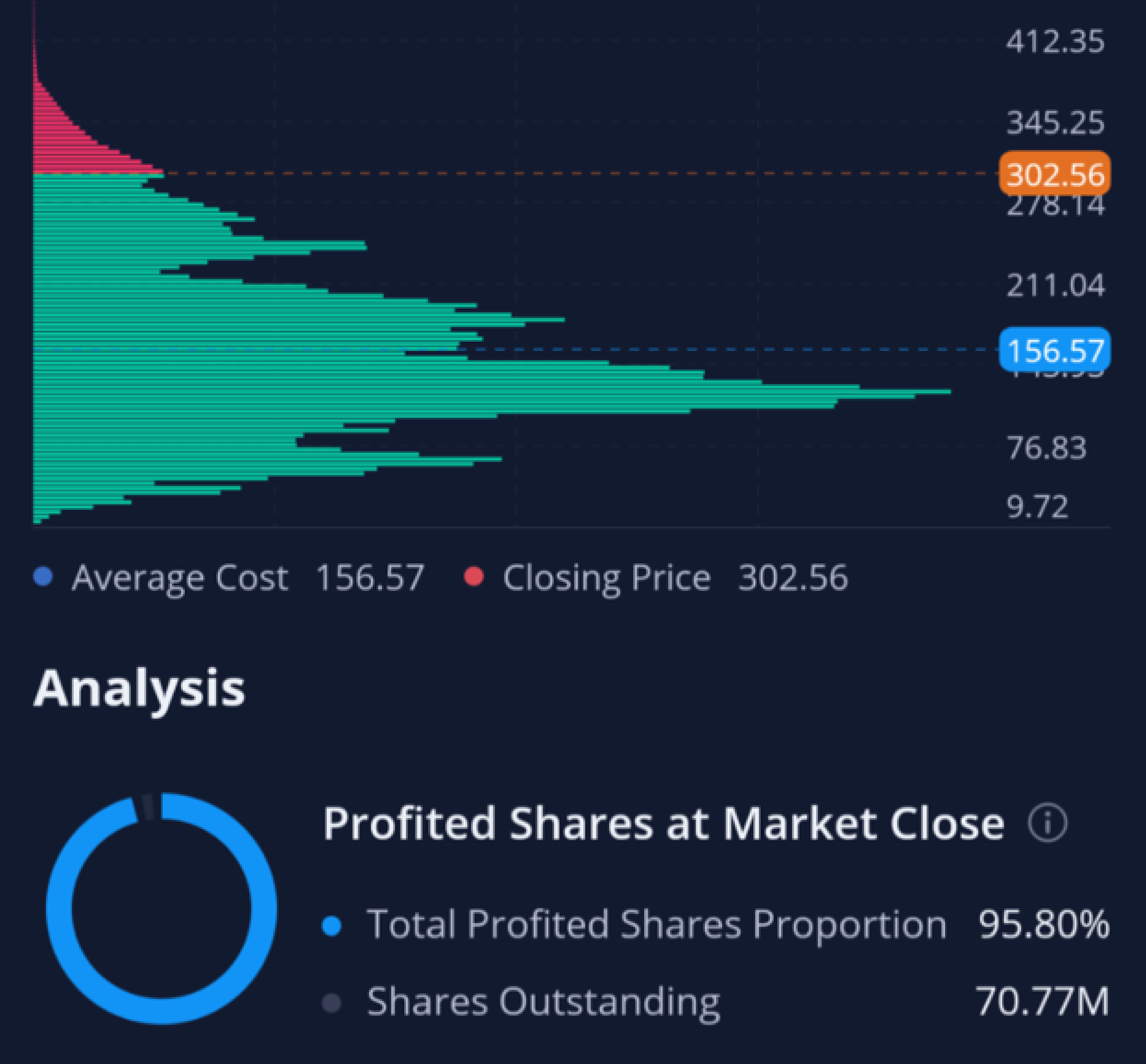
3. Average Retail Buy Price; Average Short Position Price

It's an absolute WARZONE right now. The price is so desperately trying to go on a run upward. Last week I was noticing how similar this run was to February, and I was predicting that we'd see another Gamma Neutral spike on June 4th. **BUT IT SPIKED UP TWO DAYS EARLIER THAN EXPECTED ON JUNE 2nd**. [Data courtesy of /u/yelyah2]

That was a big, "Wait. What?" moment for me because it implied this gamma was ready to take off much sooner than the previous gamma run of February 24 - March 10. I should have noticed earlier at how much stronger this run was compared to the previous two gammas. Check out this comparison of the price hammers for January, March, and June gamma runs. Big shout out to /u/sharp717 for identifying the similarities to the January run as well.

Price Momentum Being Contained. January, March, and June Gamma Squeezes

There's huuuuge momentum that they have been trying to contain ever since May 25th. The price has been swinging up and down massively each day in this parabolic cycle🚀.
Have they succeeded with suppressing the gamma squeeze? I mean, time will tell. June 9th is when I expected it to either start to go parabolic or be flash crashed down. But it's a goddamn battlefield right now! And this parabolic run is much different and stronger than the previous one. I personally think this run isn't over with. Their attacks are weaker every time, and there's so much strength still in this parabolic cycle🚀.
There's so much ammunition being thrown because it truly is getting close to margin call territory, and they're most likely hurting even more in captial from January 15 and April 16 options expiring.
Did I say margin call territory? I mean - the DANGER ZONE. Marge, call Kenny. Please.
Some big brain apes discussed this Webull chart and the implications of it relating to their "Danger Zone price". It truly is a goldmine. With how popular Webull is it's probably safe to use this as a baseline for retail (and indirectly a baseline for shorters).



Webull GME Statistics. Average share cost of $156.57

What is this telling us?

1. Each horizontal bar represents a cluster of cost basis for retail shares. For example you can see a huge cluster between $76.83 and $156.57. There's way more retail that own shares at that price point than anything above $302.56.
2. The red indicates that the shares owned above $302.56 (price point when this screenshot was captured) currently have unrealized losses. "They're in the red"
3. Likewise, the green indicates that the shares owned below $302.56 currently have unrealized gains. "They're in the green".
4. The blue price point of $156.57 is the average ownership price.

Seems fair. **We can most likely assume that retail's average base cost is around $156.57**. Most retail probably started buying in around December, because that's when the news of a GME short squeeze started to really take off. We can now indirectly say that this is also the average short position price.
GME was **over 100% shorted** in December:

- You have to have naked shorts to get over 100% in the first place.
- OBV implies that barely anyone is selling.
- This signifies a liquidity issue where synthetics are created, ever-increasing the SI%.
- Any retail buy was most likely a new short position that was opened or a swap between paper hands and diamond hands.

Our dear shorties might have an average short position of around $156.57. Give or take a little bit.
If you have a **long** position that you opened up at $156.57, and the price goes down to $78.28, you'll be down 50%. If it continues down to $39.14, you'll be down 75%.
If you have a **short** position that you opened up at $156.57, and the price goes up to $234.855, you'll be down 50% on margin. If it continues up to $313.14, you'll be down 100% on margin. BOOM. Marge starts calling.
Assumptions per a big brain ape who discussed this:

1. Generally the margin requirements on short positions is 100% cash value of the position
    a. When you hit 100% loss, marge starts to call. Example of $156.57 short hitting $313.14. You need $156.57 posted to cover your margin requirement.
2. WeBull is a large enough broker to likely be considered a representative sample of all GME holders.
3. This is assuming the positions are unlevered - levering would reduce the margin call point.
4. This is assuming additional capital was not raised against the positions [Such as shill stock tickers pumped and dumped / Crypto / etc].

4. Danger Zone Part 2

They dun goofed. Their FUD attack today (which we expected) was fruitless. All their tricks have been found out lmao.
Guess what, Ken? Here's my trick. It's crayons showing the goddamn **Danger Zone** you're entering and so desperately trying to stay out of.
The new and improved danger zone is based on the average short price of $156.57 which would trigger 100% losses at **$313.14** assuming 100% margin requirements.
[Note: Speculative based on Webull data. This could very well be $350 or higher, but the battle at $300 signals that this is a very rough place for the shorters to be].

Danger Zone Visualization

Is this why there's such a huge battle around $300 right now? And why the price is SEVERELY smacked down when it tries to reach above $350? It's probably because this danger zone is when small HedgeFunds / shorters begin to fall, and it's getting so close to closing in the zone.

When one of the small shorters fall, it becomes a domino effect. Not only would they initiate buy pressure from covering their short positions, but the banks which are connected to the shorters might get upper-cut just enough to also send the banks defaulting with the ICC.

This would then cascade to all the other shorters under that bank because their swaps with the bank for assets/liabilities to pump their balance sheets would get rug-pulled. Not just that... but everyone else on the brink of defaulting in the entire financial world connected to that bank would start to fall.

You've all seen the reverse repo market. Things are bad bad BAD in the market. The amount has already reached an all-time high above $500 Billion in a **non-quarter end**. This is abnormal because quarter-ends are usually the time when banks would take advantage of the repo market to adjust their balance sheets.

Other than high levels immediately before a quarter-end, these levels of sustained reverse repo activity in excess of $300 Billion have not been seen since the Great Recession. - Source

Everyone in the repo market is terrified of the 2008 bomb that wasn't allowed to finish going off. They're most likely colluding to prop each other up because of the absolute insanity that could follow. Not just in the stock market. But the repo market, the crypto market, the treasury market, every market potentially.

Criand Voted 11 days ago · edited 11 days ago

(Splitting up comment to avoid automod removal for character count. This is spooky stuff)

George Gammon seems to come to the same conclusion that the Fed is being complicit in this whole matter. He provides sources too on how he came to these conclusions:

- In a normal reverse repo between the banks and the Fed, the banks would give the Fed cash and the Fed would give the banks treasuries (collateral). This would reduce the Fed's total assets in their balance sheet in a normal situation.
- HOWEVER, the Fed is allowing these reverse repos to go through **without affecting the Fed's Asset side of their balance sheet**. We'd expect it to go down, but the reverse repos are not affecting their assets. (E.g. It should be -1 treasury overnight but it remains unchanged, meanwhile the banks/HFs/FIs get +1 treasury overnight).
- In March, the Fed increased the total amount that reverse repo counterparties (banks/HFs/FIs) can borrow from $30B to $80B. This allows for a much larger borrow amount and cumulative balance sheet

798 Reply Share Save Edit ···

Criand Voted 11 days ago · edited 11 days ago

- It's possible that due to the Fed not affecting the asset side of their balance sheet and being complicit with this, that Fed + Banks + HFs + FIs have "merged" their balance sheets to increase profits and avoid defaulting while also risking system instability. You get a bad bad instability problem when all of these balance sheets are merged and not accounting for the asset/liability swaps. It's like they're acting as a single entity at the moment.
- Like /u/atobitt's "Everything Short" is predicting, the banks are shorting the US treasury market itself:

1. Banks want to turn a profit off of treasuries going down, since interest rates are going up and thus treasuries/bonds should drop in price. They can profit off of this by shorting.
2. Banks borrow treasuries from the Fed while the Fed doesn't affect their balance sheet (Sure! Use it as much as you want banks!)
3. Banks short the treasuries into the Treasury Market. But there must always be a buyer, so the FIs buy these treasuries up.
4. Now the FIs have that treasury on their balance sheet from the purchase **but the Fed will also have this treasury on their balance sheet because they did not adjust their assets when performing the rev repo**. The shorting pile continues while the banks grow a larger grave for if the treasury market short squeezes.

- **It's almost as if the Fed/banks/HFs/FIs have a merged balance sheet that they all use, so that everyone can get the assets or liabilities that they need in order to kick their individual cans down the road. What cans? Probably GameStop and memestocks.**
- **This is most likely being done to rehypothecate treasuries and continue to generate fake collateral to avoid margin calls.**

Possible Collusion In Repo Market

But hey, all it takes is that one.
GME has to close just high enough for everything, **everything**, to come crashing down.

Back to Table of Contents

IMPORTANT: This is why they mentioned "more than a majority represented" at the meeting. It's simple. Read this. Please.

DD

I have extensive experience with public company shareholder meetings.
There has been a lot of discussion about the statement made that "There are present at this meeting in person or by proxy more than the majority of all shares that are entitled to cast votes". This statement was made by the secretary at the meeting.

TL;DR: This was a standard statement made for the meeting to be valid.

WHY DID THE SECRETARY SAY THAT?!
It is part of his script for the meeting so that they have on record that quorum was met so the meeting could be validly held.
What is quorum? A quorum is the answer to the question: "How many stockholders need to vote for the shareholder's meeting to be validly held".
From the proxy statement, here are the quorum requirements (bolded by me):
6. What Constitutes a Quorum?A quorum of common stockholders is required to hold a valid annual meeting of stockholders. Unless a quorum is present at the annual meeting, no action may be taken at the annual meeting except the adjournment thereof to a later time. **The holders of a majority of the outstanding shares of our common stock entitled to vote at the meeting must be present or by proxy to constitute a quorum.** All valid proxies returned will be included in the determination of whether a quorum is present at the annual meeting. The shares of a stockholder whose ballot on any or all proposals is marked as “abstain” will be treated as present for quorum purposes. If a broker indicates on the proxy that it does not have discretionary authority as to certain shares to vote on a particular matter, those uninstructed shares, constituting “broker non-votes,” will be considered as present for determining a quorum, but will not be voted with respect to that matter.
https://news.gamestop.com/static-files/8f795a88-54a3-4320-b3e2-a2d5f28be6c4 page 10
Does that language look familiar? Yep.
DOES THIS MEAN THERE WASN'T OVER VOTING?
NO. This has nothing to do with over-voting. This is required for the secretary to say in order to properly conduct the meeting.

BUT THEN WHAT DOES THIS MEAN?!
It means that the shareholder meeting was validly constituted to conduct the business that it meant to conduct. It meant that the shareholder approvals made at the meeting are valid.
That's it.
Don't spread FUD or drama about this. It's nothing more than that.
EDIT 1: I've seen a couple different questions or comments stating that over-voting would have made the meeting invalid. I'm not sure where the source of that came from, but too many votes would not make the process invalid. In fact, Delaware law (GME exists under Delaware law) even contemplates that there might be over voting for public companies that is corrected by the inspector of elections. (https://delcode.delaware.gov/title8/c001/sc07/index.html, section 231(d)).
The quorum statement is purely procedural to ensure the meeting is valid. This has nothing to do with over-voting and this does not confirm that there was or was not over-voting.

Back to Table of Contents

A House of Cards - Part 1

DD 👨‍🔬
TL;DR- The DTC has been taken over by big money. They transitioned from a manual to a computerized ledger system in the 80s, and it played a significant role in the 1987 market crash. In 2003, several issuers with the DTC wanted to remove their securities from the DTC's deposit account because the DTC's participants were naked short selling their securities. Turns out, they were right. The DTC and it's participants have created a market-sized naked short selling scheme. All of this is made possible by the DTC's enrollee- Cede & Co.
____

Andrew MoMoney - Live Coverage
I hit the image limit in this DD. Given this, and the fact that there's already SO MUCH info in this DD, I've decided to break it into AT LEAST 2 posts. So stay tuned.
Previous DD
1. Citadel Has No Clothes
2. BlackRock Bagholders, INC.
3. The EVERYTHING Short
4. Walkin' like a duck. Talkin' like a duck
____
*Holy SH*T!*
The events we are living through *RIGHT NOW* are the 50-year ripple effects of stock market evolution. From the birth of the DTC to the cesspool we currently find ourselves in, this DD will illustrate just how fragile the *House of Cards* has become.

We've been warned so many times... We've made the same mistakes *so. many. times.*
And we never seem to learn from them..

In case you've been living under a rock for the past few months, the DTCC has been proposing a boat load of rule changes to help better-monitor their participants' exposure. If you don't already know, the DTCC stands for Depository Trust & Clearing Corporation and is broken into the following (primary) subsidiaries:

1. **Depository Trust Company (DTC)** - *centralized clearing agency that makes sure grandma gets her stonks and the broker receives grandma's tendies*
2. **National Securities Clearing Corporation (NSCC)** - *provides clearing, settlement, risk management, and central counterparty (CCP) services to its members for broker-to-broker trades*
3. **Fixed Income Clearing Corporation (FICC)** - *provides central counterparty (CCP) services to members that participate in the US government and mortgage-backed securities markets*

Brief history lesson: I promise it's relevant (this link provides all the info that follows).
The DTC was created in 1973. It stemmed from the need for a centralized clearing company. Trading during the 60s went through the roof and resulted in many brokers having to quit before the day was finished so they could manually record their mountain of transactions. All of this was done on paper and each share certificate was physically delivered. This obviously resulted in many failures to deliver (FTD) due to the risk of human error in record keeping. In 1974, the Continuous Net Settlement system was launched to clear and settle trades using a rudimentary internet platform.
In 1982, the DTC started using a Book-Entry Only (BEO) system to underwrite bonds. For the first time, there were no physical certificates that actually traded hands. Everything was now performed virtually through computers. Although this was advantageous for many reasons, it made it MUCH easier to commit a certain type of securities fraud- naked shorting.
One year later they adopted NYSE Rule 387 which meant most securities transactions had to be completed using this new BEO computer system. Needless to say, explosive growth took place for the next 5 years. Pretty soon, other securities started utilizing the BEO system. It paved the way for growth in mutual funds and government securities, and even allowed for same-day settlement. At the time, the BEO system was a tremendous achievement. However, we were destined to hit a brick wall after that much growth in such a short time.. By October 1987, that's exactly what happened.

"A number of explanations have been offered as to the cause of the crash... Among these are computer trading, derivative securities, illiquidity, trade and budget deficits, and overvaluation..".
If you're wondering where the birthplace of High Frequency Trading (HFT) came from, look no further. The same machines that automated the exhaustively manual reconciliation process were also to blame for amplifying the fire sale of 1987.

CAUSE #2: COMPUTER TRADING

Website, University of Melbourne:

In searching for the cause of the crash, many analysts blame the use of computer trading (also known as program trading) by large institutional investing companies. In program trading, computers were programmed to automatically order large stock trades when certain market trends prevailed. However, studies show that during the 1987 U.S. Crash, other stock markets which did not use program trading also crashed, some with losses even more severe than the U.S. market.

https://historynewsnetwork.org/article/895

The last sentence indicates a much more pervasive issue was at play, here. The fact that we still have trouble explaining the calculus is even more alarming. The effects were so pervasive that it was dubbed the 1st global financial crisis

Here's another great summary published by the NY Times: *"..**to be fair to the computers.. [they were].. programmed by fallible people and trusted by people who did not understand the computer programs' limitations. As computers came in, human judgement went out."*** Damned if that didn't give me goosiebumps...

Here's an EXTREMELY relevant explanation from Bruce Bartlett on the role of derivatives:

CAUSE #1: DERIVATIVE SECURITIES

Bruce Bartlett, senior fellow with the National Center for Policy Analysis of Dallas, Texas:

Initial blame for the 1987 crash centered on the interplay between stock markets and index options and futures markets. In the former people buy actual shares of stock; in the latter they are only purchasing rights to buy or sell stocks at particular prices. Thus options and futures are known as derivatives, because their value derives from changes in stock prices even though no actual shares are owned. The Brady Commission [also known as the Presidential Task Force on Market Mechanisms, which was appointed to investigate the causes of the crash], concluded that the failure of stock markets and derivatives markets to operate in sync was the major factor behind the crash.

Notice the last sentence? A major factor behind the crash was a disconnect between the price of stock and their corresponding derivatives. The value of any given stock should determine the derivative value of that stock. It shouldn't be the other way around. **This is an important concept to remember as it will be referenced throughout the post.**

In the off chance that the market DID tank, they hoped they could contain their losses with portfolio insurance. Another article from the NY times explains this in better detail.

Portfolio insurance would let them get out with minimal damage if markets ever began to fall. They would simply sell ever-increasing numbers of futures contracts, a process known as dynamic hedging.

The short position in futures contracts would then offset the losses caused by falls in the stocks they owned.

Portfolio insurance did not start the widespread selling of stocks in 1987. But it made sure that the process got out of hand. As computers dictated that more and more futures be sold, the buyers of those futures not only insisted on sharply lower prices but also hedged their positions by selling the underlying stocks. That drove prices down further, and produced more sell orders from the computers. At the time, many people generally understood how portfolio insurance worked, but there was a belief that its very nature would assure that it could not cause panic. Everyone would know the selling was not coming from anyone with inside information, so others would be willing to step in and buy to take advantage of bargains. Or so it was believed.

But when the crash arrived, few understood much of anything, except that it was like nothing they had ever seen. Anyone who did step in with a buy order quickly regretted the decision.

A major disconnect occurred when these futures contracts were used to intentionally tank the value of the underlying stock. In a perfect world, organic growth would lead to an increase in value of the company (underlying stock). They could do this by selling more products, creating new technologies, breaking into new markets, etc. This would trigger an organic change in the derivative's value because investors would be (hopefully) more optimistic about the longevity of the company. It could go either way, but the point is still the same. This is the type of investing that most of us are familiar with: investing for a better future.

I don't want to spend too much time on the crash of 1987. I just want to identify the factors that contributed to the crash and the role of the DTC as they transitioned from a manual to an automatic ledger system. **The connection I really want to focus on is the ENORMOUS risk appetite these investors had. Think of how overconfident and greedy they must have been to put that much faith in a computer script.. either way, same problems still exist today.**

Finally, the comment by Bruce Bartlett regarding the mismatched investment strategies between stocks and options is crucial in painting the picture of today's market.

Now, let's do a super brief walkthrough of the main parties within the DTC before opening this **can of worms.**

I'm going to talk about three groups within the DTC- **issuers, participants, and Cede & Co.**

Issuers are companies that issue securities (stocks), while participants are the clearing houses, brokers, and other financial institutions that can utilize those securities. Cede & Co. is a subsidiary of the DTC which holds the share certificates.

Participants have MUCH more control over the securities that are deposited from the issuer. Even though the issuer created those shares, participants are in control when those shares hit the DTC's doorstep. The DTC transfers those shares to a holding account *(Cede & Co.)* and the participant just has to ask "*May I haff some pwetty pwease wiff sugar on top?"*

Now, where's that can of worms?

Everything was relatively calm after the crash of 1987.... until we hit 2003..

deep breath

The DTC started receiving several requests from issuers to pull their securities from the DTC's depository. I don't think the DTC was prepared for this because they didn't have a written policy to address it, let alone an official rule. Here's the half-assed response from the DTC:

including its book-entry transfer system. The securities are held by DTC in its nominee name for the benefit of its participants. DTC has stated that, in its opinion, these issuers have no legal or beneficial interest in the securities they are requesting to be withdrawn from DTC.

https://www.sec.gov/rules/sro/34-47978.htm (section II)

Realizing this situation was heating up, the DTC proposed SR-DTC-2003-02..

DTC's proposed rule change provides that upon receipt of a withdrawal request from an issuer, DTC will take the following actions: (1) DTC will issue an Important Notice notifying its participants of the receipt of the withdrawal request from the issuer and reminding participants that they can utilize DTC's withdrawal procedures if they wish to withdraw their securities from DTC; and (2) DTC will process withdrawal requests submitted by participants in the ordinary course of business but will not effectuate withdrawals based upon a request from the issuer.

https://www.sec.gov/rules/sro/34-47978.htm#P19_6635

Honestly, they were better of WITHOUT the new proposal.
It became an even BIGGER deal when word got about the proposed rule change. Naturally, it triggered a TSUNAMI of comment letters against the DTC's proposal. There was obviously something going on to cause that level of concern. Why did *SO MANY* issuers want their deposits back?
...you ready for this sh*t?

As outlined in the DTC's opening remarks:

II. Description

Recently a number of issuers of securities have independently requested that DTC withdraw from the depository all securities issued by them.4

https://www.sec.gov/rules/sro/34-47978.htm#P19_6635

OK... see footnote 4.....

4 As explained in further detail by many of the commenters opposing DTC's proposal, the issuers making these requests have alleged that their securities have been the target of manipulative short sellers.

https://www.sec.gov/rules/sro/34-47978.htm#P19_6635

UHHHHHHH WHAT!??! Yeah! I'd be pretty pissed, too! Have my shares deposited in a clearing company to take advantage of their computerized trades just to get kicked to the curb with NO WAY of getting my securities back... AND THEN find out that the big-d*ck "participants" at your fancy DTC party are literally short selling my shares without me knowing....?!
....This sound familiar, anyone??? IDK about y'all, but this "trust us with your shares" BS is starting to sound like a major con.
The DTC asked for feedback from all issuers and participants to gather a consensus before making a decision. All together, the DTC received 89 comment letters (a pretty big response). 47 of those letters opposed the rule change, while 35 were in favor.
To save space, I'm going to use smaller screenshots. Here are just a few of the opposition comments..

Dear Senator Lieberman:

My firm represents Flight Safety Technologies, Inc. ("FST") whose shares are traded on the NASD Over-The-Counter Bulletin Board ("OTCBB"). We are writing to enlist your support of our request to the SEC to conduct an investigation into naked shortselling of shares of small cap companies on the OTCBB.

FST is concerned that it, along with numerous other small-cap companies, has been the target of "naked shortselling". Naked shortselling occurs when a party sells shares of a company without making an affirmative determination that it can borrow shares to "cover" those that it has sold. The purpose of naked shortselling is to drive down the share price of the targeted company. In contrast to the national exchanges (NYSE, AMEX and NASDAQ), there are virtually no regulatory guidelines that apply to short sales of OTCBB traded small-cap companies.

I have attached a comment letter that we recently sent to the Securities and Exchange Commission. In our letter, we urge the SEC to (1) deny a requested rule change from the Depository Trust Company that would make it harder for a company such as FST to track and expose illegitimate short sales and (2) conduct an investigation into naked shortselling of small cap companies.

We would greatly appreciate it if you could contact the SEC, Division of Market Regulations, Margaret H. McFarland, Deputy Secretary, 450 5th Street, N.W., Washington, D.C. 20549, to urge it to vigorously investigate this growing and serious problem.

https://www.sec.gov/rules/sro/dtc200302/srdtc200302-89.pdf

And another:

From: Bob Rondeau [Bob@caesy.com]
Sent: Tuesday, May 20, 2003 10:49 AM
To: 'rule-comments@sec.gov'
Subject: DTC rules changes

Sirs,

As an investor who has been continually burned by an inefficient and poorly organized DTC as relates to naked short selling, I urge you to allow companies to continue to withdraw from the DTC at their discretion. The current climate of investing, fostered and perpetuated by the DTC is scandalous and ruinous for the individual investor. Confidence in the system is bankrupt...changes must be made....and fast.

Robert S. Rondeau

https://www.sec.gov/rules/sro/dtc200302/rsrondeau052003.txt

AAAAAAAAAAND another:

```
From: Michael Sondow [msondow@iciiu.org]
Sent: Friday, April 04, 2003 10:38 PM
To: rule-comments@sec.gov
Subject: SR-DTC-2003-02 - SEC: Proposed Rule on Restriction of
Withdrawal of Stock Certificates from Depository Trust Corp to
Shareholder Action

Dear SEC-

Regarding the proposed rule that would restrict the withdrawal of stock
certificates from the DTC to shareholder action, rather than by company
request:

This rule should not be passed because, by permitting the settlement of
so-called "short" trades by traders not holding share certificates, the
Depository Trust Corporation has shown itself to be incompetent to
uphold the law and stop illegal naked short selling, if not complicit in
such practices, and therefore a copmany's only protection from an attack
on its stock by such criminal activity may be to withdraw unilaterally
from the DTC settlement system.

If the SEC cannot prevent illegal short selling, and is unable to police
and regulate the DTC to make certain rules are being followed, it must
allow the companies whose shares are under attack to protect their
investors by withdrawing those shares from the system - the DTC - where
they are vulnerable to such attacks.

In the end, a free market will correct abuses. But if the SEC constrains
the market, by regulating how and where a company may settle the trades
of its shares, in a way that results in unfair practices by which
individual investors are hurt, it is guilty of both denying the play of
free market forces and of forcing investors and companies into an
obligatory system of abuse.

In short, the proposed rule will foster further abuses and undermine the
already decreased public confidence in the stock market.

Yours,
Michael Sondow
(A concerned private investor)
```

https://www.sec.gov/rules/sro/dtc200302/msondow040403.txt

Here are a few in favor**..

*All of the comments I checked were participants and classified as market makers and other major financial institutions... go f*cking figure.*

April 23,2003

02

Re: File No. SR-DTC-2003-0.3"Proposed Rule Change Concerning **Requests** for Withdrawal **of** Certificates by Issuers

Dear Mr. Katz:

UBS Warburg LLC **is** pleased to provide the Securities and **Exchange** Commission with comments on the above-referenced proposed **rule** change.

UBS Warburg LLC believes the proposed rule **change** is consistent with the securities industry's initiative toward straight-through processing and decertification.
Returning to physical securities is contrary to the recommendations of the Group of **Thirty'** and would engender operational and clearance risk that the securities industry and **the broader** economy can ill afford.

Accordingly, UBS Warburg LLC supports the Depository Trust Company's proposed rule change concerning requests for withdrawals of certificates by issuers. .

https://www.sec.gov/rules/sro/dtc200302/srdtc200302-82.pdf

Two

9th Floor
Jersey City, New Jersey 07302
201 557 3495
FAX 201 557 1405
urk@ml.com

Jonathan G. Katz
Secretary
Securities and Exchange Commission
450 Fifth Street, N.W.
Washington, D.C. 20549-0609

Re: Proposed Rule Change by The Depository Trust Company Relating to Issuers Requests for Withdrawal of Certificates. [Release No. 34-47365; File No. SR-DTC-2003-02].

Dear Mr. Katz:

Merrill Lynch welcomes the opportunity to comment on the proposed rule filing by The Depository Trust Company (DTC) under which "DTC will only honor requests for withdrawal of certificates submitted by its participants and not by the issuer of the securities."

Merrill Lynch actively supports industry efforts to achieve Straight Through Processing (STP) in the clearance and settlement of U.S. securities. A significant building block of this effort is dematerialization -- eliminating the issuance, use, transfer and retention of physical securities. Achievement of STP and dematerialization will reduce risk and costs to investors and all market participants and create greater market efficiencies.

The industry recognizes the need to support registered ownership and DTC's Direct Registration Service (DRS) provides a vehicle in an effective and safe environment. DRS enables the electronic movement of securities between the transfer agents and the participants in DTC. The service offers registered shareowners a reliable alternative to physical certificates and eliminates the risks, delays and costs associated with completing a securities transaction in certificated form.

In recent months, a number of issuers have announced plans to withdraw their certificates from DTC and move to exclusively certificated ownership of their shares. These plans to perpetuate a physical certificate environment are contradictory to industry efforts to achieve STP and dematerialization. The investing public will be especially inconvenienced in that they will bear the burden of the extra effort required to complete securities transactions, the risk of missed market opportunities and the cost of replacing lost certificates.

Merrill Lynch fully supports DTC's proposal. We find it consistent with the industry's STP efforts and urge the Commission to adopt the proposed rule change.

https://www.sec.gov/rules/sro/dtc200302/srdtc200302-81.pdf

Three

April 21, 2003

Jonathan G. Katz
Secretary
Securities and Exchange Commission
450 Fifth Street, N.W.
Washington, D.C. 20549-0609

Re: File No. SR-DTC-2003-03; Request for Withdrawal of Certificates by Issues

Dear Mr. Katz:

We would like to take this opportunity to comment on the proposed rule filing by The Depository Trust Company (DTC) to honor requests for withdrawal of certificates submitted by its participants and not by the issuers of the securities.

RBC Dain Rauscher Inc., a broker-dealer, serves individual investors and small business owners through offices across the United States, and capital markets and correspondent clients in select U.S. and international markets. RBC Dain Rauscher believes we are well positioned to understand and meet the service needs of our customers in respect to the handling of their securities.

The industry goal is to achieve Straight Through Processing (STP) and ultimately migrate to T+1 settlement. Achievement of STP processing will reduce costs to customers, reduce settlement risk, and create greater market efficiencies. In connection with a study to determine obstacles to STP, a major effort was made to analyze all reasons by retail customers to hold physical certificates and to determine appropriate alternatives. The answer was that the Direct Registration System (DRS) was established to enable owners to be held directly on the books of the issuer, in lieu of receiving a physical certificate. DRS provided many of the benefits of STP while giving share owners the convenience of holding certificates without a brokerage intermediary.

At a board meeting held January 9, 2003, the Securities Industry Association (SIA) endorsed an initiative that focuses on eliminating physical certificates. Further supporting this initiative is AT&T's decision to dematerialize a recent corporate action event and request shareholders to exchange their certificates for book-entry ownership. The industry plan to dematerialize certificates is a significant building block toward STP and the plan must continue to evolve.

https://www.sec.gov/rules/sro/dtc200302/rbcdain042303.pdf

Here's the full list if you wanna dig on your own.
...I realize there are advantages to "paperless" securities transfers... However... It is EXACTLY what Michael Sondow said in his comment letter above.. ***We simply cannot trust the DTC to protect our interests when we don't have physical control of our assets*****.**
Several other participants, including **Edward Jones, Ameritrade,**
Citibank, and **Prudential**overwhelmingly favored this proposal.. How can someone NOT acknowledge that the absence of physical shares only makes it easier for these people to manipulate the market....?
This rule change would allow these 'participants' to continue doing this because it's extremely profitable to sell shares that don't exist, or have not been collateralized. Furthermore, it's a win-win for them because it forces issuers to keep their deposits in the holding account of the DTC...
Ever heard of the fractional reserve banking system?? Sounds A LOT like what the stock market has just become.
Want proof of market manipulation? Let's fact-check the claims from the opposition letters above. *I'm only reporting a few for the time period we discussed (2003ish). This is just to validate their claims that some sketchy sh*t is going on.*

1. **UBS Securities (formerly UBS Warburg):**
    a. pg 559; SHORT SALE VIOLATION; 3/30/1999
    b. pg 535; OVER REPORTING OF SHORT INTEREST POSITIONS; 5/1/1999 - 12/31/1999
    c. PG 533; FAILURE TO REPORT SHORT SALE INDICATORS;INCORRECTLY REPORTING LONG SALE TRANSACTIONS AS SHORT SALES; 7/2/2002
2. **Merrill Lynch (Professional Clearing Corp.):**
    a. pg 158; VIOLATION OF SHORT INTEREST REPORTING; 12/17/2001
3. **RBC (Royal Bank of Canada):**
    a. pg 550; FAILURE TO REPORT SHORT SALE TRANSACTIONS WITH INDICATOR; 9/28/1999
    b. pg 507; SHORT SALE VIOLATION; 11/21/1999
    c. pg 426; FAILURE TO REPORT SHORT SALE MODIFIER; 1/21/2003

Ironically, I picked these 3 because they were the first going down the line.. I'm not sure how to be any more objective about this.. Their entire FINRA report is littered with short sale violations. Before anyone asks "how do you know they aren't ALL like that?" The answer is- I checked. If you get caught for a short sale violation, chances are you will ALWAYS get caught for short sale violations. Why? Because it's more profitable to do it and get caught, than it is to fix the problem.
Wanna know the 2nd worst part?
Several comment letters asked the DTC to investigate the claims of naked shorting **BEFORE** coming to a decision on the proposal.. I never saw a document where they followed up on those requests.....
NOW, wanna know the WORST part?

V. Conclusion

On the basis of the foregoing, the Commission finds that the proposed rule change is consistent with the requirements of the Act and in particular with the requirements of Section 17A(b)(3)(F) of the Act and the rules and regulations thereunder. IT IS THEREFORE

ORDERED, pursuant to Section 19(b)(2) of the Act, that the proposed rule change (File No. SR-DTC-2003-02) be and hereby is approved.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.[67]

Margaret H. McFarland
Deputy Secretary

https://www.sec.gov/rules/sro/34-47978.htm#P99_35478

The DTC passed that rule change....
They not only prevented the issuers from removing their deposits, they also turned a 'blind-eye' to their participants manipulative short selling, even when there's public evidence of them doing so...
....Those companies were being attacked with shares THEY put in the DTC, by institutions they can't even identify...

..Let's take a quick breath and recap:
The DTC started using a computerized ledger and was very successful through the 80's. This evolved into trading systems that were also computerized, but not as sophisticated as they hoped.. They played a major part in the 1987 crash, along with severely desynchronized derivatives trading.
In 2003, the DTC denied issuers the right to withdraw their deposits because those securities were in the control of participants, instead. When issuer A deposits stock into the DTC and participant B shorts those shares into the market, that's a form of rehypothecation. This is what so many issuers were trying to express in their comment letters. In addition, it hurts their company by driving down it's value. They felt robbed because the DTC was blatantly allowing it's participants to do this, and refused to give them back their shares..
It was critically important for me to paint that background.

..now then....
Remember when I mentioned the DTC's enrollee- Cede & Co.?

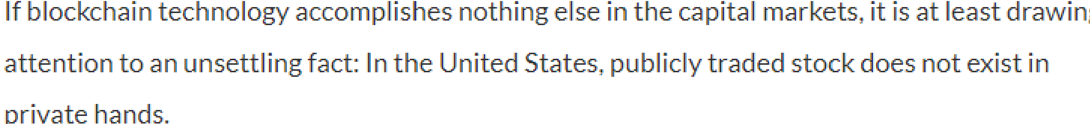
DTC or its nominee, Cede & Co.

https://www.sec.gov/rules/sro/34-47978.htm#P19_6635 (section II)

I'll admit it: I didn't think they were that relevant. I focused so much on the DTC that I didn't think to check into their enrollee...
..Wish I did....

You Don't Really Own Your Securities; Can Blockchains Fix That?

By Brian Patrick Eha July 27, 2016, 3:29 p.m. EDT 9 Min Read



If blockchain technology accomplishes nothing else in the capital markets, it is at least drawing attention to an unsettling fact: In the United States, publicly traded stock does not exist in private hands.

It is not owned by the ostensible owners, who, by virtue of having purchased shares in this or that company, are led to believe they actually own the shares. Technically, all they own are IOUs. The true ownership lies elsewhere.

While private-company stock is still directly owned by shareholders, nearly all publicly traded equities and a majority of bonds are owned by a little-known partnership, Cede & Co., which is the nominee of the Depository Trust Co., a depository that holds securities for some 600 broker-dealers and banks. For each security, Cede & Co. owns a master certificate known as the "global security," which never leaves its vault. Transactions are recorded as debits and credits to DTC members' securities accounts, but the registered owner of the securities — Cede & Co. — remains the same.

https://www.americanbanker.com/news/you-dont-really-own-your-securities-can-blockchains-fix-that

That's right.... Cede & Co. hold a "master certificate" in their vault, which **NEVER** leaves. Instead, they issue an *IOU* for that master certificate..

Didn't we JUST finish talking about why this is such a major flaw in our system..? And that was almost 20 years ago...
Here comes the mind f*ck

Part 8: Illegal Naked Shorting Series: Who or What is Cede and What Role Does Cede Play in the Trading of Stocks?

POSTED *by* LARRY SMITH *on* JUL 1, 2019 · (0)

You Really Don't Own the Shares that Appear in Your Brokerage Account; They Belong to Cede

Most investors when they buy a publicly traded stock believe that they own a part of some company. They think that somewhere there is a stock certificate or some indication of ownership that has their name on it, but this is not the case. When you buy a "stock" you are actually purchasing a security that affords certain entitlement rights related to registered stock which actual owners hold. The registered shares of a private company are directly owned by shareholders. In contrast, the registered shares of nearly all publicly traded equities are owned by Cede & Co., which is the nominee of the Depository Trust Company (DTC). (A nominee is a company whose name is given as having title to a stock, but does not receive the financial benefits of ownership.) Cede is a subsidiary of the Depository Trust Company (DTC) which is a subsidiary of the Depository Trust and Clearing Corporation (DTCC) and the DTCC is a private company owned by elite Wall Street firms and money center banks. If you need background or a refresher on DTC and DTCC, click on this link. Effectively, elite Wall Street firms and money center banks, not institutions and individual investors, own almost all of the registered shares of publicly traded companies in the US.

https://smithonstocks.com/part-8-illegal-naked-shorting-series-who-or-what-is-cede-and-what-role-does-cede-play-in-the-trading-of-stocks/

benefits such as dividends and to vote on corporate governance issues. While you may think you are buying registered stock, you are actually buying a financial derivative related to that stock. Effectively, you are buying a financial derivative from brokers of a financial derivative they hold from Cede that is just a digital entry in your DTC account.

https://smithonstocks.com/part-8-illegal-naked-shorting-series-who-or-what-is-cede-and-what-role-does-cede-play-in-the-trading-of-stocks/

Now.....

You wanna know the BEST part???

I found a list of all the DTC participants that are responsible for this mess..

I've got your name, number, and I'm coming for you- *ALL OF YOU*

to be continued.

Back to Table of Contents

House of Cards - Part 2

DD

Prerequisite DD:

1. Citadel Has No Clothes
2. The EVERYTHING Short
3. The House of Cards – Part 1

TL;DR- No freaking way I can do that.

---

1. Pilot

I wasn't looking into GameStop when all of this began. Most of my time was spent researching the pandemic's impact on the economy. I'm talking about the economic steam engine that employs people and puts food on their tables. Especially the small businesses that were executively steamrolled by COVID lockdowns. It was scary how fast they had to close their doors.

I spent a lot of time looking at companies like GameStop. Brick-n-mortar businesses were basically running out of bricks to sh*t. Frankly, GameStop looked a lot like the next Blockbuster and it just seemed like a matter of time before they went under. Had DFV not done his homework, it's possible we wouldn't have a rocket to HODL or a story to TODL.

Whoever has/had a short position with GameStop was probably thinking the same thing. The number of shares that can be freely traded on a daily basis is referred to as "the float". GameStop has 70,000,000 shares outstanding, but 50,000,000 shares represented "the float". With a small float like this, a short position of 20% becomes significant. Heck, Volkswagen got squozed with just a 12.8%short position. So let's use little numbers to walk through an example of how this works.

Assume VW has 100 shares outstanding. If 12.8% of the company has been sold short, then 12.8 shares (let's just say 13) must be available to purchase at a later date (assuming VW doesn't go bankrupt). However, VW had a float of 45% which meant there was no real strain to cover that 12.8% short position at any moment. However, when Porsche announced they wanted to increase their position in VW, they invested HEAVILY.

"The kicker was that Porsche owned 43% of VW shares, 32% in options, and the government owned 20.2%.... In plain terms, it meant that the actual available float went from 45% down to 1% of outstanding shares" (bullishbears.com/vw-short-squeeze/).

Let's revisit our scenario. With 100 shares outstanding and 13 shares sold short, what happens if only 1 share was available to cover instead of 45?

Well….. THIS:

____

GameStop is/was the victim of price suppression through short selling. I discussed this topic with Dr. Tand Carl Hagberg in our AMAs. Every transaction has two sides- a buy and a sell. Short selling artificially increases the *supply* of shares and causes the price to decline. When this happens, the price can only increase if *demand* exceeds the increase in supply.

I started looking closely at GameStop after confirming their reported short position of 140%. It's important for me explain this why this is so much different than the VW example…

140% of GameStop's FLOAT was sold short. There were 50,000,000 shares in that float, so 140% of this was equal to the 70,000,000 shares the company has outstanding. This means AT LEAST 100% of their outstanding shares has been sold short. Now compare that to VW where the short position was only 12.8%... Simply put, it is mathematically impossible to cover more than 100% of a company's outstanding stock.

The *peak* of the VW squeeze was reached when the demand for shares became surpassed by the supply of those shares. Here, demand represents 12.8% of their stock which must be available to close the short position. With only 1% of shares available, this guaranteed a squeeze until the number of shares available to trade could satisfy the remaining short interest.

When a company has a short position with more than 100% of total shares outstanding, the preceding argument is thrown out the window. Supply cannot surpass demand because the company can only issue 100% of itself at any given time. Therefore, the additional 40% could only be explained by multiple people claiming ownership of the same share... Surely this is a mistake.. right? I thought this level of short selling was impossible..

..Until I saw the number of short selling violations issued by FINRA..

As we go through these FINRA reports, there are a few things to keep in mind:

1. **FINRA is not a part of the government.** FINRA is a non-profit entity with regulatory powers set by congress. This makes FINRA the largest self-regulatory organization (SRO) in the United States. The SEC is responsible for setting rules which protect individual investors; FINRA is responsible for overseeing most of the brokers (collectively referred to as members) in the US. As an SRO, FINRA sets the rules by which their members must comply**- they are not directly regulated by the SEC**
2. FINRA investigates cases at their own pace. When looking at the "*Date Initiated"* on their reports, it is not synonymous with "*date of occurrence".* Many times, FINRA will not say when a problem occurred, just resolved. It can be YEARS after the initial occurrence. The DTC participant report is littered with cases that were initiated in 2019 but occurred in 2015, etc. Many of the violations occurring today will take years to discover
3. FINRA can issue a violation for each occurrence using a 1:1 format. When it comes to violations like short selling, however, these "occurrences" can last months or even years. When this happens, FINRA issues a violation for multiple occurrences using a 1:MANY format. I discussed this event in Citadel Has No Clothes where one violation represented FOUR YEARS of market f*ckery. What's sh*tty is that FINRA doesn't tell you which violations are which. You have to read each line and see if they mention a date range of occurrence within each record. If they don't, you must assume it was for one event… BRUTAL
4. FINRA's investment portfolio is held by the same entities they are issuing violations to… Let that sink in for a minute

---

2. State your case…

Can you think of a reason why short sellers would want to understate their short positions? Put yourself in their situation and imagine you're running a hedge fund…

You operate in a self-regulated (SRO) environment and your records are basically private. If the SEC asks you to justify suspicious behavior, you really don't have to provide it. The worst that could happen is a slap on the wrist. I wrote about this EXACT same thing in Citadel Has No Clothes. They received a cease-and-desist order from the SEC on 12/10/2018 for failing to submit complete and accurate records. This 'occurred' from November 2012 through April 2016 and contained deficient information for over 80,000,000 trades. Their punishment… $3,500,000… So why even bother keeping an honest ledger?

Now, suppose you short a bunch of shares into the market. When you report this to FINRA, they require you to mark the transaction with a short sale indicator. In doing so, FINRA builds a paper trail to your short selling activity.

However… if you omit this indicator, FINRA can't distinguish that transaction from a long sale. Who else would there be to hold you accountable for covering your position? This is especially true for self-clearing organizations like Citadel because there are less parties involved to hold you accountable with recordkeeping. If FINRA thinks you physically owned those shares and sold them (long sale), they have no reason to revisit that transaction in the future… You could literally pocket the cash and dump the commitment to cover.

Another very important advantage is that it allows short sellers to artificially increase the supply of shares while understating the outstanding short interest on that security. The supply of shares being sold will drive down the price, while the short interest on the stock remains the same.

So.. aside from paying a fine, how could you possibly lose by "forgetting" to mark that trade with a short sale indicator? It would seem the system almost incentivizes this type of behavior.

I combed through the DTC participant report and found enough dirt to fill the empty chasm that is Ken Griffin's soul. Take a guess at what their most common short selling violation is.. I'm going to assume you said **"FAILING TO PROPERLY MARK A SHORT SALE TRANSACTION".**

For the record, I just want to say I called this in March when I wrote Citadel Has No Clothes. Citadel has one of the highest concentrations of short selling violations in their FINRA report. At the time, I didn't fully understand the consequences of this violation… After seeing how many participants received the same penalty, it finally made sense.

There are roughly 240 participant account names on the DTC's list. Sh*t you not, I looked at every short selling violation that was published on Brokercheck.finra.org. To be fair, I eliminated participants with only 1 or 2 violations related to short selling. There were PLENTY of bigger fish to fry.

I literally picked the first participant at the top of the list and found three violations for short selling. *cracks knuckles*

ABN AMRO Clearing Chicago LLC (AACC) is the 3rd largest bank in the Netherlands. They got popped for three short selling violations, one of which included a failure-to-deliver. In total, they have 78 violations from FINRA. Several of these are severe compared to their violations for short selling. However, the short selling violations revealed a MUCH bigger story:

Disclosure 36 of 78	
Reporting Source:	Regulator
Current Status:	Final
Allegations:	WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT FAILED TO REPORT SHORT INTEREST POSITIONS TO THE NEW YORK STOCK EXCHANGE AND FINRA FOR SAMPLE SETTLEMENT DATES AND SUBMITTED TO FINRA AN INACCURATE SHORT INTEREST POSITION REPORT. THE FINDINGS STATED THAT THE FIRM'S SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH RESPECT TO THE APPLICABLE SECURITIES LAWS AND REGULATIONS, AND FINRA AND NASD RULES, CONCERNING SHORT-INTEREST REPORTING. SPECIFICALLY, THE FIRM'S SUPERVISORY SYSTEM DID NOT INCLUDE WRITTEN SUPERVISORY PROCEDURES PROVIDING FOR A STATEMENT OF THE SUPERVISORY STEP(S) TO BE TAKEN BY THE IDENTIFIED PERSON(S).

So… ABN AMRO submitted an inaccurate short interest position to the NYSE and FINRA and lacked the proper supervisory systems to comply with… practically everything…

In 2014, AMRO forked over $95,000 to settle this and didn't even say they were sorry.
In these situations, it's easy to think *"meh, could have been a fluke event"*. So I took a closer look and found violations by the same participants which made it much harder to argue their case of sheer negligence. Here are a couple for AMRO:

Disclosure 39 of 78

Reporting Source:	Regulator
Current Status:	Final
Allegations:	CFTC RELEASE PR6614-13/JUNE 19, 2013: THE COMMODITY FUTURES TRADING COMMISSION (CFTC) HAS REASON TO BELIEVE THAT ABN AMRO CLEARING CHICAGO LLC VIOLATED THE COMMODITY EXCHANGE ACT (THE CEA) AND COMMISSION REGULATIONS (REGULATIONS). THEREFORE, THE COMMISSION DEEMS IT APPROPRIATE AND IN THE PUBLIC INTEREST THAT PUBLIC ADMINISTRATIVE PROCEEDINGS BE, AND HEREBY ARE, INSTITUTED TO DETERMINE WHETHER THE FIRM HAS ENGAGED IN THE VIOLATIONS AS SET FORTH HEREIN AND TO DETERMINE WHETHER ANY ORDER SHOULD BE ISSUED IMPOSING REMEDIAL SANCTIONS. THE CFTC

©2021 FINRA. All rights reserved. Report about ABN AMRO CLEARING CHICAGO LLC

ISSUED AN ORDER FILING AND SETTLING CHARGES AGAINST THE FIRM FOR FAILING TO SEGREGATE OR SECURE SUFFICIENT CUSTOMER FUNDS, FAILING TO MEET THE MINIMUM NET CAPITAL REQUIREMENTS, FAILURE TO MAINTAIN ACCURATE BOOKS AND RECORDS, AND FAILURE TO SUPERVISE ITS EMPLOYEES.

ABN AMRO got slapped with a $1,000,000 fine for understating capital requirements, failing to maintain accurate books, and failing to supervise employees. If you mess up once or twice but end up fixing the problem- GREAT. When your primary business is to clear trades and you fail THIS bad, there is a much bigger problem going on. It gets hard to defend this as an accident when every stage of the trade recording process is fundamentally flawed. The following screenshot came from the same violation:

THE CME GROUP FOUND THAT THE FIRM HAD IMPROPERLY USED A CUSTOMER'S WITHDRAWN WAREHOUSE RECEIPTS AS COLLATERAL FOR MARGINING PURPOSES. WITHOUT THESE WAREHOUSE RECEIPTS, THE CUSTOMER'S ACCOUNTS WERE UNDER-MARGINED ON SEVERAL OCCASIONS, AND THE FIRM HAD TO REDUCE ITS ADJUSTED NET CAPITAL BY AN AMOUNT EQUAL TO THE MARGIN DEFICITS. ONCE THESE

Warehouse receipts are like the receipts you get after buying lumber online. You can print these out and take them to Home-Depot, where you exchange them for the ACTUAL lumber in the store. Instead of trading the actual goods, you can trade a warehouse receipt instead… so yeah… since this ONE record allowed AMRO to meet their customer's margin requirement, it seems EXTREMELY suspicious that they didn't appropriately remove it once they were withdrawn.
Do I think this was an accident? F*ck no. Because FINRA reported them 8 years later for doing the SAME F*CKING THING:

Disclosure 4 of 78

Reporting Source: Regulator

©2021 FINRA. All rights reserved. Report about ABN AMRO CLEARING CHICAGO LLC

www.finra.org/brokercheck

Current Status: Final

Allegations: WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT UNDERSTATED THE PORTFOLIO MARGIN REQUIREMENTS FOR ACCOUNTS AT VARIOUS POINTS IN TIME. THE FINDINGS STATED THAT THE FIRM INCORRECTLY TREATED CERTAIN OTC EQUITY SECURITIES THAT ARE NOT MARGIN ELIGIBLE, AS MARGINABLE SECURITIES. AS A CONSEQUENCE, THE FIRM UNDERSTATED THE MARGIN REQUIREMENTS FOR THESE ACCOUNTS BY MILLIONS OF DOLLARS. THE FIRM MISTAKENLY CATEGORIZED THE OTC TRADED EQUITIES AT ISSUE AS MARGIN ELIGIBLE BECAUSE OF AN INCORRECT DEFINITION OF MARGIN ELIGIBLE SECURITIES USED BY THE FIRM. AFTER THE PROBLEM WAS IDENTIFIED BY FINRA, THE FIRM CORRECTED THE ISSUE.

Once again, AMRO got caught understating their margin requirements. Last time, they used the value of withdrawn warehouse receipts to meet their margin requirements. Here, they're using securities which weren't eligible for margin to meet their margin requirements..

You can paint apple orange, but it's still an apple..

The bullsh*t I read about in these reports doesn't really shock me anymore. It's actually the opposite..

You begin to *expect* bigger fines as they set higher benchmarks for misconduct. When I find a case like AMRO, I'll usually put more time into it because certain citations represent puzzle pieces. Once you find enough pieces, you can see the bigger picture. So believe me when I say I was genuinely shocked by the detail report on this case…

OVERVIEW

From April 2007 until July 2015 (the "relevant period"), AACC understated the portfolio margin requirements for 22 accounts at various points in time. It incorrectly treated certain over-the-counter ("OTC") equity securities, which are not margin eligible, as marginable securities. As a consequence, the firm understated the margin requirements

This has been going on for 8 F*CKING YEARS!?

Without a doubt, this is a great example of a violation where the misconduct supposedly *ended* in 2015 but took another 4 years for FINRA to publish the d*mn report. If my math is correct, the 8 year "relevant period" plus the 4 years FINRA spent… I don't know… reviewing?... yields a total of 12 years. In other words, from the time this problem started to the time it was publicized by FINRA, the kids in 1st grade had graduated high school…

Does anyone else think these self-regulatory organizations (SROs) are doing a terrible job self-regulating…? How we can trust these situations are appropriately monitored if it takes 12 years for a sh*t blossom to bloom?

…OH! I almost forgot… After understating their margin requirements in 22 accounts for over 8 years, ABN AMRO paid a $150,000 fine to settle the dust…

———————————————————————————————————

I know that was a sh*t load of information so let me summarize it for you:

One of the most common citations occurs when a firm "accidently" marks a short sale as long, or misreports short interest positions to FINRA. When a short sale occurs, that transaction should be marked with a short sale indicator. Despite this, many participants do it to avoid the borrow requirements set by Regulation SHO. If they mark a short sale as long, they are not required to locate a borrow because FINRA doesn't know it's a short sale.

This is why so many of these FINRA violations include a statement about the broker failing to locate a borrow along with the failure to mark a short sale indicator on the transaction. It literally means the broker was naked short selling a stock and telling FINRA they physically owned that share..

Suddenly, a "small" violation had much bigger implications. The number of short shares that have been excluded from the short interest calculation is directly related to these violations… and there are HUNDREDS of them. Who knows how many companies have under reported short interest positions..

To be clear, I did NOT choose them based on the amount of 'dirt' they had. AMRO's violations were like grains of sand on a beach and It's going to take A LOT of dirt to fill the bottomless pit that is Ken Griffin's soul. Frankly, ABN AMRO wouldn't get us there with 10,000 FINRA violations. So without further ado, let's get dirty..

———————————————————————————————————

2. Call em' out…

When FINRA publishes one of their reports, the granular details like numbers and dates are often left out. This makes it impossible to determine how systematic a particular issue might be.

For example, if you know that *"XYZ failed to comply with FINRA's short interest reporting requirements"*your only conclusion is that the violation occurred. However, if you know that *"XYZ failed to comply with FINRA's short interest reporting requirements on 15,000 transactions during 2020"* you can start investigating the magnitude of that violation. If XYZ only completed 100,000 transactions in 2020, it means 15% of their transactions failed to meet requirements. This represents a major systematic risk to XYZ and the parties it conducts business with.

I spent some time analyzing Apex Clearing Corporation after I left ABN AMRO. Apex is 8th on the list and the 2nd participant I found with an evident short selling problem.

In 2019, FINRA initiated a case against Apex for doing the same sh*t as ABN AMRO. However, the magnitude of this violation really put things into perspective: I got a small taste of how f*cked this house of cards truly is..

Disclosure 2 of 44	
Reporting Source:	Regulator
Current Status:	Final
Allegations:	WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT FAILED TO COMPLY WITH FINRA'S SHORT INTEREST REPORTING REQUIREMENTS AND RELATED SUPERVISION OBLIGATIONS. THE FINDINGS STATED THAT THE FIRM EXPERIENCED AN ISSUE IN ITS SHORT INTEREST REPORTING LOGIC THAT EXCLUDED CERTAIN SHORT INTEREST POSITIONS FROM THE FIRM'S SUBMISSIONS TO FINRA. THE FINDINGS ALSO STATED THAT THE FIRM'S SUPERVISORY SYSTEM WAS NOT REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH ITS SHORT INTEREST REPORTING OBLIGATIONS. SPECIFICALLY, THE FIRM FAILED TO ESTABLISH AND MAINTAIN A SUPERVISORY SYSTEM, INCLUDING WSPS, TO CONFIRM THAT ITS REPORTING SYSTEM CAPTURED ALL REPORTABLE SHORT INTEREST POSITIONS. MOREOVER, THE FIRM DID NOT HAVE A SUPERVISORY SYSTEM TO REVIEW FOR THE ACCURACY OF THE FIRM'S SHORT INTEREST POSITIONS REPORTED TO FINRA.
Initiated By:	FINRA
Date Initiated:	10/15/2019
Docket/Case Number:	2016049448301

This is practically a template of the first ABN AMRO violation we discussed. To see the difference, we need to look at their letter of Acceptance, Waiver and Consent (AWC)..

FACTS AND VIOLATIVE CONDUCT

Short Interest Reporting Violations

1. FINRA Rule 4560 requires firms to maintain a record of total short positions in all customer and proprietary firm accounts in all equities securities (with certain exceptions that are not applicable here), and regularly report such information to FINRA in such a manner as may be prescribed by FINRA.

2. During the review period, the firm experienced an issue in its short interest reporting logic that excluded certain short interest positions from the firm's submissions to FINRA. Specifically, Apex instructed its correspondent broker-dealer customers to book short positions into either the Type 1 (cash) or Type 5 (short margin) accounts. Unbeknownst to Apex, certain correspondent broker-dealers were booking short positions into another account available to them – Type 2 (margin) account. The short positions booked into this account were not included in the firm's submissions to FINRA. For two sample settlement dates during the 47-months review period the firm failed to report 256 short interest positions totaling 481,195 shares, and inaccurately reported 130 short interest positions totaling 1,648,923 shares, when it should have reported 130 short interest positions totaling 2,528,244 shares.

3. By virtue of the foregoing, the firm violated FINRA Rules 4560 and 2010.[1]

Let's break this down step-by-step…

Apex had an issue for 47 months where certain customers recorded their short positions in an account which was NOT being sent to FINRA. It only takes a few wrinkles on the brain to realize this is a problem. The sample data tells us just how bad that problem is..

When you see the term "*settlement days",* think "T+2". Apex follows the T+2 settlement period for both cash accounts and margin accounts which means the trade *should* clear 2 days after the original trade date. When you buy stock on a Monday, it should settle by Wednesday.

Ok.. quick maff…

There are roughly 252 trading days in one year after removing weekends and holidays. Throughout the 47 month "review period", we can safely assume that **Apex had roughly 987** ((252/ 12) * 47) **settlement dates**…

In other words: 256 misstated reports over 47 months is more than 1 misstatement / week for nearly 4 years. Tell me again how this is *trivial?*

The wording of the "sample settlement" section is a bit ambiguous… It doesn't clarify if those were the only 2 settlement dates they sampled, or if they were the only settlement dates with reportable issues. Honestly, I would be shocked if it was the latter because auditors don't examine every record, but I can't be certain…

Anyway… FINRA discovered 256 short interest positions, consisting of 481,195 shares, were *incorrectly*excluded from their short interest report. In addition, they understated the share count by 879,321 in 130 separate short interest positions. Together, this makes 1,360,516 shares that were excluded from the short interest calculation. When you realize nearly 1.5 million 'excluded' shares were discovered in just 2 settlement periods and there were almost 1,000 dates to choose from, it seriously dilates the imagination…

Once again… FINRA wiped the slate clean for just $140,000…

I want to talk about one last thing before we jump to the next section. Did you happen to notice the different account types that Apex discussed in their letter of Acceptance, Waiver and Consent ? They specifically instructed their customers to book short positions into a TYPE 1 (CASH) account, or TYPE 5 (SHORT MARGIN) account. A short margin account is just a margin account that holds short positions. The margin requirement for short positions are more strict than regular margin accounts, so I can see the advantage in separating them.

In the AMA with Wes Christian *(starting at 7:30)*, he specifically discussed how a broker-dealer's margin account is used to locate shares for short sellers. However, the margin account contains shares that were previously pledged to another party. Given the lack of oversight in securities lending, the problem keeps compounding each time a new borrower claims ownership of that share.

Now think back to the situation with Apex..

They asked their customers to book short positions to a short-margin account or a cash account. The user agreement with a margin account allows Apex to continue lending those securities at any time. As discussed with Dr. T and Carl Hagberg, the broker collects interest for lending your margin shares and doesn't pay you anything in return. When multiple locates are authorized for the same share, the broker collects multiple lending fees on the same share.

In contrast, the cash account falls under the protection of SEA 15c3-3 and consists of shares that have not been leveraged- or lent- like the margin-short account. According to Wes *(starting at 8:30)*, these shares

are segregated and cannot be touched. The broker cannot encumber-or restrict- them in any way. However, according to Wes, this is currently happening. He also explained how Canada has legalized this and currently allows broker-dealers to short sell your cash account shares against you.

____

Alright…. I'll stop beating the dead horse regarding short sale indicators & inaccurate submissions of short interest positions. Given the volume of citations we haven't discussed, I'll summarize some of my findings, below.

Keep in mind these are ONLY for **"FAILURE TO REPORT SHORT INTEREST POSITIONS"** or **"FAILURE TO INDICATE A SHORT SALE MODIFIER"**. If the violations contain additional information, it's because that citation actually listed additional information. **It does NOT represent an all-inclusive list of short selling violations for these participants.**

…You wanted to know how systematic this problem is, so here you go… *(EACH BROKER-DEALER NAME IS HYPERLINKED TO THEIR FINRA REPORT)*

1. Barclays | Disclosure 36 – "SUBMITTED 86 SHORT INTEREST POSITIONS TOTALING 41,100,154 SHARES WHEN THE ACTUAL SHORT INTEREST POSITION WAS 44,535,151 SHARES.. FAILED TO REPORT 8 SHORT INTEREST POSITIONS TOTALING 1,110,420 SHARES"

a. $10,000 FINE

2. Barclays | Disclosure 54 – "SUBMITTED AN INACCURATE SHORT INTEREST POSITION TO FINRA AND FAILED TO REPORT ITS SHORT INTEREST POSITIONS IN 835 POSITIONS TOTALING 87,562,328 SHARES"

a. $155,000 FINE

3. BMO Capital Markets Corp | Disclosure 23 – "SUBMITTED SHORT INTEREST POSITIONS TO FINRA THAT WERE INCORRECT AND FAILED TO REPORT TO FINRA ITS SHORT INTEREST POSITIONS TOTALING OVER 72 MILLION SHARES FOR 11 MONTHS"

a. $90,000 FINE

4. BNP Paribas Securities Corp | Disclosure 53 – "FAILED TO REPORT TO FINRA ITS SHORT INTEREST IN 2,509 POSITIONS TOTALING 6,051,974 SHARES"

a. $30,000 FINE

5. BNP Paribas Securities Corp | Disclosure 9 – "ON 35 OCCASIONS OVER A FOUR-MONTH PERIOD, A HEDGE FUND SUBMITTED SALE ORDERS MARKED "LONG" TO BNP FOR CLEARING. FOR EACH OF THOSE "LONG" SALES, ON THE MORNING OF SETTLEMENT, THE HEDGE FUND DID NOT HAVE THE SHARES IN IT'S BNP ACCOUNT TO COVER THE SALE ORDER. IN ADDITION, BNP WAS ROUTINELY NOTIFIED THAT THE HEDGE FUND WOULD NOT BE ABLE TO COVER. NEVERTHELESS, WHEN EACH SETTLEMENT DATE ARRIVED AND THE HEDGE FUND WAS UNABLE TO COVER, BNP LOANED THE SHARES TO THE HEDGE FUND. IN TOTAL, BNP LOANED MORE THAN 8,000,000 SHARES TO COVER THESE PURPORTED "LONG" SALES"

a. $250,000 FINE

6. Cantor Fitzgerald & Co | Disclosure 1 - (literally came out on 5/6/2021) – "THE FIRM SUBMITTED INACCURATE SHORT INTEREST POSITIONS TO FINRA. THE FIRM OVERREPORTED NEARLY 55,000,000

SHORT SHARES WHICH WERE CUSTODIED WITH AND ALREADY REPORTED BY ITS CLEARING FIRM, WITH WHICH CANTOR MAINTAINS A FULLY DISCLOSED CLEARING AGREEMENT"

a. $250,000 FINE

7. Cantor Fitzgerald & Co | Disclosure 31 - "…THE FIRM EXECUTED NUMEROUS SHORT SALE ORDERS AND FAILED TO PROPERLY MARK THE ORDERS AS SHORT… THE FIRM, ON NUMEROUS OCCASIONS, ACCEPTED SHORT SALE ORDERS IN AN EQUITY SECURITY FROM ANOTHER PERSON, OR EFFECTED A SHORT SALE FROM ITS OWN ACCOUNT WITHOUT BORROWING THE SECURITY…"

a. $53,500 FINE

8. Cantor Fitzgerald & Co | Disclosure 33 - "…EXECUTED SHORT SALE ORDERS AND FAILED TO PROPERLY MARK THE ORDERS AS SHORT. THE FIRM HAD FAIL-TO-DELIVER POSITIONS AT A REGISTERED CLEARING AGENCY IN THRESHOLD SECURITIES FOR 13 CONSECUTIVE SETTLEMENT DAYS… FAILED TO IMMEDIATELY CLOSE OUT FTD POSITIONS… ACCEPTED SHORT SALE ORDERS FROM ANOTHER PERSON, OR EFFECTED A SHORT SALE FROM ITS OWN ACCOUNT, WITHOUT BORROWING THE SECURITY OR HAVING REASONABLE GROUNDS TO BELIEVE THAT THE SECURITY COULD BE BORROWED…"

a. $125,000 FINE

9. Canaccord Genuity Corp | Disclosure 17 - "THE FIRM EXECUTED SALE TRANSACTIONS AND FAILED TO REPORT EACH OF THESE TRANSACTIONS TO THE FINRA/NASDAQ TRADE REPORTING FACILITY AS SHORT"

a. $57,500 FINE

10. Canaccord Genuity Corp | Disclosure 20 - "THE FIRM EXECUTED SHORT SALE ORDERS AND FAILED TO PROPERLY MARK THE ORDERS AS SHORT"

a. $27,500 FINE

11. Canaccord Genuity Corp | Disclosure 31 - "…SUBMITTED TO NASD MONTHLY SHORT INTEREST POSITION REPORTS THAT WERE INACCURATE"

a. $85,000 FINE

12. Citadel Securities LLC | Citadel Has No Clothes – LITERALLY ALL I TALK ABOUT IN THAT POST. GO READ IT

13. Citigroup Global Markets | Disclosure 10 – "THE FIRMS TRADING PLATFORM FAILED TO RECOGNIZE THAT THE FIRM WAS SELLING SHORT WHEN IT WAS ACTING AS THE CONTRA PARTY TO A CUSTOMER TRADE. AS A RESULT, THE FIRM ERRONEOUSLY REPORTED SHORT SALES TO A FINRA TRADE REPORTING FACILITY AS LONG SALES… EFFECTING SHORT SALES FROM ITS OWN ACCOUNT WITHOUT BORROWING THE SECURITY…"

a. $225,000 FINE

14. Citigroup Global Markets | Disclosure 59 – "…THE FIRM RECORDED 203,653 SHORT SALE EXECUTIONS ON ITS BOOKS AND RECORDS AS LONG SALES, SUBMITTED INACCURATE ORDER ORIGINATION CODES AND ACCOUNT TYPE CODES TO THE AUDIT TRAIL SYSTEM FOR APPROXIMATELY 2,775,338 ORDERS… "

a. $300,000 FINE

15. Citigroup Global Markets | Disclosure 76 – "…FAILED TO PROPERLY MARK APPROXIMATELY 9,717,875 SALE ORDERS AS SHORT SALES… FINDINGS ALSO ESTIMATED THAT THE FIRM

ENTERED **55 MILLION ORDERS** INTO THE NASDAQ MARKET CENTER THAT IT FAILED TO CORRECTLY INDICATE AS SHORT SALES…"

a. $2,250,000 FINE

16. Cowen and Company LLC | Several Disclosures – almost every other disclosure is for failing to mark a sale with the appropriate indicator, including short AND long sale indicators

17. Credit Suisse Securities LLC | Disclosure 34 – "NEW ORDER REPORTS WERE INACCURATELY ENTERED INTO ORDER AUDIT TRAIL SYSTEM (OATS) AS LONG SALES BUT WERE TRADE REPORTED WITH A SHORT SALE INDICATOR"

a. $50,000 FINE

18. Credit Suisse Securities LLC | Disclosure 95 – "BETWEEN SEPTEMBER 2006 AND JUNE 2008, CREDIT SUISSE FAILED TO SUBMIT ACCURATE PERIODIC REPORTS WITH RESPECT TO SHORT POSITIONS…"

a. $40,000 FINE

19. Deutsche Bank Securities INC. | Disclosure 50 – "THE FIRM FAILED TO REPORT SHORT INTEREST POSITIONS IN DUALLY-LISTED SECURITIES"

a. $200,000 FINE

20. Deutsche Bank Securities INC. | Disclosure 52 – "THE FIRM… EXPERIENCED MULTIPLE PROBLEMS WITH ITS BLUE SHEET SYSTEM THAT CAUSED IT TO SUBMIT INACCURATE BLUE SHEETS TO THE SEC AND FINRA… INCORRECTLY REPORTED LONG ON ITS BLUE SHEET TRANSACTIONS WHEN CERTAIN TRANSACTIONS SHOULD HAVE BEEN MARKED SHORT"

a. $6,000,000 FINE (SEVERAL OTHER ISSUES REPORTED IN ADDITION TO SHORTS)

21. Deutsche Bank Securities INC. | Disclosure 58 – "BETWEEN JANUARY 2005 AND CONTINUING THROUGH NOVEMBER 2015, THE FIRM IMPROPERLY INCLUDED THE AGGREGATION OF NET POSITIONS IN CERTAIN SECURITIES OF A NON-US BROKER AFFILIATE… IN ADDITION… DURING THE PERIOD BETWEEN APRIL 2004 AND SEPTEMBER 2012, THE FIRM INAPPROPRIATELY REPORTED CERTAIN SHORT INTEREST POSITIONS ON A NET, INSTEAD OF GROSS, BASIS.."

a. $1,400,000 FINE

22. Goldman Sachs & Co. LLC | Disclosure 32 – "THE FIRM REPORTED SHORT SALE TRANSACTIONS TO FINRA TRADE REPORTING FACILITY WITHOUT THE REQUIRED SHORT SALE MODIFIER"

a. $260,000 FINE (SEVERAL OTHER ISSUES REPORTED IN ADDITION TO SHORTS)

23. Goldman Sachs & Co. LLC | Disclosure 54 – "FAILED TO ACCURATELY APPEND THE SHORT SALE INDICATOR TO FINRA/NASDAQ TRADE REPORTING FACILITY REPORTS… INACCURATELY MARKED SELL TRANSACTIONS ON ITS TRADING LEDGER"

a. $55,000 FINE

24. Goldman Sachs & Co. LLC | Disclosure 63 – "…SUBMITTED TO FINRA AND THE SEC BLUE SHEETS THAT INACCURATELY REPORTED CERTAIN SHORT SALE TRANSACTIONS AS LONG SALE TRANSACTIONS WITH RESPECT TO THE FIRM SIDE OF CUSTOMER FACILITATION TRADES… THE FIRM REPORTED SHORT SALES AS LONG SALES ON ITS BLUE SHEETS WHEN THE TRADING DESK USED A PARTICULAR MIDDLE OFFICE SYSTEM…"

a. $1,000,000 FINE

25. Goldman Sachs & Co. LLC | Disclosure 150 – "GOLDMAN SACHS & CO. FAILED TO REPORT SHORT INTEREST POSITIONS FOR FOREIGN SECURITIES AND NUMEROUS SHARES ONE MONTH… THE FIRM

REPORTED SHORT INTEREST POSITIONS IN SECURITIES TOTALING SEVERAL MILLION SHARES EACH TIME WHEN THE ACTUAL SHORT INTEREST POSITIONS IN THE SECURITIES WERE ZERO SHARES… ACCEPTING A SHORT SALE ORDER IN AN EQUITY SECURITY FROM ANOTHER PERSON, OR EFFECTED A SHORT SALE FROM ITS OWN ACCOUNT, WITHOUT BORROWING THE SECURITY OR BELIEVING THE SECURITY COULD BE BORROWED ON THE DATE OF DELIVERY…"

a. $120,000 FINE

26. Goldman Sachs & Co. LLC | Disclosure 167 – "…THE FIRM FAILED TO REPORT TO THE NMC THE CORRECT SYMBOL INDICATING THAT THE TRANSACTION WAS A SHORT SALE FOR TRANSACTIONS IN REPORTABLE SECURITIES…"

a. $600,000 FINE (SEVERAL OTHER ISSUES REPORTED IN ADDITION TO SHORTS)

27. HSBC Securities (USA) INC. | Disclosure 26 – "FIRM EXECUTED SHORT SALE TRANSACTIONS AND FAILED TO MARK THEM AS SHORT… HSBC SECURITIES HAD A FAIL-TO-DELIVER SECURITY FOR 13 CONSECUTIVE SETTLEMENT DAYS AND FAILED TO IMMEDIATELY CLOSE OUT THE FTD POSITION… THE FIRM CONTINUED TO HAVE A FTD IN THE SECURITY AT A CLEARING AGENCY ON 79 ADDITIONAL SETTLEMENT DAYS…"

a. $65,000 FINE

I'm going to stop at 'H' because I'm tired of writing. Hopefully, you all understand the point so far. We're only 8 letters into the alphabet and have successfully buried Ken to his waist.

The system that is used to mark the proper transaction type (sell, buy, short sell, short sell exempt, etc.) is obviously broken… There, I said it.. the system is INDUBITABLY, UNDOUBTEDLY, INEVITABLY F*CKED..

Regardless of the cause- fraud or negligence- there are too many firms failing to accomplish a seemingly simple task. The consequences of which are creating far more shares than we can imagine. It's a gigantic domino effect. If you fail to properly mark 1,000,000 short shares and a year goes by without catching the problem, it's already too late. They're like the f*cking replicators from Stargate..

In each of the examples listed above, the short interest on the stock was understated by the number of shares excluded… and that was just a handful..

Knowing this, how can someone look at the evidence and say it's *trivial….?*

No one really knows HOW systematic this issue is because it is so deeply incorporated in the market that it has BECOME the system itself. Therefore, there is obviously something much deeper going on, here..

How does one argue against the severity of these problems after reading this? There are FAR too many things that don't make sense and FAR too many people turning a blind eye..

The only conclusion I keep coming back to is that the people with money know what's going on and are desperately trying to keep it under wraps..

..So…. In an effort to prove this, I looked for violations that showed their desperation to protect this f*cked up system.

..Buckle up..

HOUSE OF CARDS - PART 3 (I'm uploading it now; will link ASAP)

Back to Table of Contents

House of Cards - Part 3

DD 👨‍🔬

Prerequisite DD:

1. Citadel Has No Clothes
2. The EVERYTHING Short
3. The House of Cards – Part 1
4. The House of Cards - Part 2

TL;DR- No freaking way I can do that.

Continuing from HOC Part II...

4. Slimy...

If you watched the AMA with Wes Christian, he talks about the number of occurrences where the actual short interest is severely understated based on the data his firm obtained for legal proceedings. According to his numbers, in most cases the short interest is 50% - 150% **MORE** than what is reported by the SEC *(starting at 14:30).*

The objective isn't to address the issue: it's to keep the issue hidden. Firms that underreport their short interest are gaming the system by taking advantage of how the short interest calculation is done. When the SEC relies on reports that broker-dealers provide, and FINRA takes YEARS to reveal the lies within those reports, the broker-dealer can lie without immediately facing the consequences. It allows these firms to operate in a high-risk environment without exposing just HOW big their risk-appetite is.

Another example that Wes mentioned was Merrill Lynch. Merrill was fined $415,000,000 *(violation 3)* in 2016 for using securities held in their customer's accounts to cover their own trades. Check out this screenshot I took from that case:

Allegations:	ON JUNE 23, 2016, THE SECURITIES AND EXCHANGE COMMISSION ("SEC") ISSUED AN ADMINISTRATIVE ORDER IN WHICH IT FOUND THAT MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED ("MERRILL LYNCH") AND MERRILL LYNCH PROFESSIONAL CLEARING CORP. ("MLPRO") (COLLECTIVELY, "ML") HAD WILLFULLY VIOLATED SECTION 15(C)(3) OF THE SECURITIES EXCHANGE ACT OF 1934 ("EXCHANGE ACT") AND RULE 15C3-3 THEREUNDER AND SECTION 17(A)(1) OF THE EXCHANGE ACT AND RULES 17A-3(A)(10) AND 17A-5(A) THEREUNDER, AND THAT MERRILL LYNCH WILLFULLY VIOLATED SECTION 17(A)(1) OF THE EXCHANGE ACT AND RULES 17A-5(D)(3) (AS IT EXISTED PRIOR TO AMENDMENTS TO RULE 17A-5 IN 2014), 17A-5(D)(2)(II), 17A-5(D)(3) AND 17A-11(E) THEREUNDER, AND EXCHANGE ACT RULE 21F-17. SPECIFICALLY, THE ORDER FOUND THAT (I) ML ENGAGED IN A SERIES OF COMPLEX TRADES THAT ALLOWED IT TO USE CUSTOMER CASH TO FINANCE FIRM INVENTORY AND (II) MERRILL LYNCH ALLOWED CERTAIN OF ITS CLEARING BANKS TO HOLD LIENS ON CUSTOMER SECURITIES.
Initiated By:	UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Date Initiated:	06/23/2016
Docket/Case Number:	3-17312

Remember when we mentioned SEA 15c3-3 in the case with Apex? They were asking customers to book short positions to either a cash account or a short margin account. SEA 15c3-3 protects those customers from allowing brokers to lend out the securities within their cash accounts…

Well Merrill Lynch knocked that one right out of the f*cking park…

	COUNTERPARTY ENTITIES. THROUGH THESE TRADES, ML IMPROPERLY REDUCED BY BILLIONS OF DOLLARS THE AMOUNT IT WAS REQUIRED TO DEPOSIT IN ITS CUSTOMER RESERVE ACCOUNT. THESE TRADES EVOLVED OVER TIME AND, IN THEIR FINAL ITERATION, BECAME INSTANTANEOUS ROUNDTRIPS STRUCTURED TO PROVIDE FINANCING FOR ML'S ACTIVITIES RATHER THAN IN RESPONSE TO CUSTOMER TRADING OBJECTIVES. RESPONDENT USED THESE TRADES TO REMOVE UP TO $5 BILLION OF CUSTOMER CASH WEEK OVER WEEK FROM ITS CUSTOMER RESERVE ACCOUNT. ML THEN USED THESE FUNDS TO FINANCE ITS BUSINESS ACTIVITIES. HAD ML FAILED WHEN THE TRADES WERE IN USE, ITS CUSTOMERS WOULD HAVE BEEN EXPOSED TO A SHORTFALL OF CUSTOMER CASH IN THE CUSTOMER RESERVE ACCOUNT. THE SIGNIFICANT PENALTIES AND OTHER RELIEF IMPOSED IN THIS ORDER IN CONNECTION WITH ML'S VIOLATIONS OF THE CUSTOMER PROTECTION RULE REFLECT THE SERIOUSNESS WITH WHICH THE COMMISSION VIEWS FAILURES TO COMPLY WITH THIS RULE. AS A RESULT OF THE CONDUCT, MLPRO WILLFULLY VIOLATED SECTION 15(C)(3) OF THE EXCHANGE ACT AND RULE 15C3-3 THEREUNDER. ALSO, MLPRO WILLFULLY VIOLATED SECTION 17(A)(1) OF THE EXCHANGE ACT AND RULES 17A-3(A)(10), AND 17A-5(A).
Initiated By:	UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Merrill made it seem like the required deposit in their customer reserve account was much lower than it truly was. They wouldn't have been able to use that cash if it reduced the amount below the minimum capital requirement, so they found a way to fudge the numbers. In doing so, they managed to prevent a CODE RED while reaping the benefits of a high-risk 'opportunity'. Should Merrill have filed bankruptcy during that time, those customers would have been completely blindsided.

In the case of short selling, the *true* exposure of short interest is unknown… and I'm not just talking about the short sale indicator. When a firm fails to deliver securities that were sold short, there's a

pretty good indication that they've exposed themselves to a bit of a problem.. Now imagine a case where the FTDs start piling up and they STILL continue to short sell that same security.. think I'm joking? Check out the Royal Bank of Canada:

Disclosure 63 of 332

Reporting Source:	Regulator
Current Status:	Final
Allegations:	RBC CAPITAL MARKETS, LLC ("RBC"), AN EXCHANGE TPH ORGANIZATION, WAS CENSURED AND FINED $75,000 FOR: (I) FAILING TO PROPERLY CLOSE OUT A FAIL-TO-DELIVER POSITION IN SEVEN SAMPLED SECURITIES, INCLUDING SANOMEDICS INTERNATIONAL HOLDINGS INC. ("SIMH"), APPLIED DNA SCIENCES INC. ("APDN"), GREAT ATLANTIC AND PACIFIC TEA CO. INC. ("GAPTQ"), QUAMTEL INC. ("QUMI"), TITAN IRON ORE CORP. ("TFER"), JINKOSOLAR HOLDING CO., LTD. ("JKS"), AND ITT EDUCATIONAL SERVICES, INC. ("ESI"); (II) INCREASING ITS SHORT POSITION WHEN A FAIL-TO-DELIVER POSITION HAD NOT BEEN PROPERLY CLOSED OUT WITHOUT DEMONSTRATING THAT IT MADE ARRANGEMENTS FOR PRE-BORROWING IN THE FOLLOWING EQUITY SECURITIES: APDN, QUMI, TFER, GAPTQ, AND JKS; AND (III) FAILING TO SUPERVISE ITS ASSOCIATED PERSONS TO ASSURE COMPLIANCE WITH REGULATION SHO RULE 204 AS: (1) RBC FAILED TO ASSURE THAT NUMEROUS FAIL-TO-DELIVER POSITIONS WERE CLOSED OUT ON A TIMELY BASIS; AND (2) RBC IMPROPERLY ASSERTED RELIANCE ON CERTAIN EXEMPTIONS UNDER REG. SHO RULE 204 WITHOUT UNDERTAKING SUFFICIENT DUE DILIGENCE TO ASCERTAIN AND DOCUMENT THAT SPECIFIC REQUIREMENTS THEREUNDER WERE MET. (EXCHANGE RULE 4.2 - ADHERENCE TO LAW; AND REGULATION SHO RULE 204 - CLOSE-OUT REQUIREMENT, PROMULGATED UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED)
Initiated By:	CHICAGO BOARD OPTIONS EXCHANGE
Date Initiated:	11/11/2015
Docket/Case Number:	15-0093/ 20150459684
Principal Product Type:	Options

©2021 FINRA. All rights reserved. Report about RBC CAPITAL MARKETS, LLC

www.finra.org/brokercheck

Again… I was pretty shocked at that one. However, nothing rang-the-bell quite like this one from Goldman Sachs:

Disclosure 30 of 148

Reporting Source:	Regulator
Current Status:	Final
Allegations:	**04/26/2010**STIPULATION OF FACTS AND CONSENT TO PENALTY FILED BY NYSE REGULATION'S DIVISION OF ENFORCEMENT AND PENDING. CONSENTED TO FINDINGS:FOR THE SOLE PURPOSE OF SETTLING THIS

DISCIPLINARY PROCEEDING, WITHOUT ADJUDICATION OF ANY ISSUES OF LAW OR FACT, AND WITHOUT ADMITTING OR DENYING ANY ALLEGATIONS OR FINDINGS REFERRED TO HEREIN, GOLDMAN SACHS EXECUTION & CLEARING, L.P.STIPULATED THAT DURING THE PERIOD OF SEPTEMBER 24, 2008 TO JANUARY 22, 2009, IT
1.VIOLATED RULE 204T(A) OF REGULATION SHO BY FAILING ON APPROXIMATELY 68 OCCASIONS TO TIMELY CLOSE OUT FAIL-TO-DELIVER POSITIONS IN CERTAIN EQUITY SECURITIES (DECEMBER 9, 2008-JANUARY 22, 2009).
2.VIOLATED RULE 204T(B) OF REGULATION SHO ON APPROXIMATELY 45 OCCASIONS BY ACCEPTING CERTAIN CUSTOMER SHORT SALE ORDERS IN EQUITY SECURITIES FOR WHICH IT HAD AN OPEN FAIL-TO-DELIVER POSITION WHILE GSEC AND THE CUSTOMER WERE IN THE "PENALTY BOX", AS THE CUSTOMER HAD NOT FIRST BORROWED SUCH SECURITIES OR ENTERED INTO A BONA FIDE ARRANGEMENT TO BORROW THE SECURITIES(DECEMBER 9, 2008 -JANUARY 22, 2009).
3.VIOLATED RULE 204T(C) OF REGULATION SHO ON APPROXIMATELY 68 OCCASIONS BY FAILING TO TIMELY NOTIFY ITS CUSTOMERS THAT THE FIRM HAD AN OPEN FAIL-TO-DELIVER POSITION THAT HAD NOT BEEN CLOSED OUT IN ACCORDANCE WITH RULE 204T(A) (DECEMBER 9, 2008-JANUARY 22, 2009).
4.VIOLATED NYSE RULE 342 BY FAILING TO REASONABLY SUPERVISE AND IMPLEMENT ADEQUATE CONTROLS, INCLUDING A SEPARATE SYSTEM OF FOLLOW-UP AND REVIEW, REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH RULE 204T OF REGULATION SHO, AS DESCRIBED ABOVE.
STIPULATED SANCTION: CENSURE AND A $450,000 FINE. THE AMOUNT TO BE PAID TO NYSE REGULATION BY THE FIRM SHALL BE REDUCED BY THE AMOUNT PAID BY THE FIRM PURSUANT TO AN AGREEMENT TO PAY A CIVIL MONETARY PENALTY OF $225,000 TO THE UNITED STATES TREASURY IN RELATED PROCEEDINGS INSTITUTED BY THE SECURITIES AND EXCHANGE COMMISSION.

Initiated By:	NEW YORK STOCK EXCHANGE
Date Initiated:	04/26/2010
Docket/Case Number:	HBD# 10-NYSE-11

Goldman had 68 occasions in 4 months where they didn't close a failure-to-deliver… In 45 occasions, they CONTINUED to accept customer short sale orders in securities which it had an active failure-to-deliver…

When a firm is really starting to sweat, they pull certain tricks out of their ass to quell the situation. Again, this is nothing but smoke and mirrors because that's all they can really do. Just as Merrill Lynch artificially lowered their customer reserve deposit, other firms make it look like they cover their short positions.

One of the ways they do this is by short selling a SH*T load of shares right before a buy-in… Since we're talking about Goldman Sachs, this seems like a great time to showcase their experience with this..

Disclosure 14 of 148	
Reporting Source:	Regulator
Current Status:	Final
Allegations:	WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT DID NOT, AS A GENERAL PRACTICE, ALLOCATE RESPONSIBILITY FOR CLOSING OUT FAIL TO DELIVER POSITIONS TO ITS BROKER-DEALER CLIENTS UNDER REGULATION SHO RULES 203(B)(3)(VI), 204T(D), OR 204(D). THE FINDINGS STATED THAT THE FIRM'S SUPERVISORY POLICIES AND PROCEDURES FAILED TO ADDRESS THAT CERTAIN OPTIONS MARKET MAKER (OMM) CLIENTS OF THE FIRM HAD, ON A NUMBER OF OCCASIONS, SHORT SOLD A SECURITY ON THE SAME DAY THAT THEY WERE NOTIFIED THAT THEY WERE BEING "BOUGHT IN" BY THE FIRM IN THAT SAME SECURITY, TYPICALLY IN AMOUNTS EQUAL TO OR GREATER THAN THEIR ATTRIBUTED PORTION OF THE NUMBER OF SHARES PURCHASED BY THE FIRM IN AN EFFORT TO MEET ITS CLOSE-OUT OBLIGATIONS. THESE SHORT SALES WOULD OFFSET, IN WHOLE OR IN PART, THE EFFECT OF THE FIRM'S PURCHASES ON THE FIRM'S NET FAIL TO DELIVER POSITION IN THE NATIONAL SECURITIES CLEARING CORPORATION'S CONTINUOUS NET SETTLEMENT SYSTEM (CNS). THE FIRM FAILED TO IMPLEMENT ADEQUATE SUPERVISORY POLICIES AND PROCEDURES REASONABLY DESIGNED TO ADDRESS THE IMPACT OF OMM ACTIVITY ON THE CLOSE-OUT DATE ON THE FIRM'S NET FAIL TO DELIVER POSITION TO CNS BY REQUIRING THE FIRM TO ALLOCATE RESPONSIBILITY FOR THE CLOSE OUT TO ITS BROKER-DEALER CLIENTS OR BY TAKING OTHER APPROPRIATE STEPS TO DETERMINE WHETHER THE FIRM WAS A NET PURCHASER, OR NET FLAT OR NET LONG, AS APPLICABLE, ON THE CLOSE-OUT DATE. THE FIRM'S SUPERVISORY POLICIES AND PROCEDURES DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH THE APPLICABLE SECURITIES LAWS AND REGULATIONS, INCLUDING SEC AND FINRA RULES, REGARDING THE CLOSE-OUT OF FAIL TO DELIVER POSITIONS AS REQUIRED BY REGULATION SHO RULES 203(B)(3), 204T(A), AND 204(A).

I promise… It really is as dumb as it sounds…

So the perception here is when Goldman's client has a FTD and they find out a buy-in is coming, the required buy-in would obviously be too extreme for the client to handle.. So they begin to buy those shares while simultaneously shorting AT LEAST the same amount they were required to purchase…

Have you ever failed to repay a loan so you went to another bank and got a loan to cover the first one? Well that's exactly what this is… I know what you're probably thinking… "didn't that just kick the can down the road?". The answer is YES: it didn't actually solve anything..

There's still one more citation that Goldman received which truly represents the pinnacle of *no-sh*ts-given.* After I cover this, I don't know how anyone could argue the systematic risks that exist within the securities lending business.. Check it out:

Reporting Source:	Regulator
Current Status:	Final
Allegations:	SEC ADMIN RELEASE 34-76899/JANUARY 14, 2016: THE SECURITIES AND EXCHANGE COMMISSION (COMMISSION) DEEMS IT APPROPRIATE AND IN THE PUBLIC INTEREST THAT PUBLIC ADMINISTRATIVE AND CEASE-AND-DESIST PROCEEDINGS BE, AND HEREBY ARE, INSTITUTED PURSUANT TO SECTIONS 15(B) AND 21C OF THE SECURITIES EXCHANGE ACT OF 1934 (EXCHANGE ACT) AGAINST GOLDMAN, SACHS & CO. THESE PROCEEDINGS ARISE OUT OF PRACTICES ENGAGED IN BY GOLDMAN'S SECURITIES LENDING DEMAND TEAM (THE DEMAND TEAM), BETWEEN NOVEMBER 2008 AND MID-2013, IN PROVIDING AND DOCUMENTING "LOCATES" TO ENABLE ITS CUSTOMERS TO EXECUTE SHORT SALES. BETWEEN NOVEMBER 2008 AND MID-2013, TO COMPLY WITH REG SHO, GOLDMAN EMPLOYED A SYSTEM WHERE THE VAST MAJORITY OF CUSTOMER SHORT SALE LOCATE REQUESTS WERE HANDLED BY AN AUTOMATED MODEL THAT WOULD EITHER GRANT, IN WHOLE OR IN PART (OR FILL), DENY, OR ROUTE (OR PEND) THE REQUESTS FOR FURTHER REVIEW TO THE DEMAND TEAM, A GROUP OF TEN TO TWELVE INDIVIDUALS WHO WORKED ON GOLDMAN'S SECURITIES LENDING DESK. THE AUTOMATED MODEL WOULD REVIEW AND FILL LOCATE REQUESTS BASED ON CERTAIN AVAILABLE INVENTORY REPORTED TO GOLDMAN BY CERTAIN LENDING BANKS AND BROKERAGES THAT FED INTO GOLDMAN'S AUTOMATED MODEL AT THE START OF EACH DAY AFTER BEING REDUCED BY GOLDMAN BASED ON THEIR EXPERIENCE WITH VARIOUS LENDERS (THE START-OF-DAY INVENTORY). AS THE AUTOMATED MODEL PROCESSED LOCATE REQUESTS, IT REDUCED THAT START-OF-DAY INVENTORY ON A 1:1 BASIS FOR ALL SHARES THAT WERE USED TO GRANT LOCATE REQUESTS (REGARDLESS OF WHETHER THE CLIENT ACTUALLY USED THE LOCATE). WHEN THE START-OF-DAY INVENTORY WAS DEPLETED IN THAT MANNER, THE AUTOMATED MODEL WOULD PEND SUBSEQUENT LOCATE REQUESTS TO THE DEMAND TEAM FOR FURTHER REVIEW AND PROCESSING. OVER THE COURSE OF THE RELEVANT PERIOD, THE NUMBER OF LOCATE REQUESTS THAT PENDED TO THE DEMAND TEAM GREW SIGNIFICANTLY, REACHING MORE THAN 20,000 LOCATE REQUESTS PER DAY AT ITS PEAK. THE VOLUME OF LOCATE REQUESTS BECAME FAR MORE THAN THE DEMAND TEAM COULD MANUALLY HANDLE ON A REQUEST-BY-REQUEST BASIS. THUS, INSTEAD OF MANUALLY IDENTIFYING AN ALTERNATIVE SOURCE OF SECURITIES TO SATISFY THESE PENDED REQUESTS, THE DEMAND TEAM PROCESSED APPROXIMATELY 98 PERCENT OF THE PENDED REQUESTS BY RELYING ON A FUNCTION OF GOLDMAN'S ORDER MANAGEMENT SYSTEM REFERRED TO AS "FILL FROM AUTOLOCATE," WHICH WAS ACTIVATED BY THE "F3" KEY. THIS FUNCTION ENABLED THE DEMAND TEAM TO CAUSE GOLDMAN'S AUTOMATED MODEL TO FILL LOCATE REQUESTS BASED ON THE AMOUNT OF INVENTORY THAT

For 5 years, Goldman relied on a team of 10-12 individuals to locate shares to be used by its clients for short selling. This group was known as the “demand team”. Naturally, as the number of requests coming in the door started to increase, it became difficult for the team to properly document all of them. The volume peaked at 20,000 requests PER DAY, but the number of individuals that handled this job stayed the same.

Obviously, this became too much for them to handle so they opted out of the manual process and found another solution- the F3 key….

Yes- the F3 key… This button activated an autofill system which completed **98% of Goldman’s orders to locate shares**

	EXISTED AT THE START OF THE DAY (I.E., THE START-OF-DAY INVENTORY LEVEL BEFORE ANY LOCATES WERE GRANTED), EVEN THOUGH GOLDMAN'S AUTOMATED MODEL HAD ALREADY TREATED THE START-OF-DAY INVENTORY AS DEPLETED. IN PROCESSING LOCATE REQUESTS USING THE "F3" FUNCTION, THE DEMAND TEAM TYPICALLY DID NOT CHECK ALTERNATIVE SOURCES OF SECURITIES OR PERFORM A MEANINGFUL FURTHER REVIEW. INSTEAD, THEY RELIED ON THEIR GENERAL BELIEF THAT GOLDMAN'S AUTOMATED MODEL WAS CONSERVATIVE AND THAT THE PROVISION OF ADDITIONAL LOCATES WOULD NOT RESULT IN FAILURES TO DELIVER THE SECURITIES IF AND WHEN DUE FOR SETTLEMENT. THE DEMAND TEAM DID NOT DOCUMENT THE BASIS FOR THIS GENERAL BELIEF. ADDITIONALLY, GOLDMAN'S DOCUMENTATION OF ITS COMPLIANCE WITH REG SHO IN ITS LOCATE LOG WAS INACCURATE IN THAT GOLDMAN FAILED TO SUFFICIENTLY DIFFERENTIATE BETWEEN LOCATES THAT WERE FILLED BY ITS AUTOMATED MODEL AND LOCATES THAT WERE FILLED BY THE DEMAND TEAM USING THE "F3" FUNCTION. IN BOTH CASES, THE LOCATE LOG SIMPLY CONTAINED THE TERM "AUTOLOCATE" TO REFER TO THE START-OF-DAY INVENTORY UTILIZED BY GOLDMAN'S AUTOMATED MODEL AS THE SOURCE OF SECURITIES SUPPORTING THE LOCATE. AS A RESULT OF THE CONDUCT DESCRIBED ABOVE, GOLDMAN WILLFULLY VIOLATED SECTION 17(A) OF THE EXCHANGE ACT AND RULES 203(B)(1)AND 203(B)(1)(III) OF REGULATION SHO PROMULGATED UNDER THE EXCHANGE ACT.
Initiated By:	UNITED STATES SECURITIES AND EXCHANGE COMMISSION

The problem with Goldman's autofill system was that it used the number of shares available to borrow at the beginning of that day, which had already been accounted for. After using the auto-locate feature, the demand team didn't even verify the accuracy of the autofill feature or document which method was used to locate the shares for each order… and this happened for 5 years..

Just goes to show how dedicated firms like Goldman Sachs truly are to the smallest of details, you know? Great f*cking work, guys.

By the way, I have to show one of Goldman's short sale indicator violations… It's too good to pass up.

Disclosure 15 of 148	
Reporting Source:	Regulator
Current Status:	Final
Allegations:	FINRA RULES 2010, 4560, NASD RULES 2110, 3010, 3360, NYSE RULE 421 - GOLDMAN SACHS EXECUTION & CLEARING, L.P., FOR SHORT INTEREST REPORTING CYCLES FOR ABOUT FOUR YEARS, SUBMITTED REPORTS THAT DID NOT INCLUDE SHORT INTEREST POSITIONS OF OVER 380 MILLION SHARES. THE FIRM SUBMITTED TO FINRA AND THE NEW YORK STOCK EXCHANGE SHORT INTEREST POSITION REPORTS THAT WERE INCORRECT OR FAILED TO REPORT SHORT INTEREST POSITIONS. THE FIRM'S SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH NASD, NYSE AND FINRA RULES REGARDING SHORT INTEREST REPORTING.
Initiated By:	FINRA
Date Initiated:	01/07/2014

At some point, you just have to laugh at these ass clowns… I mean seriously… one violation for a 4 year period involving over 380,000,000 short interest positions… they have plenty of other short interest violations, I just laughed at how the magnitude of this one was summarized by FINRA with 10 lines and roughly 4 minutes... whoever wrote that one must have been late for lunch..

The last thing I'd like to note here is the way in which short sellers use options to "cover" their positions. Wes gave a great overview of this in the AMA *(starting at 6:25)*. Basically, one group will buy puts and

another group buys calls. This creates a synthetic share that is only provided if the option is activated. Regardless, short sellers will use that synthetic share to cover their short position and the regulators actually accept it…

However, as Wes points out, most of those options expire without being activated which means the share is never delivered. This expiration can be set months down the road and allows the short seller to keep kicking the can.

I doubt I need to say this, but we all remember the wild options activity that was happening shortly after GameStop spiked in January. u/HeyItsPixel was one of the first to point this out. While a lot of that activity was on the retail front, I suspect a lot of it was done by short sellers to cover those positions.

---

5. Hedgies are f*cked…

I'm officially +20 pages deep and there's still so much I'd like to say. It's best saved for another time and another post, I suppose. So I guess I'll wrap all of this up with some of the best news I can possibly provide…

It all started with a 73 page PDF that was published in 2005 by a silverback named John D. Finnerty. John was a Professor of Finance at Fordham University when he published *"short selling, death spiral convertibles, and the profitability of stock manipulation"*. The document is loaded with sh*t that's incredibly relevant today, especially when it comes to naked short selling. He dives into the exact formula that short sellers use, which is far beyond what my wrinkled brain can interpret, alone…

..However, when firms are naked shorting a company with the goal of bankrupting them, they leave footprints which are only explained by this event. The proof is in the pudding, so to speak..

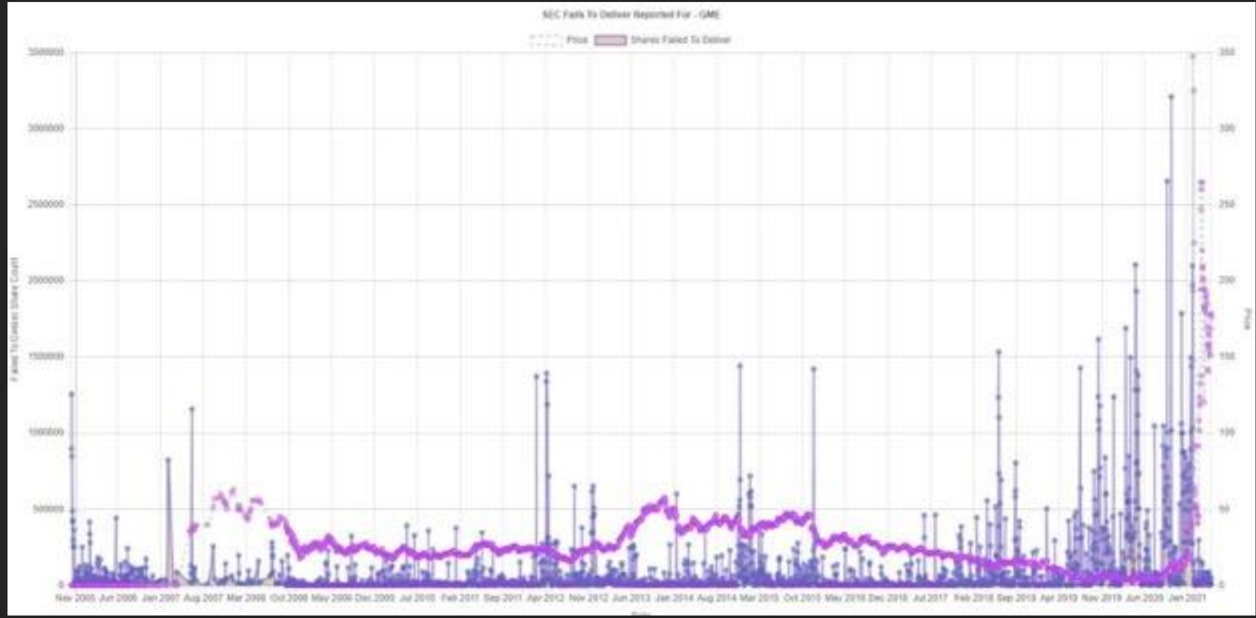
Building a short position of H/B to drive $P^*(3)$ to zero would involve naked shorting more shares than the firm has outstanding because $H/B > (A - L)/B$.[65] The manipulator can not drive the share price close to zero unless he can naked short an extraordinary number of shares.[66] This form of manipulation would result in a precipitous drop in the firm's share price to well below its intrinsic value, unusually heavy trading volume, and unusually large and persistent fails to deliver at the NSCC. Preventing this activity requires the clearing house to enforce its buy-in rules for fails to deliver and to impose penalties on short positions that are rolled over for an extended period, which is the purpose behind new Regulation SHO (SEC, 2004).

Any of this sound familiar??

"The manipulator can not drive the share price close to zero unless he can naked short an extraordinary number of shares… this form of manipulation would result in… unusually heavy trading volume, and unusually large and persistent fails to deliver at the NSCC".

Anyone else remember the volume in GME during the run-up in January? The total volume traded between **1/31/2021 and 2/5/2021 was 1,508,793,439 shares**, or an average daily trade volume

of **88,752,555 shares.** On 1/22/2021, the volume reached 197,157,946… that's roughly 3x the number of shares that exist..
if this doesn't sound like unusual volume then I'm not sure what is. Furthermore, the FTD report on GameStop was through the roof during this time:



invest in its equity. Customers may cease doing business with it as well because its warranties will appear worthless. Eventually, the firm will exhaust its liquidity and have to file for bankruptcy. The manipulator will be relieved of its obligation to cover its short position if the firm's shares are cancelled in bankruptcy.[68] This scenario leads to a zero cost of covering the short positions. This form of manipulation may involve a single manipulator or a group of manipulators who act in concert and make an unusually high percentage of apparently unlucky equity investments that become worthless in bankruptcy, all of which have unusually high trading volume, large and persistent fails to deliver, and a precipitous drop in share price below the stock's intrinsic value (often to just pennies a share).

Notice the statement where the manipulator will be relieved of its obligation to cover **IF** the firm's shares are cancelled in bankruptcy? Did you happen to see footnotes 65 & 66 in the first screenshot of his PDF? It references a company that he used for his analysis…

[66] The NASD reported that Charter Communications had short interest of 88,520,000 shares in January 2005, but Charter reported having outstanding shares minus shares held by insiders of only 36,600,000 shares.

Charter Communications had a whopping **241.8% short float in 2005**… **The ONLY way the manipulator could have escaped this was by bankrupting the company and relieving the obligation to repurchase those shares…**
Guess what happened to Charter? They filed for bankruptcy in 2009…
However, unlike John's example where naked short sellers were driving down the price without opposition, GameStop had extremely high demand from retail investors to counter this activity. As I have discussed with Dr. T and Carl Hagberg, the run-up in volume during January and February was largely conducted by naked short sellers in an attempt to suppress the share price. As I have shown in the example with Goldman Sachs, firms will short sell during a buy-in for the same exact reason. To stabilize the price, you must stabilize supply and demand.
…You know what Charter didn't have?
AN ARMY OF APES TO HODL THE STONK

DIAMOND. F*CKING. HANDS

Back to Table of Contents

What's happening today - 6/8/2021

DD

EDIT 1: There is an issue with Reddit right now and my images are not loading. I've added IMGUR links instead. Furthermore, I cannot see the upvote total for this post, which is still stuck at 1.
EDIT 2: The comments in EDIT 1 seem to be fixed now. I also added an example of how the additional deposit could have been made in shares rather than cash. This would force the short seller to buy enough shares to meet their new margin requirement. Otherwise, it was a legitimate margin call to cover a short position.

There are significantly underfunded short positions on GME. With the recent spikes in price, it puts an even bigger strain on these positions because they must deposit more money to keep their accounts current with the new price. I'll use some simple numbers to describe what this means.
If you have $100 in a deposit account to "cover" your short position and the price skyrockets, you must make an additional deposit to meet the new price. So the account holder will deposit an additional $20 to make their account current. To do this, the short seller can either deposit shares or cash in their account. If you cannot meet this requirement, a margin call will occur. I believe the uptick in volume this morning resulted from short sellers purchasing enough shares to meet the new requirement. It could also be from them covering the position, directly. I could be wrong but the outcome is still the same.
Take a look: https://imgur.com/vdzZUaa

We had at least 2,000,000 shares traded within 20 minutes which boosted the price by roughly $45. This means there are now MORE positions which are underfunded and must make additional deposits to meet the increase in exposure. Ergo, we should have a domino effect. The "sideways" trading occurs between these purchase periods because retail investors continue to diamond hand their stonk.

What does this mean? Volume upticks like this will drive the price up. Once that spike is over, the price will trade sideways (basically) until another volume spike occurs. We know this because apes basically forgot how to use the sell button. This will send the price up again. Rinse, wash, repeat.

However......

Think back to the House of Cards - Part III. Remember the example I gave of Goldman Sachs when they were being "bought in"? What did they do?

They shorted **EVEN MORE** than they purchased on that day to keep the price down. As I am writing this, it is literally happening with GME.

https://imgur.com/abvlt1L (pictures AND links are really f*ckey with Reddit right now)

I honestly do not believe this is retail selling, but rather, a flash-crash to drive the price down. I wrote about it in Citadel Has No Clothes when it happened on March 10th. I would have a hard time believing this a few months ago, but after seeing Goldman Sachs get caught doing the same exact thing, it's become obvious: this is their textbook move. The goal is to return the price to a point it was at prior to the increase this morning. Obviously, this will prevent more market makers & broker-dealers from having to make additional deposits.

This is not normal behavior and is HIGHLY unlikely that retail is responsible. Prepare for EXTREME volatility and know that these actions are performed to prevent OTHER BROKER-DEALERS from being margin called.

As you continue to hold, **THEIR** problem will become worse and worse. It will **ONLY** work if you sell. Once the short attack is over, you should see the price rebound. We know that $350 has been a dangerous point for them because they triggered a flash crash at $350 on Mar10 (Mario day). Low and behold, they *done-did-it* again

https://imgur.com/NnLH3We

To me, this is us catching them in their lies. There would be NO NEED for this if their positions were covered. It is blatant market manipulation and we are SUFFOCATING THEM.
DIAMOND.F*CKING.HANDS
Not financial advice

Back to Table of Contents

THE MOTHER OF ALL WEDGES: AN ENDGAME DD. Technical and Fundamental Analysis with Warden. Where we are now, where we are headed. When might the MOASS begin?

DD 👨‍🔬
Hey everyone! It's Warden. I'm taking a brief moment to write a chart analysis post because **I feel that we are nearing a critical junction point**. The volume today has been extremely low, currently sitting at around 1.7 million, and I feel that a lot of people are sensing that something big is coming. I've emptied the rest of my bank account into the dip today to buy more tickets to the moon.
There's a lot of questions people are wondering at this point.
When do we squeeze?
What happens at the Apex of a wedge?
Are there any important catalysts coming up?

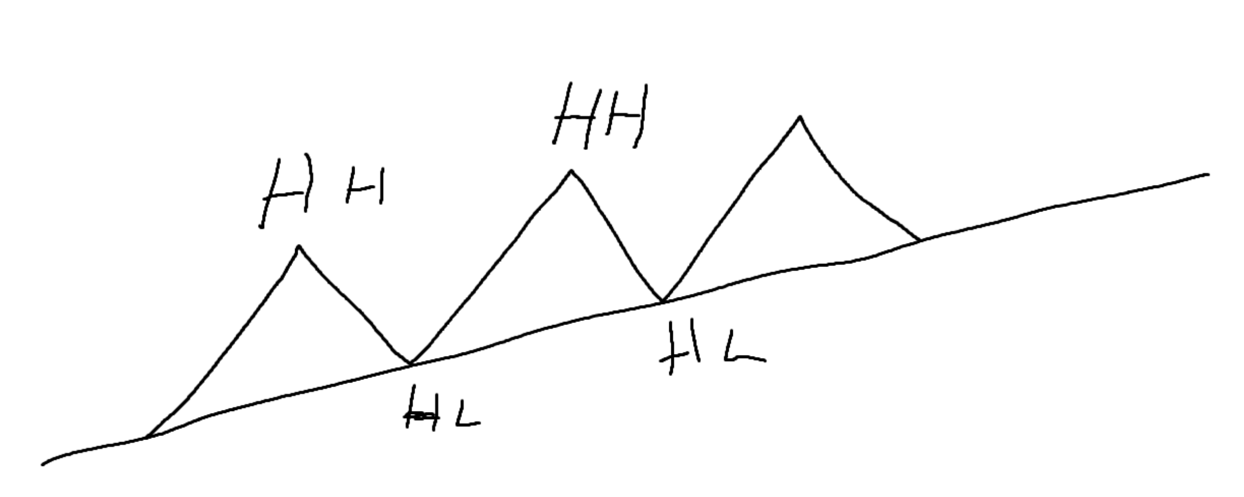
These are all questions that have answers, and I will try my best to address these. My thesis for this post, is that **as the stock breaks out of the wedge, if it chooses to follow the uptrend, it becomes increasingly expensive and impossible for shorts to bring this down any further. We may possibly climb to a point of no return for the shorts.** Let's examine why by starting with understanding what a wedge is.

The wedges I will reference in this post are symmetric wedges.

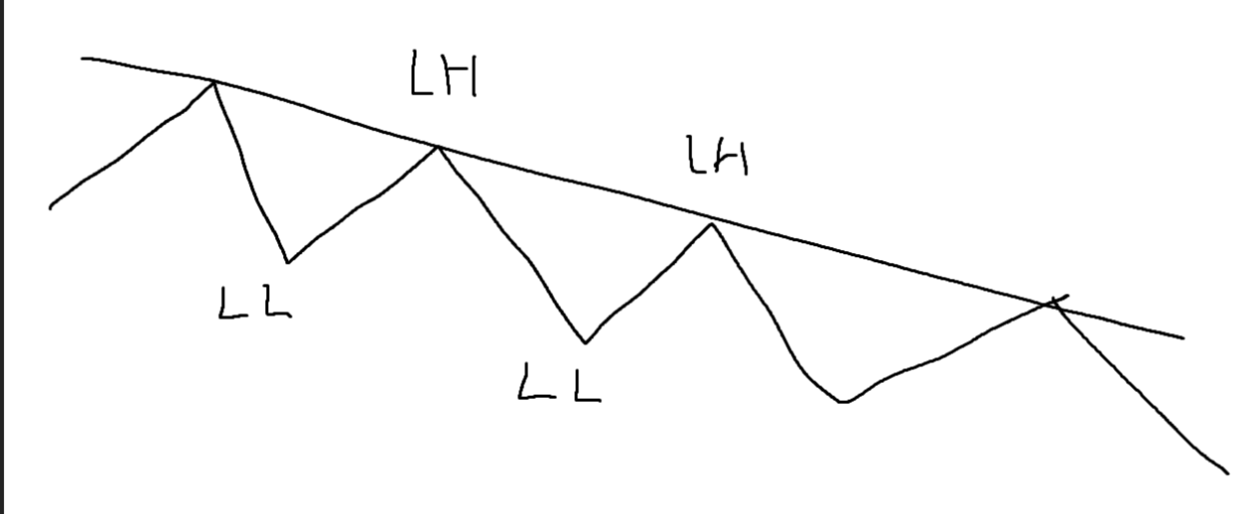
Why wedges form, and what they mean fundamentally: the long and short theses

We are indeed nearing the Apex of the Mother Of All Wedges (MOAW); this is the ultimate hedgie wedgie. I wanted to provide a fundamental explanation for why this wedge has formed and what it means for the stock.

Let's examine the simple uptrend. This is when the price forms higher lows, and higher highs.

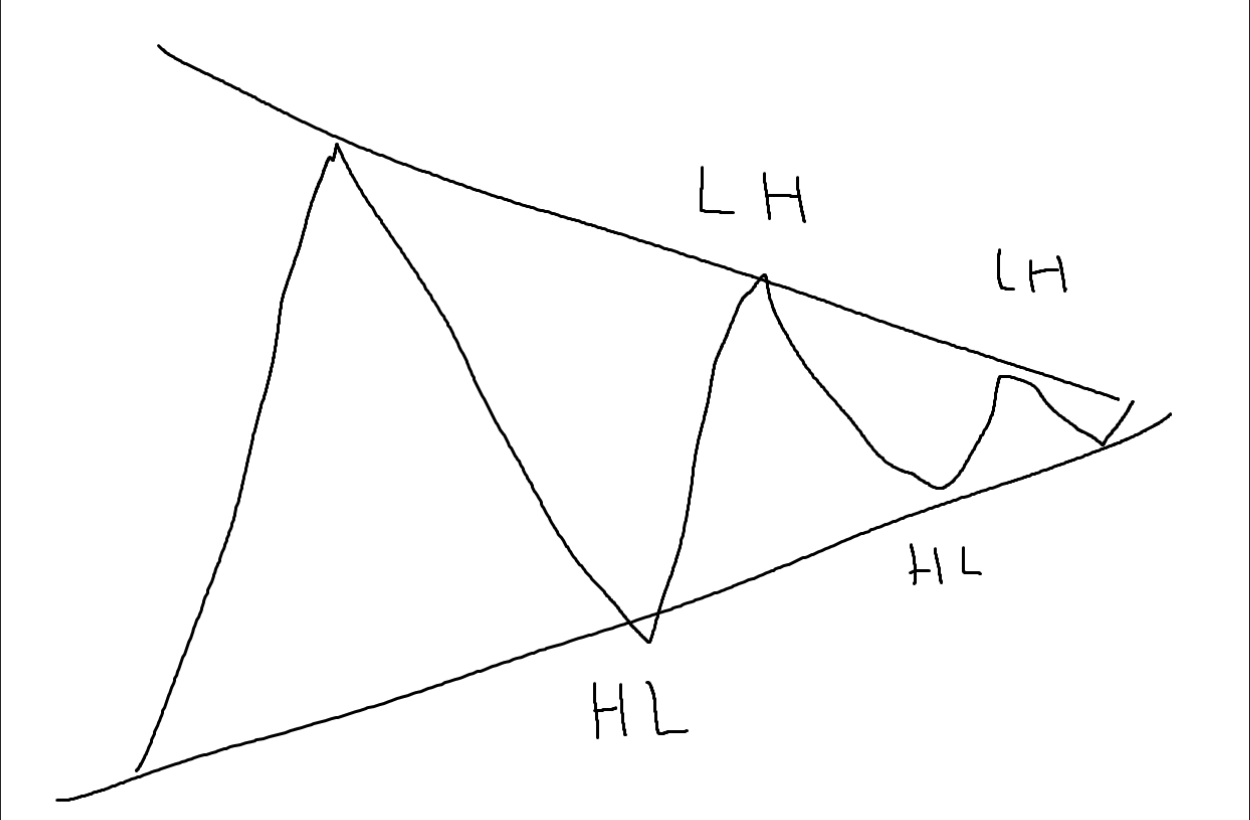


And we also know what a downtrend is. Lower highs and lower lows.

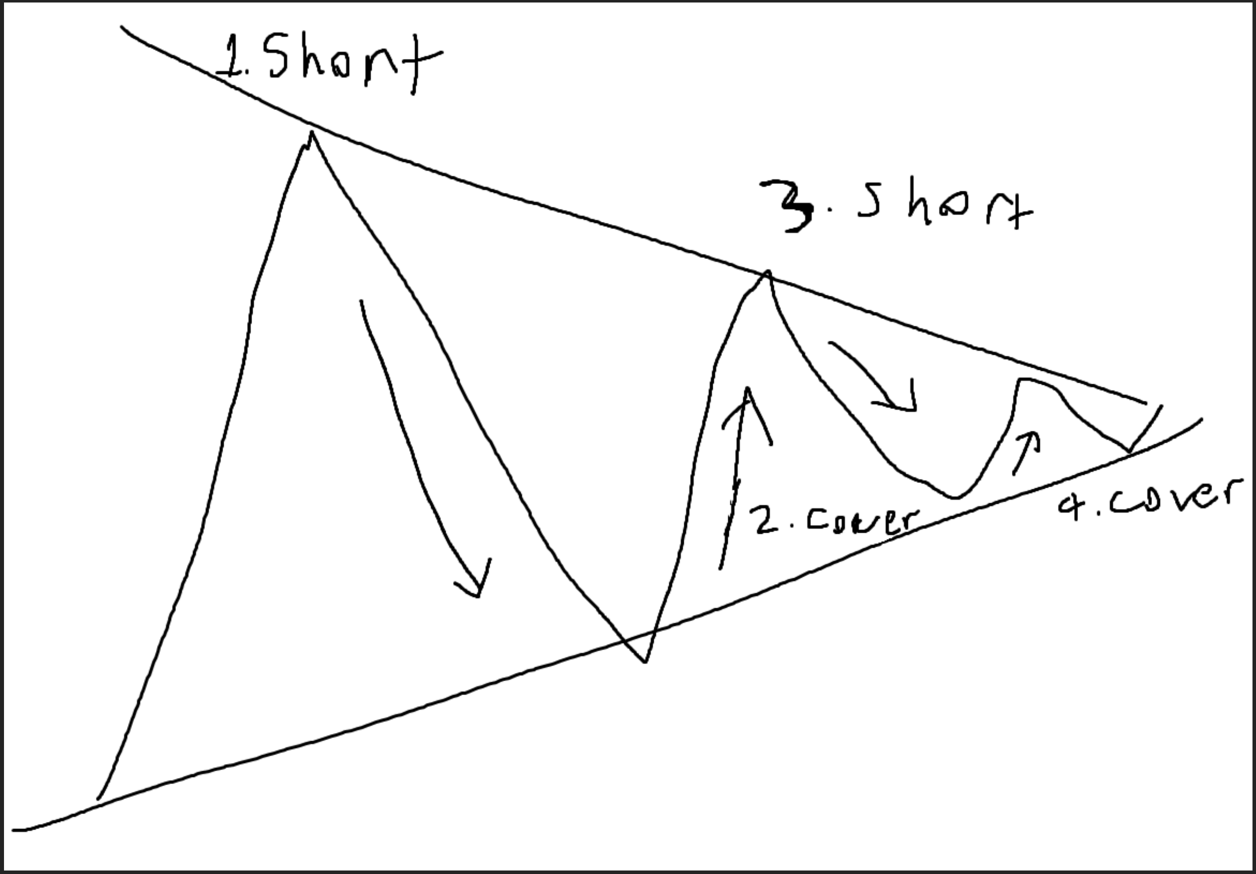


And uptrend is called the **frontside**, and the downtrend is called the **backside.** The thesis of people trading the frontside, is that they think it will go up. For short sellers, they trade the backside, because they think it will go down.

Now if you get a really volatile stock, you might end up with a combination of the two theses, with two parties doing different strategies. This is why a wedge forms. Both theses are valid, and so both parties continuously trade in this wedge pattern.



The short side thesis and strategy looks like this:



Imagine the opposite for longs. They buy at the dips, and the sell at the peaks.

Thus, combining these two theses, we can conclude that:

When the stock moves up, that's **buying plus covering.**

When the stock moves down, that's **selling plus shorting.**

Simultaneously, Longs and Shorts are both making money because they both have valid theses. One thinks the price will go down, and the other thinks it goes up.

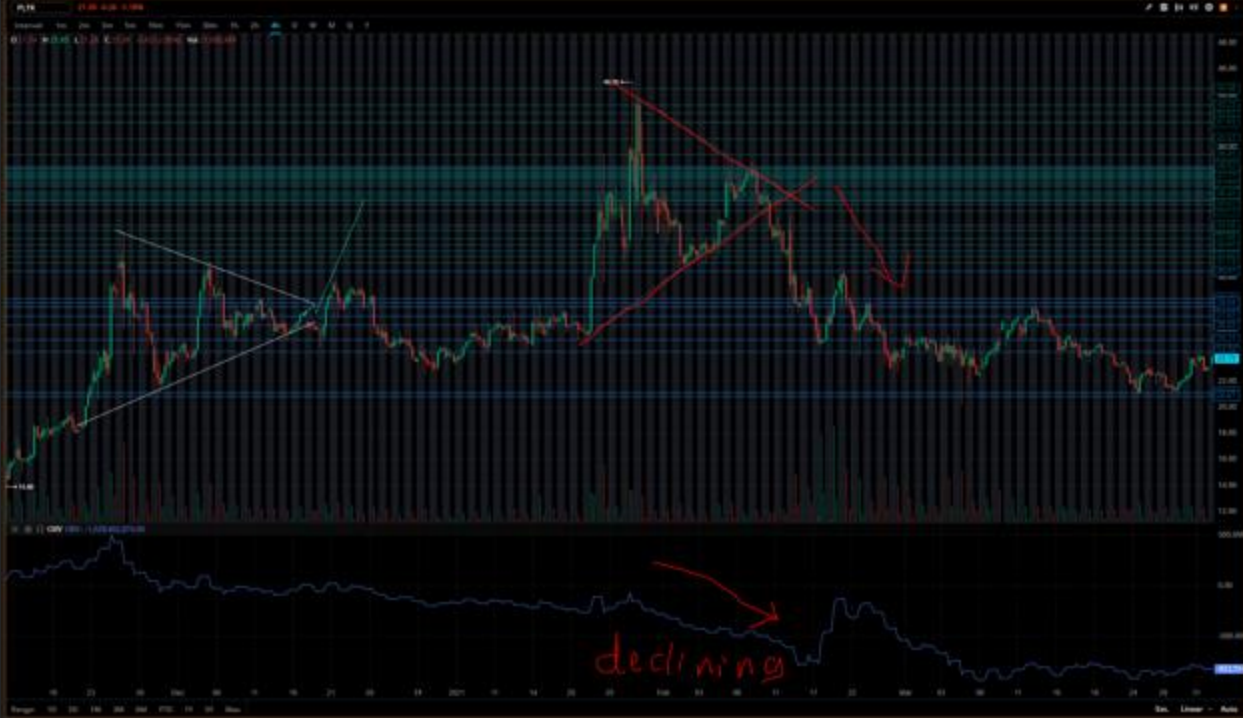
Why the short thesis is invalid. Understanding OBV, the Spread, and FINRA's own short volume data

However there is a big problem with the short thesis for GameStop.

The short thesis is actually invalid.

Notice how throughout the entire duration of this triangle, OBV is flat. On Balance Volume info: https://www.investopedia.com/terms/o/onbalancevolume.asp

Take a look at a normal stock like Palantir. When a short thesis is valid, the price breaks out to the downside after the Apex. Palantir in the below picture, was a short side success. **Notice how OBV falls during a short side success.**



PLTR

Or Activision. In this case, **OBV goes up when the longs win.**

ATVI

I challenge you to find a stock that doesn't follow these rules on a macro level timescale.
OBV increases, if there is more volume during uptrends than volume during downtrends. That means there is greater buying interest. Vice versa.
When there is an imbalance of buyers and sellers, at the Apex of the triangle, there will be a "breakout". **This is because, at the apex, one of the two trends breaks. Either the upside or the downside trend is violated, forcing one of the parties to flip their thesis.** So if we go to the upside, the short sellers would flip to long side either by buying stock, or finally covering their shares.
So what about a flat OBV?

GME

I believe it means that throughout the duration of the wedge starting 2/24, nobody was f*king selling. It was almost exclusively shorts short selling combined by less covering than shorting and retail buying in. In a way, it's actually an illusion that they are tanking the price. In reality, the real price is whatever the uptrend line is. So here, I think the "real price" is around 155 dollars. **We've actually been climbing up at the macro level.** I think this has to do with the spread.
If you look at the Level 2 order book, you see the highest bid is 160.6, and the lowest ask is 160.74.

GME | GAMESTOP CORPORATION COM CL A | 160.72 | -.01 -0.01% | 160.72 | -.01 -0.01%

Ex	Bid	BS	Ex	Ask	AS
ARCA	160.60	2	EDGA	160.74	1
EDGA	160.60	1	EDGX	160.74	1
NASDAQ	160.60	1	NASDAQ	160.74	1
NYSE	160.56	1	OTCBB	160.74	1
Y	160.51	1	NYSE	160.81	1
EDGX	160.50	4	BATS	160.88	1
OTCBB	160.20	1	ARCA	160.93	2
BATS	160.07	1	Y	161.02	1
PHLX	159.87	4	PHLX	161.34	4
BSE	159.85	2	BSE	161.54	2
OTC OTHER	158.79	1	CINN	171.44	1
CINN	153.73	1	OTC OTHER	180.35	1
			AMEX	350.00	1

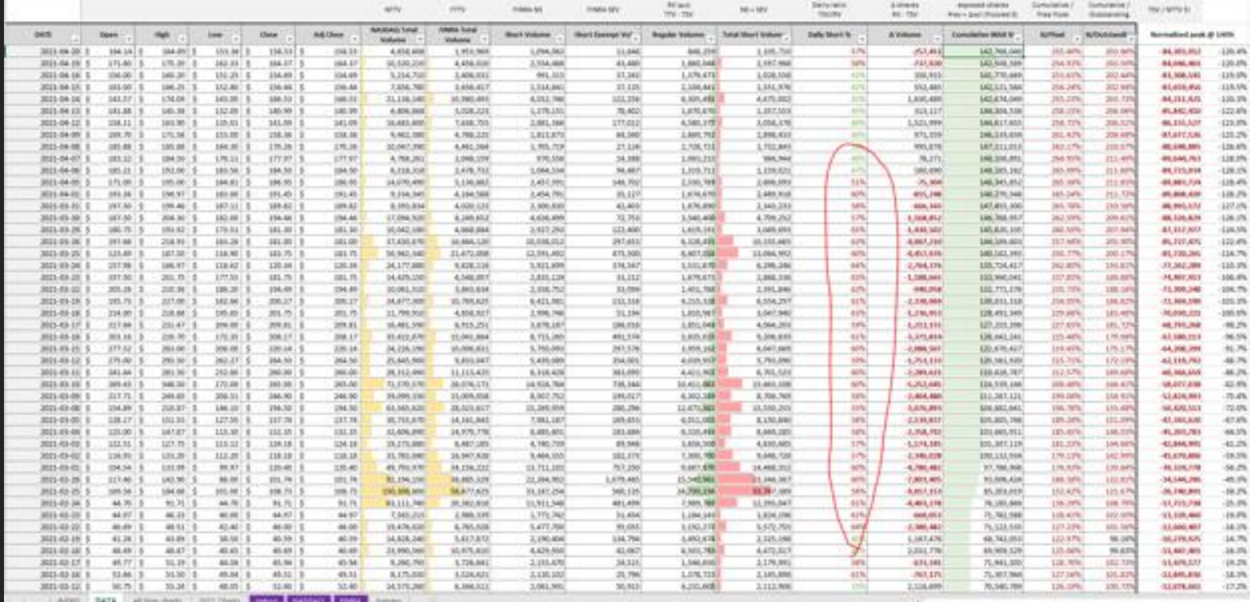
The goal of short selling is to tank the price. So you typically sell on the Bid. When you want to cover your shares, you want to ideally also buy on the Bid, because buying on the Ask is more expensive. However the issue is that liquidity is low, so if you have a deadline to cover FTDs, you need to buy on the Ask a lot. You actually end up losing money and the amount you lose is roughly equal to the average spread multiplied by how many shares you shorted. **The only way to profit from short selling, is if people sell more than they buy after you short.** Trading is a Zero Sum game, so the goal of short attacks is to paper hand people.

The problem is we see consistent higher buy:sell ratio, meaning that more people are buying than selling. **Thus you probably can't make money if you short millions of shares, because eventually when you cover:**

A) You lose money from the Spread

B) The price is already increasing from an excess of buyers.

Furthermore, what's even worse, is that the daily short volume percent is greater than 50% on average. u/dinghino crunched FINRA's own short volume numbers and concluded that the majority of daily volume was short selling. Here's his tool for grabbing historical data: https://github.com/dinghino/stocks-historical-data



Keep in mind FINRA both underreports short volume, and total volume. So the data we have is limited in reliability. There is a probability that short volume might be <50%. I have not been able to find other data sources that can confirm or reject this analysis.

Okay, so first, we realize that they cannot really profit from shorting at the downtrend, and second despite this fact, they are shorting more than half the daily volume.

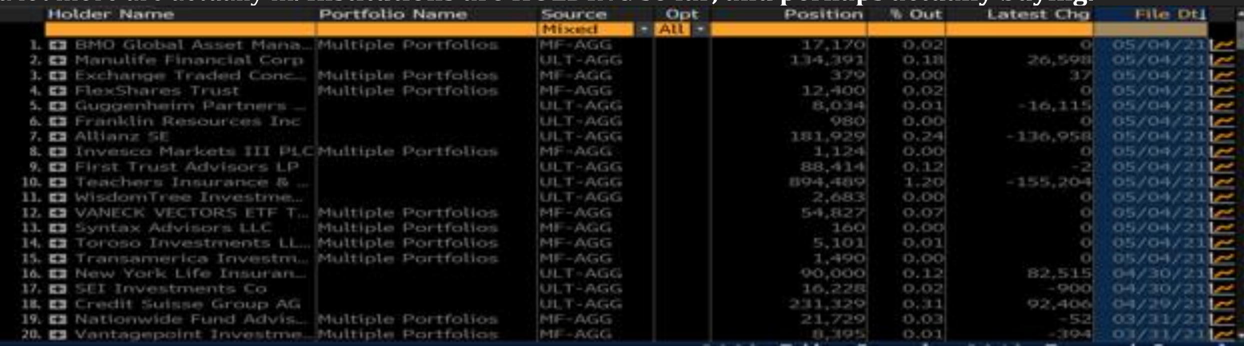
Ouch.

Now let's tie in the last two pieces of the puzzle. So how can there be a flat OBV if there are an excess of buyers? I believe it's because the Bid has been hit so much more than the Ask from the short sellers that it has caused the price to be artificially lower than normal. Thus, there's an increased number of days that the stock ends in the red, decreasing OBV.

I believe that the OBV is actually trending upwards. It's an illusion that it's flat. The Bid has been hit from selling more than buying has hit the Ask. Therefore the net direction is down. The excess of retail buyers balances this out and causes the OBV to end up going flat.

We are not losing this fight. We are in fact holding strong and buying.

Furthermore, from the updated institutional data for Q1 present so far in Bloomberg, we see a couple institutions "derisking" and others actually buying more shares. Some institutions appear to be out, but a lot more are actually in. **Institutions are HOLDING so far, and perhaps actually buying.**

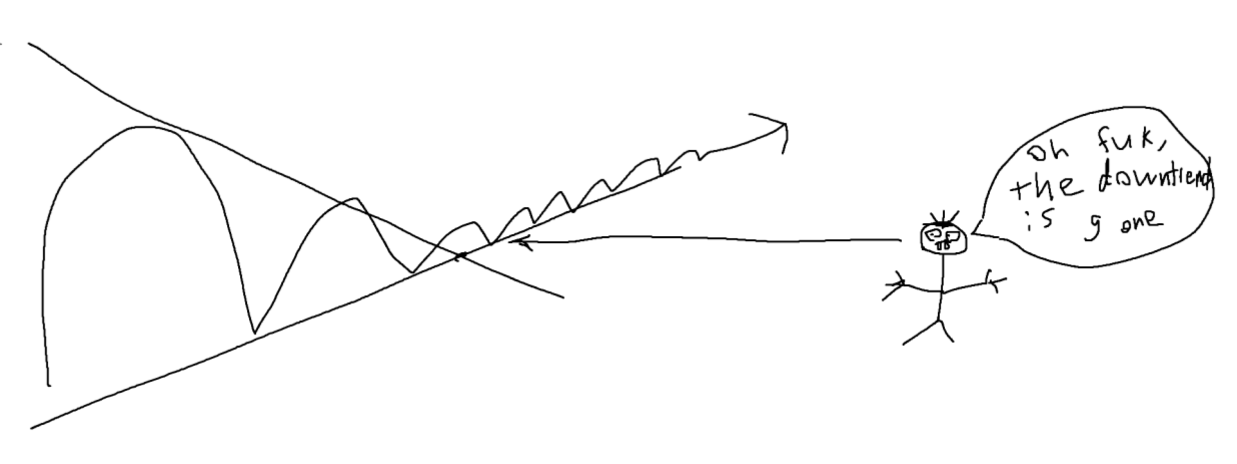


	Holder Name	Portfolio Name	Source	Opt	Position	% Out	Latest Chg	File Dt
			Mixed	All				
1.	BMO Global Asset Mana...	Multiple Portfolios	MF-AGG		17,170	0.02	0	05/04/21
2.	Manulife Financial Corp		ULT-AGG		134,391	0.18	26,598	05/04/21
3.	Exchange Traded Conc...	Multiple Portfolios	MF-AGG		379	0.00	37	05/04/21
4.	FlexShares Trust	Multiple Portfolios	MF-AGG		12,400	0.02	0	05/04/21
5.	Guggenheim Partners ...		ULT-AGG		8,034	0.01	-16,115	05/04/21
6.	Franklin Resources Inc		ULT-AGG		980	0.00	0	05/04/21
7.	Allianz SE		ULT-AGG		181,929	0.24	-136,958	05/04/21
8.	Invesco Markets III PLC	Multiple Portfolios	MF-AGG		1,124	0.00	0	05/04/21
9.	First Trust Advisors LP		ULT-AGG		88,414	0.12	-2	05/04/21
10.	Teachers Insurance & ...		ULT-AGG		894,489	1.20	-155,204	05/04/21
11.	WisdomTree Investme...		ULT-AGG		2,683	0.00	0	05/04/21
12.	VANECK VECTORS ETF T...	Multiple Portfolios	MF-AGG		54,827	0.07	0	05/04/21
13.	Syntax Advisors LLC	Multiple Portfolios	MF-AGG		160	0.00	0	05/04/21
14.	Toroso Investments LL...	Multiple Portfolios	MF-AGG		5,101	0.01	0	05/04/21
15.	Transamerica Investm...	Multiple Portfolios	MF-AGG		1,490	0.00	0	05/04/21
16.	New York Life Insuran...		ULT-AGG		90,000	0.12	82,515	04/30/21
17.	SEI Investments Co		ULT-AGG		16,228	0.02	-900	04/30/21
18.	Credit Suisse Group AG		ULT-AGG		231,329	0.31	92,406	04/29/21
19.	Nationwide Fund Advis...	Multiple Portfolios	MF-AGG		21,729	0.03	-52	03/31/21
20.	Vantagepoint Investme...	Multiple Portfolios	MF-AGG		8,395	0.01	-394	03/31/21

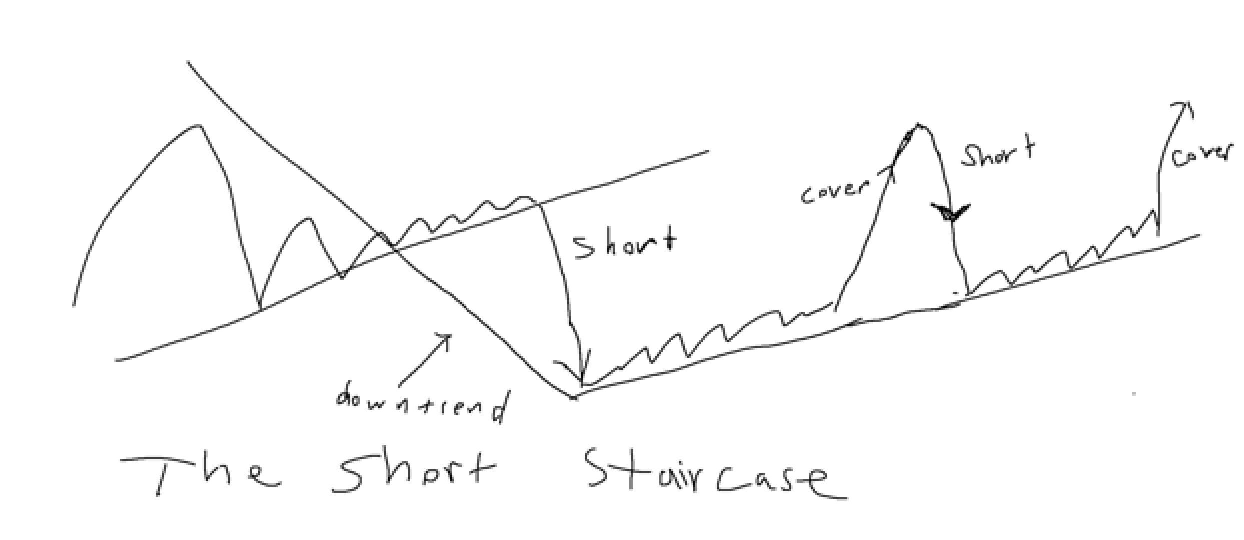
Keep in mind that this is a **TINY SUBSET** of all the **Q1 13F updates that will be filed before 5/17. I will be closely watching everyday to see what the majority of institutions are doing.**
I believe 5/17 will be a very important deadline for us to find the new data.
So great, everyone is holding thus far, shorts keep shorting, and the spread and buyers are killing them. Lol.

After the Apex, shorts will drown.

After the Apex, the downtrend breaks. Shorts will be forced to create a new downtrend.



If they haven't given up, they'll likely react with a large short attack in an attempt to establish a downtrend.



However, given that GME is hard to borrow, they can only short a limited amount of shares. And because people won't sell, the shorts will be stuck trying to short into an uptrend due to the excess of buyers. **This is the short staircase, the establishment of a new uptrend slightly below the Apex that will slowly choke the shorts to death.** Every time they try to bring it back down, they have to eventually cover on the Ask. Couple that with the buying pressure, their short attacks get weaker and weaker each time as this uptrend slaughters their P&L.
Take Tesla as a historical example.

A short staircase choked the shorts. They were like "oh fuck, I'm screwed, better cover".

Seriously. I see no fucking way out for the shorts. To create a downtrend, you need a continuous supply of shares to short. Or you need people to sell. **Both options are out of the question.**
The catalyst might actually be the chart itself. Not so much a fundamental change in the company. But a fundamental change like a new CEO can certainly light the fuse.

Summary/TLDR

Wedges form because Longs and Shorts both see a profitable strategy.
Shorts are not able to profit because of the Spread and the excess of buyers. OBV is flat because everyone is buying and holding.
The price might drop after the Apex, but an uptrend will form that will smother the shorts. Eventually they will panic cover.
Bloomberg shows recent institutions are buying and holding on average.
After the Apex, the short thesis of being profitable from shorting becomes invalid (if not already).
5/17 is an important date. It reveals the poker hand of the Longs as 13F Q1 filings are due by then. If they are still holding, then shorts are DOOMED.
The price isn't actually decreasing from these short attacks. **It's actually steadily increasing. The drops are an illusion.**

Thank's for reading. I'm as bullish as ever on this stock.
-Warden

Back to Table of Contents

Looks like the recent RobinHood Class Action SI Report just proved /u/broccaaa's data. That the shorts haven't covered, that they hid SI% through Deep ITM CALLs, and SI% is a minimum of 226.42%.

Possible DD 👨‍🔬

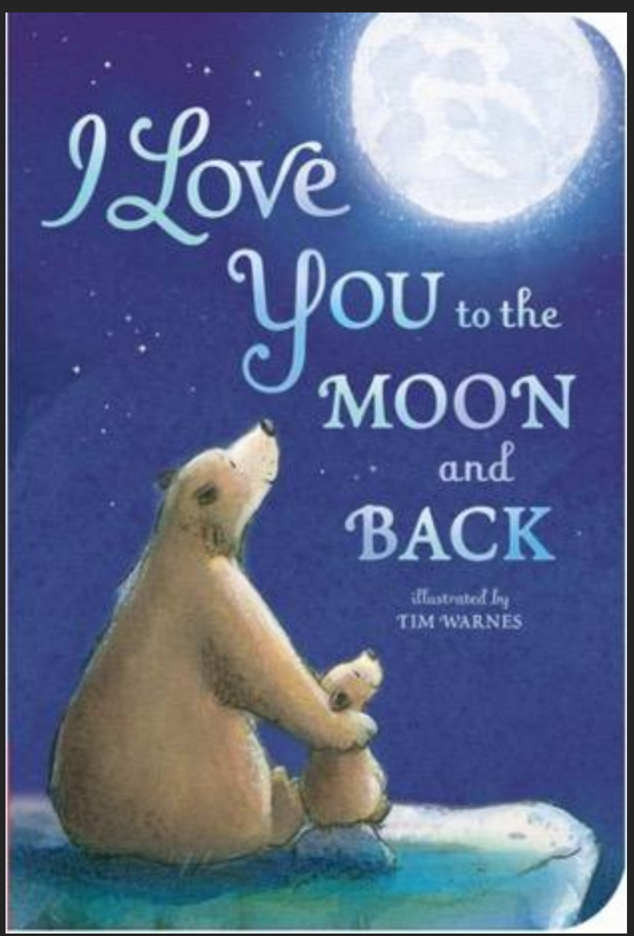
Edit: Numbers from RobinHood case are alleged so far, not proven. I cannot edit the post title. That being said, results of Deep ITM CALLs comes up with roughly the same 226.42%, which is quite telling. We also see that PHLX exchange is used to buy and exercise these calls almost immediately - exactly as outlined in the SEC document on how to shift a short position to become synthetic.

0. Preface

I am not a financial advisor and I do not provide financial advice. Thoughts here are my opinion, and others are speculative.

Shout out to king /u/broccaaa for their contributions. I always figured that your assumptions were correct that the SHFs were using these Deep ITM CALLs to hide SI%, but we never got some quick maths behind it to see if it was true. (Maybe we did though! Sorry if I did not see anyone's posts about this)

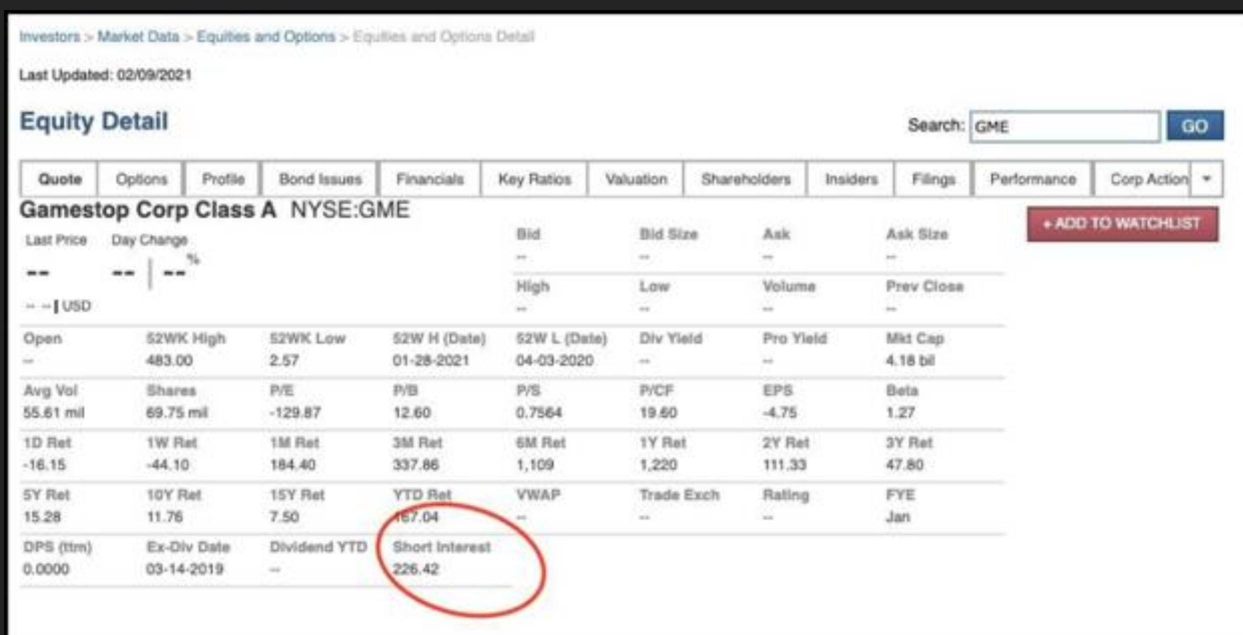
Well, this is for you /u/broccaaa, and all the apes.



Spreading Love To All

1. GME SI% Is A Minimum Of 226.42%; Shorts Were Hidden With Deep ITM CALLs

Way way back in time, since many of you probably feel like you've aged years over the course of 6 months, there was a blip of **226.42**% SI in January. Many believed this was a glitch:


Investors > Market Data > Equities and Options > Equities and Options Detail

Last Updated: 02/09/2021

Equity Detail

Search: GME GO

Quote | Options | Profile | Bond Issues | Financials | Key Ratios | Valuation | Shareholders | Insiders | Filings | Performance | Corp Action

Gamestop Corp Class A NYSE:GME

+ ADD TO WATCHLIST

Last Price -- | Day Change -- | -- %

-- -- | USD

Bid	Bid Size	Ask	Ask Size
--	--	--	--
High	**Low**	**Volume**	**Prev Close**
--	--	--	--

Open	52WK High	52WK Low	52W H (Date)	52W L (Date)	Div Yield	Pro Yield	Mkt Cap
--	483.00	2.57	01-28-2021	04-03-2020	--	--	4.18 bil
Avg Vol	**Shares**	**P/E**	**P/B**	**P/S**	**P/CF**	**EPS**	**Beta**
55.61 mil	69.75 mil	-129.87	12.60	0.7564	19.60	-4.75	1.27
1D Ret	**1W Ret**	**1M Ret**	**3M Ret**	**6M Ret**	**1Y Ret**	**2Y Ret**	**3Y Ret**
-16.15	-44.10	184.40	337.86	1,109	1,220	111.33	47.80
5Y Ret	**10Y Ret**	**15Y Ret**	**YTD Ret**	**VWAP**	**Trade Exch**	**Rating**	**FYE**
15.28	11.76	7.50	167.04	--	--	--	Jan
DPS (ttm)	**Ex-Div Date**	**Dividend YTD**	**Short Interest**				
0.0000	03-14-2019	--	226.42				

https://www.reddit.com/r/GME/comments/lgjztf/wtf_is_going_on_with_finra_is_it_7846_or_22642/

That's what many may have thought, that it was just a glitch, until recently a Class Action against RobinHood proved that was, indeed, the SI% upon January 15th, 2021:

Edit: Thank you much for everyone's replies. We must consider this as still speculative and not proven as it is a number alleged by the plantiff.

Allegedly, per a Class Action against RobinHood, the SI% was 226.42% upon January 15th, 2021:

4:07

LTE

rosenlegal.com

18. This sent GME's stock price rocketing. Retail investors began to take notice of the strategy, and began searching for other, similar opportunities, and the other Affected Securities, many with a high short percentage, began to experience heavy volume as retail investors interest increased.

19. Indeed, of the Affected Securities had an unusually high short interest, or number of shares that that had been sold short but not yet covered or closed out. These securities were primarily shorted by institutional investors. The following chart describes the shorted percentage of float[1] as of January 15, 2021, for each of the Affected Securities:

Security	Shorted Float Percentage
AAL	33.75%
AMC	38.12%
BB	9%
BBBY	82.41%
GME	**226.42%**

20. But, on January 28, 2021, Robinhood, and other brokers, restricted trading on the Affected Securities to closing securities only. As a result of this

[1] Source: Yahoo! Finance.

https://www.reddit.com/r/Superstonk/comments/o6mp0c/from_class_action_against_rh_look_at_that_juicy/

Put yourself in the SHF's shoes. You have a shitload of retail buy pressure going on. You're way overshorted. What do you do? Do you cover? Pfft. Nah. That's way too much. Impossible to cover. Absolutely screwed.

Lucky for you the SEC has identified malicious options practices which can be used for just such an occasion to make it appear that you've covered.

Let's say you want to make it "appear" that you covered your short. You can perform a buy-write trade with a bona-fide Market Maker. Who might help you out as a bona-fide Market Maker? **Citadel** might come to mind (not saying it's them, just an example since they are well known)! The trade ends up being the following:

1. Trader A who needs to hide their short position enters the buy-write trade with Trader B (Citadel).
2. Trader A sells a Deep ITM CALL to Trader B (Citadel).
3. Trader A simultaneously buys shares from Trader B (Citadel).
4. Trader A now appears to have purchased shares to cover their short position, and Trader B (Citadel) gets a small amount of cash in return.

- They tend to trade Deep ITM CALLs that have little to no OI so that the trade is almost guaranteed to be between Trader A and Trader B.
- Trader B tends to exercise these CALLs **on the same day. And this is exactly what we have been seeing because CALL OI does not increase.**
- The net effect on this is that Trader B has looped around their shares. They sold them to Trader A, and then got them back through exercising the CALL. Meanwhile, Trader A has "covered" their original short position but now they are "short" the CALL, meaning it is now a synthetic short.

Here is the supporting text from the SEC itself if you want to verify for yourself. A report from 2013 titled "**Strengthening Practices for Preventing and Detecting Illegal Options Trading Used to Reset Reg SHO Close-out Obligations**":

The Second Transaction to "Reset the Clock"

Assuming that XYZ is a hard to borrow security, and that Trader A, or its broker-dealer, is unable (or unwilling[28]) to borrow shares to make delivery on the short sale of actual shares, the short sale may result in a fail to deliver position at Trader A's clearing firm. Rather than paying the borrowing fee on the shares to make delivery, or unwinding the position by purchasing the shares in the market, Trader A might next enter into a trade that gives the appearance of satisfying the broker-dealer's close-out requirement, but in reality allows Trader A to maintain its short position without ever delivering on the short sale. Most often, this is done through the use of a buy-write trade, but may also be done as a married put and may incorporate the use of

https://www.sec.gov/about/offices/ocie/options-trading-risk-alert.pdf Section II

short term FLEX options.[29] These trades are commonly referred to as "reset transactions," in that they have the effect of resetting the time that the broker-dealer must purchase or borrow the stock to close-out a fail. The transactions could be designed solely to give the appearance of delivering the shares, when in reality the trader has no intention of meeting his delivery obligations. The buy-writes may be (but are not always) prearranged trades between market-makers or parties claiming to be market makers. The price in these transactions is determined so that the short seller pays a small price to the other market-maker for the trade, resulting in no economic benefit to the short seller for the reset transaction other than to give the appearance of meeting his delivery obligations. Such transactions were alleged by the Commission to be sham transactions in recent enforcement cases.[30] Such transactions between traders or any market participants have also been found to constitute a violation of a clearing firm's responsibility to close out a failure to deliver.[31]

https://www.sec.gov/about/offices/ocie/options-trading-risk-alert.pdf Section II

Trader A may enter a buy-write transaction, consisting of selling deep-in-the-money calls and buying shares of stock against the call sale. By doing so, Trader A appears to have purchased shares to meet the broker-dealer's close-out obligation for the fail to deliver that resulted from the reverse conversion. In practice, however, the circumstances suggest that Trader A has no intention of delivering shares, and is instead re-establishing or extending a fail position.

https://www.sec.gov/about/offices/ocie/options-trading-risk-alert.pdf Section II

These circumstances vary. For example, Trader A may be engaging in buy-writes with a known counterparty, such as another market maker (Trader B) that Trader A pays to take the other side of its reset transactions. In this circumstance, Trader A and Trader B agree on a price at which the buy-write will be transacted. The trade is consummated as a spread, with the stock and option portions executed at the same time. Trader A sells calls to Trader B, and Trader A buys shares from Trader B. The size of the trade is dictated by how many shares Trader A is required to deliver to appear to have closed out the settlement fail arising from his short position and avoid a buy-in or large borrowing fees. Trader A knows or has reason to know that the counterparty to the buy-write will not deliver securities in settlement of the transaction. Rather,

https://www.sec.gov/about/offices/ocie/options-trading-risk-alert.pdf Section II

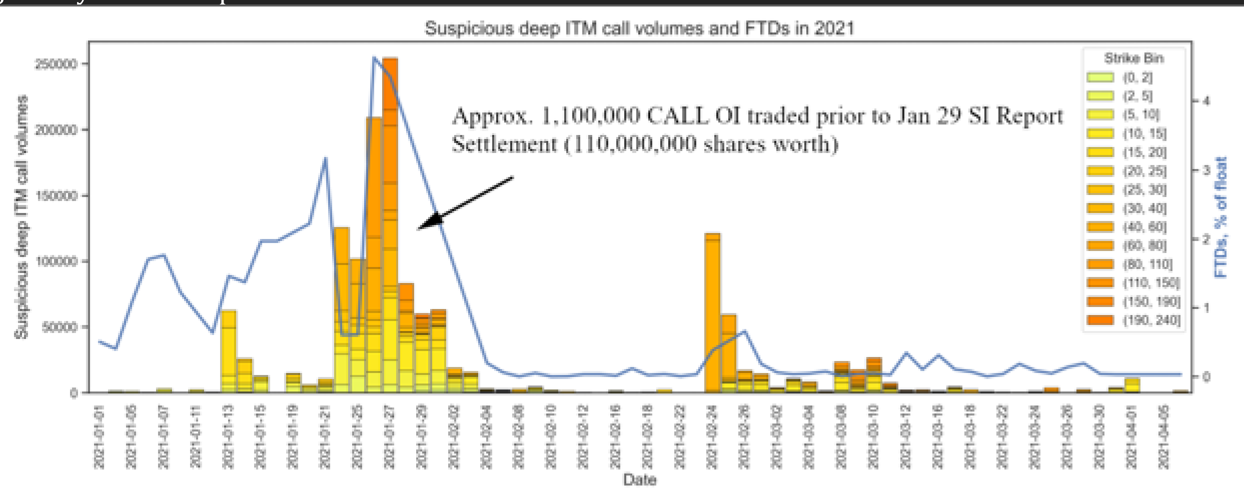
on the same day of the buy-write, Trader B will, in almost every case, exercise the deep in-the-money options it bought from Trader A in order to eliminate the short position created by selling shares to Trader A in the buy-write transaction, negating Trader A's purchase of those shares. The two counterparties trade deep in-the-money calls with little to no open interest, so that Trader A knows that when Trader B exercises its calls, Trader A will be the one assigned[32] on the exercised calls. As a result of the assignment on the exercised calls, Trader A has another delivery obligation. Trader A, or its broker-dealer, remains unable (or unwilling) to borrow shares to make delivery, and the reset transaction may result in a fail to deliver position at Trader A's clearing firm. The result may be a persistent fail to deliver position in the security at issue.

https://www.sec.gov/about/offices/ocie/options-trading-risk-alert.pdf Section II

> To the broker-dealer or clearing firm, it may appear that Trader A's purchase, in the buy-write, has allowed the broker-dealer to satisfy its close-out requirement. Trader A continues to execute a buy-write reset transaction whenever necessary, and by the time of expiration of its original Reversal, it may have given up some of the profits in the form of premiums paid for the buy-writes, but it has maintained its short position without paying the higher cost to borrow or purchase shares to make delivery on the short sale. In each buy-write transaction, Trader A is aware that the deep in-the-money options are almost certain to be exercised (barring a sudden huge price drop), and it fully expects to be assigned on its short options, thus eliminating its long shares.

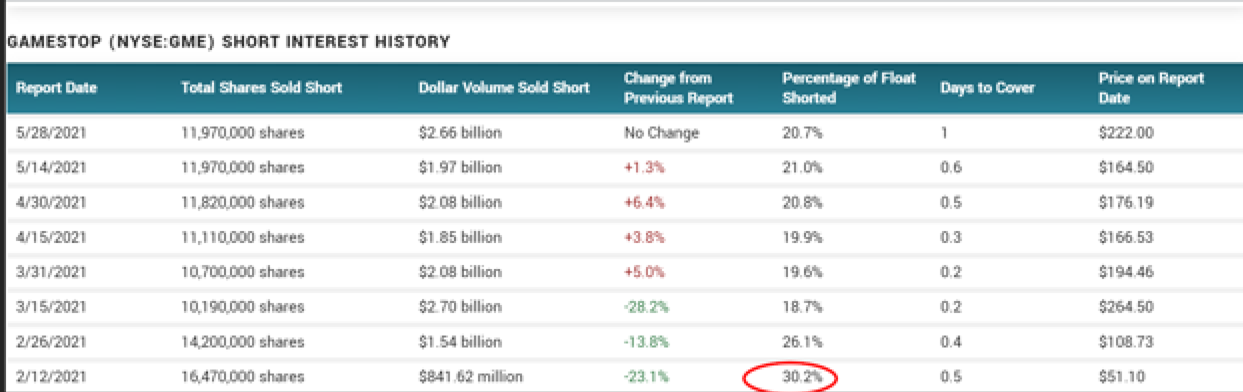
https://www.sec.gov/about/offices/ocie/options-trading-risk-alert.pdf Section II

So, they can utilize Deep ITM CALLs to hide their short positions.
We don't care about identifying Trader A and Trader B in this case. Just the fact that trades occurred on these Deep ITM CALL strikes and that OI is unaffected the day thereafter. That's enough to support the above theory that they're utilizing this practice to make it 'appear' that they've covered their short position.
Check out what /u/broccaaa's data identified. Tons and tons of Deep ITM CALLs were traded in January prior to SI% dropping off of a cliff. By my estimations, about 1,100,000 CALL OI was traded prior to January 29th SI Report Date:



/u/broccaaa Data on Deep ITM CALL Volumes Vs FTDs of GME

The SI Report Date of January 29th matters because that is the cutoff of when FINRA will require settlement of short interest numbers for the next SI report date. The next SI report date following January 29th settlement is February 12th.
And we can see that after the mayhem of Deep ITM CALL purchases, SI% dropped from 226.42% of the January 15th report, to 30.2% upon February 12th:



GAMESTOP (NYSE:GME) SHORT INTEREST HISTORY

Report Date	Total Shares Sold Short	Dollar Volume Sold Short	Change from Previous Report	Percentage of Float Shorted	Days to Cover	Price on Report Date
5/28/2021	11,970,000 shares	$2.66 billion	No Change	20.7%	1	$222.00
5/14/2021	11,970,000 shares	$1.97 billion	+1.3%	21.0%	0.6	$164.50
4/30/2021	11,820,000 shares	$2.08 billion	+6.4%	20.8%	0.5	$176.19
4/15/2021	11,110,000 shares	$1.85 billion	+3.8%	19.9%	0.3	$166.53
3/31/2021	10,700,000 shares	$2.08 billion	+5.0%	19.6%	0.2	$194.46
3/15/2021	10,190,000 shares	$2.70 billion	-28.2%	18.7%	0.2	$264.50
2/26/2021	14,200,000 shares	$1.54 billion	-13.8%	26.1%	0.4	$108.73
2/12/2021	16,470,000 shares	$841.62 million	-23.1%	30.2%	0.5	$51.10

https://www.marketbeat.com/stocks/NYSE/GME/short-interest/

With the difference in SI% from 226.42% on January 15th down to 30.2% on February 12th, **we can assume that they have not covered their short position but rather hid their short position in synthetics if we can come up with a roughly equivalent SI% from the approximate Deep ITM CALL purchases.**

The float of GME in January was approximately 57,840,000.

The estimated Deep ITM CALL OI that was swapped is ~1,100,000 OI = ~110,000,000 shares worth.

Which then gives an estimated SI% reduction of ~110,000,000 / 57,840,000 = ~190.18% shorts hidden between January 15th and February 12th report date.

And since SI% on February 12th was 30.2%, then that gives a grand total of 190.18% + 30.2% = **220.38% SI per estimations**.

That's dangerously close to the reported 226.42% SI from January 15th.

So with that in mind - do you think they covered?

Float (January)	Total CALLs OI Opened In January	Total CALLs (shares worth) Opened In January	SI% reduction from CALLs	SI% On Feb 12	Total SI% (Reduction + Reported)
57,840,000.00	1,100,000.00	110,000,000.00	190.18	30.20	220.38

Estimations of SI% Based on Deep ITM CALL Purchases Up To January 29th

Back to Table of Contents

Why We're STILL Trading Sideways and Why We Haven't Launched

DD

EDIT May 12, 2021: SR-OCC-2021-004 Is Scheduled to Finalize This Week Also, I have been banned from Superstonk...

EDIT May 18, 2021: I have been unbanned; thanks for all the folks who reached out and thanks to the mods!

We've made it through an exciting weekend of suspense only to end up with yet another day of sideways trading. I'd like to examine why I think we have not yet launched based on the bits and pieces that we know.

In this post, I'll be rehashing some of my earlier posts for folks who haven't read them and also examining my earlier thoughts in the context of the information we've come across over the last two weeks.

One of my favorite topics in science is black holes. Black holes had been theorized to exist soon after Einstein's theory of General Relativity. Until 2019, the existence of black holes was known, but never actually seen. So how did we know where to look? Even though we can't actually see the black hole and even though it may be millions of light years away, we can observe how bodies of mass interact with it, how it affects the space around it, the energy that is dissipated from the black hole, and other signatures of its existence.

The GME MOASS is like a black hole in more ways than one. We can only speculate on what is happening based on how the different entities in this system are interacting. Let's revisit my earlier post with some new data points.

Who Are the Entities Circling this Black Hole?

On APR13, u/jamiegirl21 posted this S-4 filing for a merger with Apex Clearing.

Check out page 84:

Legal Proceedings

Apex is a defendant in a series of putative class actions arising out of the same alleged conduct captioned as Cheng v. Ally Financial Inc., et al, Case No. 3:21-cv-00781 filed in the United States District Court for the Northern District of California; Clapp and Redfield v. Ally Financial Inc., et al, Case No. 3:21-cv-00896 filed in the United States District Court for the Northern District of California; Dechirico v. Ally Financial, et al, Case No. 1:21-cv-00677 filed in the U.S. District Court for the Eastern District of New York; Ross v Ally Financial Inc., et al, Civil Action No. 4:21-cv-00292 filed in the United States District Court for the Southern District of Texas; and Fox v. Ally Financial, et al, Case No. 0:21-cv-00689 filed in the United States District Court for the District of Minnesota in 2021 (collectively, the "Antitrust Matters"). Plaintiffs allege that Apex, along with over 30 other brokerages, trading firms and/or clearing firms, including Morgan Stanley, E*Trade, Interactive Brokers, Charles Schwab, Robinhood, Barclays, Citadel and DTCC engaged in a coordinated conspiracy in violation of anti-trust laws to prevent retail customers from operating and trading freely in a conspiracy to allow certain of the other defendants, primarily hedge funds, to stop losing money on short sale positions in GameStop, AMC and certain other securities. The matters were brought as class actions alleging violations of federal and state anti-trust laws, unfair competition and dissemination of untrue and misleading statements as well as negligence, breach of fiduciary duty, constructive fraud and breach of implied covenants of good faith and fair dealing. These cases are in the preliminary phases. Although there can be no assurance as to the ultimate disposition of the Antitrust Matters, Apex denies liability to the plaintiffs and the putative class members, believes that it has meritorious defenses against the plaintiffs' claims, and intends to vigorously defend itself.

In connection with Apex's pause of allowing customers to establish new positions of AMC, GME and KOSS stock from approximately 10:30 a.m. Central time until approximately 1:55 p.m. Central time on January 28, 2021, the Office of the Attorney General of the States of Texas and New Jersey have requested information and issued civil investigative demands to Apex. Apex is cooperating in these matters.

"Apex, along with over 30 other brokerages...including...Citadel and DTCC engaged in a coordinated conspiracy..."

While this is *alleged* at the moment, what is clear is that some law firm(s) believes that there is a case against multiple entities -- including the DTCC -- for conspiring to shut down the JAN28 squeeze.

Set aside the idea that Citadel or the GME shorts alone can suppress the price of GME; if that were the case, we would not have even had the JAN and FEB spikes in the first place since Citadel and the shorts alone could have stopped it.

As I have mentioned in my previous posts, rather than thinking of the situation as "*Citadel is shorting the market*" or "*It's a battle between Short HF and Long Whales!*" to "*DTC, OCC, SEC,* ***and*** *the shorts are preparing for the squeeze*".

Literally every major entity in global banking is entangled in this through the DTCC. Even the non-DTCC members are entangled as they use DTCC members for clearing their trades.

- DTC: https://www.dtcc.com/-/media/Files/Downloads/client-center/DTC/alpha.pdf
- OCC: https://www.theocc.com/Company-Information/Member-Directory

Just a cross section:

Member	***DTC***	***OCC***
Apex Clearing	✔	✔
Barclays	✔	✔
Bank of America	✔	✔
Charles Schwab	✔	✔
Citadel Clearing	✔	✔
Citadel Securities	✔	✔
Credit Suisse Securities	✔	✔
Deutsche Bank	✔	✔
Goldman Sachs	✔	✔
Interactive Brokers	✔	✔
JP Morgan	✔	✔
Merrill Lynch	✔	✔
Robinhood Securities	✔	✔
TD Ameritrade	✔	✔
UBS Securities	✔	✔
Vanguard	✔	✔

How Are They Preparing?

The fallout from this squeeze is that there are multiple DTCC members who are going to fail and default (we'll see some possible evidence of this in a moment). When this happens, the DTCC or corresponding subsidiary (hereafter just referred to as DTCC) will step in to manage the default through Recovery and Wind Down Procedures which are documented in their member agreements.

During the squeeze, the DTCC will intervene and provide immediate liquidity when a member defaults. In turn, DTCC will use the assets of the defaulting members as collateral for that liquidity (which itself may originate outside of DTCC). Those assets from the defaulting member will then be auctioned off to recover those loans.

OCC is proposing to change I&P .02(c) in order to clarify and further facilitate the process of on-boarding Clearing Members and non-Clearing Members as potential bidders in future auctions of a suspended Clearing Member's remaining portfolio. To achieve a successful auction pursuant to Rule 1104 and enable OCC to take timely action to contain any losses and liquidity pressures that may be caused by a Clearing Member's default, it is important for OCC to encourage participation in such auctions. OCC believes that participation by more bidders generally facilitates more competitive bids on a suspended Clearing Member's portfolio. Competitive bids are necessary for OCC to sell the portfolio at a market price that minimizes the loss to OCC and its Clearing Members, and enable OCC to successfully complete an auction in a timely manner and thereby manage a Clearing Member default in a timely manner. Therefore, OCC

SR-OCC-2021-004 page 4: "OCC is proposing...to clarify and further facilitate the process of on-boarding Clearing Members and non-Clearing Members as potential bidders in future auctions of a suspended Clearing Member's remaining portfolio"

Currently, Section 5.1 (Introduction) identifies the financial resources available to DTC, pursuant to the Rules, to address losses arising out of the default of a DTC Participant. One paragraph contains a statement that such losses would be satisfied first by applying a Corporate Contribution and then, if necessary, by allocating remaining losses to non-defaulting Participants, in accordance with Rule 4.[17] The proposed rule change would add a sentence to the end of this paragraph that would provide that, in addition to the tools described in Rule 4 (which are to be applied when, and in the order, specified in that Rule), DTC may, in extreme circumstances, borrow net credits from Participants secured by collateral of the defaulting Participant.[18] DTC believes this additional language is necessary to more clearly set forth the full range of actions and tools DTC may employ in response to such conditions.

SR-DTC-2021-004 page 11: "...to address losses arising out of the default of a DTC Participant...[t]he proposed rule change would add a sentence...DTC may, in extreme circumstances, borrow net credits from Participants secured by collateral of the defaulting Participant"

If you are interested in diving deeper into this, check out my earlier post on the topic.
But let's talk about **why** this is interesting.
There are generally three views on what is about to happen:

1. The entire system and the banks are going to go belly up because of the scenario described in the Everything Short DD so these additional billions are to buffer them from collapse
2. The banks are reacting to increased liquidity requirements stemming from last year and the expiration of SLR
3. A few entities are probably going to collapse due to overexposed positions and other entities are moving into position to profit from that collapse

My sense is that #1 is a bit too extreme. Having gone through 2001 and 2008, I have learned one lesson: the rich will not allow themselves and this system that props them up to fail because they are dependent on this system to support their bottom lines and lifestyles. **What alternative do they have?** The Yuan? The Euro? The GBP? The Yen? The Ruble? Crypto? What are you going to do with that Doge or Bitcoin if you can't convert it to an actual currency? How are you going to buy your lattes from Starbucks with Doge? There is no alternative.

That said, we are at a nexus of multiple blows potentially impacting these financial institutions and GME is just one possible primer that sets off the chain reaction.
I think it is most likely a combination of #2 and #3. What if:

1. You are a non-defaulting member
2. And You **know** that there are going to be member defaults
3. And you **know** that that there will be an auction for their assets at a market discount

How would **you** prepare for this? Perhaps you'd want to have cash on hand to meet liquidity requirements and emerge from any collapse flush with assets? How might you go about this?

- What if you're Goldman Sachs? Wouldn't it be nice to have an extra $10.6B cash on hand?
- What if you're JP Morgan? How does $13B of cash sound?
- What if you're Bank of America? Why not add $15B to your warchest?
- What if you're Morgan Stanley? How about loading up on $5B?

Then there's the curious case of the increased short volume of BlackRock's IXG ETF which is a basket of finance and banking stocks.
What is important is to understand the difference between **short interest** and **short volume**. Squeezemetrics' white paper does a great job of explaining this:

This means that whenever a market-maker fills an investor's buy order, the MM is facilitating the trade by shorting shares. Thus, short volume is actuallly representative of investor buying volume, and non-short volume is representative of investor selling volume. It's no coincidence that short volume is predictably *half* of total volume—short sales represent the buying half of the market, and long (non-short) sales represent the selling half.

"Thus short volume is actually representative of investor buying volume"

The purpose of a Market Maker is to provide liquidity. Say you want to buy a bunch of IXG. Rather than waiting precisely for a seller of the same exact block size to enter a sell order that mirrors your buy order, they create the short (an "IOU") and hand you the shares and then close the IOU when they can round up the shares.
Thus this increase in short volume indicates demand for IXG which the Market Maker is fulfilling using a short which they will balance by buying shares.
u/choompop highlights something interesting about IXG:
Berkshire Hathaway, **JPMorgan Chase & Co**, **Bank of America**, AIA Group, Wells Fargo, Citigroup HSBC Holdings, Royal Bank of Canada, **Morgan Stanley**, Commonwealth Bank of America
Twist: **The 2nd largest institutional owner of JPMorgan is Black Rock Inc. with 192 million shares. The 3rd largest institutional owner of Bank of America is Black Rock Inc. with 509 million shares.**
You might be thinking of the DD highlighting that Warren Buffett dumped many bank stocks over the last year, but keep in mind that he also notoriously dumped airline stocks near their lows at the outset of the pandemic.

How Do They Know There Will Be a Default and Who Will Default?

How can we know which of those two scenarios above is more likely? No one can say with certainty what will happen except for a few very privileged insiders. Everything I've hypothesized can get blown away tomorrow. But we can consider some of the evidence that we *can* observe and see where it leads us.

Tucked into SR-DTC-2021-004 is an interesting bit of text on page 12:

Section 5.2.4 also includes language that requires DTC management to review the Corridor Indicators and the related metrics at least annually and modify these metrics as necessary in light of observations from simulation of Participant defaults and other analyses. In order to more closely align with the biennial cycle of DTCC's multi-member closeout simulation exercise, the proposed rule change would shift the timing of

SR-DTC-2021-004 page 12: "in light of observations from simulation of Participant defaults" and "multi-member closeout simulation exercise"

They have an existing model that they can use to simulate market conditions and it is possible that they have already simulated the squeeze and the aftermath. My assumption is that they also have some idea of the probabilities of which of their member entities are going to fail, when they will fail, how they will fail, and how much liquidity they need to contain these defaults.

This proposed change would "*shift the timing of management's review of the Corridor Indicators and related metrics from annually to biennially*". What are these Corridor Indicators?

[19] The majority of the Corridor Indicators, as identified in the Recovery Plan, relate directly to conditions that may require DTC to adjust its strategy for hedging and liquidating collateral securities, and any such changes would include an assessment of the status of the Corridor Indicators. Corridor Indicators include, for example, the effectiveness and speed of DTC's efforts to liquidate Collateral securities, and an impediment to the availability of DTC's resources to repay any borrowings due to any Participant Default. For each Corridor Indicator, the Recovery Plan identifies (1) measures of the indicator, (2) evaluations of the status of the indicator, (3) metrics for determining the status of the deterioration or improvement of the indicator, and (4) "Corridor Actions," which are steps that may be taken to improve the status of the indicator, as well as management escalations required to authorize those steps.

12

SR-DTC-2021-004 page 12: "Corridor Indicators include, for example, the effectiveness and speed of DTC's efforts to liquidate Collateral securities...due to any Participant Default"

The key indicator called out as an example is *how quickly DTC can liquidate a defaulting member's collateral assets. We* don't know who will default, but I think that DTCC members have an idea. Think about that.

SR-DTC-2021-004 was filed on **2021MAR29** and effective immediately. **They have long been planning for the defaults that will occur as a result of the squeeze.**

Of course, models can be wrong. I have read in Michael Lewis' *Panic* that the financial models involved in the 2008 collapse didn't account for the fact that real estate value could go down and the effect of that downturn on over-leveraged positions.

What Does This Have To Do With Trading Sideways?

Two weeks ago, I posted Why are we trading sideways? Why is the borrow rate so low? When will we moon? because I was puzzled why we seemed to be stuck in a monetary Lagrange Point and I stated then:

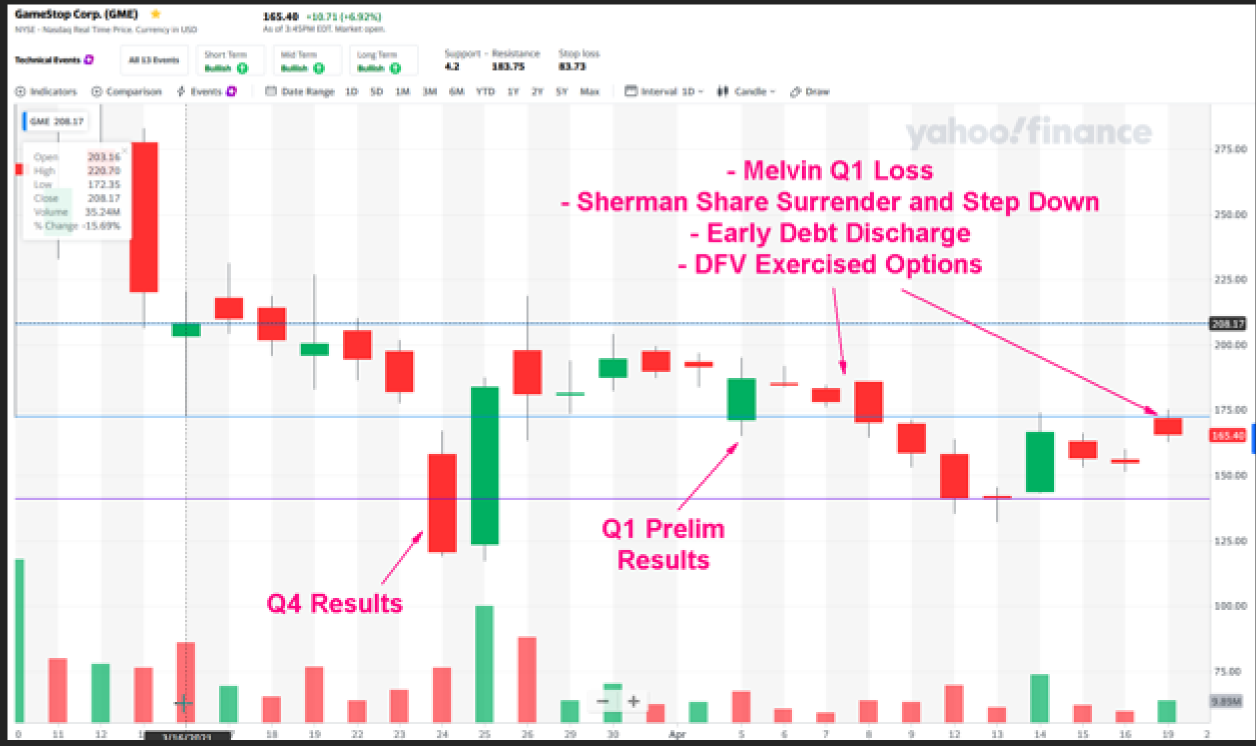
What you can take away from this is that we will not see significant price movement up or down for the foreseeable future until OCC-004 and OCC-003 are in place; you are literally fighting against all of Wall Street, even the GME long institutions. There is literally no point buying deep OTM options until there is a whiff of OCC-004 and OCC-003 getting close to implementation. We will keep trading sideways, borrow rate will be inexplicably low, volume will be absent, etc. until DTC and OCC members are protected and they let off the brakes; Citadel and GME shorts are not and have not been in control. DTC, OCC, and all non-defaulting members have been preparing for the default of GME shorts.

Since that time, we've had the drop to $140 and then more or less back into a stasis point. Millions in options will have expired OTM.

I had pointed out the timing and coordination of the two prior drops and now we have a third set of data points to consider:

1. The dip to $120 coordinated with the Q4 earnings and an almost immediate return to stasis
2. The dip to $160 coordinated with the positive Q1 preliminary results and an almost immediate return to stasis
3. And now the slow dip to $140 possibly coordinated with: 1) Melvin's Q1 results, 2) Sherman being denied his shares and being replaced, 3) the early discharge of their long term debt, and 4) DFV's options being exercised.

Now it appears we're back to sitting in a new Lagrange Point and trading sideways again.



Is this a Long Whale inflicting "max pain"? Or simply multiple parties conspiring to establish "max stability"; to keep us in this Lagrange Point while waiting for all of the firewalls to be in place and positioning to profit from this event before we ignite the boosters?

As I've stated before, I think that the variety of tools that we see at play are all part of the arsenal being deployed by multiple parties coordinating to keep this strapped down until the non-defaulting members are firewalled. The deep ITM calls, the dark pool trades, all of it is plainly visible to DTCC and the SEC yet no action is being taken.

DFV's tweet on APR08 is very interesting (turn on audio):

Why is this happening to me?"

"It's OK bud, it's just from the medicine, OK"

"Is this going to be forever?"

"No, it won't be forever"

Are these SRs "the medicine" that we're waiting for "forever"?

I think if we look at the actions over the last few weeks -- for example, the additional liquidity acquired in recent weeks by some of the major entities like Goldman Sachs and JP Morgan -- it seems exceedingly plausible that everyone wanted time to prepare for this event, especially because of the expiration of SLR and the approaching date of the SEC memo that goes into effect on APR22 converging in one window.

What About the Share Recall or [INSERT CATALYST]?

My conjecture has always been that we will be waiting for SR-OCC-2021-003 and SR-OCC-2021-004 ***as long as possible*** because these two codify key changes to the OCC member agreement to contain the fallout of the defaulting members.

In particular, SR-OCC-2021-004 has a very curious proposed change on page 5:

OCC is also proposing to delete from I&P .02(c) two sentences that discuss OCC's administration of the pool of pre-qualified auction bidders. Currently, I&P .02(c) explains that OCC maintains a pool of pre-qualified auction bidders, periodically reviews the pool of such bidders and their qualifications, and notifies any pre-qualified auction bidder that is removed from the pool. OCC is concerned that the trading activity review process contemplated by I&P .02(c) could inappropriately limit the number of pre-qualified bidders by excluding, *inter alia*, prospective bidders who did not have sufficient trading activity that was visible to OCC at the time of pre-qualification or review but were suitable bidders at the time of a particular auction. Accordingly, OCC proposes to eliminate the pre-qualification requirements related to a non-Clearing Member's trading experience.

SR-OCC-2021-004 page 5: "OCC proposes to eliminate the pre-qualification requirements related to non-Clearing Member's trading experience"

Which basically blows the auction process wide open and allows a much broader array of bidders to the auction. Remember: Fidelity and BlackRock are **NOT** members of OCC but now they get a streamlined path to the auction.

I think that in an *ideal world*, BR and Cohen want to wait until SR-OCC-2021-004 is codified to launch and in fact, perhaps thought that everything could have been finalized by now and they would be able to ignite this launch sequence. SIG threw a wrench into this by objecting to SR-OCC-2021-003, thereby pushing out its finalization which **would have been APR10** (45 calendar days from FEB24) setting us up potentially for **this week** if 004 had also been finalized but now could go out to MAY31.

We are now running into the issue of the calendar and the shareholder meeting since some number of shares will likely have to be recalled in the next few days.

What Will BlackRock and GME Longs Do?

This is where it gets interesting.

Here's Larry Fink, CEO of BlackRock on CNBC talking about Reddit and GameStop:

"...reddit and gamestop and what does that mean with our clients either..."

BlackRock knows what's going on at the highest levels.
I have a hunch that the early payoff of GME's long term debt may not have been the initial plan because perhaps they were going to use the share recalls to trigger the squeeze. But I think that there's a chance that we may see BR and other institutional longs choose to **not** recall their shares OR wait until the last possible moment to execute the recall because it's too early to launch.
With the delay in SR-OCC-2021-003, this may have forced them to put another tool into play: the crypto-dividend by taking a page out of the Overstock playbook. Thus they prepared this play at the cost of $216M so that they have another tool to be able to initiate the squeeze if they do not recall their shares.
I think that GME board will delay action as long as possible because the conditions are simply not favorable at the moment. They were even less favorable in JAN, but it is possible that at that time, no one quite knew the full depth of the situation otherwise the same shenanigans going on now would have happened in JAN and FEB. Prior to JAN28, the assumption may have been that a few small HFs would fail. After JAN28, it was clear that the stakes were much, much higher and I have an idea why we've been trading sideways since MAR16.

What Happened on March 16 and Why Have We Traded Sideways Since?

SR-DTC-2021-003 on MAR16:

SR-DTC-2021-003		
34-91336	Mar. 16, 2021	**Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Remove the Requirement for Participants to Submit Monthly Position Confirmations and Clarify Participant Obligation to Reconcile Activity on a Regular Basis** ***Comments due:*** April 12, 2021 ***Additional Materials:*** Exhibit 5 *Comments received are available for this proposal.* • Submit Comments on SR-DTC-2021-003

SR-DTC-2021-003 was effective immediately on MAR16

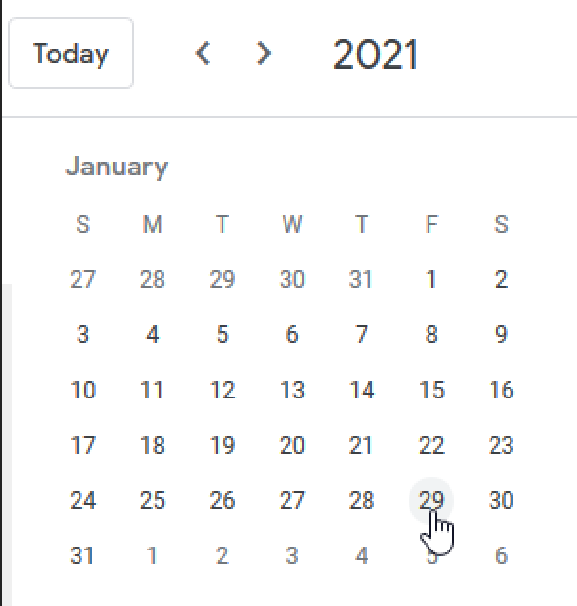
The key change is that DTC Participants were required to reconcile and confirm their records of their positions with the DTC's records of their positions on a **monthly** basis prior to SR-DTC-2021-003. After SR-DTC-2021-003? The Participants have to reconcile and confirm their positions on a **daily** basis.

So let's look at the data:

Date	***Open***	***High***	***Low***	***Close***
MAR15	277	283	206	220
MAR16	203	220	172	208

And we have since then largely been in that sideways zone with a few days of movement since.

This allowed all parties to see the deck that they are working with because previously, Citadel could try to "clean things up" before the monthly reconciliation. Prior to SR-DTC-2021-003, this was to occur "*No later than the 10th business day after **the last Friday of the month***" (page 5). You might be thinking now "what's the last Friday of January"?



January 29th was the last Friday. Could the squeeze on the 28th been a result of Citadel starting to reconcile their positions with the DTC?

So the JAN28 event may have been caused by Citadel starting the process of reconciling their positions to submit and confirm with the DTC. **After JAN28, all parties had a sense of the magnitude of this event but probably could not get enough transparency to make the right decisions**.
Why wouldn't Citadel just continue to "fudge" their books? There's something interesting on page 12 and 13 of SR-DTC-2021-003 which gets referenced again in SR-DTC-2021-004 which is filed 13 days later. Here is the text of the existing member agreement on page 12:

This guide provides information regarding DTC's processing of reorganization events. DTC obtains this information from sources it believes to be reliable, but DTC does not represent the accuracy, adequacy, timeliness, completeness or fitness for any particular purpose of this information, which is provided as is. Furthermore, this information is subject to change. Participants should independently obtain, monitor and review any available documentation relating to the reorganization activity and verify information obtained from DTC. In addition, nothing contained in such information shall relieve participants of their responsibility under DTC's Rules and Procedures to check the accuracy of this information."

SR-DTC-2021-003 page 12: the original text which gets replaced.

And the text that replaces it on page 13:

"Subject to the terms of the "Important Legal Information" section, while DTC endeavors to provide Participants with timely and accurate information with respect to Distributions, Redemptions, and Reorganizations events, Participants are responsible for monitoring, obtaining and confirming such information without reliance on DTC, and for reconciling their records in advance of any critical dates, including, but not limited to, dividend, interest payable, redemption, maturity payable, and voluntary and mandatory reorganizations dates."

SR-DTC-2021-003 page 13: note the underlined text which was added.

Now let's look at a piece of text in SR-DTC-2021-004 on page 9:

Second, in Table 3-B (DTC Critical Services), the description of critical service #19, (Cash and Stock Distributions) states that "As the owner of the securities, DTC has

9

Original Verbiage

an obligation to its Participants to distribute principal, interest, dividend payments and other distributions received for those securities. No alternative provider is available." The proposed rule change would revise the first sentence of this description to add the phrase "on the issuer's books and records" after the words "As owner of the securities." DTC believes this change to the description, which currently does not include a reference to the fact that DTC's obligations with respect to distribution of "Cash and Stock Distributions" arise from its ownership of securities on the books and records of the issuer, is necessary to make clear that DTC is not the beneficial owner of the securities.

SR-DTC-2021-004 page 9: notice the addition of the text "on the issuer's books and records"

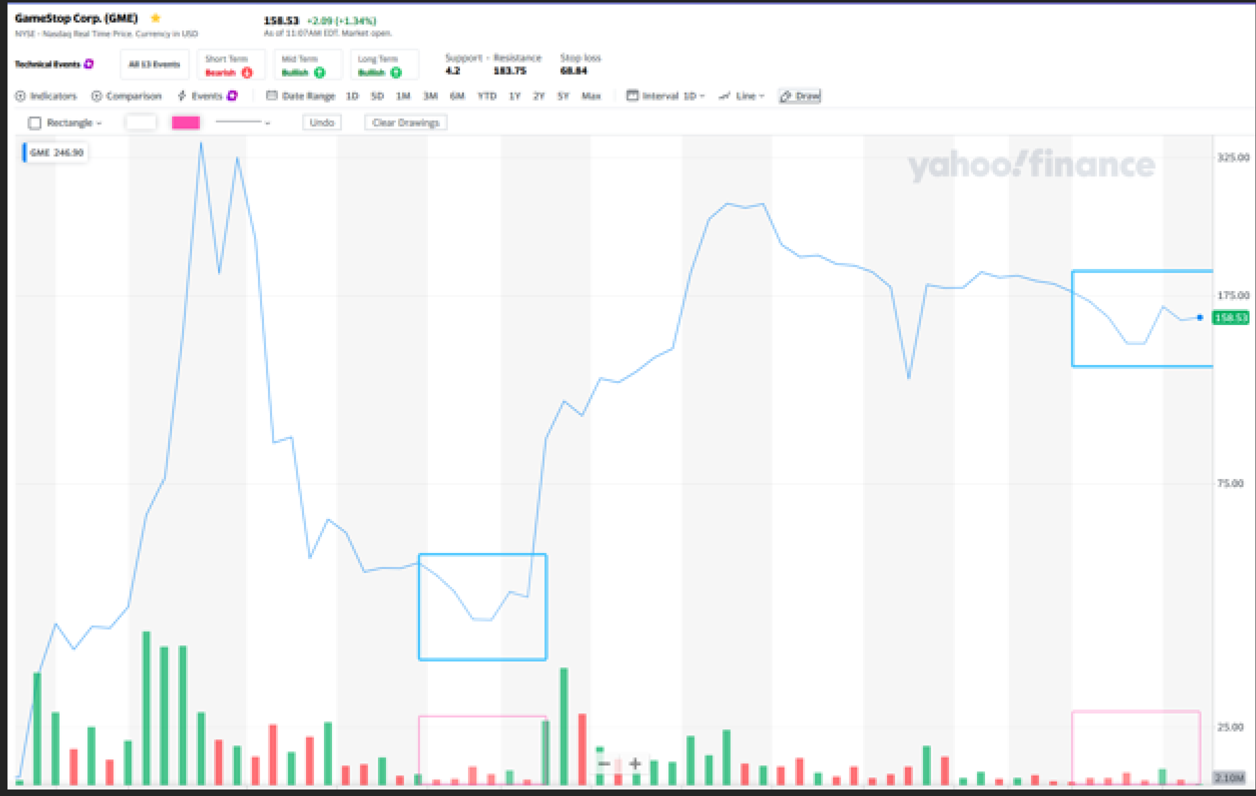
In other words, DTC is highlighting that it will only release dividends, interest, other distributions, and *redemption* for any securities it has on record. 003 and 004 fit together to clarify that DTC will not make payments for anything that is not reconciled with their systems.

TL;DR. So...What Ape Do?

Same as always: **HODL**.

My conjecture is that **in an ideal world**, SR-OCC-2021-004 is the key piece to get into place to re-define the liquidation of failing members. But we may now be pushing up against the calendar and RC, GME, and BR may be forced to play their cards rather than wait. Or I could be wrong and everything gets blown open tomorrow.

While I do not buy into much of the technical analysis around this stock, there is something very interesting if you look at the charts *and volume* leading into the spike at the end of February and where we are now.



Look at the pattern leading into the February spike and the pattern we're in right now over the past week.

I think we are getting really close to another big price move. It may or may not be the squeeze, but we see a repeat of almost the exact same price movement *and volume* as the last time we moved out of a stasis.

Like a black hole, we cannot actually see it because even light does not escape, but we can observe how the mass bodies around it interact and how it distorts the space that it occupies. The squeeze is there. The best that we can do is to observe how the major players are positioning and preparing.

Back to Table of Contents

Holy shit. I was skeptical of all the high ceilings being thrown out until I put the pieces together. I honestly think GME is priceless, and the most valuable stock you will ever buy. Here's the full picture, as I understand it...

Possible DD

First of all, I'd like to start off by stating this post is completely nonpartisan. GME is not a political debate, it's a class war.

Okay, let me ask you guys this — how many of you knew that when the pandemic began, the FED pumped $3 trillion dollars into the markets? I watch the news in the background all day, every day, and I didn't know at the time when the injections were happening. This news would have been of great interest to me since I day trade, so it would not be something that I wasn't paying attention to. I just simply wasn't looking in the right places.

You may not have been aware of the pump either because they were discreet. MSM that isn't financial news never mentioned them. And we were even misled about it. How many times did you hear Trump brag that markets being at an all-time high? This literally had nothing to do with how well the economy was doing. Or the markets for that matter. The record high is completely artificial.

This isn't a political issue; this is a class issue. What should infuriate you most is that people were literally starving, unable to pay their rent, and job losses were reaching record highs, while our government withheld aid to desperate Americans, and even took a vacation in the middle of their debate about it. But the Federal Reserve wasted no time (in March 2020) spending trillions of dollars bailing out banks. Again.

It was not to protect your retirement accounts. They claimed there was not enough liquidity in the markets, and Fed Chair Jerome H. Powell stated he will do whatever it takes to prevent another Great Depression. But their actions are what is about to cause the next potential Great Depression.

Not only was $3 trillion pumped into the market, but the Federal Reserve also lent an additional $1 trillion a day to large banks for 14-days. None of that was taxpayer money, by the way. The FED was just printing money. They loaned TRILLIONS OF DOLLARS to big banks, while the U.S. Government told the American people they didn't even deserve a $600 check of their own, taxpayer money.

The banks, investment firms, and hedge funds got too greedy and pumped too much into the market (Here's what the s&p currently looks like if you haven't seen this image), and the SEC and the DTCC were complicit. Now, there's too much liquidity. There is more borrowed money than real cash in the market and it has no real value. It's a house of cards, ready to fall at any moment. The wheels are in motion. It is happening. Correction is imminent.

The SEC realized the market bubble at least 6 months ago. You may have heard that big banks recently had huge record-setting sales last week on bonds and were taking advantage of a recent dip in Treasury yields. That was a lie. The SEC told brokers that as of April 22nd, they must have the capital to cover every share they borrowed from investors and lent out to hedge funds. So, banks needed billions of extra capital on hand by April 22nd or they would have had to recall shares.

I personally believe that the crash has begun and has been in motion since early February. I wrote a post about it yesterday, after realizing the trends for every stock on my watchlist have been extremely unusual. I received hundreds of comments from people saying they're noticing the same unusual trend. The crash isn't obvious to the average person because the stock market has continued to report record highs, every week. However, my trading strategy focuses entirely on penny stocks that are owned by hedge funds known to manipulate the market. Most stocks I invest in are all complete garbage, but I look for pump and dumps, obvious manipulation patterns, and anticipate runners based on near-identical charts of multiple companies. So, none of the stocks on my watchlists are in any of the benchmark indexes like the s&p 500, Nasdaq, and the Dow.

In one of the most interesting comments, Comotron explains it perfectly: "High-momentum stocks, which are risky at any time of the market cycle, are particularly so in the weeks prior to a bull market top. There could be a 'smaller dip first, followed by another rise for a few months and finally a much larger correction that officially ends the bull cycle. That's the conclusion I reached upon analyzing all U.S. bull markets since 1926. Stocks that are riding a wave of momentum do not crest in unison with the broad market averages. They instead start to lose steam several weeks in advance. It is probably fair to say that "penny stocks" fall into the "high-momentum stocks" category. Either way, based on historical data, there appear to be credible indicators that suggest a market correction might happen in the near future."

That information is **fucking. fascinating.** From early December to mid-January, the market was ridiculously bullish. I literally made more money in one month than my annual salary. Then all of a sudden, every single one of my stocks just started trending downward, had a short rise, and have continued to bleed for the past few weeks. All of them. Exactly the same time. And exactly like he said in the comment.

There has definitely already been a mass sell-off of securities by hedge funds who have lost AT LEAST 70 billion dollars in the past quarter, because of the tremendously dangerous and reckless risks they've taken recently, which alone would have crashed the market without the pump from the Federal Reserve. As we know, the hedge funds knew it would too, but gambled with our money anyway. This is just the beginning. There is a domino effect of bankruptcies on the way for hedge funds.

We know the media has recently reported that investment banks and hedge funds had record-breaking quarters recently. Which, technically they did. But that's because losses are only reported when you sell. They have not covered any of the short positions yet and are paying millions of dollars every single day until they do. In fact, capital from the mass sell-off isn't going towards paying off their debt, millions of dollars are going towards suppressing this information, manipulating the market for more capital, and reducing losses. What they're doing is completely illegal and the media is not reporting it, the left or the right-wing media. It's because they're all controlled by billionaires. In the past three months, I have never seen so much lying and corruption in my life.

As the SEC's deadline to secure capital approaches there have been other signs that things are going to blow up very soon. For instance:

- The SEC announced in a press release that it will award a record-breaking $114 million to whistleblowers whose information and assistance lead to the successful enforcement of SEC and related actions.
- Gary Gensler was confirmed as the new chairman of the Securities and Exchange Commission (SEC) on Wednesday. He was sworn on Saturday. What's interesting about that is that it's not typical to be sworn in on Saturdays. The last SEC chairman to be sworn in on a Saturday was George Bradford Cook, and it was before the Watergate scandal broke.

When all this does break, they will try to change the narrative. They're going to blame it on retail traders and say overvalued stocks bought during the pandemic caused the crash. Fox will probably even blame the Biden administration. But either way, they've already started pushing an alternative narrative. For example, CNN linked an interview with some dude (I really don't care enough to look for his name or the video, because I don't find him credible) who owns a market intelligence company. The guy apparently predicted every single market crash since 1987's Black Monday. I watched the whole interview, and he went on and on about how there will be a market crash soon and said the reason is that tech stocks are overvalued right now. If he were an actual market expert explaining the upcoming market bubble, he would have mentioned any of the information above, but he didn't. He strictly talked about tech stocks.
So, yeah, it's out there. Billionaires control the stock market, media, and our politicians.
I don't know about you guys, but I'm fucking sick of it. And for that, they need to pay.

The Ceiling/Floor:

There are many factors in all this that we need to calculate into our ceiling/floor. First of all, we should demand back the $17 trillion dollar bailout given to banks, that was gambled away recklessly, and will inevitably crash our economy.
$17 trillion / 55.6 million (float) = $303,571.00/share
That would be my floor if there was no market bubble. But there is. And it's their fault. Therefore, our floor should hold them accountable for the massive amount of money Americans are about to lose when the market crashes. The only problem (for hedge funds) is that no one knows how much this is going to cost.
For that reason, I believe GME is priceless. They can't afford to keep the price down, once the squeeze begins. We literally choose the price. The limit does not exist.
I believed it before, but I see it now. And I have all the information, which makes me believe we are owed this money. Not just for past for corruption, but to cover future, unavoidable losses.
I ask you all to stop fighting about the floor and ceiling, take down your sell limits, and repeat after me:
"My shares are not for sale."
Stop thinking about selling. I will remind you again that we own the float. They're paying millions of dollars in interest each day and will eventually be forced to cover. Force the liquidity to dry up. Watch buy orders rise from $1,000, $5,000, $10,000…$1,000,000…because they're not being filled.

Sell when you feel comfortable and believe it's an amount you deserve. Everyone has different risk tolerances, not everyone will sell at the same time, and we know the original members of r/wallstreetbets have an extremely and unusually high tolerance for risk. So, trust us and each other.
This really is a revolution. As Scaramucci Tweeted, this is like the modern-day French Revolution of finance. Gamestop is a MOTHERFUCKING (Keith) GILL-OTINE.
This is the way.
Trust me. Everything is going to be fine.
Edit: Since this hit r/all, I thought I would mention that I am a female because WSBs has gotten a lot of criticism about it being a "boys' club". It isn't.
Edit 2: Yo, Mr. Gensler - FOR SOME REASON, Jay Clayton and the mainstream media were unable to figure most of this information out. (I know, crazy!) So, will I be receiving my $114 million whistleblower check in the mail...or...? Also, Jay Clayton might not be aware he's out of a job yet. You guys may want to let him know. Not on top of things, that one.

Back to Table of Contents

$GME - The Mother of All Short Squeezes (MOASS) Thesis. Summarized and broken down in a way for all (or most) to understand. We are in the end-game everyone, and this rocket is taking off with or without you. If you want to understand that whole "GME thing" this is my best shot at explaining it

DD 👨‍🔬
moass French Translation, Courtesy of "The Bagguette Guy"

I. IMPORTANT LINKS FOR NEW MEMBERS TO r/superstonk

- APE Security Protocol (how to secure and protect yourself online)
- DD Beginners Guide Page
- Wiki

II. INTRO / INTENTION OF POST

The core intention of this post was to frame the MOASS Thesis in a way that was understandable to individuals inside and outside of the community (especially those who are relatively new to the market).

It also is intended to serve as a reference to leverage if you are ever trying to explain to someone why you think it is a good investment option.

This post will give a *relatively* simplistic breakdown of the current situation and landscape of GameStop Stock (GME). It will summarize the theory that GME's price will soon reach astronomical levels during a massive short squeeze, AKA "The Mother of all Short Squeezes (MOASS) Thesis". The bulk of this post is a breakdown of the market terms and concepts that will need to be understood in order to fully comprehend the who-what-when-where-why-how.

III. Personal note

Feel free to use the contents of this post however you want. Don't worry about asking for permission to copy it, cross-post it, translate it, refine and use it in your own posts, etc.

Leave a comment if you have any questions. If you prefer Chat or do not meet karma requirements, you can hit me up on chat as well

Note that, while I may have a good grasp on the concepts broken down in this post, my background is not in finance, investing, or trading, so there may be some questions I do not have the answer do (especially if they are not called out in this post)

I have found myself more active on Twitter than I ever really expected to be, so feel free to follow me if you want things like the below:

- Antagonizing Market Adversaries, MSM Shills, etc.
- Meme-ing with SuperStonk and the other Apes in the community
- Getting Notifications for Future DD I post

Disclaimer

This writeup is NOT intended to serve as a source of proof/evidence behind this theory, and it operates under the assumption that the theory is valid and that the conditions it is built on are valid. Credit for the DD this Thesis is based on belongs to the broader retail community inside and outside of r/superstonk. I personally contributed very little beyond synthesizing and summarizing the thesis and mechanics in a digestible way to help enable others to get the word out, and I am not an expert on really any of these topics despite having some knowledge in them.

IV. TL;DR (Also at Bottom)

1. Toxic Market Participants have built up massive short positions made through Naked Shorting
2. Retail caught on to this strategy and discovered it can backfire if the company being shorted does not go bankrupt, especially if shares are bought and held indefinitely
3. Rules and regulations have implemented by the DTCC and its subsidiaries have been geared towards preventing market collapse, as well as to minimize the ability to perform illegal trades (naked shorting)
4. The SEC is also doing more to enforce compliance with the "rules"
5. The manipulators are at the mercy of a vicious trade cycle (t+21 FTD Cycle) that is forcing those with naked short positions to perform actions to cover (buy back shares that are short), or risk regulatory consequences

6. This act of rapid covering drives up the price, making it more expensive to cover during the next cycle if the share price continues to increase week over week
7. Eventually, the prices of GME will get so high that prime brokers/clearing houses will have no choice but to Margin Call these participants which most likely will not be affordable due to the nature of Short Squeezes, causing them to default
8. The Prime-Brokers will then take on the position, and if the Prime Brokers cannot cover them and also defaults, the NSCC will be next to attempt to settle all positions left over based on their Recovery and Wind-down Plan (p42)
9. If NSCC cannot afford to close everything with the money reserved for this type of situation, they the Fed must navigate the remaining positions (potentially via printing money/bailout)

V. KEY CONCEPTS

These terms are key to understanding the theory and speculated value of a GME investment. Hyperlinks to Investopedia, "the world's leading source of financial content on the web", have been included for most market terms and concepts and it is recommended to check them out if they are not clear. We will be breaking down some of the more complex terms and concepts within the post and framing them within the context of GME.

Table of Contents for Key Concepts

1. Stocks Concepts
    a. Share/Stock
    b. Synthetic Shares
    c. Outstanding Shares
    d. Restricted Shares
    e. The Float
    f. Annual General Meeting
    g. Shareholder Votes
2. Trade Positions
    a. Long Position - Buying/Selling Stock
    b. Short Position - Shorting/Covering Stock
    c. Naked Short Position - Naked Shorting/Covering Stock
3. Market Participants
    a. Retail Investors
    b. Institutional Investors
    c. Market Makers
    d. Prime Brokers
    e. Clearinghouses
    f. MSM
4. IMPORTANT MARKET/TRADE MECHANICS (MOASS)
    a. Fails to Deliver (FTD)
    b. Margin

c. Margin Calls
d. Margin Calls Who Calls Who
e. Short Squeeze

1 - STOCKS CONCEPTS

1.1 - Shares/Stock

Shares are the smallest unit of a Companies Stock

- Stocks and Shares are often used interchangeably
- Technically "shares" would represent how many of a specific company's stock, where buying multiple "stocks" would main that shares of multiple company's were bought
  - ex. I bought 2 stocks; 10 shares of GME, and 60 shares of AMC
- There are different classes of shares that are distinguished on their voting rights, sales charges, and other factors
  - Classes of shares have relatively complex dynamics, but I will not go further into them here, as it is not as relevant to GME/AMC

1. 2 - Synthetic Shares

Synthetic Shares are the financial instruments that get produced through Naked Shorting

- Not to be confused with synthetic options positions, which are legal/legitimate trade strategies that "simulate" the profits/losses as if the trader actually held those shares
- Synthetic shares entitle the owner to all of the same rights as an investor owning a non-synthetic share
- Cases where there is an excessive amount of synthetic shares point to the possibility that a stock is being abused or manipulated
- Cannot be easily measured due to limited public transparency at the Market Maker and Prime Broker level

1.3 - Outstanding Shares

The number of Outstanding shares encompasses the amount of issued shares held by all shareholders (both private and public)

- It is possible for there to be more shares outstanding through Naked shorting, which produces Synthetic shares
- The number of issued AND synthetic shares outstanding is very difficult to measure, as they are only recorded on the books of the market makers generating synthetic shares and the prime-brokers they trade through
  - These parties are not incentivized to be transparent and actively obscure these numbers, as the practice of naked shorting excessively is fraudulent and illegal

1.4 - Restricted Shares

Restricted shares include the number of issued shares held by insiders of the company

- These shares are not publicly traded on the stock market

1.5 - The Float

The Float, or Floating Stock is the number of shares of stock that are available to be publicly traded (the number of Outstanding shares minus the amount of Restricted shares that are owned by insiders).

- In theory, the number of shares owned by retail investors and institutional investors should not exceed the float
- GME's float total is currently ~56.89 Million shares (as of 6/10/21)

1.6 - Shareholder Votes

Annual General Meetings basically is an annual meeting that allows shareholders to vote

- Votes are cast for things like
    - Appointment of directors
    - Executive compensation
    - Dividend adjustments

1.7 - Shareholder Votes

Shareholder Voting is a right extended to shareholders holding shares in the stock that entitle the owner to vote on cooperate policies

- Examples of what votes are cast for
    - Appointment of directors
    - Executive compensation
    - Dividend adjustments
- Overvoting (info in the middle of this page)
    - When there is an overvote (like GME on 6/9), the votes will be normalized to a number based on the amount of shares that are held by DTC
    - The official 8K form cannot be officially submitted with an overvote
        - When this happens, the SEC and Company are notified

2 - TRADE POSITIONS

2.1 - Long Position - Buying/Selling Stock

When an investor buys a stock they are considered long on it (this is the type of position most people associate with trading stocks)

- Not to be confused with a long-term investment
- In other words, holders of long positions have a **positive** number of shares
- To close a long position the owner would sell their shares on the stock market

Basic flow of obtaining/closing a long position is:

1. Buy the stock
2. Hold it until the price of it increases to a desired amount
3. Sell it for a profit

2.2 - Short Position - Shorting/Covering Stock

When a short seller shorts a stock they hold a short position on the stock, or owe the party they borrowed from however many shares they shorted

- Not to be confused with a short-term investment

- Investors with short positions effectively are *in debt* or *owe* the number of shares that they have shorted and can be considered ***negative*** on the stock
- To close that position, short-sellers must buy a number of shares equal to the size of their short position (buying to close a short position is known as covering)
- Short positions must be reported to regulators (unlike naked short sales)

Basic flow of obtaining/closing a short position:

1. Borrow a share owned by a lender
2. Sell the stock that was borrowed
3. Gaining the cash based on the price it was at the time it was “shorted”
4. Pay interest as a percentage of the stock's value
5. Since this is a percentage the cost of interest increases if the stock's value increases
6. Hold the position until the price has dropped to a desired price
7. Buy the stock on the open market
8. Ideally the stock is bought back at a lower price than originally borrowed for so the investor can pocket the difference
9. Return the share back to the lender

2.3 - Naked Short Position - Naked Shorting/Covering Stock

Naked Shorting effectively allows a Short Seller, working with a market maker, to short a stock using a without having a borrowed share like normal short selling

- Naked short sales do NOT have to be reported the same way as normal "Short Sales" and can be "hidden"
    - Failures to Deliver the shares that were "fake-borrowed" to the buyer are on of the main ways to find evidence of naked shorting
- Due to a loophole and lack of oversight by regulation, Naked short selling can be used to manipulate the price of certain stocks
    - This type of trade illegal outside of specific situations involving Market Makers
- Naked shorting was targeted for tighter regulation during the financial crisis of 2008 but enforcement has unfortunately not been effective in preventing it from manipulating the market

Basic flow of obtaining/closing a naked short position (kind of complex and involves two specific parties for 2 initial trades called a married put)

1. A Short Seller "A" buys 100 shares from a Market Maker "Z" who can technically sell them without locating them
    a. Market Maker is Naked Shorting the stock, and the Short Seller is receiving 100 synthetic shares
2. Short Seller "A" now buys a Put Option (1 options contract is worth 100 shares) from Market Maker "Z" who is the writer of the put
    a. Writing/selling a put nets +100 shares to the Market Maker, which results in the -100 shares that were naked shorted to be neutralized, so

the Market Maker no is at a neutral position (Market Makers generally try to remain net 0 on trades
    b. Short Seller "A" now has 100 shares that can be short sold (they "borrowing" the synthetic shares the Market Maker effectively printed out of thin air), and one put contract that they can make money on as long as the price goes down
3. The steps or the short seller are basically the same as a normal short sale now (2.2 steps 2-8), however, interest from the Short seller does not need to be paid to a lender (no one is formally lending it)
    a. The premium from the put being purchased from the Market Maker is how they benefit
    b. Short Seller "A" now has a short position that they can cover simply by buying 100 shares, which would cancel out the synthetic short position

3 - MARKET PARTICIPANTS

3.1 - Retail Investors

- Retail Investors, also known as individual investors, are your average investors (not a company or organization)
- Referred to as the "Dumb Money" by Wall Street and the "professional" financial community
- Reddit communities
    - Notable subreddits
        - r/Superstonk
        - r/gme
        - r/amcstock
        - r/wallstreetbets

3.2 - Institutional Investors

Institutional Investors are organizations that invest on individuals' behalf

- Examples of Institutional Investors
    - Endowment Funds
    - Commercial Banks
    - Mutual Funds
    - Hedge funds
    - Pension funds
    - Insurance companies

3.3 - Market Makers

- Market Makers are very different from "Investors" and are a bit harder to explain but basically are there to increase liquidity in the market
- When you buy and sell stock those trades are often going between you and a market maker

- Market makers get "special rules" that enable them to keep liquidity in the market when there is low liquidity
- Naked shorting is one of the options Market Makers have when navigating a trade that other investors do not have

3.4 - Prime Brokers

- A **Prime-Broker** is a bundled group of services that investment banks and other financial institutions offer to hedge funds and other large investment clients that need to be able to borrow securities or cash in order to engage in netting to achieve absolute returns
- Broker vs Prime-Broker
    - A broker is an individual or entity that facilitates the purchase or sale of securities, such as the buying or selling of stocks and bonds for an investment account. A prime broker is a large institution that provides a multitude of services, from cash management to securities lending to risk management for other large institutions.
- Market Makers like go through Prime Brokers
    - The Prime Broker is who would Margin Call Shitadel if their short position gets too large or they bleed too much capital

3.5 - Clearinghouses

Clearinghouses are intermediaries between buyers and sellers

- Finalize transactions
- Regulates delivery of assets
- Reports on trading data

3.6* - MSM (Mainstream Media)

Though not a traditional market participant (as in they are not trade/financial entities) the MSM is worth noting due to its role in influencing the financial atmosphere and landscape

4 - IMPORTANT MARKET/TRADE MECHANICS (MOASS)

4.1 - Failures to Deliver (FTD)

- FTDs occur when a buyer of a stock ends up not having the money to purchase the stock that they traded for OR, **when a short seller does not own the stock at the time of settlement**
- FTDs are one of the main check-balances to naked shorting, so very high amounts of Failures to Deliver are indicative of this
    - Spoiler: GME and AMC have tons of FTDs reported

4.2 - Margin

- Margin is basically credit that that an investor can use to buy more stock
- When you buy on margin you must stake the assets you have already purchased with your own cash as collateral
- The amount of Margin you can have depends on the value of your collateral

- The value of your collateral and cash but meet the margin requirements in order to continue to buy on margin
- Keep in mind the value of your collateral can change if the price goes up or down and if the value of your collateral/cash drops below the margin requirement you will received a Margin CallAnother way to think about it:

1. Imagine I have $1,000 in stock
2. You obtain a personal loan for another $1000
3. To get the credit you stake your $1000 in stock (if you default it goes to the lender to cover your debt)
4. You buy $1000 more stock with that loan (you now own $2000 in stocks, half in cash half on margin)
5. You will pay interest on the $1000 on margin but if your investment makes more money than the interest then you are still profiting
6. If your investment turns bad (lets say the price of your stock falls 50% and you are left with $1000) your lender can forcibly close out your positions (everything you bought in cash and staked as collateral along with what you bought on margin so that they can get the $1000 they loaned you back)

4.3 - Margin Call

- A Margin Call is a notice indicating you have a specific amount of time to deposit enough of your own funds to meet your margin requirement (if you cannot meet the requirement the lender is entitled to sell all of your holdings to recover what you borrowed

Margin Examples:

This is a slightly complicated scenario that can be a little hard to follow. Give it a few reads if it doesn't make sense the first time, but basically, Margin is a credit line that you can use to buy more assets (effectively a loan backed by collateral and cash in your own account). If you buy assets with it, you have to pay back what you borrowed, whether the value of your investment goes up or down (if the investment goes up in value, you make more than you normally would, but if the investment goes down in value, you lose more than you otherwise would have without margin).

This gets even more (or less maybe) complicated when you have short positions AND long positions, like most institutional investors. To have short positions, I still need to have margin, but I do not need to use it to buy stocks, It can act as a buffer if I have a short position on a stock that is increasing in value (with a short position, if the price of something I short goes up, I am losing money), and if it gets too high, it can run against my margin line, causing a margin call.

GAIN: Long Positions

1. Imagine I have $1000 in stock XXX (let's say 10 shares worth $100 each)
2. My broker may lend me margin credit line equal to the value of my assets (so $1000 in margin), and let's say they give me a margin requirement of $800, meaning that the value of my non-margin assets (the ones I bought with my money) must be above $800 in order to keep using margin (so as long as stock XXX stays above $80 a share, then I will not get a margin call for being below the requirement)

3. I then choose to use the margin, buying 10 more shares of stock XXX for $100 each, so I now have 20 shares of stock XXX, valued at 100$ a piece
4. If the price of stock XXX goes up to %25 per share, and I sell all 20 shares, I just profited $500 (+$25 on 20 shares)
    a. In this case, closing the position clears me from the margin debt, as I am no longer using it in an open position
    b. If I had not used margin, I would have only walked away with $250 in profit ($25 per share on 10 shares), but instead I made $500, and paid back the credit, plus a little bit of interest.
5. Yay.

LOSS: Long Positions

1. Imagine I have $1000 in stock XXX (let's say 10 shares worth $100 each)
2. My broker may lend me margin credit line equal to the value of my assets (so $1000 in margin), and let's say they give me a margin requirement of $800, meaning that the value of my non-margin assets (the ones I bought with my money) must be above $800 in order to keep using margin (so as long as stock XXX stays above $80 a share, then I will not get a margin call for being below the requirement)
3. I then choose to use the margin, buying 10 more shares of stock XXX for $100 each, so I now have 20 shares of stock XXX, valued at 100$ a piece
4. If the price of stock XXX goes down %25, bringing the value per share down to $75 a share, the value of my total position is now $1500, and the value of my non-margin assets is $750, which is below the margin requirement (keep in mind, I borrowed $1000, so that is still the amount I have to pay back)
5. My lender will give me a margin call, indicating I have two business days to deposit 50$ into my account in order to meet the margin requirement
    a. If I have the cash to deposit the extra $50 would take my assets to $800 ($750 in stock XXX + 50$ cash)
        i. If the price of stock XXX recovered to above $80 per share, it could also satisfy the requirement
    b. If I do not have the cash to deposit, then I am in trouble, as after two days, they are allowed to liquidate (sell) the assets I bought with my own money, as well as the assets I bought on margin
        i. Let's say this happens, all my borrowed assets are sold first to cover my $1000 loan (since the price of stock XXX was only $750, it only covers $750 of my $1000 margin line
        ii. I now have $750 left in assets of Stock X, but I still owe money from margin, so my lender is entitled to sell $250 work of my shares in order to get their full $1000 back
        iii. I am now left with $500 total ($750 in 10 shares of stock XXX - $250)

6. Not Yay

LOSS: Short and Long Positions

THIS IS THE RELEVANT ONE TO GME/AMC

1. Imagine I have $1000 in stock XXX (let's say 10 shares worth $100 each)
2. My broker may lend me margin credit line equal to the value of my assets (so $1000 in margin), and let's say they give me a margin requirement of $800, meaning that the value of my non-margin assets (the ones I bought with my money) must be above $800 in order to keep using margin
3. Instead of using the margin to buy more, I instead short 10 shares of stock YYY which is at $50 a share currently (giving me $500 in extra cash), which I use to buy 5 more shares of stock X
    a. I am now long 15 shares of stock XXX valued at $1500 and short 10 shares of stock YYY valued at -$500 (negative $500) for a net value of $1000
    b. No margin is actively committed to open positions, and I am still using my $1000
4. Now, lets say a short squeeze happens involving stock Y, causing the price to skyrocket to $200 per share
    a. My short position is now -$2000 (10 shares of -$200 each)
5. My net account value is now $-500 ($1500 - $2000) which is now using my margin, and because my account's value is no longer above $800, I no longer meet margin requirements so I get a margin call
6. If I cannot balance my account, the lender will liquidate my $1500 in stock XXX in order to pay the -$2000 I owe, leaving me with -$500 left in debt
    a. I have now defaulted, as I cannot pay the $500
7. Now that I have defaulted, the lender who gave me margin owns my short positions, meaning they are now short whatever was left
    a. The lender can now navigate the short positions however they want (they can hold them and hope the price goes down, and cover to close them, or they can close them immediately, costing them the whole $500 I still owed)
8. GUH! (Translation if you are not WSB: Ah @#$%)

4.4 - Margin Calls Who Calls Who

- Margin calls happen at levels 1-4 when the cell to the left cannot meet margin requirements
    - Broker Margin Calls Retail Traders
    - Prime Brokers Margin Call Brokers, Hedge Funds, and Market Makers
    - The NSCC Margin Calls Prime Brokers
- Defaults roll up left to right
    - If Retail Trader defaults, Broker must take on their leftover positions

- If Broker, Hedge Fund, or Market Maker defaults, the Prime Broker must take on their leftover positions
- If Prime Broker Defaults, the NSCC must take on Position
- If the NSCC Defaults, the Fed must take on the position

Level 1	Level 2	Level 3	Level 4	Level 4
Retail Trader	Broker	Prime Broker	NSCC (DTCC)	Fed (JPOW)
x	Market Maker	Prime Broker	NSCC (DTCC)	Fed (JPOW)
x	Hedge Fund	Prime Broker	NSCC (DTCC)	Fed (JPOW)

4.5 - Short Squeeze

- A Short Squeeze is a market event that occurs when there is a large short position on a stock whose price rapidly increases higher than expected, normally due to a catalyst
- During the short squeeze, the losses of those who have short positions continue to increase higher it goes
  - Since they **owe** shares, the cost to cover their position increases depending on how high the price goes (there is theoretically no limit on how high a stock can go)
- As market participants who are short on the stock buy to cover, supply decreases and demand increases, causing the price to increase even more rapidly
- While short sellers are scrambling to cover their positions, the rapid price change may entice investors who are not short on the stock to buy it in order to make a quick profit
  - Again, lowering supply and increasing demand

VI. The Mother of All Short Squeezes (MOASS) Explanation

Now that we have gone through the many important terms, we can get to the theory behind MOASS. Due excessive short-selling and naked shorting of GME by certain market participants (primarily large hedge funds and market makers), retail investors and long institutional investors collectively own a number of shares that exceeds the the float. The amount of shares that are currently owned is theorized to range roughly between **200%-400%** of the float **if not more**, meaning that 100%-300% of the float has a corresponding short position (mostly naked shorts). For context, most stocks generally have around 1% Short Interest, and 10%-20% short interest is considered to be excessive, let alone over 100% of it.

Short sellers must eventually close, or cover, their short position

- The only way to do that is to buy the shares owned by the investors who are long
  - in the meantime Short-sellers are paying interest on that short position until it is closed proportional to the cost of the shares, which bleeds their capital over time
- Unfortunately for the short sellers, the owners of the shares **ARE NOT** obligated to sell their shares.

- The short-sellers, however, **ARE** obligated to buy in order to close their position (or else keep paying interest)

So what happens if no one is selling the shares they are "long" on, but short sellers need to buy them?

- Supply and Demand
  - With very little supply and high demand, the price of a stock can increase far beyond its fundamental value
  - If short sellers receive a margin call due to no longer meeting their margin requirement and are unable to meet it in time, their assets will be forcibly liquidated by their lender in order to pay back the margin, as well as close out the position if the borrower defaults

If you are wondering why an organization would abusively short a stock like this if they eventually have to cover their positions:

- If a company goes bankrupt or gets delisted from the stock market:
  - The short sellers DO NOT have to close the position
  - All of the proceeds from the short sale effectively disappear from their books
  - They do not even have to pay taxes on this profit

Short positions amount to the total number of long positions minus the float, meaning (based on the theorized range) that somewhere between ~56-170 Million shares will need to be bought in order to close all short positions

- It is expected that the members with short positions (hedge funds and market makers who have been naked shorting the stock) will be unable to cover their short positions, resulting in a situation where their lenders, all the way up to the clearinghouse (DTCC) will have to sort out the positions
- If the DTCC/NSCC is forced to unwind the positions, it is widely believed that they will rapidly cover short positions at whatever price they are available for (this is how their systems are said to handle a member default), liquidating whatever assets are necessary from the defaulting member

Consideration

This is a totally unprecedented situation, so, in truth, there is a lot of uncertainty around what wind-down will look like once this gets to the Prime Brokers (major banks) and NSCC, as well as around how high the price peak will reach. There is a real risk of broad negative impact across the entire market because of this and the current Repo Rates and margin debt.

A few things I think are safe to assume are:

- Before anything happens that will cap or negatively affect the MOASS, all of the Hedge Funds and Market Makers who conspired to manipulate the market will likely have been bankrupted and eliminated from the market landscape by then
- Prime Brokers will have been dealt a massive blow (like Credit Suisse after Archegos Collapse by way worse) that should hopefully ensure regulators tie up every loophole that was exploited to manipulate the market and harm it

- The peak will reach higher than any other short squeeze in history and will likely never be beaten in the future (EVER)

VII. Final thoughts...

This is the GME MOASS thesis. GME is a stock that stands to hit an unprecedented price point due to the fact that manipulators of the market have failed to bankrupt GameStop thanks in huge part to the Legendary Keith Gill AKA u/DeepFuckingValue, Ryan Cohen, Michael Burry, and all of the GME investors who took part in this saga. It may not be today, this week, or even this month, but one day soon, these toxic participants have no choice but to buy the stock to close out their short positions.

In some schools of thought, it is thought that these participants over-estimated how "reasonable" retail investors can be (who could be dumb enough to hold a stock as it fell from almost $500 to $40?). In truth, these manipulators didn't understand the demographic they were fighting with. Gamers are some of the most stubborn people on the planet. These are individuals who will sink tens of thousands of hours into the same video game because "they just like it". Well, "we like the stock", and to us, the adversaries on Wall Street just are just another "boss". We may have needed to retry a couple times, but we always win eventually. On top of that, they pissed off reddit, and under no circumstances, should you ever piss off reddit.

At this point, if you are still reading this, know that it is up to you to decide your next move, whether that is to do some due diligence of your own, walk away, or say screw it and buy a few (or a lot of) shares just in case we are right. Many of us have set our floor (minimum amount of acceptable gains) at $20,000,000 per share, and you might think that is crazy, but in truth, we know we can pick our own price if we hold long enough. We don't care if anyone else buys or not, because we know the outcome is inevitable. Time is running out for the toxic market participants involved, and even the news can't hide that we are on the brink of a massive market event that will ripple through the entire global financial system, and we will probably never see an event like this again in our lifetime.

This is a fight Wall Street, Shitadel, Melvin Capital, and ever other toxic party is not going to win against the "dumb money". Chances are this will truly be "**THE MOASS**", meaning there will never be another like it in our lifetime (or ever). While the conditions in play (the ability for big money to brutally manipulate the market) enabled what may end up being the greatest transfer of wealth in history, actual reformation to prevent a landscape like this from forming again is probably best long term (I say this as a pragmatist, and am honestly very far from an idealist). If you want to influence reform, Buy, Hold, Vote. If you are just here for the tendies, Buy, Hold, Vote.

VIII. TL;DR

1. Toxic Market Participants have built up massive short positions made through Naked Shorting
2. Retail caught on to this strategy and discovered it can backfire if the company being shorted does not go bankrupt, especially if shares are bought and held indefinitely
3. Rules and regulations have implemented by the DTCC and its subsidiaries have been geared towards preventing market collapse, as well as to minimize the ability to perform illegal trades (naked shorting)
4. The SEC is also doing more to enforce compliance with the "rules"

5. The manipulators are at the mercy of a vicious trade cycle (t+21 FTD Cycle) that is forcing those with naked short positions to perform actions to cover (buy back shares that are short), or risk regulatory consequences
6. This act of rapid covering drives up the price, making it more expensive to cover during the next cycle if the share price continues to increase week over week
7. Eventually, the prices of GME will get so high that prime brokers/clearing houses will have no choice but to Margin Call these participants which most likely will not be affordable due to the nature of Short Squeezes, causing them to default
8. The Prime-Brokers will then take on the position, and if the Prime Brokers cannot cover them and also defaults, the NSCC will be next to attempt to settle all positions left over based on their Recovery and Wind-down Plan (p42)
9. If NSCC cannot afford to close everything with the money reserved for this type of situation, they the Fed must navigate the remaining positions (potentially via printing money/bailout)

IX. STILL TL;DR

Margin Calls happen across the market and force all market participants with short positions in GME to cover or go bankrupt if they cannot afford to. The NSCC's systems that will settle positions after mass defaults liquidates all short hedge funds and covers as much GME as it can. If the NSCC cannot pay everything, it fails up to the Fed and JPOW to print money to settle the trades.

X. Hedgies, velkommen til helvete. Vi kommer for tårene dine.

PDF Link - I recommend accessing through an **incognito** browser so that no one else is able to see your email address if you are logged into google (I initially had this on OneDrive, which did not do this, however, shills seem to have gotten my Microsoft account blacklisted so I cannot access OneDrive now lol):

https://drive.google.com/file/d/18SDUrEd-wNjKDwblo3ykoIxn627Vni0G/view?usp=sharing

EDIT: updated on 6/13/2021 to version 2.0 (kept the same post since it is referenced in a few places).

EDIT: 6/19/2021

I recommend also reviewing these two links, which go into market abuse elements around naked shorting. Some of the content over laps, but it is useful.

"Counterfeiting Stock"

- https://web.archive.org/web/20210131014127/http://counterfeitingstock.com/CS2.0/CounterfeitingStock.html

"Paid Bashers" (shills)

- https://web.archive.org/web/20210131200557/http://counterfeitingstock.com/CS2.0/CS16ConfessionsOfAPaidStockBasher.html

Back to Table of Contents

The flurry of rules before the storm. DTC, ICC, OCC are prepared. GME might be hitting T+35 and T+21 crossover next week, pulling the house of cards down.

DD 👨‍🔬

0. Preface

I'm not a financial advisor - and I am not providing you financial advice! This is all my interpretation of what is going on.

Anyways, I wanted to ask...

I'm hype. Are you pretty hype? I keep coming back because I love you guys, and I love the fact that there has been so much research freely accessible to teach millions of people all the nooks and crannies of the market. I'll just say - once this is all over, I'll miss you apes. Thank you all. ♡

TL;DR: The market is an overleveraged and rehypothecated bomb. The banks have been fighting a collateral crisis since the end of March due to the government emergency liquidity programs ending and inflation kicking in. The repo market could blow up at any moment from a lack of collateral and short squeeze the US Treasury market itself. The entire market is hanging by a thread and the DTC, ICC, and OCC are prepared for the fallout. The moment GME surges again, they can cascade defaults to members in all clearing corps and end it in one fell swoop.

1. The DTC, ICC, and OCC

Let's clear up some confusion! Lots of apes are posting rule numbers with no prefix, so it's going to be a problem understanding one another. Let's forge some wrinkles! 🧠🔨🛍️

These are all major clearing corps of the market. They all are their own beasts in and of themselves. For simplicity, we'll label them as such:

DTC = stocks

ICC = default swaps

OCC = options

Each of them operate independently, so they're all filing their own rules that affect them **individually**. Important distinction. The DTC rules don't apply to the ICC, and vice-versa. That is why we see the rule prefixes. These prefixes can help you distinguish between each of the entities.

- Example 1: SR-DTC-2021-004 is a rule for the DTC
- Example 2: SR-ICC-2021-005 is a rule for the ICC
- Example 3: SR-OCC-2021-004 is a rule for the OCC

It helps a lot to add the prefix before the rule number since we're now seeing multiple 003/004/005 rules. Less confused ape = happy ape!

2. Almost Everyone Is Ready For Member Defaults

You've probably heard the term **defaulting member** being thrown around a lot lately. You can think of that as being equivalent to a margin call. The member defaulted on something - making them go negative in net capital - and thus they're in debt. Bye bye!

The DTC, ICC, and OCC all pretty much share the same members. Market Makers and Banks. Except of course the ICC which only has Banks as members. **You might think that all these rules being passed have nothing to do with GME, but it deals with the market itself blowing up, which in turn effects GME. All three of them passing similar rules is spooky and not a good sign for the market.**

If a member defaults in the ICC, they most likely default in the DTC and OCC as well. The DTC, ICC, and OCC do **not** want to be left paying up for the defaulting member's debts in the event of a default. They also want to contain the nuke as much as possible so that it doesn't completely obliterate the market.

To prepare for the market nuke, the DTC, ICC, and OCC have passed rules/plans to deal with defaulting members.

We won't go into super detail here. Just a brief summary of the infinity stones which the DTC, ICC, and OCC have collected:

- **DTC-004:** Wind-down and auction plan. **In effect.**
- **ICC-005:** Wind-down and auction plan. **In effect**.
- **OCC-004:** Auction plan. Allows third parties to join in (E.g. Blackrock). **In effect**.
- **OCC-003**: Shielding plan. Protects the OCC from paying up too badly by having extra liquidity. **Will be in effect on June 1. Not in effect, but the OCC deposit of ~$600m that was due the morning of May 19th could have supplemented for this. If not, can go into effect any day between now and May 31st.**

Every single one of them now has some form of rule which allows the defaulting members assets to be auctioned off. This allows other members to buy the defaulters assets at a discount while funding the

defaulting member's positions. Say someone defaults from GME short positions and has, oh, I don't know, 500 million shares short. The money used to pay for the covering of the GME short position will be funded partially by this auction.

In the end, this transfers assets to other entities while also pushing the damage to those entities as much as possible - a way to contain the nuke. It's a win-win situation. Other members get securities/assets on the cheap, while the DTC, ICC, and OCC worry less about payout, and the market **might** be able to prop itself up.

Now the case with the OCC, third-party members can join in on the fun. E.g. Blackrock. There's some theories that Blackrock will delete Citadel from existence and press the MOASS button. I don't think so. I think they've just been waiting this out to gather enough cash to bid on as many assets as possible. They're not going to waste their money on igniting the MOASS, they're going to spend it to feast on the defaulters remains.

The key takeaway is that all three of them, the DTC, ICC, and OCC are ready to pull the plug.

Any one of the DTC, ICC, or OCC can margin call a member and cause a default.

The moment a member defaults in the DTC, ICC, or OCC, it will cascade to the other clearing corps and cause them to default over there as well. In one fell swoop, all the stocks, options, and swaps of defaulting members are up for auction.

3. Do We Need The Other Rules?

You're probably thinking about **DTC-005, NSCC-002/801,** and others. And no, from my understanding GME does NOT need them to squeeze.

GME doesn't even really need a catalyst. The T+21 and T+35 crossover event is probably enough to push it over the edge (discussed later). The market is literally hanging by a thread right now and a big move in GME can push it into margin call territory, causing the cascading defaults.

The DTC-005 and NSCC-002/801 rules are to protect the future market. The guys in charge might have finally learned to impose more restrictions, and hopefully they stick to it.

DTC-005 will help avoid another stock from becoming over-shorted again. No more naked shorting. No more adding to your short pile with malicious options practices. It prevents another group of absolute retarded hedgefunds from doing this again. The T+21 and T+35 loop will cause the price floor to increase regardless of this rule and eventually cause margin calls. Remember, liquidity bomb is a growing issue, so the margin call price is most likely dropping as well.

NSCC-002/801 will speed up margin calls for extreme volatile movements like we saw in the January and March squeezes. They will make sure that if someone enters margin call city territory, they'll issue it with a one-hour timeframe. Pay up within **one hour** or you're toast. This ensures that volatility will kill off shorters who get caught with their pants down.

Those rules help the future market avoid this bullshit again. They are not necessary for the MOASS.

The ICC itself has introduced a wild rule **ICC-008,** which is in effect, that performs hypothetical margin calculations based on market movements. So again, the ICC could trigger a margin call to its bank members based on their new margin model rather than the DTC. Boom, the defaulting bank cascades through the banks members and eventually to GME.

After all is said and done, the DTC will ensure that these rules are in place so that nobody can cause a GameStop situation again.

The most important rules are the wind-down and auction plans. They cover the DTC, ICC, and OCC's asses and try to protect the market as much as possible. These wind-down and auction plans are the OK 👍 to initiate launch when the time is right.

4. Shit Is Close To Hitting The Fan

The whole market is an overleveraged bomb. GME isn't the only problem here.

I'm sure you guys remember Archegos. Those guys abused what, 5x leverage? And you all saw what effect they had on the market.

Imagine how bad leverage must have been abused by all the large firms which are STILL standing today.

Imagine what will happen if a very large firm with equivalent or larger margin goes bust. How about a handful of them going bust? Bad, bad things, my fellow ape. Bad things.

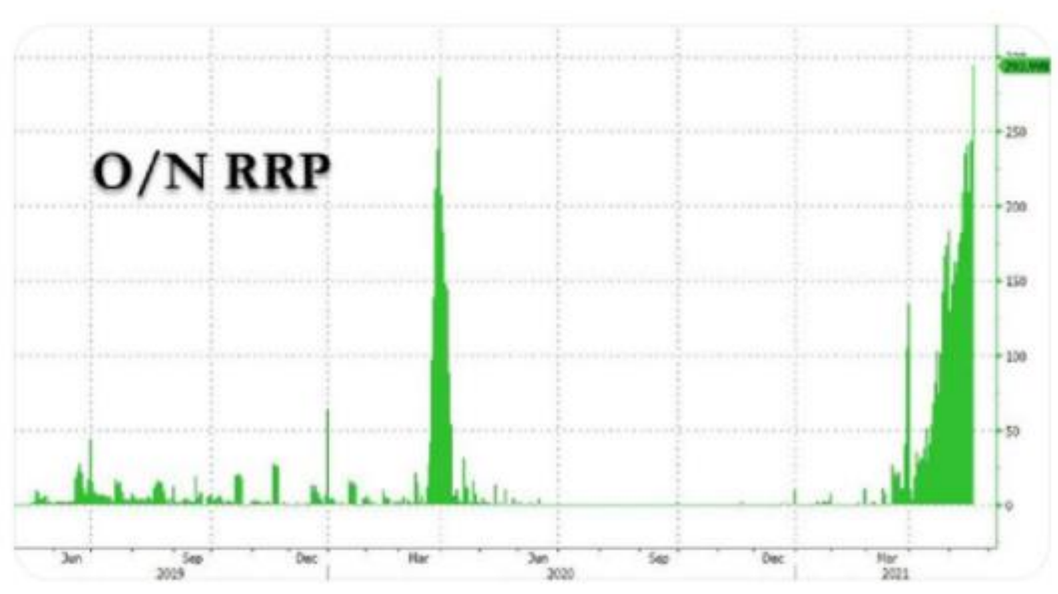
I'm sure you guys have seen this posted a million times today. This screams liquidity crisis in the banks because they've been really fucking stupid for the past couple of years, even more so since 2020 by allowing firms to abuse the pandemic.

zerohedge

@zerohedge

the real story today: reverse repo usage just surpassed Covid crash highs. We are effectively out of repo market collateral, Fed is cornered, and there is no place to park $1TN more in reserves.

Fed can't do 18 more months of QE



1:29 p.m. · 19 May 21 · TweetDeck

When did these reverse repos start showing up?

January 29th.

February 25th.

March 11th.

Woah what? Liquidity problems around the dates GME surged? It's not necessarily connected but hey, nice coincidence - right? 😉

The reverse repos started coming at ever-increasing frequency towards the end of March. Hmmm. Wonder why? Could it be that the fed ended their liquidity programs?

Fed says extending four emergency liquidity programs to March 31, 2021

Yup. Those programs dried up on March 31, 2021. This suddenly put much more liabilities on the Banks balance sheets, where they need to obtain assets to counteract their liabilities.

Ever since then, banks have been STRUGGLING with their balance sheets, and the potential of a short squeeze on the US Treasury Bond Market (See "Everything Short" by /u/atobitt):

1. Banks have a "balance sheet" of assets and liabilities. Liabilities? Could be cash they owe to people/entities. Assets? Some form of collateral, such as treasury bonds
2. Banks have ever-increasing liabilities every day due to over-leveraged borrowers.
3. In order to not default, banks need to maintain balance on their sheets by obtaining assets/collateral.
4. Banks will go to Fed and to get their collateral in order to avoid defaulting (Reverse Repo).
5. When the banks borrow collateral they might even 'short' sell those borrowed bonds into the treasury market, hoping to flip a profit **due to inflation**.
6. Repeat #2 -> #5 and you get your ever increasing reverse repo amount.
7. Not only this, the Fed is sucking out $80Billion in treasuries (collateral) each month. Reducing the supply in the market.
8. As the reverse repo amount continues to increase, demand continues to go up for collateral.
9. As the fed continues to suck out collateral, the supply of collateral drops.
10. Eventually you hit a critical point where the supply is too low, and the treasury value shoots up. Banks who are short might now be forced to buy back up the treasuries on the market and cause a short squeeze in the US Treasury Market itself.
11. Banks default. Members default. Everything collapses except some Banks/HFs/Financial Institutions which weren't completely stupid.

At any moment, the collateral bomb can pop and drag the whole system down. Definitely recommend George Gammon's Summary.

5. The T+35 and T+21 Crossover Event of Meme Stocks

I've posted a theory about us getting close to another February 24th repeat where massive amounts of volume and buy pressure could surge GME. You can find the post here:
FTD Loop Missing Link T+35 and T+21
The actual **why** to the mechanics behind these loops might not actually be FTDs. But instead Net Capital, which operates on a similar timeframe. T+7, T+14, T+21, T+28. They're forced to buy up shares, causing buy pressure, in order to return neutral and deliver. You can find that post here:
Net Capital Bomb
In quick summary of T+35 and T+21, we seem to be in **multiple** price spike loops. And a new one is about to pop up. Where did these originate from? So far, it looks like three main dates:

- **January 15th:** Major option date. One of the only 2021 option dates available in early 2020. Shorters must have piled in here.
- February 5th**:** The date Robinhood and other brokers fully lifted restrictions. Most likely reset the clock from another options date or some other factor. [Trying to pin this down] Edit: I think we can ignore this. The only option expirations that matter are Jan 15 and April 16 due to them being two of the major option dates that were available in 2020.
- **April 16th**: Major option date. One of the only 2021 option dates available in early 2020. Once again, shorters must have piled in here. I'm pretty sure Melvin's PUTs expired on this date, FYI. 😉

Each date coincides with the following loop:

1. Option Expire date. T+35 days later a price spike occurs. (January 15 -> February 24th)
2. An endless cycle of price spikes T+21 days later starts. (February 24th -> March 25th -> April 26th -> May 25th)

The first T+35 spike is more significant than the T+21 spikes. Check it out. **I've also plotted the hypothetical next price spikes which occur on May 24 (T+35) and May 25 (T+21)**.
Please note: T+35 is CALENDAR days. T+21 is BUSINESS days. Take a look at the above DD for the walkthrough of this timing.

GME T+35 and T+21 Loop

Guess what? This happens in AMC too. You can apply this to KOSS as well, and find the same exact patterns. Anyone want to have fun and check more meme stocks? Be my guest!

AMC T+35 and T+21 Loop

See that shit? We're lining up for not just a T+35 spike, but a T+21 spike **one day after another next week**. This is going to effect **all** meme stocks if the cycle continues and April 16th actually triggers another loop.

The timing of all of the wind-down and auction plans being in effect along with the increasing collateral issue of the banks with reverse repos means there's a massive collateral bomb being juggled, which could blow up with another volatile movement in GME or the market itself. When that happens, anyone could default. And what happens when a member defaults in DTC, ICC, or OCC? It cascades to the other two clearing corps. The margin calls start blasting out to all of the way overleveraged firms who get screwed by this volatility, and down goes the house of cards.

Call me a tinfoil hat wearer, but it sure as hell feels like the SEC, DTC, ICC, OCC, everyone high up, planned this all out. The flash crashes, everything, in order to get their nuke fallout plans in place. They probably always knew the timer was going to tick, tick, tick, run out, and boom the week of May 24th due to April 16th options expiration.

So the SEC, DTC, ICC, OCC, all the higher-ups shut things down in January. They shut things down on March 10th. They crash the price on March 15th to avoid a pre-emptive margin-call. They pull

many strings to buy time, pump all their wind-down plans in place at the last minute, wait for the next surge of GME, and then...

Back to Table of Contents

Wait... Is NSCC-002 about to turn the T+21/T+35 loop into a death spiral of T+0 as we approach Q2 end?

Possible DD 👨‍🔬

0. Preface

I am not a financial advisor. I do not provide financial advice. Many thoughts here are my opinion, and others can be speculative.

So, NSCC-002 just got approved, along with NSCC-801 for one-hour margin calls. Not only did it get approved, it got **accelerated** approval and will be in effect **Wednesday, June 23rd**.
This got me **JACKED**. But of course don't get too hyped just because of me. It could all be a nothing burger in the end. But, there's some crazy shit going down that I think is telling of what is about to come.
There's also comments of "these rules mean nothing until they are enforced". Yes, I agree. But, consider the fact that the NSCC, ICC, OCC, DTC **have all been drafting up rules to protect themselves in the event of member defaults and extreme market stress**. They aren't just drafting these up to say, "Meh. Nevermind". The NSCC, ICC, OCC, DTC are full of members who are **NOT** short on GameStop or other positions that put these entities at risk. The other members have influence and do not want to be dragged down either. It's a battle of survival.
I also apologize if anyone has already posted about this. I do know that /u/dentisttft had identified these SLD periods in their post about T+35 when tying in the spikes of price! Such a smart ape! I'm going to expand on their post here, identifying the importance of NSCC-002 to the theory.
A comment by /u/minnowstogetherstonk also encouraged this discussion, first identifying that T+35/T+21 could turn into T+0 that feeds on itself. If this is what is about to happen... genius ape!
I personally think that NSCC-002 will trigger a death-spiral for SHFs as we approach Q2 end, and shit is about to hit the fan across all markets.

Awww shit

1. NSCC-002 And It's Effects On Liquidity Deposits

Note: Like I said above, this is expanding off of /u/dentisttft's post of T+35 found here: T+35 Is The One True Cycle. It visually showed the NSCC liquidity cycle times and the effects it had on FTDs, which never really clicked until thinking about NSCC-002 a bit more. Give their post a read! :)
Something big to remember is that **NSCC-801** now goes into effect **along with NSCC-002**, which allows for **one-hour margin calls**. This means that when a member does not have sufficient liquidity, they will be asked to post it within **one hour** to the NSCC. If they do not post the liquidity, then the member defaults. And thus, the snappening begins.
Let's investigate the most important bits of NSCC-002. First, a glance at what the rules **used to be** and the NSCC's concern driving the rule change**:**

Deposits

As discussed above, NSCC may only collect supplemental liquidity deposits during monthly options expiry periods under its current Rules. However, NSCC can face sudden liquidity shortfalls on any business day, not just those business days that fall within monthly options expiry periods, particularly during volatile market conditions

NSCC-002 Part 1; Old Liquidity Requirements

unrelated to options expiration.[23] To address this issue, NSCC proposes to change the frequency at which it may collect supplemental liquidity deposits to each business day, based on a daily calculation. This proposed approach to collecting supplemental liquidity deposits should allow NSCC to respond quickly to any sudden liquidity shortfalls arising from a Provider's activity, regardless of when those shortfalls occur.

NSCC-002 Part 2; Old Liquidity Requirements

Prior to this rule change, the NSCC would collect liquidity deposits **only during Monthly Options expiry periods**. What is a monthly option? It is the **third Friday of each month:**

- January 15
- February 19
- March 19
- April 16
- May 21
- June 18
- July 16
- Etc.

The NSCC realized that shit could get really wonky between those liquidity periods of the monthly options. These volatile movements in the markets would put the NSCC itself at risk due to some of its members positions. So, they decided to draft up this rule which allowed them to not only grab liquidity around monthly options, **but to be able to ask for more liquidity on a daily basis**. This allows the NSCC to take hold of volatility and say, "enough is enough, you're done for".

Now, check this out:

B. **Current Rules Relating to Supplemental Liquidity Deposits**

Currently, NSCC only collects supplemental liquidity deposits during monthly options expiry periods in order to cover the heightened liquidity exposure resulting from increased trading activity around options expiration.[16] NSCC only collects supplemental liquidity deposits from its 30 largest Members or group of affiliated Members (hereinafter, "Providers").[17] NSCC calculates each Provider's supplemental liquidity obligation for an upcoming options expiry period using an estimate based on NSCC's highest liquidity need and the Provider's settlement activity during the prior 24-months.[18] Providers, in turn, must fund their supplemental liquidity obligations two business days

NSCC-002 Part 2; New Liquidity Requirements

prior to the start of the options expiry period, which NSCC will return seven business days after the end of that period.[19]

NSCC-002 Part 2; New Liquidity Requirements

The NSCC defined a period of grabbing liquidity and holding it to be 2 business days prior to monthly expiration, and ending 7 days after monthly expiration. From the dates listed above, this gives you the following time periods of liquidity deposits for monthly expirations:

Monthly Option Date	Liquidity Deposit Given By Member To NSCC	Liquidity Deposit Returned To Member From NSCC
January 15	January 13	January 27
February 19	February 17	March 2
March 19	March 17	March 30
April 16	April 14	April 27
May 21	May 19	June 2
June 18	June 16	June 29

And if you remember from /u/dentisttft's posts, these periods **all contain the T+21/T+35 dates of January 25, February 24, March 25, April 26, May 25, and June 24**. So it appears that,

as /u/dentisttftconcluded, that they struggle with liquidity during these time periods of FTD deliveries and the price gets much greater upward momentum.

Going back to the images above of NSCC-002... notice that in the old rule that the amount of liquidity that needed to be posted for monthly expirations was **based on settlement activity of the prior 24 months**. That's a lot of leeway on how much liquidity is needed per member as it was not checking real-time data.

NOW... the NSCC is changing it to a **daily calculation**. **It's no longer a one-and-done deal of the monthly liquidity based on the prior 24 months**. It is going to be based on a **constant check of real-time data**. This can shift the total liquidity required from the previous rule up significantly, mainly because it is no longer based on the **prior 24 months** of settlement activity.

2. T+21/T+35 Loop Turns Into A T+0 Death Spiral

Remember how shit went absolutely wild around March 10th? That was outside of a liquidity deposit phase. And then, **the price was tanked and brought down severely JUST BEFORE the next liquidity deposit was required.**

GME Price Action Prior To Next Liquidity Requirement

In fact, something curious is that **the price has never been above $228 entering the next liquidity posting date, and has never been above $300 during these liquidity dates**. Hmmm? Margin call price could be **dangerously** close. And with NSCC-002/801, it can absolutely screw the SHFs.
What does this all mean in the end? **Well, it can turn the T+21/T+35 loop into a T+0 death spiral.**

They used to have to post liquidity two days prior to the monthly options. But now, the NSCC has the discretion to ask for **MORE** liquidity at **ANY** time based on daily movements of prices. The previous liquidity posting was a **one-and-done deal** instead of a liquidity requirement that would constantly update **every day of the year**. And if they fail these new liquidity checks? **One**. **Hour**. **Margin calls**.
Here's a figure based on /u/dentisttft's liquidity deposit phases identifying what could happen starting Wednesday, June 23rd:

GME Price Action And Liquidity Deposit Phases

This could very well be why they are trying to obliterate the price at the moment.
The next FTD spike can cause the price to absolutely soar into a price range which requires more liquidity, making it harder for them to suppress the price, and pushing GME more towards the margin call price. Which then feeds on itself requiring more liquidity, and it continues on an absolute death spiral.
Which can then lead to this:

Happy GME TA

2. Urgency to Approve NSCC-002; Quarter End Of June 30th; Meeting Between Biden, Powell, Yellen, Gensler

Guess what? The 2008 crash "started" around the end of Q3 with the collapse of Lehman Bros on **September 15**, 2008. **End of quarters are when the system gets really strained due to the underlying plumbing of the markets and the necessity to pump balance sheets**.

Banks' "reporting" dates are known inflection points in the short-term funding markets and typically fall at the end of the month, quarter, and of course the year. But periodically, **the 15th of the month is also a pressure point.** - Source

Fast forward to when the Fed attempted to reverse QE. A year after performing QT (reverse of QE), the repo market blew up to 10% interest on **September 15**, 2019 due to way way way too many loans that had to be handled. **You can see how strain on the markets starts to amplify around particular dates of Quarter-ends and occasionally the 15th of months.**

We're approaching the end of Q2 which is June 30th. Hm. **Quarter end**?! Sound familiar? 👀

The NSCC-002/801 is having **accelerated** effectiveness. There is huuuge urgency to get this passed for margin requirements and margin calling members. **Why would they be pushing this to get it out the door?** I think shits about to hit the fan. They NEED to protect themselves.

Something else to note is that Biden, Yellen, Gensler, and Powell all met for "Climate Change" discussions today.
“The regulators reported that the financial system is in strong condition,” the White House said in a readout of the meeting. - Source
That's the entire context of the quote. That the financial system is "in strong condition". What are they **actually** doing at this meeting? Something similar to discussing letting X Y and Z fail just like they discussed letting Lehman Bros fail in 2008?
The Jungle Beat Monday Post talked about this very briefly and it was something I latched onto immediately. I remembered the meeting for 2008 but did not connect the dots to this meeting between Biden, Powell, Yellen, and Gensler possibly being similar in scope.
Wild times we live in. But remember - don't fuckin' dance.

Back to Table of Contents

Things are shockingly similar to the February 24th and March 10th runup so far. Gamma squeeze indicators from the previous T+21/T+35 have returned. Their doom approaches.

DD 👨‍🔬

0. Preface

I am not a financial advisor, and I do not provide financial advice! Everything within this post is my opinion and observations. They should be taken with skepticism. So grab a crayon my friends! June has started off absolutely wild!

TL;DR: Hedgies are close to meeting their doom. DOOOM.

I've been labeled as "Doomsayer" by my friends.

Actual TL;DR: June 1st has kicked off with the DTC, ICC, OCC auction and wind-down plans officially being in place. This means it is OK to launch the rocket because those three entities are now protected. We're seeing very similar price movements and gamma squeeze signals compared to the previous T+35/T+21 runup that occurred from February 24th to March 10th. This means that we could very well see another gamma squeeze of similar or greater magnitude which would begin to go parabolic around June 9th.
Note: This does NOT mean that a gamma squeeze WILL be coming. This is data supporting the fact that it COULD be coming. Do not take this as financial advice, and be aware that if you day trade you could miss the rocket.

1. June Kicked Off A Few Things

Here's a list of things you might have missed (save for OCC-003) that are now in place as of **June 1st**. Which further supports that the MOASS is getting close!

- JP Morgan opened MORE netting accounts.
    - These are piggy banks for sucking up assets of defaulting members in the auctions of the DTC, ICC, and OCC. I wonder who JP Morgan is going to consume?

- DTC, ICC, and OCC wind-down and auction plans now all in place.
    - OCC-003 was the final one to join. Welcome, OCC! All three entities are finally ready for the bomb.

    - **In my opinion this means that the rocket is ready for takeoff because these entities are now protected.**

- ICC index swaption discounts started through ICC-014.
    - Think of this as an index like SPY/QQQ/VIX/etc. that watches for the potential defaults of others in the financial world.
    - The base swaptions are just like options, they give you the right but not the obligation to buy (or sell) insurance. But, this rule is for the **INDEX** discounts **-** meaning it is a bundle of these swaptions among a bunch of entities.
    - The ICC must be preparing for members of the index to be going on the brink of defaulting, or defaulting. From my interpretation, these discounts give others a cheaper hedge against defaults, and potentially get to scrape by instead of going under. This won't save the guys who are in too deep, it just helps everyone else to remain afloat after this market bomb goes off.

- "Trading halt" rule amendments were passed May 28th, and are therefore in effect as of June 1st.
    - The wording of these amendments are VERY interesting. And the timing is VERY interesting. Take a look.
    - They will allow halts "**In the event of a series of quotes, orders, or transactions at prices substantially unrelated to the current market for the security or securities"**
        - E.g. They are preparing for people to be placing sell orders on securities/stocks that are **WAY** far away from the current trading price. Sound familiar? Like if GME is trading at $260 and a sell order comes in for $100k, $500k, $1m, $10m, etc? Yeah. **Very curious** why they'd push this amendment out.
        - **Edit: This is most likely to have a slow burn upward in price on the standard +/-10% within 5 minutes trading halt. Don't worry about what has yet to happen. Only time will tell how this plays out!**

2. Similarities To The Previous T+21 T+35 Runup

It's quite amazing to look at everything right now and see the similarities. We already know that the T+21 loop is confirmed. It's like poetry. GME hits a beat in a cyclical manner every 21 trading days, and it is evidence that shorters are stuck in an endless dance. [Can we really look at T+21 and think that "they have covered their short positions"...?]

If we can see patterns emerge from T+21, we can most likely see patterns emerge from T+21 and T+35. And so far, the current T+21/T+35 looks shockingly similar to the previous T+21/T+35.
One similarity is the resurgence of gamma squeeze signals.
The amazing ape /u/yelyah2, and I'm sure many others, have been identifying signs that a gamma squeeze could be coming:

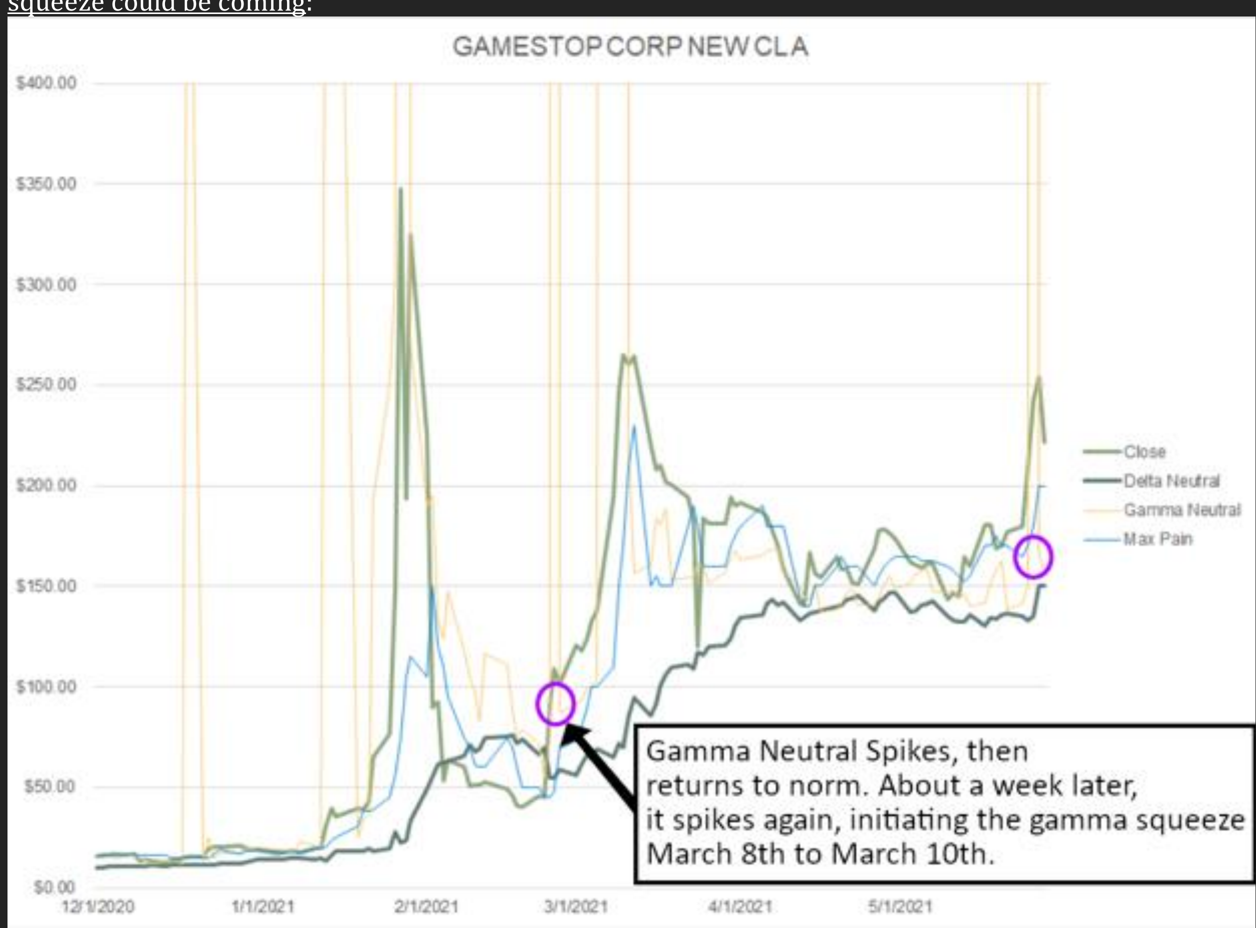


Figure 1: Gamma Neutral Values; From /u/yelyah2

The most important data point to keep an eye on here is the yellow that spikes up/down. This is the "**Gamma Neutral**" value.
The **gamma neutral price** is the underlying price that creates a **total market gamma of 0 across all GME options (all expiration dates)**. It is often associated with high volatility, and sometimes (especially in GME's case), it's associated with gamma squeezes. - /u/yelyah2
In other words, if you see Gamma Neutral spike up to the thousands and GME is currently trading in the hundreds, that means a Gamma Squeeze **could be** coming. Because the price needs to shift up to that amount in order to return gamma to 0 for a low-risk hedge. I'd definitely recommend reading their work on their findings!
You'll see that in the first purple circle of Figure 1, Gamma Neutral spikes up on **February 24th**. Gamma Neutral then slams back down a few days later because the pressure was killed off. About a week later,

March 5th, Gamma Neutral spikes again and remains high until the flash-crash of March 10th. Up until the flash crash, GME went on an absolute run in price and was starting to go parabolic.

Take a look at the second purple circle of Figure 1. The same spike up/down over the course of a few days occurred again starting **May 25th**. Oddly similar to **February 24th**'s spike up/down, right? Both brief anomalies initiated on T+21 dates.

Between March 10th and May 25th, **Gamma Neutral hasn't spiked up at all,** despite there being two additional T+21 cycles between:

- March 25th (T+21)
- April 26th (T+21)

Huh. What could have changed this time on May 25th?

Enter T+21 and T+35. The mechanics aren't fully fleshed out for why T+35 happens, I mean it's all based on patterns we see, but T+35 most likely applies to Net Capital. Net Capital being that the shorters must adjust their short position debts after a timeframe of their debts being discovered, or risk going net negative. This must be done in order to not default, because going net negative would trigger a margin call.

These T+35's initiate from three major option dates:

1. January 15th, 2021 (--> February 24th)
2. April 16th, 2021 (--> May 24th)
3. July 16th, 2021 (--> August 23rd)

So, we're not looking at purely T+21 days, but a wombo-combo of T+35 and T+21 which could very well be the reason gamma squeeze signals are flashing again. **Per my theory, a T+35/T+21 occurred last week, May 25th, due to April 16th options expirations. And the previous T+35/T+21 occurred on February 24th.**

COOL. So it appears that T+21/T+35 cycles can cause gamma squeezes due to the extra pressure on the shorters, and that might be why we're seeing a resurgence of the Gamma Neutral squeeze indicator this cycle. Oof, not a lot of data points, but hey. **I like the patterns**. 👀

Moving forward, let's take a look at the price movements over the past few days. Of note:

- The purple call-out boxes are pointing to T+21/T+35 cycles (Feb 24, May 25).
- The red call-out boxes are pointing to purely T+21 cycles (March 25, April 26).

Figure 2: GME Price Activity; Similarities Between Feb 24 T+21/T+35 and May 25 T+21/T+35

Starting back at February 24th, all the way to the left of Figure 2, you'll see the purple callout box pointing to a purple box around the actual prices of GME. The lower bound of the box starts at the close price of February 24th, and the upper bound of the box ends at the close price of March 2nd, which is 4 trading days later. I used 4 trading days because, well, that's how many days we have seen since May 25th so far. I've applied this same method to all other T+21 dates and plotted their respective boxes. This is a visual to show you the behavior of the price following T+21 and T+21/T+35 cycles, and the differences between the two.

You'll notice how on the T+21 days between February 24th and May 25th (**red callouts**), that the price was anchored around the same closing price of T+21 and not much upward pressure was applied. Meanwhile, the T+21/T+35 cycles (**purple callouts**) have had breakaways from these prices and are gaining much more momentum. The prices following T+21/T+35 have more support and are doing that beautiful bull-flag pattern that TA apes love. Further supporting that we're in a potential runup to a gamma squeeze in the near future.

Can't stop. Won't stop. GameStop.

The similarities of the price movement so far are quite hype, because this is **on top of the resurgence of the gamma squeeze indicators**.

With all of the DTC, ICC, and OCC auction and wind-down plans being in effect as well as the other items I identified in Section 1.... man. It seems too good to be true right now.

For fun, I plotted in blue ("10 bars, Nd") the gamma ramp timeframes in Figure 2. Check out when the next parabolic move like March 10th could occur. **June, frickin' 9th**. Sound familiar? Shareholder meeting? It's probably just coincidence, but damn. Good timing. Also haha 6/9. Nice.

Further possible support is this post by the amazing ape /u/isnisse. They have identified that a breakout could be coming on June 10th. They've used a really clever approach to guesstimate the breakout. Definitely take a look! Confirmation bias overloaded once I saw this.

One last thing to note before moving on is **the number of consecutive green close days that have followed May 25th**. We have not seen that before, where there's a ton of support following T+21 or T+21/T+35, even back for the February 24th cycle.

Are shorties losing their grip? One metric I was watching for the longest time was Deep ITM CALL purchases, which could also signal that their DOOOM is near.

3. The Death of Deep ITM CALLs?

In my previous post, I was thinking that these Deep ITM CALLs were being used to satisfy FTDs. Now I'm not entirely sure - it could be used for that purpose, certainly. But it could simply be that they were used to delay the FTDs rather than satisfying them as people were predicting for the longest time. If that is the case, then the shorties are most likely losing their grip, as shown by the increase of volumes in meme stocks across the board. The <insert offensive word> is about to hit the fan.

I'm grabbing this figure from /u/broccaaa's post The Naked Shorting Scam which compares Deep ITM CALL Volumes to FTDs:

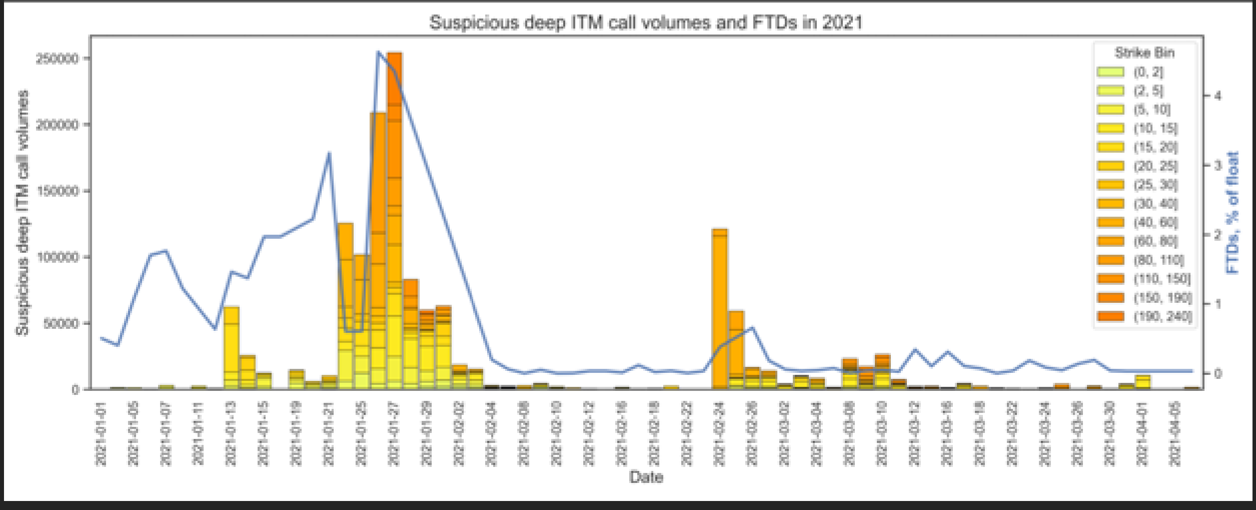


Figure 3: Deep ITM CALL Volumes Vs FTDs; From /u/broccaaa

When FTDs skyrocket, Deep ITM CALLs are eaten up. You see this occur extensively in January due to the mini-squeeze that occurred from massive FOMO of retail around the world. And then a resurgence of these Deep ITM CALL anomalies in the February 24th to March 10th runup due to more FTDs appearing. Ever since March 10th, these Deep ITM CALL purchases have slowly decayed and died off.

User /u/Dan_Bren had been posting about these anomalies for weeks, and weeks, until suddenly - the anomalies stopped. The only significant purchases that have been made since the Deep ITM CALLs died off have been for Deep OTM CALLs and Deep ITM PUTs.

- Deep OTM CALLs were purchased. Possibly a big entity expecting the price to pop by July 16th.
- Deep ITM PUTs were purchased as well (same link). We got a warning that they could be used to flash crash the price on May 28th, and sure enough, it happened.

So what does this mean? The give-up on Deep ITM CALLs could be many things.
Perhaps there's no more liquidity to use them?
Maybe they came up with a better way to delay FTDs?
It could be too expensive and they can't delay FTDs any more?
Maybe, by some weird reason, DTC-005 is actually in effect and blocking this practice - which makes the FTDs come to fruition these next few weeks?
The resurgence in meme stocks across the board makes it look like they're losing their grip and its simply too expensive for them to delay it any more. The volume, in my eyes, is not shorts covering but the volume is due to the FTDs beginning to pour out into the world.
The peddling of AMC could be that is their last and only option. To divide and conquer. Their best chance now is to try to pull GME apes into AMC because, despite it being shorted heavily as well, it is a much higher float and lower price. Therefore it would be easier to contain and take control of. They have to try to push AMC because all their other efforts failed. That being said, when GME goes off, AMC, KOSS, and other meme stocks will most likely squeeze as well. But - GME is the backbone, and only as long as GME remains strong will every stock experience a squeeze.
The latest T+21/T+35 cycle is prepping a gamma squeeze, just like what we saw from February 24th to March 10th. It's surprising how similar things are looking so far, especially in the price movement and support staying in the $260s as of after hours of June 1st.
It's even scarier that the gamma squeeze, if it happens, would start to go parabolic exactly on June 9th. Ryan Cohen - did you know? **DID YOU**?

Back to Table of Contents

Hank's Big Bang: Quant Apes Glitch the Simulation

DD
********** **I am not a financial advisor, this is not financial advice** **********
Edit: Credit for the correlation tables to u/phalanxhydra
Edit 2: I am retarded. It's u/Ivorypetal.

Introduction

Apes, because of the sheer amount of information in this post and because I wanted to get it to you at the beginning of this week because of earnings and the meeting, this post will not have the usual funny intro and memes.

Usually, my DDs are done completely by me with maybe some inspiration from a few apes or a section/link from an ape or two. This one is not that. This DD is an orgy. Apes, I have gathered an army. A fucking army of quant apes. They have been gracious enough to team up and answer the questions that I posed in my previous post and..... I am astonished at what they did. Seriously, I didn't expect this in my wildest dreams. Quant apes, I am eternally grateful for what you've done and I know that this sub is too. Again, this just shows how many extremely smart apes we have in this fight. This is going to be by far my most data-driven DD of all time.

Many of you have probably seen the spoilers that I gave in my request for data that this DD would be about using correlations, models, and data to get to an extremely high level of certainty that shorts have indeed not covered by analyzing GME as compared to the other meme stocks and some other indicators as well. This was inspired by the pretty obvious fact that they all have traded in very similar patterns since around December. I also noticed that they all seemed to have some sort of FTD cycle component to them as well. I really drew the line when all of these stocks started this upward momentum in the past week - it was just too much of a coincidence for there not to be a relationship. A short squeeze is rare. Stocks following the same trading pattern is weird. A stock squeezing two times in less than a year is weird. A stock trading at over 4x it's book value consistently for months is weird. But 6 stocks doing all of those things simultaneously is..... ASININE. Some might call it improbable, but I think we all know what it is. This DD will use data, a shit ton of it, to give us the closest proof next to actually seeing HFs positions that they have indeed not covered..... ENJOY

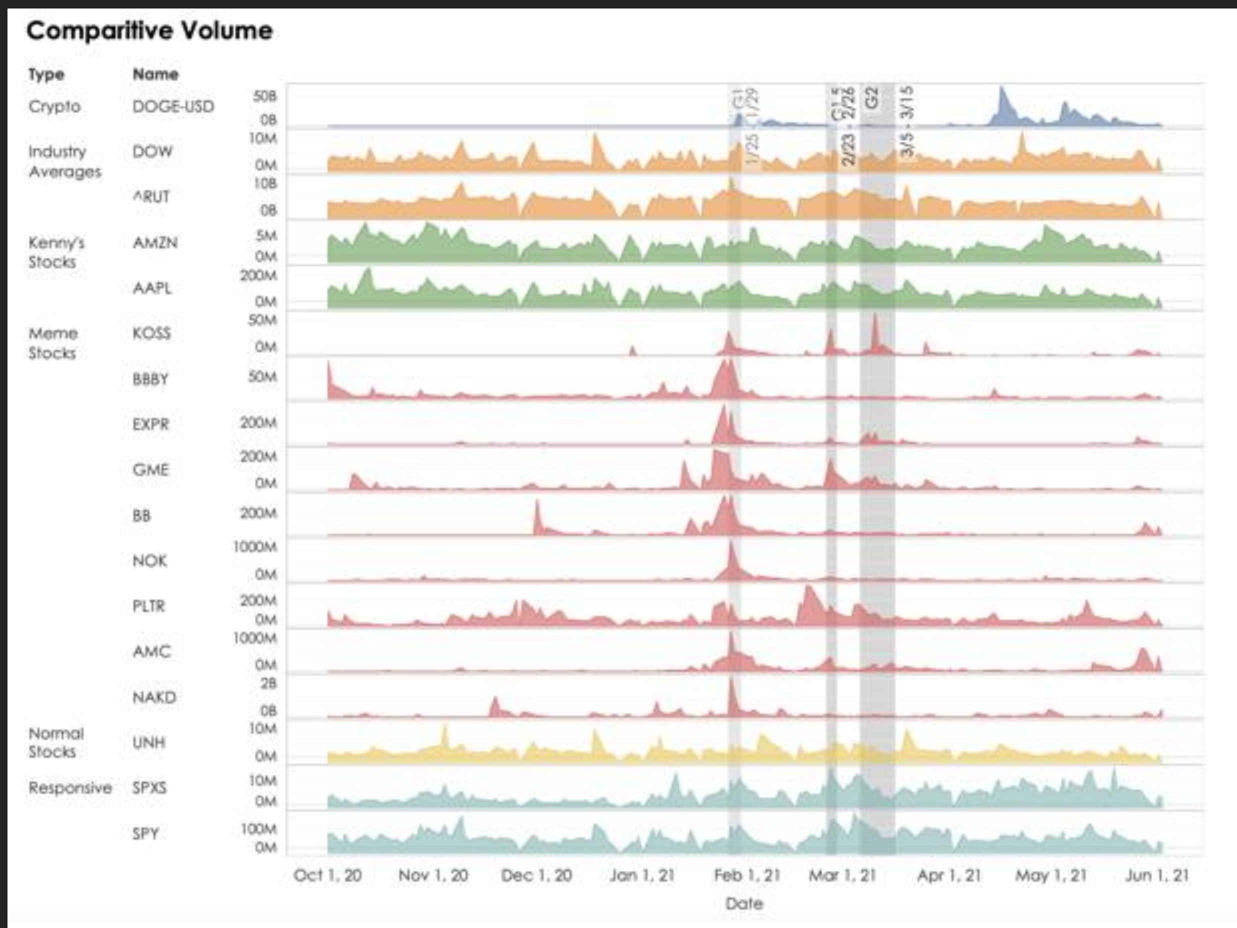
Roadmap

In this DD, I will discuss why the meme stock craze is not a just a bunch of retail traders pumping up stocks. Instead, it is the product of the greatest shorting fail in the market of all time that was made possible by easy money policies and apes' uncanny ability to buy and hold. Next, I will discuss the statistical significance and origin of the FTD cycle. Finally, I will give you a random dump of DD at the end of my thoughts.

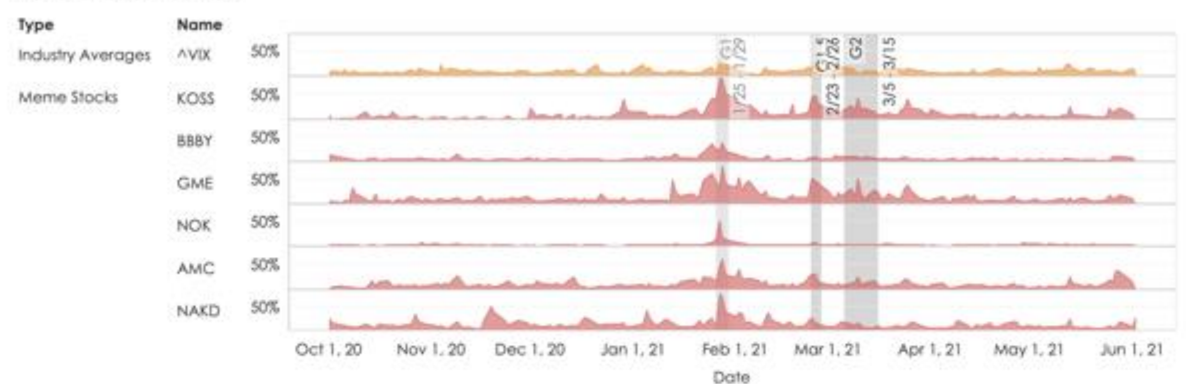
Part 1: A data driven approach to the meme stock craze

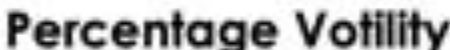
A visualization of what you already knew

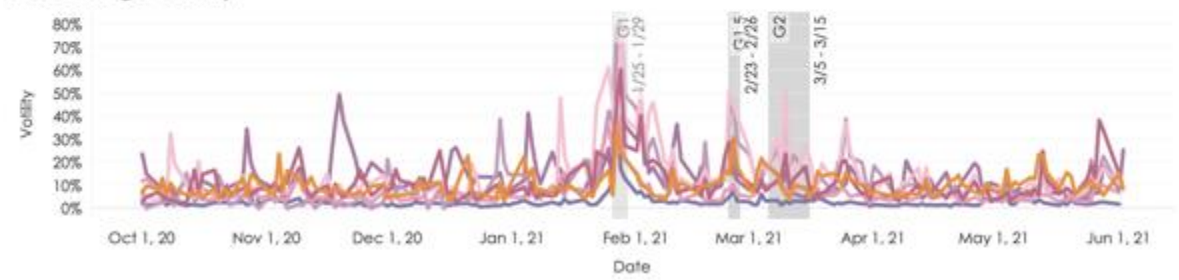
As many of you know from some of my previous posts, my thesis is that the “meme stocks” are all related. This was based on observations that the charts looked similar from December to now in terms of price action and volume. The quant apes did an excellent job of visualizing this. Below is a visualization of the meme stocks compared to cryptos and boomer stocks for reference. The parameters are volatility and volume.

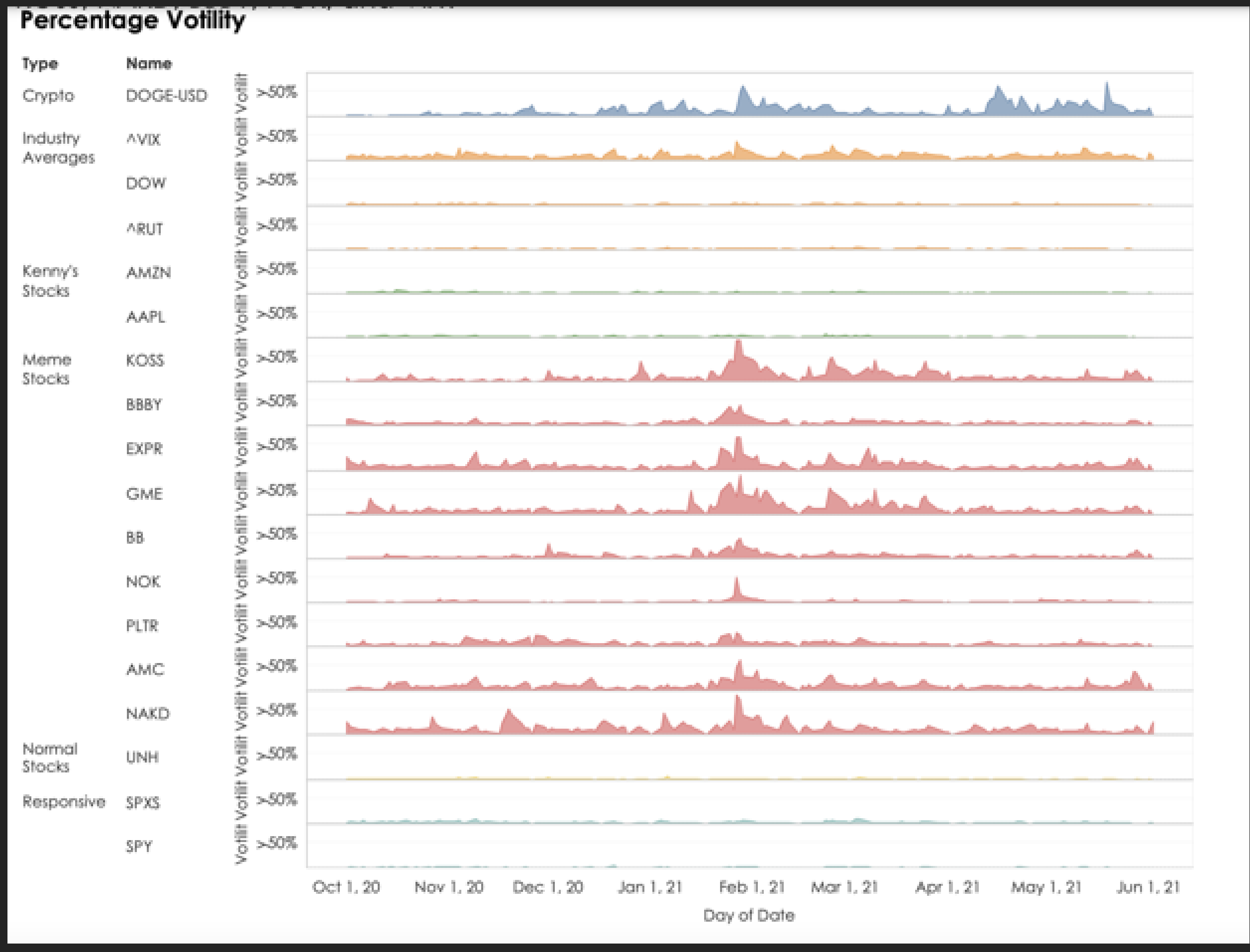


Percentage Votility









(Credit for above three charts to u/Ivorypetal)

A visualization of what you already assumed

This is a visualization of what we already know but haven't been able prove: the stocks are related. Looks like there's a relation, right? How can we be sure? If you took a college or high school statistics course, you probably know that there are certain tests you can run to determine if inputs are correlated, the degree of the correlation, the certainty, and the statistical significance. Below, the quant apes used a statistical test (I won't explain it because if you aren't familiar with statistics it'll take too long to explain, but this is not a guess, it uses an equation to determine the level of correlation, so it is extremely accurate) to determine the correlation of GME to other meme stocks and the VIX. I put GME in red because it's all we care about right now. The top is a comparison of these stocks entire data (i.e. all time), while the bottom compares them in the last year:

	GME	AMC	KOSS	NAKD	BBBY	NOK	VIX
AMC	0.112342		-0.03977	0.491674	0.676451	0.496975	0.450802
KOSS	0.658535	-0.03977		0.092072	0.085301	0.123249	0.067801
NAKD	-0.02856	0.491674	0.092072		0.479042	-0.53393	0.646038
BBBY	0.154525	0.676451	0.085301	0.479042		-0.33231	0.260834
NOK	0.018431	0.496975	0.123249	-0.53393	-0.33231		0.458529
VIX	0.095016	0.450802	0.067801	0.646038	0.260834	0.458529	
GME		0.112342	0.658535	-0.02856	0.154525	0.018431	0.095016

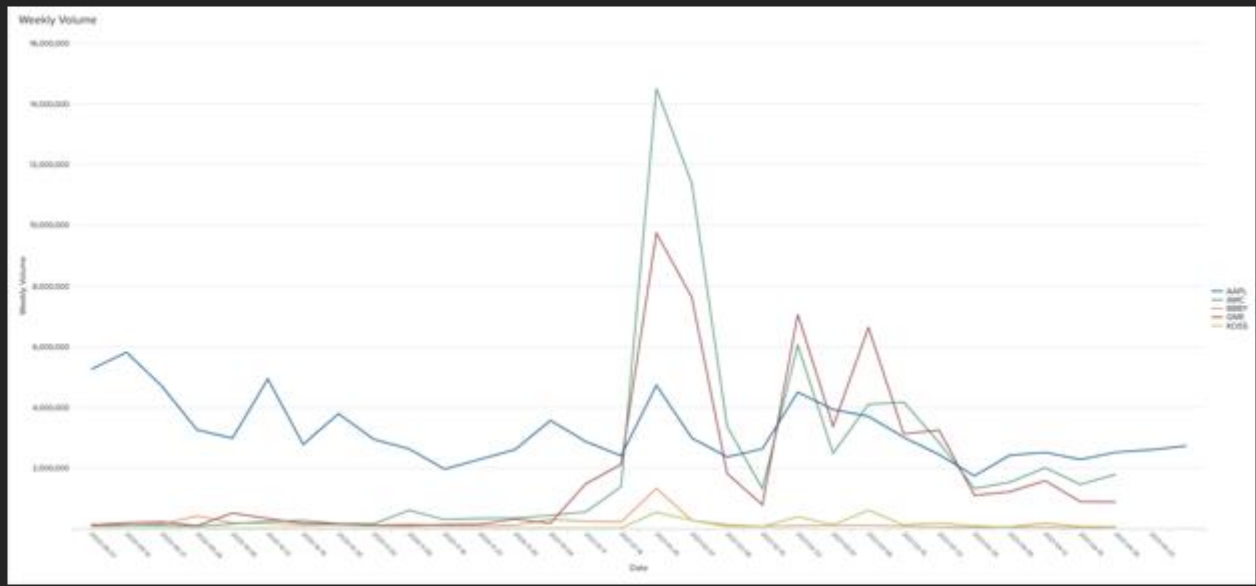
	GME	AMC	KOSS	NAKD	BBBY	NOK	VIX
AMC	0.750221		0.68782	0.37988	0.631559	0.63137	0.3734
KOSS	0.895986	0.68782		0.764038	0.835796	0.560956	0.307895
NAKD	0.555064	0.37988	0.764038		0.722736	0.316495	-0.02626
BBBY	0.763211	0.631559	0.835796	0.722736		0.504726	0.125227
NOK	0.596657	0.63137	0.560956	0.316495	0.504726		0.407255
VIX	0.473366	0.3734	0.307895	-0.02626	0.125227	0.407255	
GME		0.750221	0.895986	0.555064	0.763211	0.596657	0.473366

(Credit to u/phalanxhydra)

As you can see, the difference between all time and the last year is striking. The above decimals are called correlation coefficients. They go up to 1 (which means they are identically correlated). Anything above 0.7 is considered a strong correlation. As you can see all of them except for NAKD and NOK have a strong correlation to GME. What really struck me was the VIX. Because the market usually goes down when the VIX goes up, the fact that GME and the VIX have such a strong correlation in the past year is extremely important for our thesis that HFs are actively acting against it.

OTC Data

The chart below takes the OTC data from FINRA and plots it for each of the meme stocks. Notice how they all seem to follow a pattern of spiking every few weeks (FTD cycle) except for the blue one. The blue one is not a meme stock, it's Apple. I used Apple as a reference security so you can contrast how weird this is. Sadly, we don't have FINRA data before 2019, so it's difficult to analyze this in terms of when it started, but you can definitely see a related pattern of abnormality:



(Credit to all of the quant apes who made this customizable program that allowed me to do this)

How common are squeezes?

Squeezes are rare. Extremely rare. Whether you think the January price run up was a short squeeze, a gamma squeeze, or just a big price increase does not matter because, in asking the quant apes to find the exact number of short squeezes that have occurred in the stock market, I gave them VERY broad parameters. The parameters I gave them were: any stock that has doubled in price within a week. Because of this, this is undoubtedly a gross overestimate of the number of short squeezes in the history of the market (i.e. some little known penny stock getting FDA approval and going 4x overnight). The numbers that they found show us just how rare a short squeeze is, and remember, even this is an overestimate, so they're probably even rarer. The quant apes used the major exchanges NYSE, NASDAQ, and AMEX. Here are the results:

Min Market Cap	Price increase multiplier (2 = 100% increase, 3 = 200%, 5=400%)	Consecutive days	Stock count	Relative to all stocks from exchange with min market cap
1000	5	5	7	0.89%
1000	2	5	54	6.90%
100	5	5	32	1.24%
100	2	5	326	12.68%
10	5	5	121	3.39%
10	2	5	916	25.64%

(Credit to u/jyzaya)

If you can't understand that data, here's the point: they are rare, even with parameters that purposefully overestimate it. They are so rare that you could call them an anomaly because that's what they are.

Remember that's a purposeful overestimate that allows small stocks getting good news, IPOs, etc. to be considered. So yes, short squeezes are rare. Multiple squeezes following the same pattern and all squeezing at the exact same time? Some might call it improbable, but we all know what we call it.

My take

So, you've seen the data. These stocks are correlated. Does a correlation mean that there is some orchestration going on or that something is forcing them to move in concert? No. It means that they typically move in the same direction, reason unknown. A statistical test can't tell us the reason for the correlation, it can just tell us the correlation. I think I know the reason.

What I think many people, especially the media, take for granted is just how weird January was. As you now know from above, short squeezes are rare. Stocks correlating is weird. Stocks correlating for months is weird. Stocks squeezing at the same time is weird. Stocks doing all of those things at the same time is unheard of. The weird thing about January is that brokers, all of them, simultaneously restricted the buying of all of these stocks. Because liquidity works both ways (buy and sell), if they really had liquidity issues, they would've stopped buying and selling. Also, does it make any sense that every single broker would have liquidity issues at the exact same time during the times of the lowest interest rates ever and an easing of banking restrictions? No. None of that makes sense. My thesis is that all of these stocks are related and the data backs that up. I believe that the brokerages saw that these stocks posed a SYSTEMIC risk because of how exposed major market makers and HFs were on the short side. Why else would they all simultaneously ban only buying?

To add even further to that, many brokerages have banned the shorting of these stocks (months after the squeeze). Even more is all of the shill activity of people messaging us saying "I'll pay you to write something bad about GME." Moreover, the brokerages must have seen that retail, and now the rest of the market, was piling on buying orders and that eventually, some of the most important institutions could go bankrupt and cause an economic crisis. So what did they do? They restricted all buying. Even if every single ape hodled, the price would still be able to go down significantly due to shorting and institutional selling. So yes, they forced it to go down. Now, what was that systemic risk I was talking about? What exactly did the HFs do? As most of you know, I was one of the apes that started the talk of FTD cycles and found many of the rules behind it. The FTD cycle has been the only thing that we've been able to consistently predict (well that and the media being retarded but I digress). IMO, the FTD cycle is our clue into what the HFs did to cause a systemic problem. The FTD cycle has been increasing exponentially, which leads me to believe that the systemic risk has only gotten worse, and I think I've discovered it's origins…

PART 2: The statistical significance and origins of the FTD cycle

Now that I've left you with that cliff hanger and probably a half chub, it's time to take an extremely in-depth dive into the FTD cycle. First, I will be demonstrating the statistical significance of the FTD cycle, so that we know it's not just a fluke. Next, I will discuss the origins of the FTD cycle. Finally, I will discuss what I think it all means.

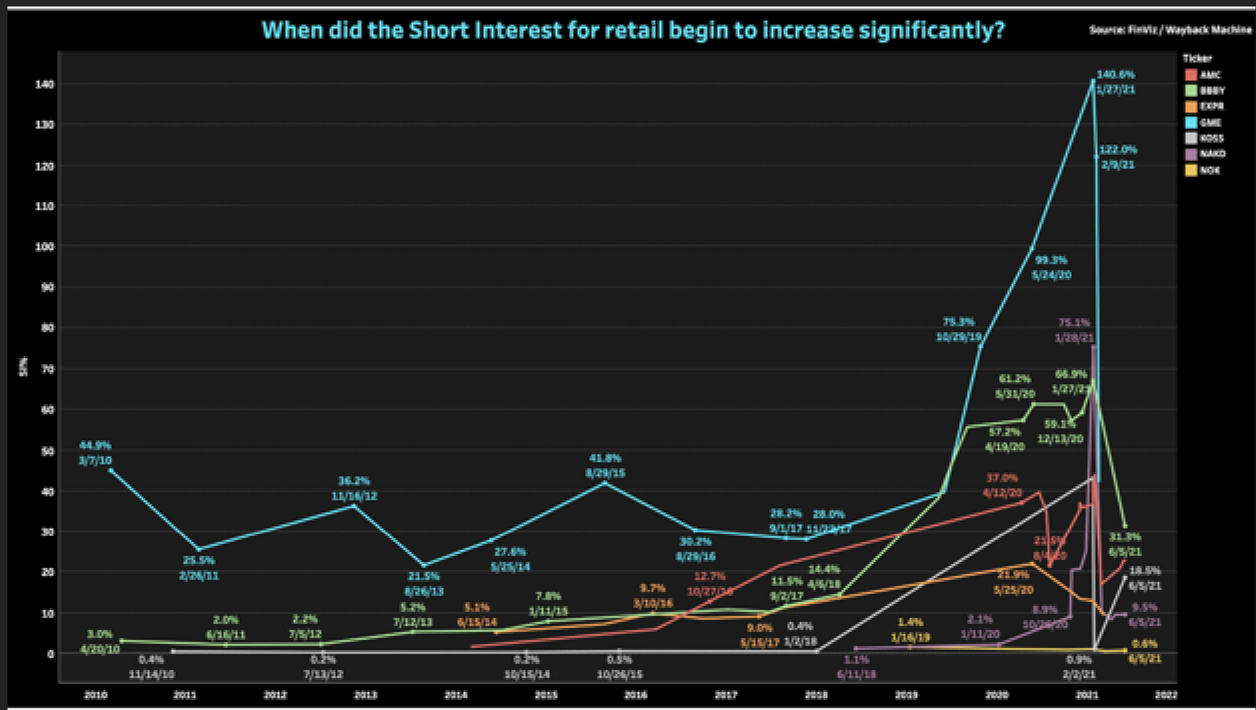
First, let's start with a brief summary and update on the FTD cycle. The FTD cycle is the idea that because of SEC regulations requiring market makers to cover FTDs within 35 calendar days, there is a

predictable increase in price and volume every 21ish trading days or 35 calendar days. So far, it has continued to repeat itself. The idea is that shorts are in so deep that they are doing the bare minimum to cover and continue to dig themselves in a deeper hole by kicking the can down the road. It is currently increasing exponentially, which indicates that it is getting more and more expensive for shorts to stay in the game.

Orange line represents FTD cycle increases each month. Yellow lines are FTD cycles. Disregard the red lines, those were my trend lines before we broke out

SI by the charts

Below is a chart that the quant apes gathered from Ortex showing the SI of the meme stocks over time. Many of you will say that this is inaccurate because the real SI is hidden. While we have many instances of that being true, this is the best concrete data that we can gather (much better than Fintel and FINRA), so it's what we must use to avoid speculation. So, yes these numbers are probably an understatement but that's a good thing because we do not want to speculate. If we can find significant results on incomplete data, our thesis is strengthened:

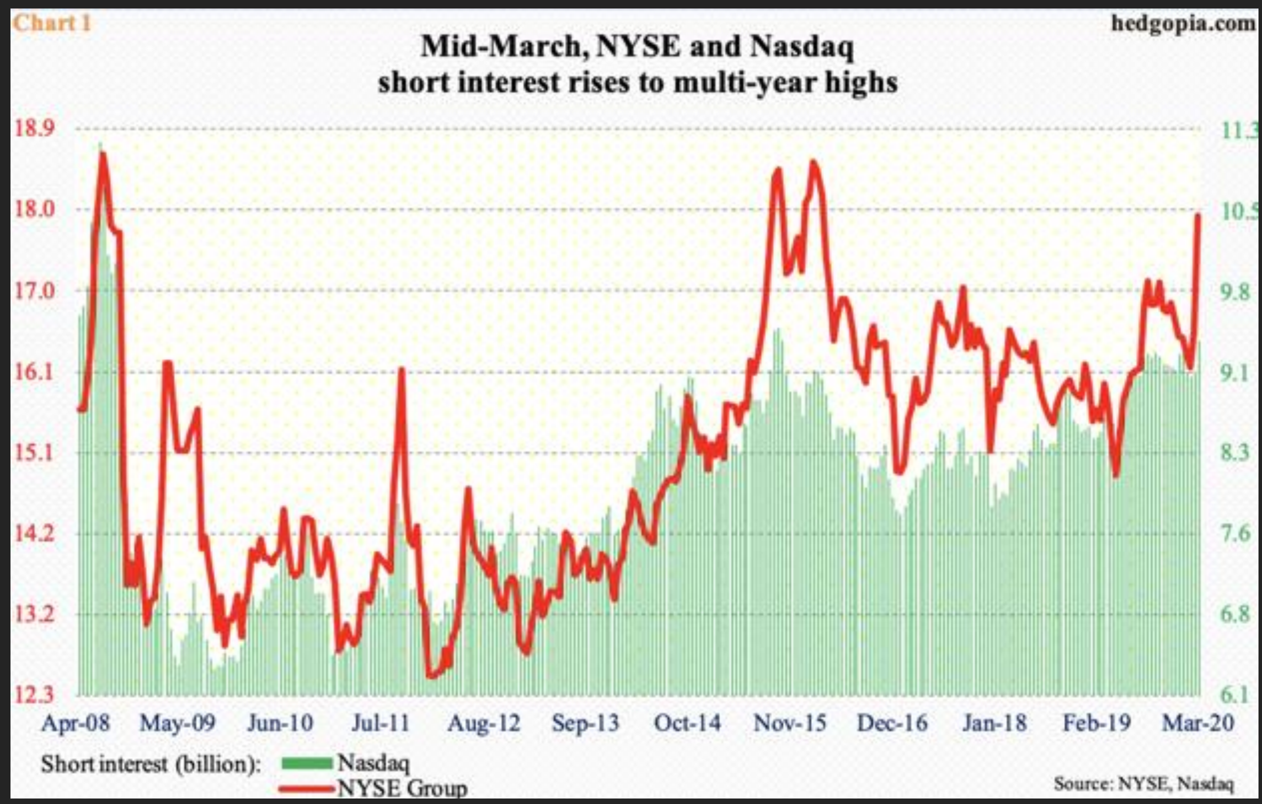


(Credit to u/orangecatmasterrace)

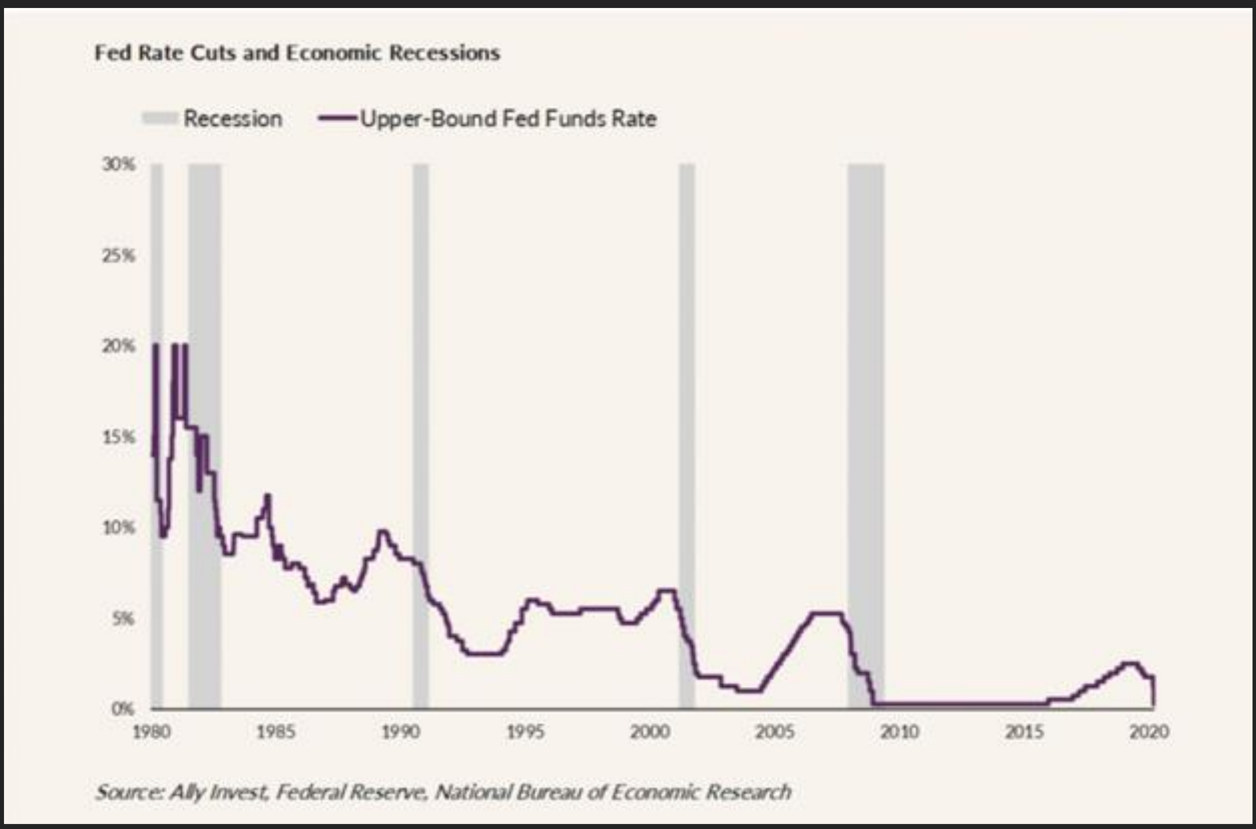
I noticed some very interesting things from this chart. First, I noticed that the SI of most of the meme stocks markedly increased in mid 2019. GME had an exceptional increase (I think because of their issuance of bonds, shorts saw that as a debt death sentence). There was also a slight, but noticeable, rise in SI of most of these in mid 2016 as well. Hmmmmmm. My original thesis was that they were all heavily shorted after the covid crash because HFs predicted a bad economy and the destruction of brick and mortars, so they used the low interest rate and low liquidity environment to their advantage. That is still probably true as I bet they did it with naked shorts, but this chart made me think even more. What happened before Covid that could've led to these SI increases.

Friend of the shorts: The US economy

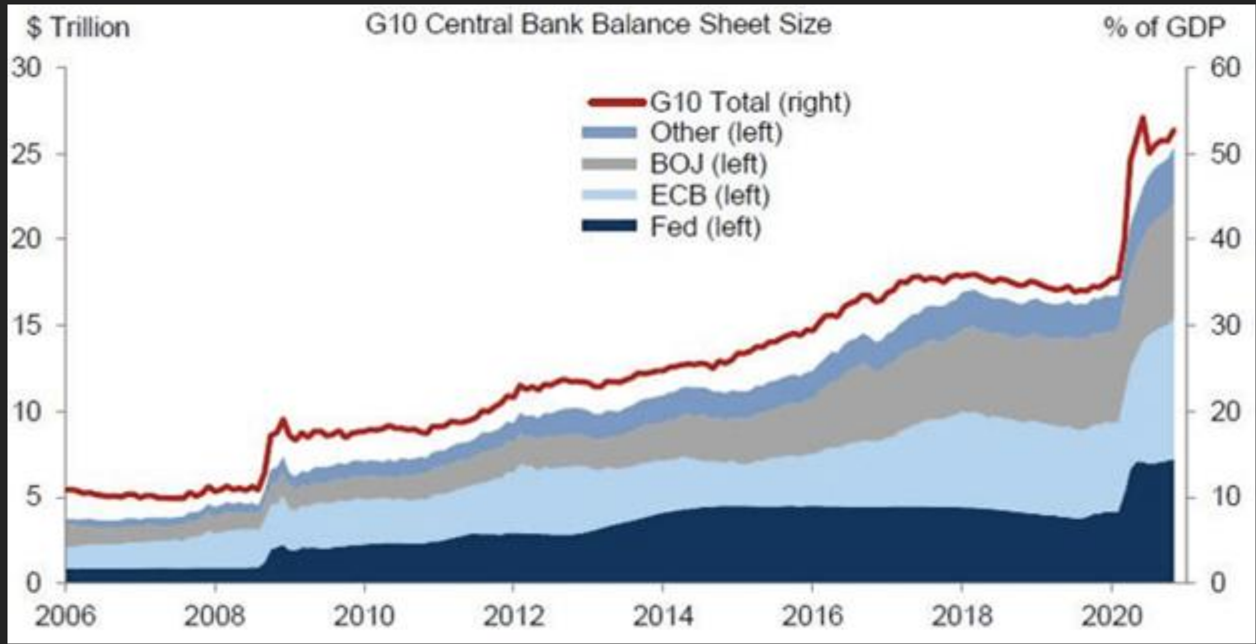
The first thing I did was get a chart of short volume data in the stock market over time to get the big picture:

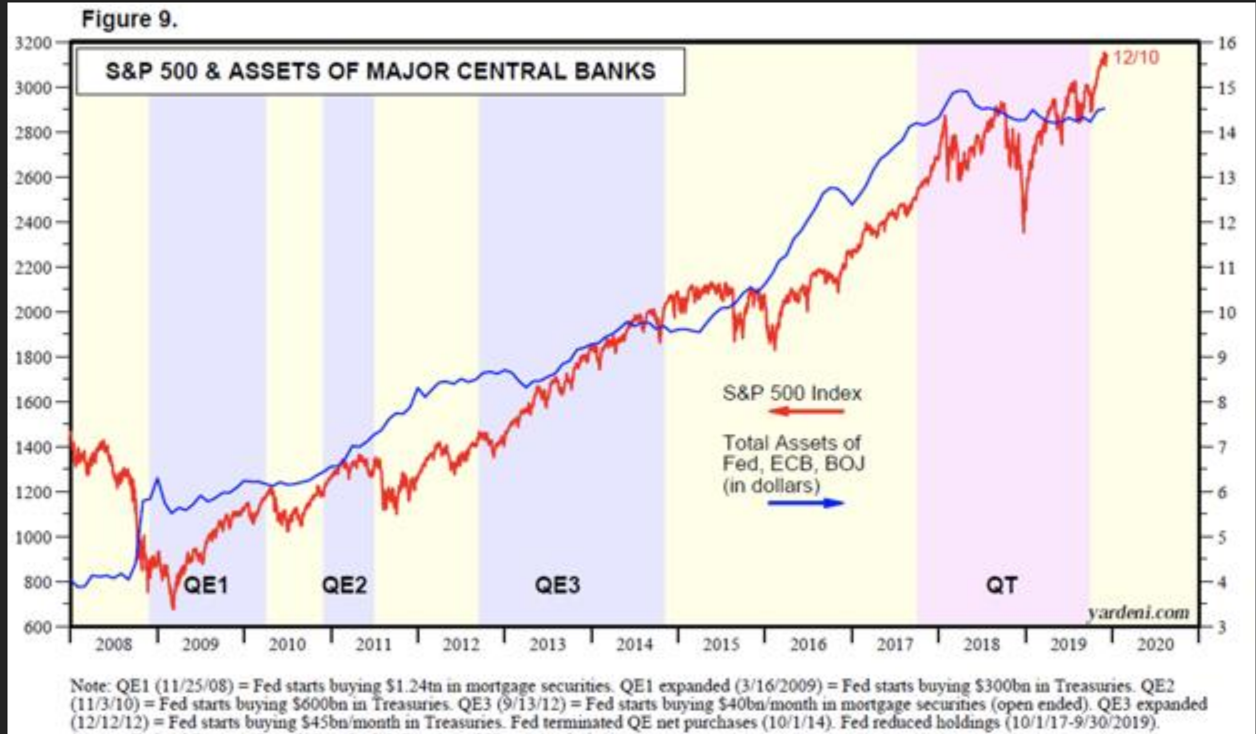


As you can see SI has increased markedly in 2015 and 2019. So that got me thinking, there must be some kind of law, some correlation with FED policy, or some kind of macroeconomic happening that led to this. So next, I looked at the interest rates for interbank lending:



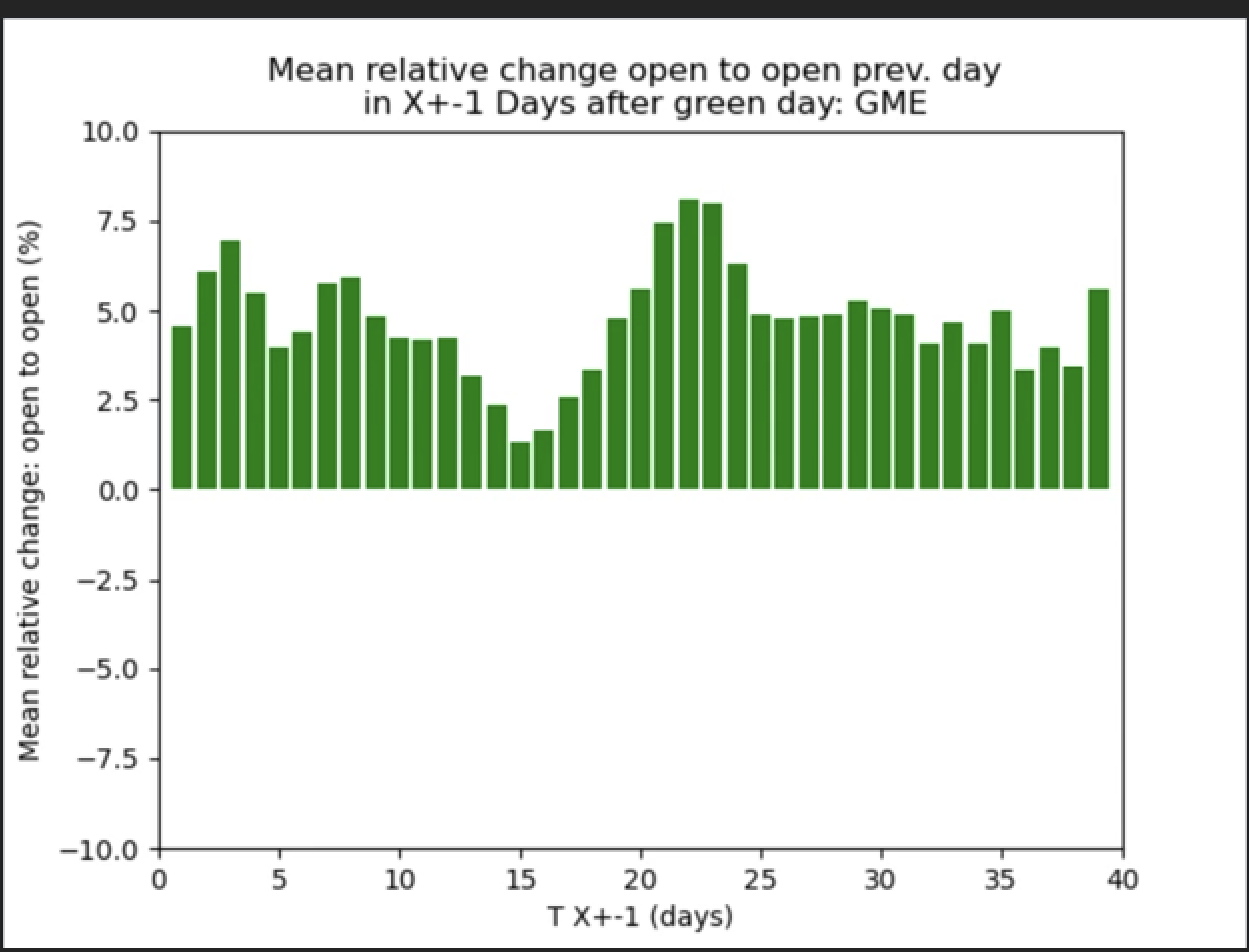
This is not mortgage interest rate, this is federal funds interest rate, which is essentially the interbank interest rate for excess lending. As you can see it's been insanely low since the 1990's, but particularly low as of recently. Next, I looked at the balance sheet of the FED. This essentially shows the Fed's buying of assets over time.

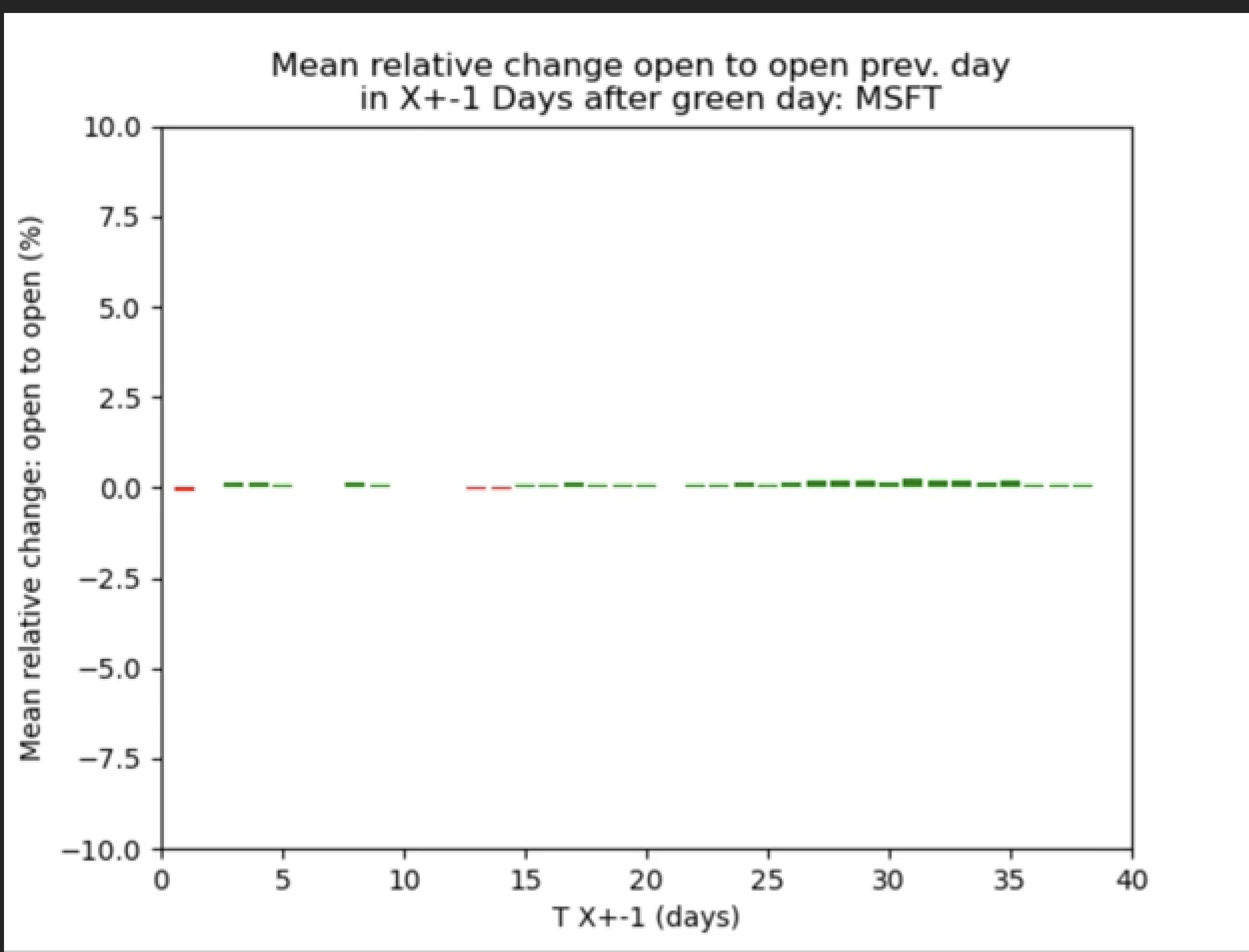




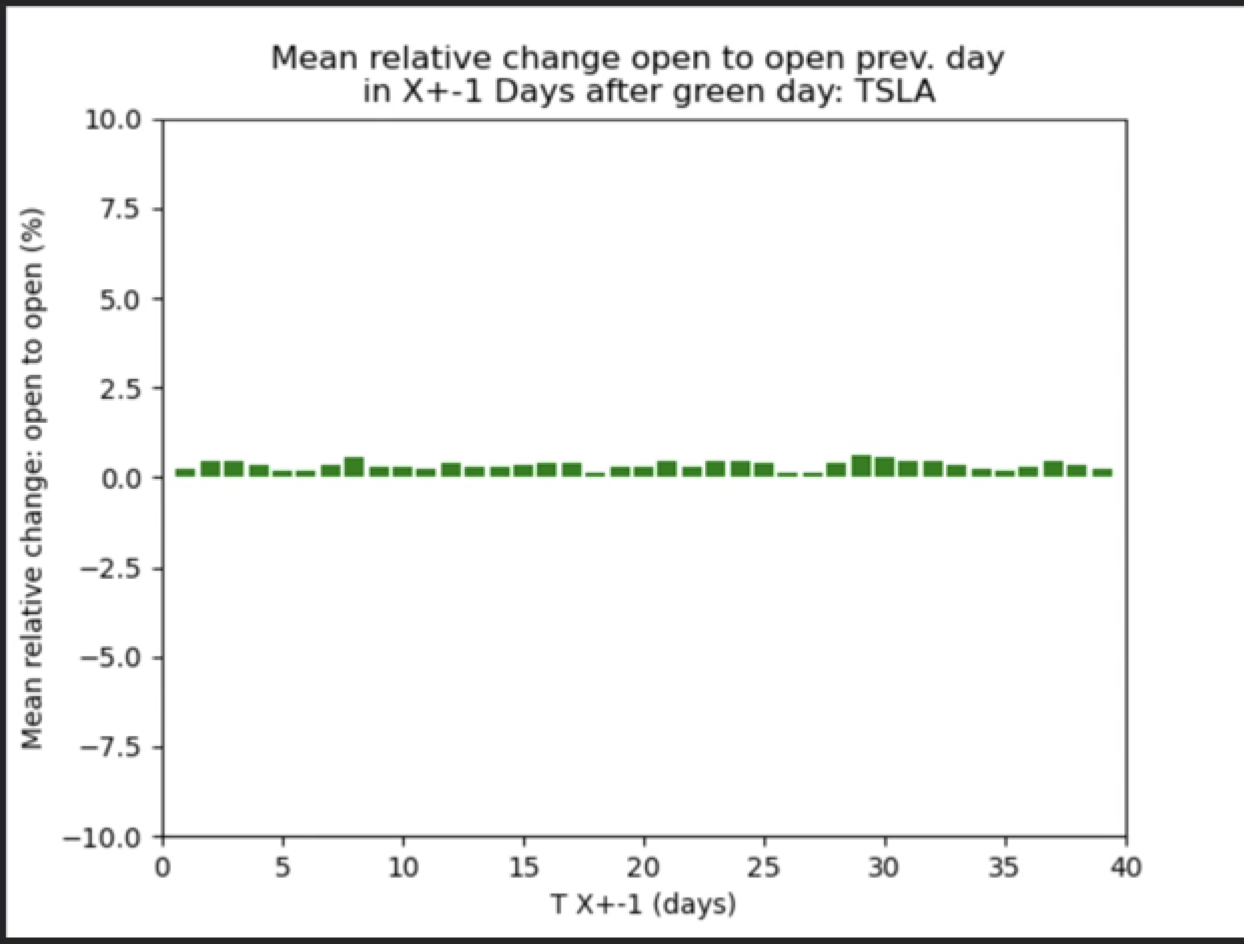
The above graph is especially striking. It shows the FED's balance sheet is increasing proportionately with the SP500. The FED's Quantitative easing policies have been extremely aggressive since 2008. QE is where the FED purposefully stimulates the economy by buying assets like bonds. This was necessary after 2008 and the FED kept it going for a while then started tightening (QT). However, and this chart doesn't show it, the FED had to parabolically increase its QE policies duirng covid. You know what else parabolically increased? Yep, the stock market.

The statistical significance of the FTD cycle


Mean relative change open to open prev. day
in X+-1 Days after green day: GME
Mean relative change: open to open (%)
10.0
7.5
5.0
2.5
0.0
−2.5
−5.0
−7.5
−10.0
0
5
10
15
20
25
30
35
40
T X+-1 (days)

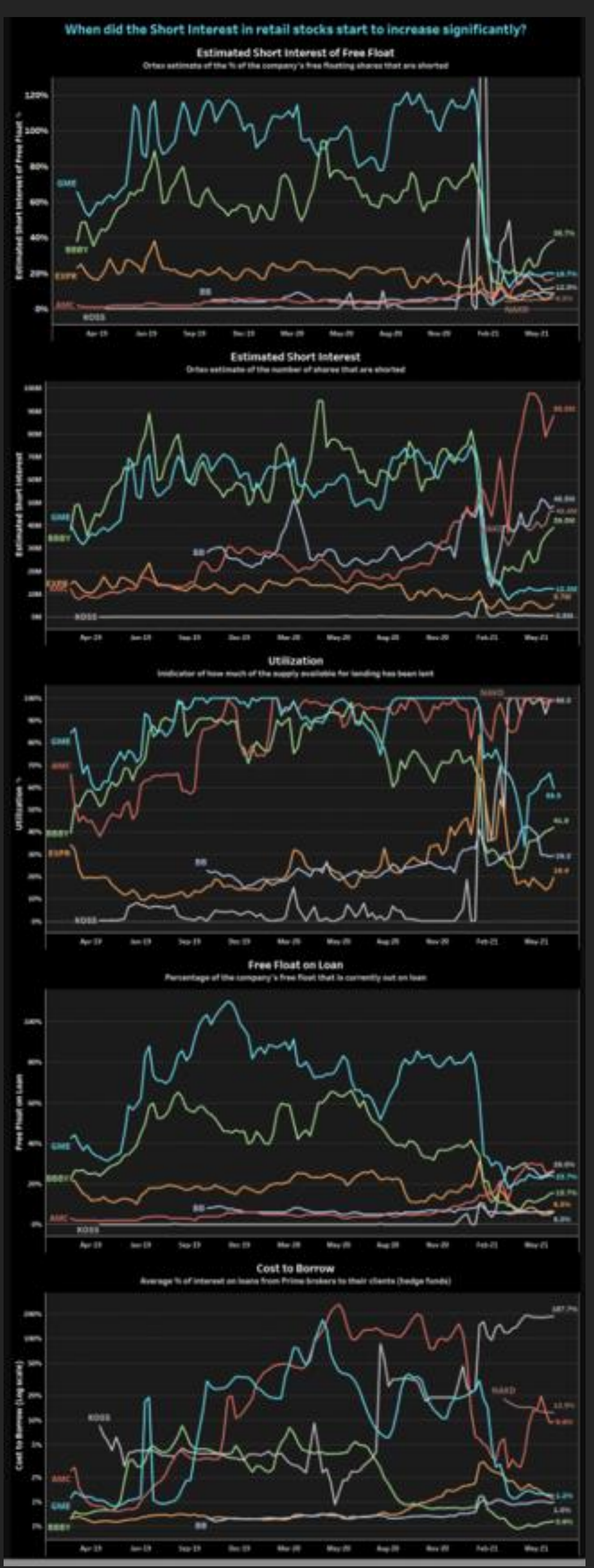


Mean relative change open to open prev. day
in X+-1 Days after green day: MSFT
Mean relative change: open to open (%)
10.0
7.5
5.0
2.5
0.0
−2.5
−5.0
−7.5
−10.0
0
5
10
15
20
25
30
35
40
T X+-1 (days)



(User wished to remain anonymous for this)

The above charts show GME's FTD cycle increases after a certain number of days. I put TSLA and MSFT in there so that you could see how abnormal GME is. Even compared to a volatile stock like TSLA, GME has a way more recognizable pattern, which gives us further statistical evidence of the FTD cycle. Also, note that there were many other users in different posts on this sub who found the FTD cycle statistically significant, this is another view to add to the body of work. Below shows the short interest of the meme stocks in relation to each other, so you can see when they started and how they've increased together:



When did the Short Interest in retail stocks start to increase significantly?
Estimated Short Interest of Free Float
GME
BBBY
EXPR
AMC
BB
KOSS
Estimated Short Interest
Utilization
Free Float on Loan
Cost to Borrow

(credit to u/orangecatmasterrace)

Keep the above chart in mind while reading below.

The takeaway:

We are in an EXTREMELY easy lending environment. Rates are dirt cheap. The FED is buying up assets, which is pushing up the prices of literally all assets. The market is flush with liquid assets, so much so that the FED was trying to slow it down. This makes the perfect storm for a short-friendly environment. We were also in the longest and biggest bull market run of all time in 2010's, so it would make sense for it to come to an end soon - that's where shorts really make a killing.

What I think happened is that we saw the longest bull market of all time in the 2010 decade. HFs realized that this bull market was propped up on the FED's massive balance sheet and that there would need to be more economic tightening soon and/or a correction. Anticipating an end to the bull market, they initiated a giant short campaign in 2019 with the aforementioned meme stocks and probably tons of others (the meme stocks are just the ones that retail investors took interest in). Once Covid hit, their campaign was successful, but they wanted more. They wanted to hit the bankruptcy jackpot, so they turned it up with the naked shorts, which is why the data doesn't show that, in an attempt to put brick and mortars out of business.

Instead, the FED accelerated its easy money policies and the economy had one of the quickest recoveries of all time. This is why I think we started seeing the FTD cycle in late 2020 - it was a result of their failed mega short during covid. This alone would've made them lose money but they've run into roadblocks like this before so it's not what caused the squeeze and mania. What caused that was the fact that apes literally buy and hold but never sell. This essentially created a giant wall that wouldn't allow the HFs to short down out of their positions and got them into this mess. Then some retail investors caught wind of it and bought into some of their most shorted stocks, which is why we saw what happened in January. They are still in that hole because the brokers' pausing of buying didn't solve the problem, it just delayed it. That's why we see the FTD cycle exponentially increasing. This economic environment has been brewing for this for a long time, and it would have continued if not for reddit (mainly DFV). I mean how crazy is it that GME's SI was over 100% for so long and no one noticed?

I am convinced that this would not have been able to continue to happen if apes didn't hold. That's why this was all able to happen. It's because there has never been a phenomena in the market where a significant portion of investors in a stock will hold it no matter what the market conditions are. So when shorts started aggressively shorting and things turned south because of the FED's recovery policies, retail's refusal to sell just added insult to injury and is why we are in this position now.

(Please note that the above data I only actually displayed a fraction of the quant apes' data. They gave me an amazing amount. I used some of it to inform my/guide myself and displayed charts that went well with my DD, so believe their work is even more in-depth than this post portrays)

Part 3: DD Drop

Alright apes, the above was a mouthful, but wow aren't our quant apes amazing! Now that you've read all of that, I am going to do another one of my DD drops on some random theories, updates, etc.

Everyone remember what happened with Archegos? That was a real funny one wasn’t it? Bill Hwang plead guilty to insider trading, so he had to operate a family office. The man lost $20 billion in the span of 2 days, now that’s a level of yolo retardation we should all strive for. One of the companies that Hwang invested in was Discovery, here’s it’s chart:

See that purple line? I bet you probably think that’s VWAP or a SMA line, right? NOPE. That’s VIAC (Viacom CBS), one of the other companies he bet big on. Hwang used an instrument called total return swaps, which basically allow you to “swap” the delta of one baseline security for another. Here’s an example: a total return swap of Apple and SPY. You get the returns of APPL. If AAPL outperforms SPY, you make money, but if not, you owe them money. That was all a huge oversimplification but essentially, it allows you to have exposure to a company without owning it (derivative). That above chart was just a 1 year chart, but essentially, Hwang applied so much leverage to these companies through these swaps that they were trading at double their fair market price.

This hypothesis is backed by no data whatsoever and is really just a thought experiment. Based on the fact that meme stocks correlate (as shown above), what if HFs are using some type of swap on them? It would make sense given the extremely low interest rates. It would make even more sense given the negative beta of GME (i.e. SPY would be the reference security). Perhaps they use total return swaps or another instrument to cover or to add more pressure? Idk. Just a thought.

Another hypothesis: could this all be the work of an algo? I mean, there's no more observing the similarities, we now know they are statistically significant and related. IMO, it's impossible for human traders to create this pattern – it’s just too precise and based on too much volume, so the options are either they shorted all of these at the exact same time and are being forced to cover at the exact same time (FTD cycle), an algo is doing that for them, or some algo is orchestrating all of this. I find that unlikely because of the difficulty and obvious market manipulation charge they'd get but we have to consider it! Again, just another thought, not much else to it.

The Midday Spikes: An Answer

Apes, we might have an answer to the midday volume spike phenomena. If you don’t know what I’m talking about, see my other post. My hypothesis was that these midday spikes were HFs covering to satisfy some kind of requirement or to avoid some kind of FTD cycle. I had no evidence for the cause, I just had tons of observations for the occurrence. Let tell you though, if there’s one thing I know, it’s that it’s not retail. Whatever is behind the midday spikes is a single entity. It is impossible for a bunch of unorganized people to consistently buy a stock in the same minute interval in mass. That is a single entity doing that and I think whoever it is is our enemy. A beautiful ape by the name

of u/KFC_justturned me on to the idea that it may be to comply with net negative rules. I scoured the interwebs and found this on NASDAQ:

Section 8. Financial Requirements for Market Makers

(a) Each Market Maker shall maintain (i) net liquidating equity in its Market Maker account of not less than $200,000, and in conformity with such guidelines as the Board may establish from time to time, and (ii) net capital sufficient to comply with the requirements of Exchange Act Rule 15c3-1. Each Market Maker which is a Clearing Participant shall also maintain net capital sufficient to comply with the requirements of the Clearing Corporation. This equity requirement, as well as all other provisions of the section (including capital maintenance requirements), applies to each Market Maker account, without regard to the number of Market Maker accounts per firm. The term "net liquidating equity" means the sum of positive cash balances and long securities positions less negative cash balances and short securities positions.

Notice that it also talks about clearing corporation requirements, which adds another elements into the mix. Though I can’t find any information about exact requirements in terms of liquidity/numbers, I think that this is pretty definitive proof of the reasons for the midday spikes. Essentially, it seems as though these midday spikes are some fund covering in order to "maintain net capital sufficient to comply with the requirements of the Clearing Corporation." Also, the final sentence explains why they need to cover (i.e. to remain positive).

Earnings and 6/9

A lot of you are probably extremely excited for earnings and the annual meeting on 6/9. I am too. However, I wanted to make this to tell you to not get your hopes up too much and to not be surprised if it doesn’t go our way. What I will say is, I am confident that we will see a dildo candle one way or another. For earnings, remember that last quarter the earnings were not even bad and the stock had a GIANT red dildo candle. Unless earnings are absolutely spectacular, I could see HFs using it as a way to put negative momentum on the stock (remember, it's all about the narrative). Now, earnings could be spectacular. GME has gotten so much more attention this past quarter and I know that apes have been feverishly shopping there, so we do have hope.

As far as the annual meeting I have absolutely no clue what to expect. However, like earnings, I expect another dildo one way or another. If you remember last earnings, we all thought that the guidance/conference call is what would put us over the edge. Instead, it was barebones minimum, and we succumbed to the HFs earnings downward momentum. I expect this to be different. An annual meeting is different from an earnings call and definitely warrants more speaking, more guidance, and more detail. If GME was going to announce some blockbuster move, it would be during this because, assuming they know about the massive short interest, that gives them plausible deniability against market manipulation charges. Some important topics we could hear about are: Ryan Cohen speaking in general, a new CEO, crypto/NFT, acquisitions, digital transformation / direction, and, most importantly, the voting results. Is there a guarantee that these things will be discussed? No. Do I expect many of them to be discussed? Yes. Similar to earnings, we could get great news and see a giant red dildo candle. Remember, expect anything. If we get more shorting on positive news, it just keeps proving we are right.

As for my thoughts on when we moon, I personally don’t think we’ll moon here almost no matter what. I think that it will be overall good and that we will see a very significant jump, but instead of that being the MOASS, I think it will be what starts the MOASS. The only thing we’ve been able to predict has been FTD cycles so far. The MOASS will come when a HF gets margin called and we just can’t predict the exact time for that. So, I believe that if we see a big jump next week, the MOASS should be coming in the near future but will nevertheless be unpredictable.

Clarification of my statements about retail buying

In one of my past posts, I said something along the lines of "retail is tapped out." Thankfully, another user made a post disagreeing with that and it got tons of replies of apes saying things like "I have tripled my position in the past month." If you haven't seen that post, I'd look at it, the responses are amazing. With that in mind, I wanted to clarify what I said about that. What I meant in that post is that retail is not responsible for the mass, synchronized buying that we've seen in the past week or so, I think that is HFs being forced to cover. Retail, instead, has been holding like champs and steadily buying. IMO it's pretty hard to believe that retail just randomly decided to buy every stock that squeezed in January at the same time. Instead, I think it's something much bigger but apes' ability to hold is why it's able to happen. However, I do think that once we start squeezing again, it will bring in a new wave of retail that formerly wasn't in just like January, so we still do have gas in the tank (or ions in the battery if you drive electric).

Big Thanks to the Quant Apes

I can't tell you how seriously amazing the quant apes are. They deserve all of the credit in the entire world and they are one of the most valuable parts of this sub.

Here is a list of some of the quants who helped with this post (this is not exhaustive as some wanted to remain anonymous)

u/orangecatmasterrace
u/spambot9k
u/rubberbootsinmotion
u/Ivorypetal
u/creativelord
u/collegeneral
u/xpurplexamyx
u/jyzaya
u/epk-lys
u/head4headsup
u/squirrel_of_fortune (he made a great DD as well and I would encourage you to check that out to see another perspective with a very interesting, advanced method)
u/sudoshu (Special thanks to him as he was the organizer of the group. If you are a quant ape, he said to message him if you are interested in being in the group, but serious inquiries only).

Mods: many of these users do not have the karma requirements to comment on posts. If you could somehow waive that requirement for the listed users, I think it would really benefit the sub because the amount of knowledge that these apes possess is amazing. They put so much time into this and gathered so much data (I literally couldn't even show close to all of it) and I believe that they will be integral to the continued success of this sub.

Finally, the quant apes have created a website: https://www.superstonkquant.org/

They are still currently working on the mechanics of it but I encourage you to monitor it in the future because I have witnessed first hand what they are capable of and it is nothing short of amazing.

Conclusion

Alright apes, that was very long but I appreciate you for reading. This sub keeps doing a great job of pumping out DD and I think we will be rewarded for it in the very near future. I am going to take a break

from making DDs because it is really time consuming and can be extremely tiring, but I will still be looking at this sub, commenting, and possibly making short posts. As always,
Stay strong, apes.
************ I am not a financial advisor, this is not financial advice ************

Back to Table of Contents

The naked shorting scam in numbers: AI detection of 140M hidden FTDs, up to 400M naked shorts in married puts and massive dark pool activity by Shitadel and the shorts

DD 👨‍🔬
Edit: I made a new post describing how I trained the binary classifier (AI) used in this post.
This could be it. This could be the whole scam.
TLDR: HODL. Simple as that. HODL and the shorts have no way to escape. They just writhe around in desperation as FTDs escalate, their options expire and New DTCC rulings approach. To support this belief I:

- Built an AI to detect Deep ITM calls used to create naked shares. ***140M naked shares*** produced this way since Jan. Deep ITM call covering appears to be their *last resort of illegal desperation*. It's so easy to spot.
- Investigated married put naked shorting. At the Jan mini-squeeze put open interest went wild and aligns with *the creation of millions of naked shares with married put trades*. Put volumes appear to be sustained at higher levels to keep rolling over FTDs. ***Up to 400M naked shares created in total***.
- Looked through all 13F filings for funds with large GME positions (long/short). We have a clear idea of who is on which side of this battle and what a true idiot short position looks like (hint: Melvin).
- Gathered all Dark Pool trading data from FINRA and show massive changes in trade behaviour since Jan. Huge increases in shares traded, but each trade is of few shares. And the key players? Known short funds. Supportive evidence for *naked short trades and suppression of retail buy pressure*.

I encourage you to read the post and take a look at the data so you can understand it for yourself. Correct me if I'm wrong somewhere. My suggestions? HODL with patience. Take a break from ticker watching. Take a walk outside. The shorts cannot escape 🚀🚀🚀🚀🚀

Note: this is not financial advice. I am not a cat. I read gathered some data, made some figures and tried to understand them. Any number of my interpretations could be flawed and wrong. Do your own research, make your own mind up.

Introduction

In this post I build an AI to detect suspicious Deep ITM Calls volumes used to hide FTDs. Take a look at historical options data to show recent fuckery in the options consistent with naked shorting tricks. And then compare these trends with Dark Pool trading volumes by known short funds.

The post will be broken down into the following sections:

1. An AI to detect Deep ITM calls used to hide FTDs
2. A recap of the major short funds and their recent positions
3. A recap of naked short selling and the married put
4. Options fuckery consistent with naked shorting and the married put
5. Dark Pool matters
6. Conclusions

The motivation for the work was to try and test a number of predictions I made in my first post on the naked shorting scam and the married put trade.

These are the main ideas I wanted to test or at least find additional data to support or disprove them:

- short interest is manipulated through naked shorting
- the vast majority of options (both puts and calls) might be due to naked short selling
- short shares are 'washed' and able to be dumped on the market even during SSR
- the large number of way out of the money calls seen recently are actually part of a naked short trick
- increased trades in OTC / Dark Pools are due to naked shorting and price manipulation

I've gathered a lot of data to better understand these questions. I believe that some of the data is now conclusive. Other areas more supportive. But the big message is that shorts have no way out and never had a chance to cover 🚀🚀🚀🚀🚀🚀🚀🚀🚀🚀

An AI to detect Deep ITM calls used to hide FTDs

When a share is sold without being owned or borrowed (located) it is sold naked, a "naked short". This can happen as part of normal market activity by market makers and I've described this process and how it can be abused in a previous post. When this occurs the SEC has clear guidelines on how long the seller has to find a share and deliver it to the buyer. If a share is not located in time it must be reported as a Fail to Deliver (FTD). Funds that have FTDs outstanding are required to resolve the position within a given timeframe and are restricted from selling short until then. I won't go into all the details on this but point you towards the God Tier DD that covers this.

One way that a naked short seller can 'resolve' their FTDs without actually covering is through options fuckery. Deep in-the-money (ITM) calls can be bought and exercised immediately to acquire the shares and close the FTDs. The SEC published a paper on this ILLEAGAL practice.

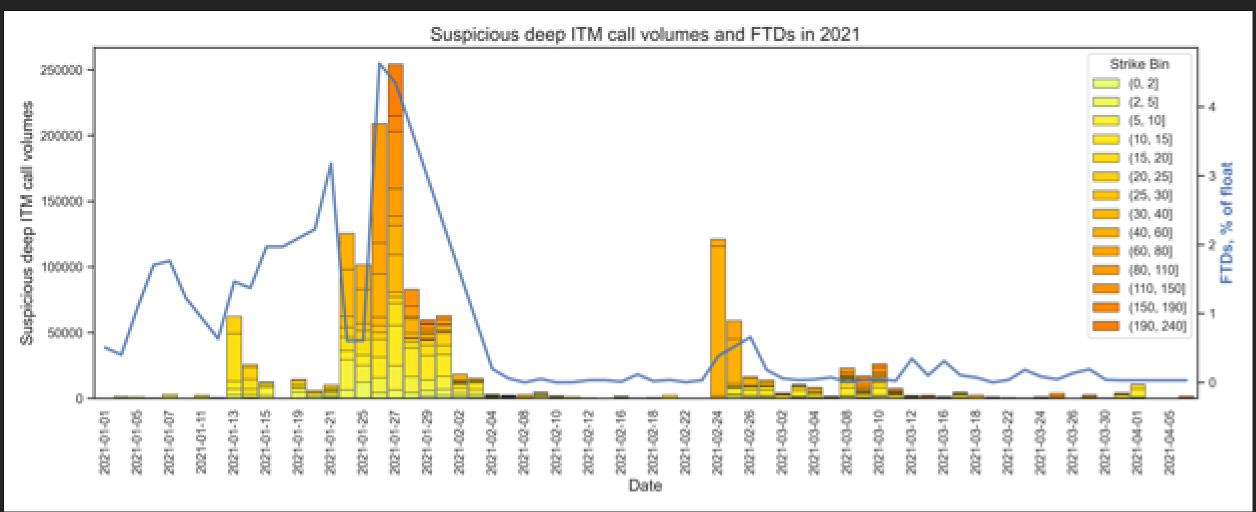
Other great DD has been posted showing when Deep ITM volumes have been used to cover FTDs.

I wanted to train a machine learning algorithm (often called an AI) that could automatically identify this illegal fuckery and point us towards what exactly has been going on with GME this last year and

particularly since Jan 2021. I won't go into the full details here. I've made a separate post describing all the details of the classifier.

- End of day options data for all strike prices between Jan 1st 2020 and April 6th 2021 was collected
- I manually labelled more than 10,000 rows of data from mid-Jan to mid-Feb for suspicious volumes likely due to FTD hiding
- Labelled data was used to train different classifiers (AIs) reserving 30% of the data for testing
- The best classifier (BalancedBagging-Adaboost) has an accuracy score of 91%
- I used the model to identify all Deep ITM call options fuckery in the last year

THE AI FOUND EVIDENCE FOR MORE THEN 140 MILLION FTDs BEING HIDDEN SINCE JANUARY!!!

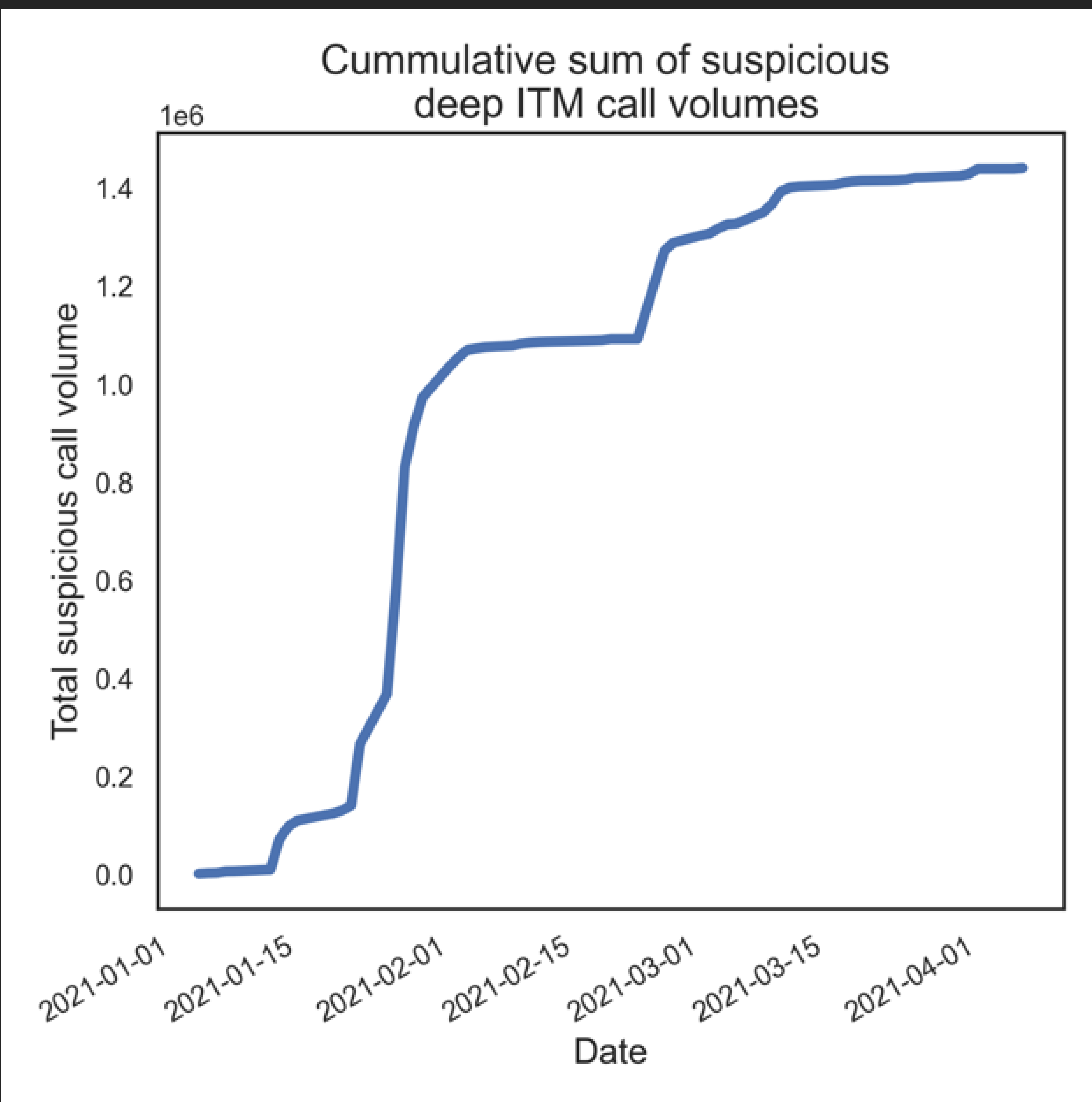


AI detection of option volumes used to hide FTDs and FTD values since January.

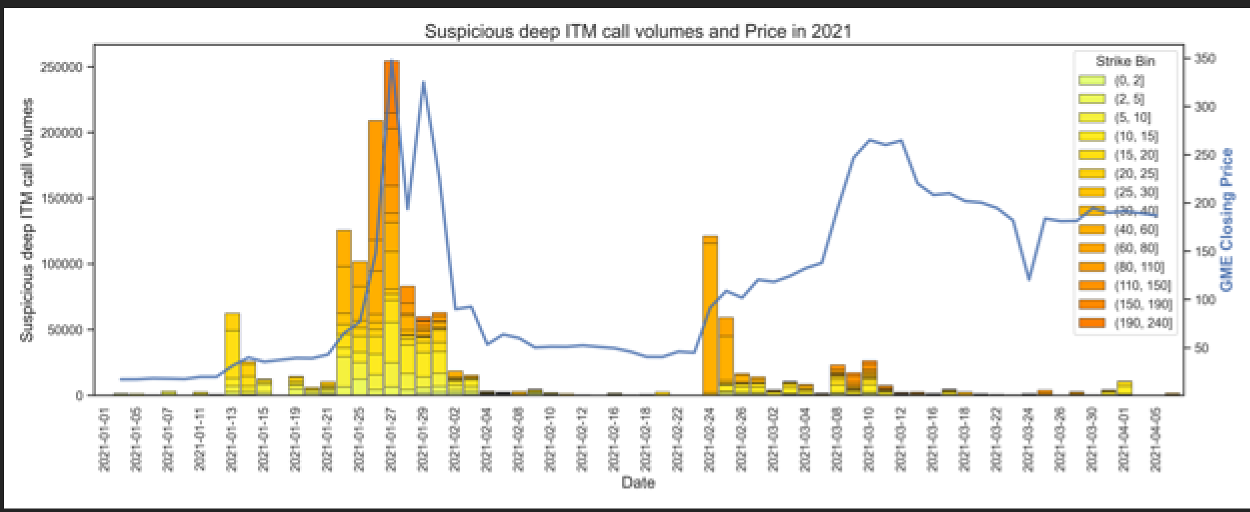
The above figure shows all the suspicious Deep ITM call volumes since January as coloured bars. The colour scheme shows the different strike prices that were used for the trade. FTDs as % of float are drawn on top in the blue line.

As FTDs were spiking and the situation became more and more unsustainable for the shorts towards the end of Jan ILLEAGAL Deep ITM options purchasing was used to naked short and cover FTDs. Smaller increases in Deep ITM volumes also occurred just before FTD spikes at the end of Feb and mid-Feb.

On Jan 27th 25 MILLION shares were magically acquired using this trick. 140 MILLION in total since Jan 1st.

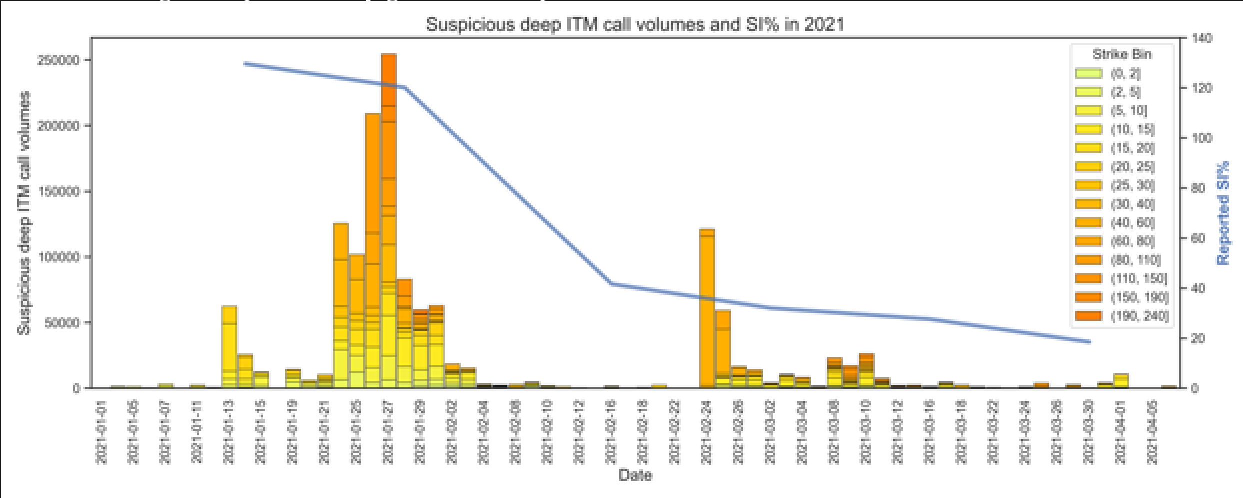


Running total of suspicious call volumes since Jan 1st. 140 million as of April 6th.



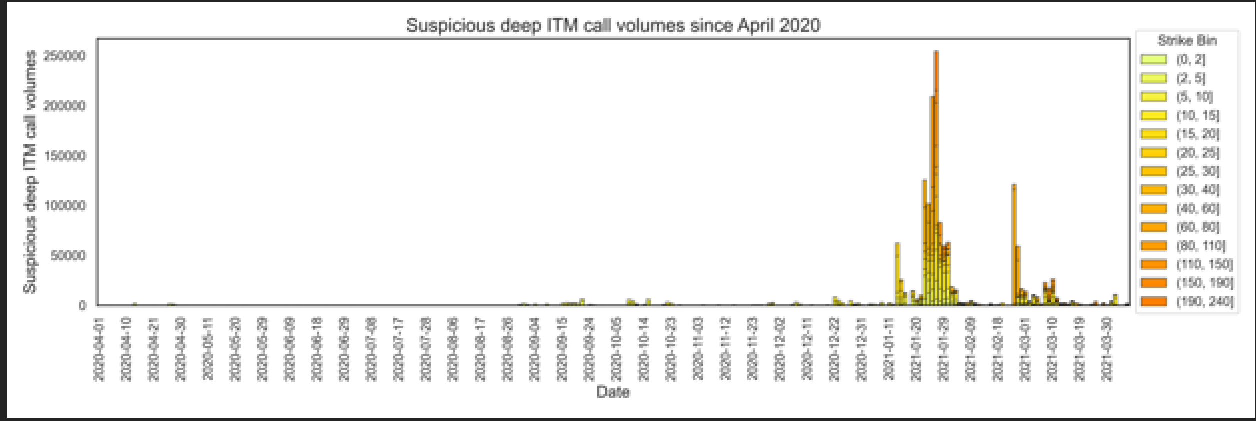
AI detection of option volumes used to hide FTDs and GME price since January.

Here we see that suspicious Deep ITM call volumes often precede big price increases. This suggests that this illegal trick is used as a last resort. It's so easy to see even by eye when looking at the options chains. When shorts get desperate they go to the deep calls.



AI detection of option volumes used to hide FTDs and Short Interest (SI%) since January.

We see that Short Interest (SI%) decreased massively after all of the suspicious call option activity in late Jan. As well as getting the FTDs under control the suspicious Deep ITM call volumes might have been used to close legitimately borrowed shares to hide the true SI%.
With all the hype and attention the shorts knew they were completely fucked if they couldn't get everyone to believe it was over. But as we've seen after the lows of Feb this ride is far from over.

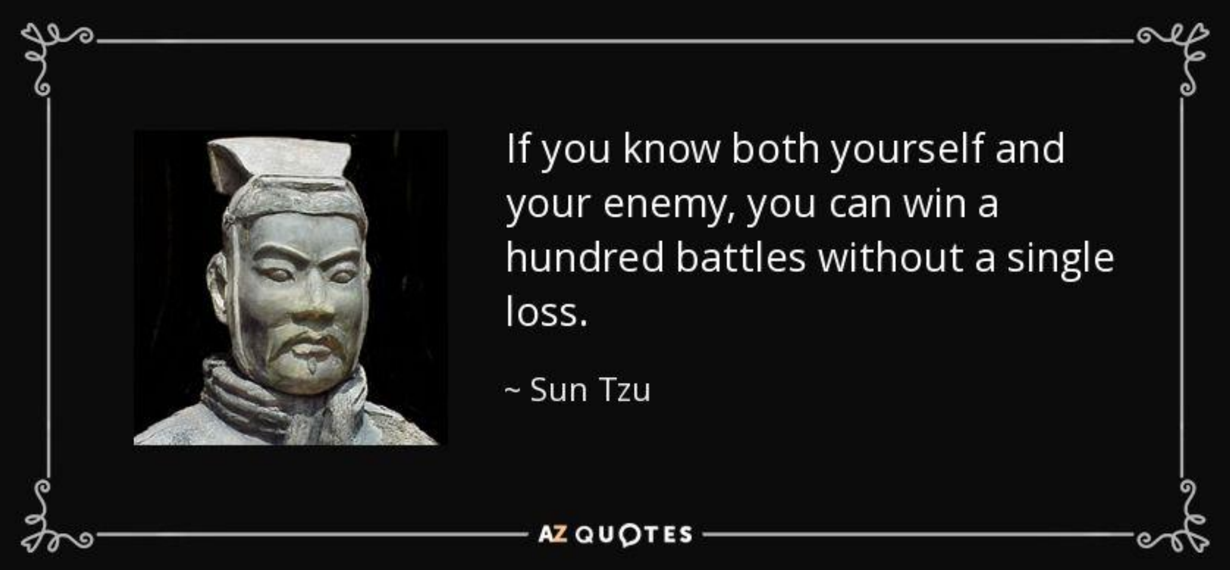


AI detection of option volumes used to hide FTDs and Short Interest (SI%) since April 2020.

Finally, if we look back over the past year very few suspicious Deep ITM call volumes were occurring. This changed in January 2021 as the FTDs started to get out of control and a huge amount of hype followed the price rises. This again makes me believe that the suspicious Deep ITM call volumes are a sign of desperation from the shorts.

Speculation alert: Deep ITM calls are bought in times of desperation by the shorts when FTDs, price and/or SI% are getting out of control. At the end of Jan more than 100 million naked short shares were created this way to hide FTDs, hammer down price and hide SI%. Through Feb and up until April another 40 million naked short shares were created this way when the shorts began to lose control of their hidden positions.

A recap of the major short funds and their recent positions



Regulation SHO stocks with large, unsettled trades often exhibit a similar characteristic: *“short selling” hedge funds with significant put holdings in 13F filings*.

MARRIED PUTS, REVERSE CONVERSIONS AND ABUSE OF THE OPTIONS MARKET MAKER EXCEPTION ON THE CHICAGO STOCK EXCHANGE

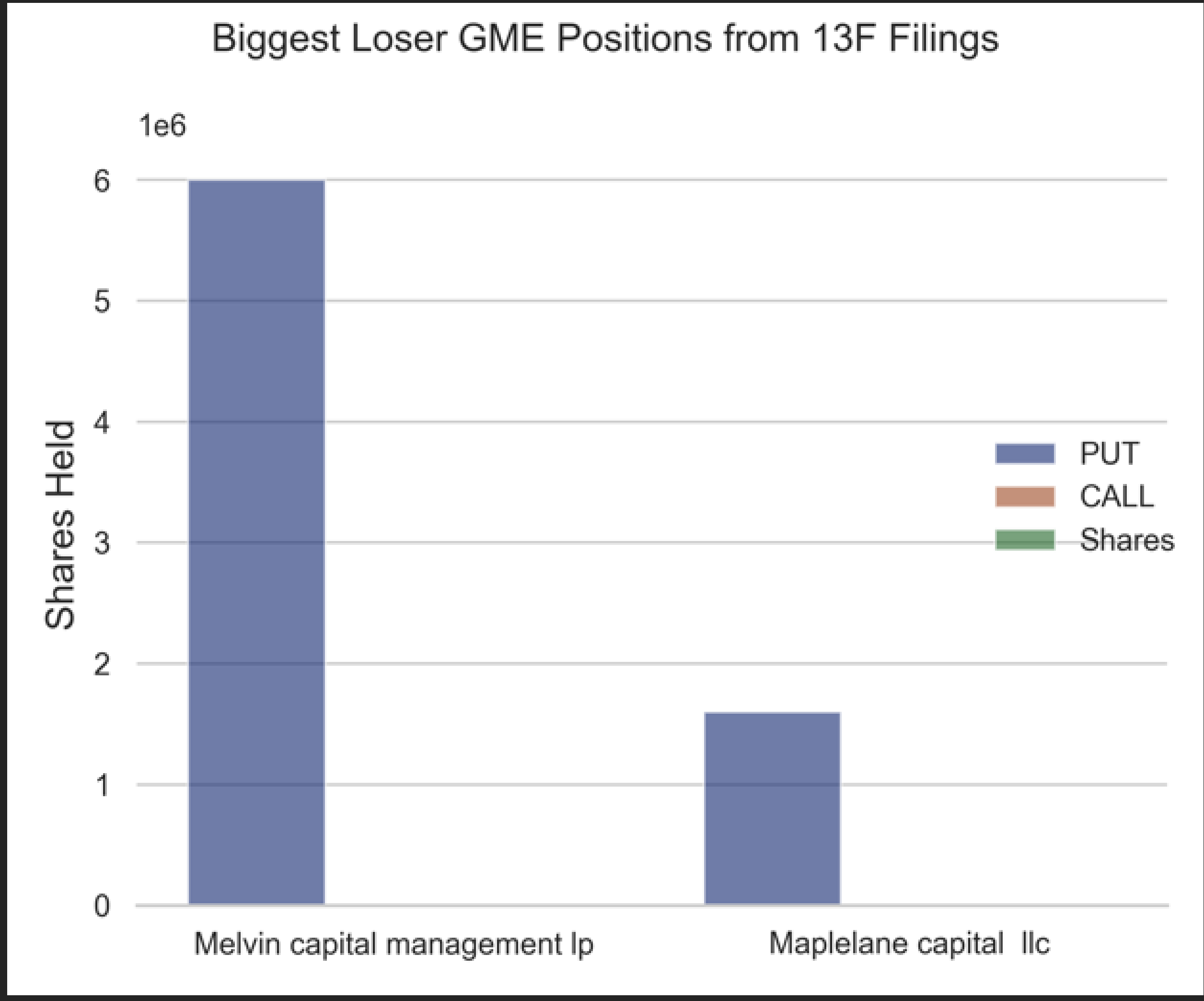
John W Welborn, EconomistThe Haverford Group October 9, 2007

In my earlier post The naked shorting scam revealed one thing that struck me was coming across the above quote. So I've gone though all the latest 13F filings that contain GME on whalewisdom.com to get a clearer picture of the enemy. Note: the last 13F filings were made on December 31st 2020.

First a reminder of the known biggest GME shorting losers:

- Melvin Capital suffered a 49% loss in the 1st-quarter
- Hedge Fund Maplelane lost 45% on Gamestop

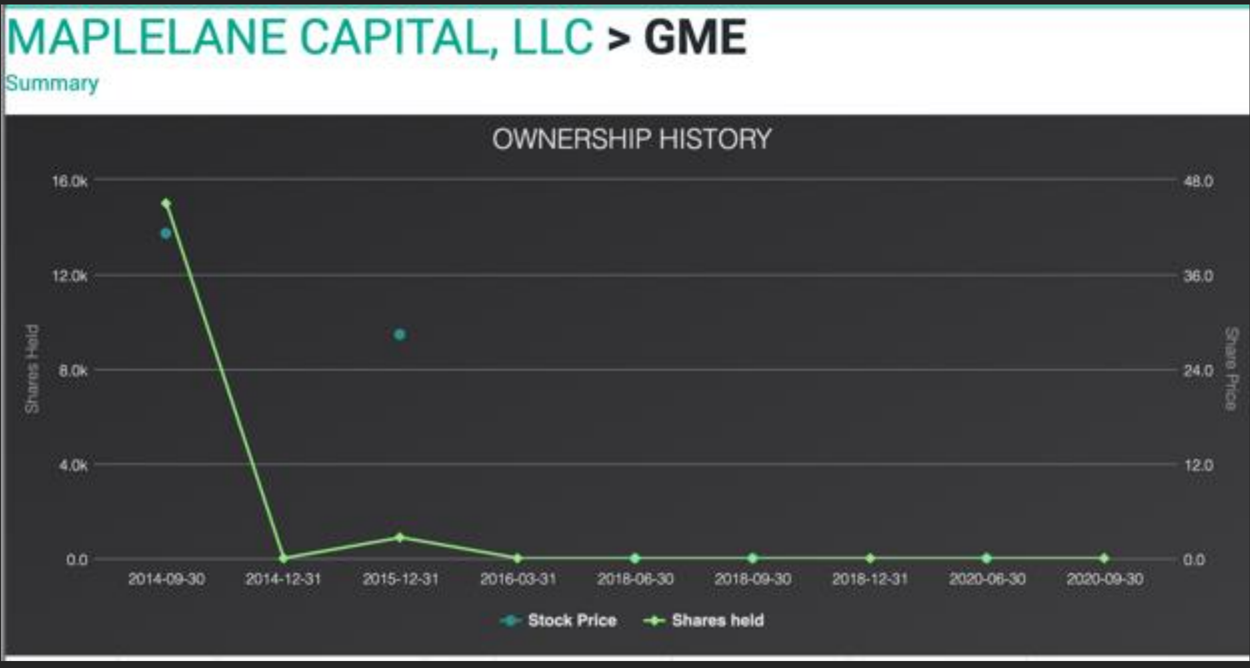
So what does a massive short GME position look like in 13F filings?



GME positions from 13F filings for the biggest known losers in GME shorting

That's a lot of puts without any GME shares or calls! *Melvin had 6 million shares in puts* and *Maplelane close to 2 million*. Depending on where you look on whalewisdom Maplelane either has no calls or about 500k shares in calls but never any real shares. For now let's assume Maplelane is all in on puts.

Melvin hasn't held any GME shares since 2015.

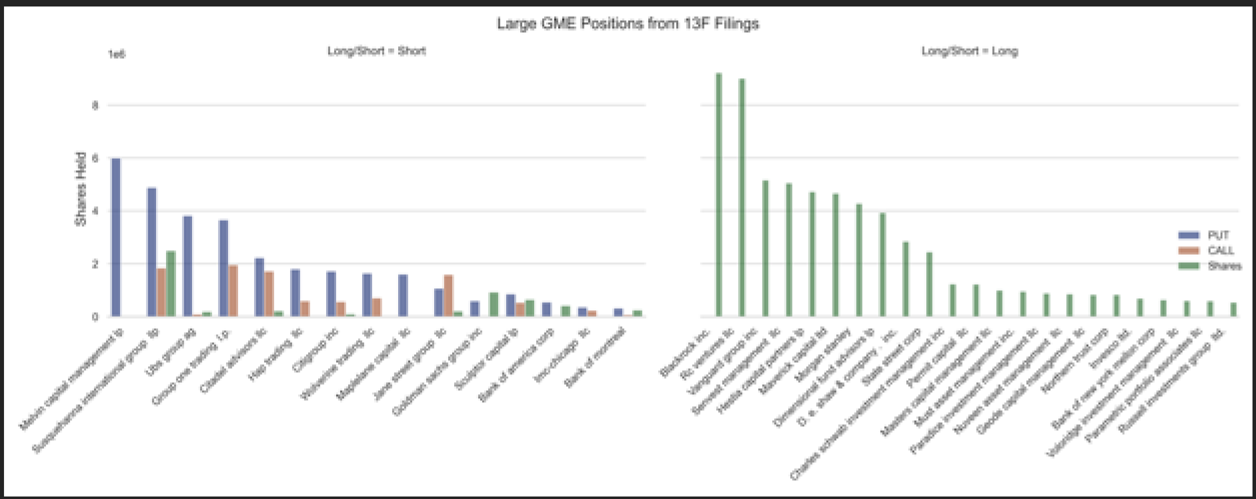


Maplelane hasn't held any GME shares since 2014.

So big short losers have:

- No shares in GME
- Large put positions in 13F filings (either exclusively puts or the majority of their position)

What do other funds report for their GME positions?



All funds with at least 300k in either shares, calls or puts. Short positions are on the left and long positions on the right chart.

Here we see many of the known offenders. A bunch of short funds with majority puts and sometimes a smaller number of call options. Melvin takes the biggest idiot prize with 6 million shares in puts and nothing else. Here are the main offenders based on their end of 2020 filings:

- Melvin capital management lp
- Susquehanna international group llp
- Ubs group ag
- Group one trading l.p.
- Citadel advisors llc
- Hap trading llc
- Citigroup inc
- Wolverine trading llc
- Maplelane capital llc
- Jane street group llc

Some of these market participants operate market making and hedge fund activities. It is difficult to completely separate normal versus abusive practices. That being said these are the likely candidates and a good place for future DD digging.

Wolverine trading llc had an almost identical position to *Maplelane capital llc* who reported massive losses. *Ubs group ag* is an interesting one with almost 4 million shares in puts and nothing else. Is UBS a final boss?? *Hap trading llc* & *Citigroup inc* each had almost 2 million shares in puts and not much else. *Group one trading l.p.*, *Shitadel advisors llc*, *Susquehanna international group llp* & *Jane street group llc*feature prominently too.

Let me remind you of the earlier quote:

Regulation SHO stocks with large, unsettled trades often exhibit a similar characteristic: “short selling” hedge funds with significant put holdings in 13F filings.

Many of these funds exhibit this characteristic and around the end of December and early Jan SI% and FTDs were through the roof. This looks like fuckery.

Next 13F filing updates should arrive by May 17th. This will be big.

Speculation alert: Any fund holding predominantly or exclusively a put position is short and likely engaged in illegal married-put naked shorting. The biggest know idiots Melvin and Maplelane have positions that look similar to other large funds (Wolverine, UBS etc.) suggesting we may have a clearer idea of who is up against us. And facing bankruptcy.

A recap of naked short selling and the married put

The reason that large put positions in 13F filings is suspicious is because those puts are likely to be the by-product of naked shorting. For a detailed description of how options trading can be used to sell naked shares you can take a look at this post and the follow-up post. Here is a brief description:

Being a 'bone-fide' market maker grants you special privileges. One big privilege is to sell shares without needing to fulfil the 'locate' requirement. In other words, 'bone-fide' market makers are allowed to naked short sell, but they must find the shares after a certain amount of time.

What is a 'bone-fide' market maker? No one really know. The SEC did a shitty job defining it so many brokers can likely pretend they deserve the title.

How can the 'bone-fide' market maker privileges be abused? Well...

If a hedge-fund wants to short sell but no shares are available to borrow, or they're too expensive, the hedge-fund can go to their 'bone-fide' market maker friend and follow this simple *'married put'*recipe:

1 Buy puts from the market maker covering the number of desired shares.

2 Buy shares from the market maker at the same time. The 'bone-fide' market maker can sell the shares naked as he remains net neutral on the trade.

3 Make the 'bone-fide' market maker happy by paying a tasty premium for the puts.

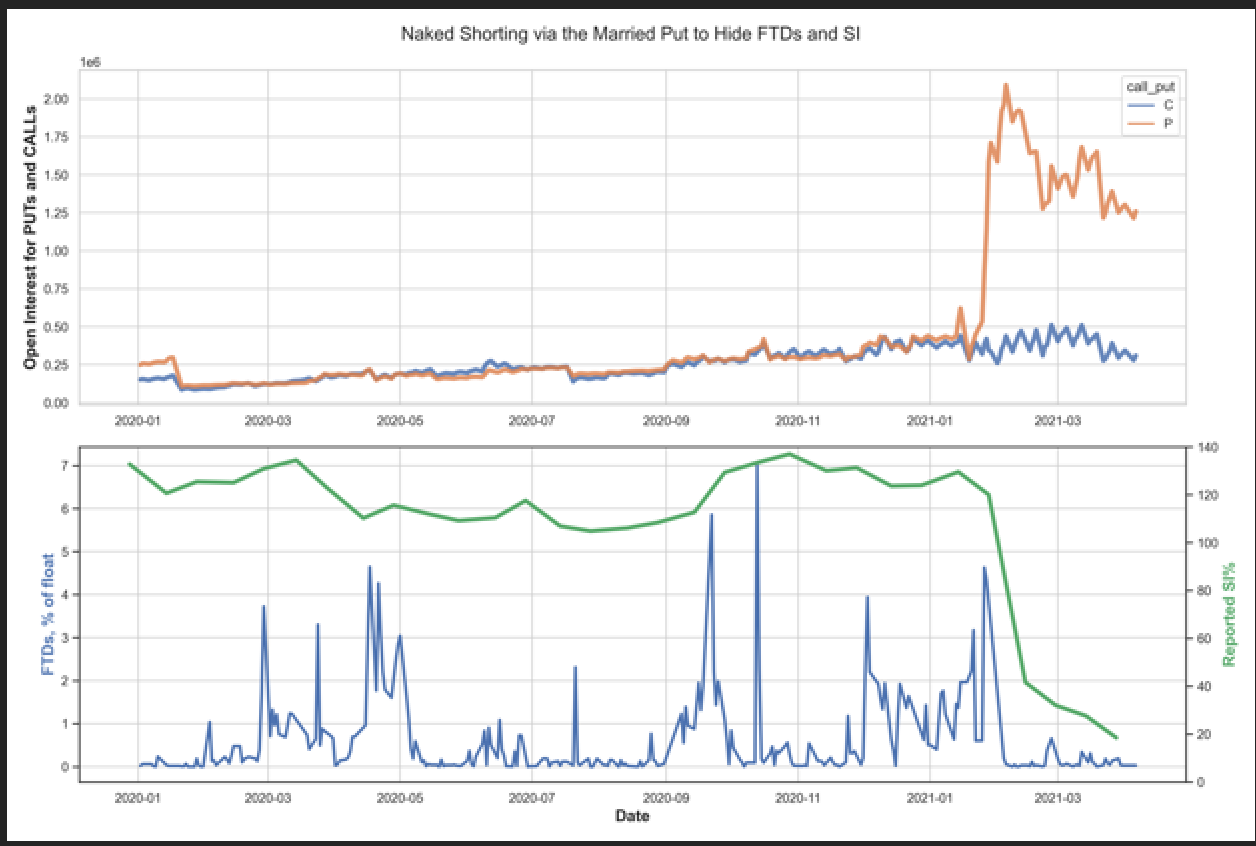
4 Dump the bought shares on the market to suppress prices and remain net short on the puts!

For an extra spicy recipe that is harder to detect add the following step before step 4:

3b Sell way way out of the money call options equal to the bought shares that you never expect to be worth anything (800c calls anyone?) to the 'bone-fide' market maker for a small premium. The trade now looks like an innocent reverse conversion.

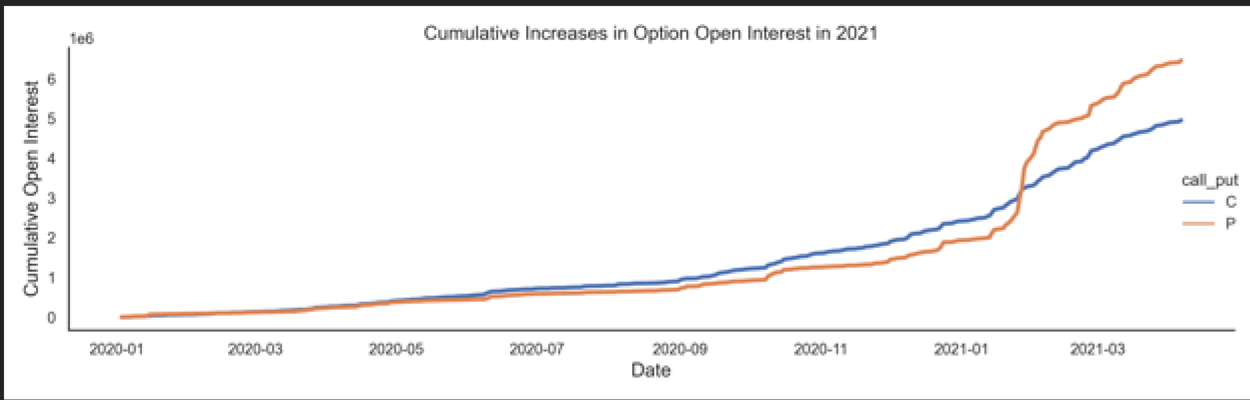
Options fuckery consistent with naked shorting and the married put

So, if massive naked short selling via the married put trade has been used to cover up FTDs and SI% since Jan we should see some anomalies in the options chain. Let's take a look.



Total open interest for puts & calls as well as FTDs & SI% since Jan 2020.

HOLY FUCK THATS A MASSIVE JUMP IN OPEN PUT INTEREST!! And it's been sustained since the end of Jan. for the last year open interest in puts and calls remained very similar. At the end of Jan put open interest increased by more than 300% and completely disconnected from call interest. Immediately after this change FTDs and SI% dropped massively.



Cumulative open interest for puts & calls since Jan 2020.

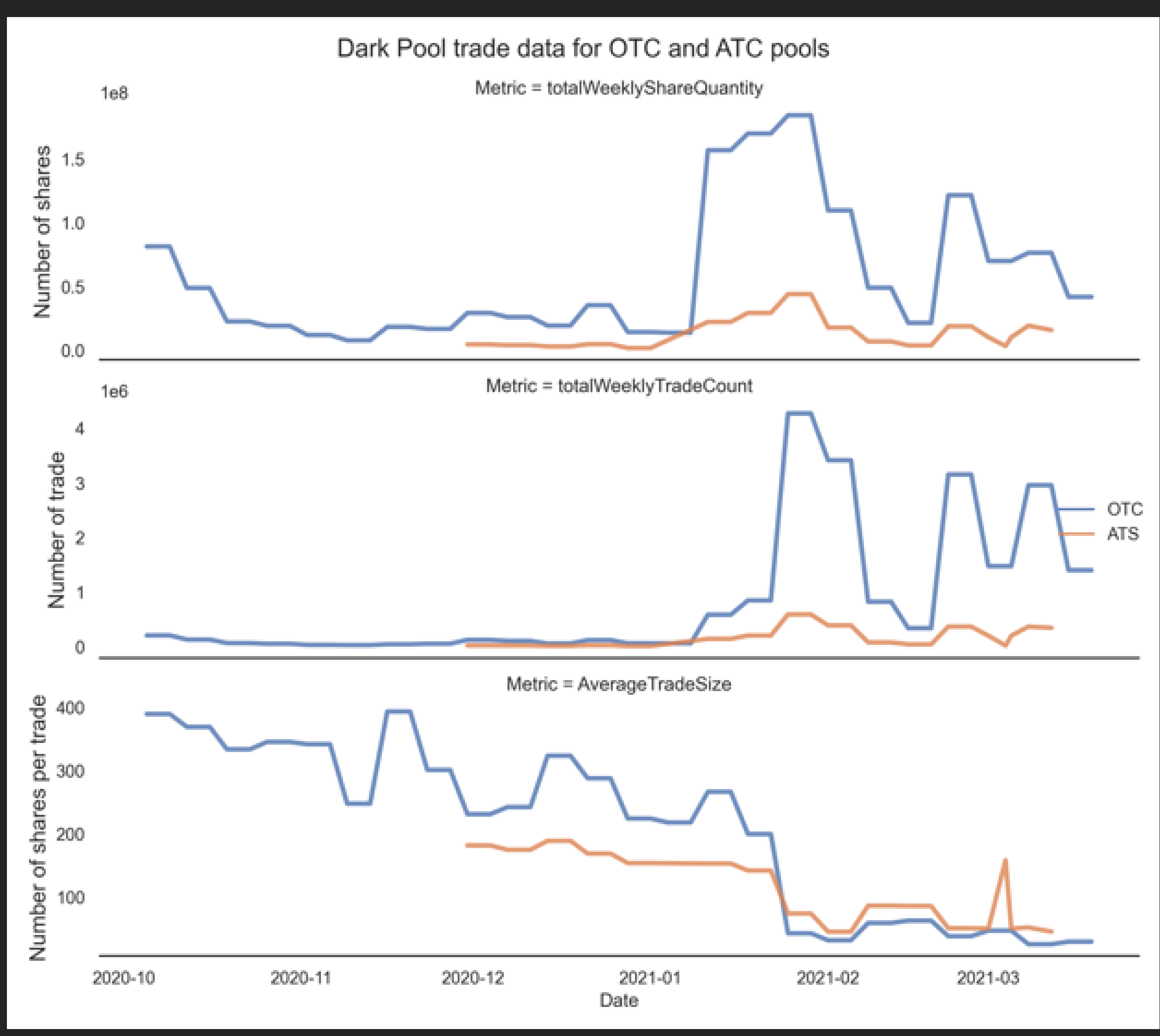
If we look at the cumulative open interest over time we see the number of newly opened put contracts has remained steady throughout Feb and into early April. The rate at which these contracts are being bought is far greater than anything seen in 2020.

Speculation alert: The huge jump in open put interest could've provided up to 150 MILLION naked short shares to fight the January price spike and hide FTDs and SI%. When combined with certain brokers restricting retail buying, media FUD, January paper hands etc. their ploy appeared quite successful. Since pushing the price back to 40$ in Feb the constant and significant opening of new put contracts has been used to roll over the FTDs and do their best to keep their naked asses covered. Since Jan up to 400 MILLION naked short shares could've been used to hide FTDs and manipulate the price.

Dark Pool matters

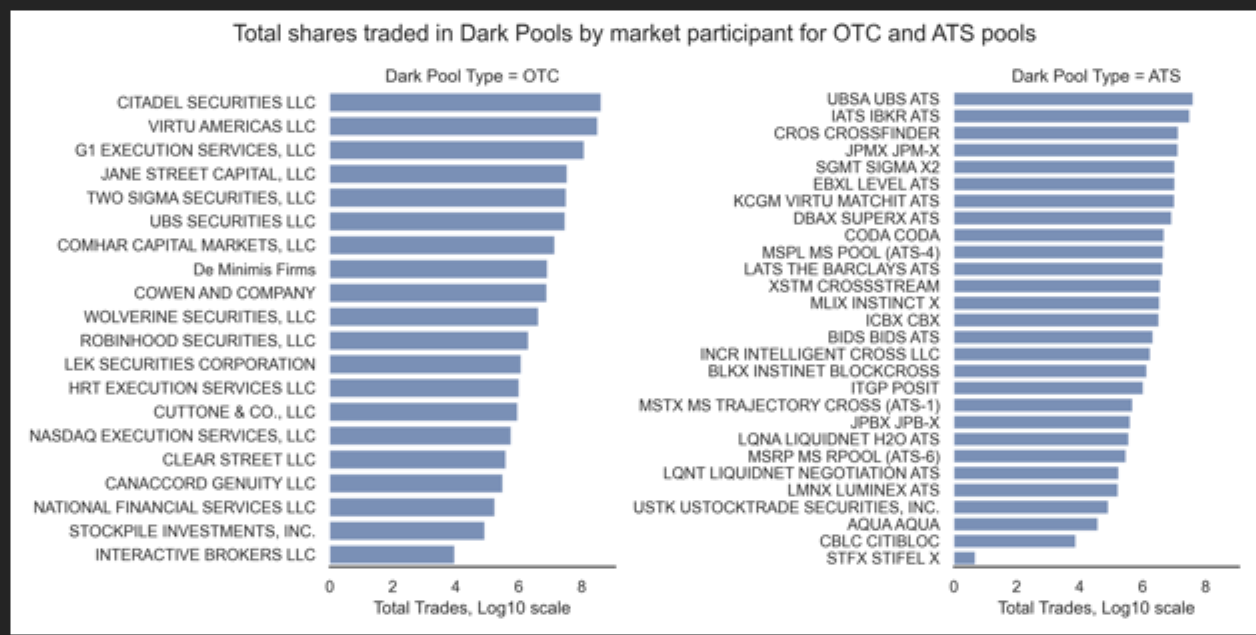
Previously I speculated that Dark Pools could be used to facilitate the naked shorting trades. This hypothesis can be supported with data by looking at the OTC data made available by FINRA.

Getting this data was a pain in the ass but I now have all Dark Pool volume data for GME since Nov 2020. This includes Alternative Trading System (ATS) and Over-the-Counter (OTC) volume data.



Dark Pool trade data for OTC and ATS trade pool.

Dark Pool activity ramped up massively at the start of Jan, particularly in the OTC pool. Towards the end of Jan as prices spiked during the mini-squeeze the total number of trades more than quadrupled and the average trade size dropped to around 50 shares per trade, remaining there ever since.
Re-routing of order flow anyone? Short ladder attacks in small share batches anyone?
If OTC trading was being used to suppress retail buy pressure we'd probably expect to find the worst of all the brokers **Robinhood** involved in the trading pool.



Total shares trades by firm for OTC and ATS pools since Jan. Note: using Log10 scale for comparison. Citadel actually traded 400M shares OTC!!!

Well what a surprise. Citadel trading 400M dark pool shares. Robinhood trading 2 million shares on OTC. The average trade size was ≈1 share which is fucking weird. Interactive Brokers only traded 9559 shares OTC but they made 9559 trades. Exactly 1 share per trade. Fucking weird.
Looking at the OTC market participant names, does anything look familiar? Oh yeah! Some of our market participants with massive puts in 13F filings also love to trade OTC!!

- CITADEL SECURITIES LLC
- JANE STREET CAPITAL, LLC
- UBS SECURITIES LLC
- WOLVERINE SECURITIES, LLC,

And the worst offenders for Robinhood payment for order flow (PFOF):

- CITADEL SECURITIES LLC
- VIRTU AMERICAS LLC
- G1 EXECUTION SERVICES, LLC
- JANE STREET CAPITAL, LLC
- TWO SIGMA SECURITIES, LLC

TWO SIGMA SECURITIES, LLC is an interesting one. As well as benefiting from PFOF they are also a known short. They don't show up in the 13F filings but they were reported to take a big hit from short positions in Gamestop.
COMHAR CAPITAL MARKETS, LLC is a Chicago based firm just minutes away from Citadel. What are they doing trading 14 million GME shares OTC?!? I'm calling bullshit and suggesting this firm can be added to the short fund list.
COWEN AND COMPANY have 100k shares in puts from 13F but didn't show up in the earlier list as I set a minimum of 300k shares to be included. Another short hedge.

LEK SECURITIES CORPORATION don't have any obvious short positions in GME or news reports of losses. However they were slapped by the SEC for large scale market manipulation in the recent past.

Edit 1: G1 EXECUTION SERVICES, LLC is actually owned by Susquehanna International Group, one of the funds with tons of puts in 13Fs.

Edit 2: Some helpful comments point out that there can be some confusion with market makers and hedge-funds. Citadel is often referred to on this sub as the firm with the most to lose in GME. They operate market making and hedge fund activities. So do a number of other firms (Wolverine, Jane Street etc.). *For naked shorting the participation of 'bone-fide' market makers is crucial*. This is how they can abuse the locate rule and naked short. None of this contradicts the data in this post or the conclusions but it remains difficult to completely separate normal market making activities from abusive ones.

Speculation alert: OTC trades have seen massive volume and order size changes since early January. Many of the participants are known short funds. Changes in OTC trading align with evidence of manipulative naked short selling (Deep ITM calls and married-puts). OTC trading has been used to create millions of naked short shares and reroute retail orders to suppress buying pressure.

Conclusions

Hedgies are fucked. Just look at the amount of effort they've had to put into keeping a lid on this thing!!! *When they lose control of the FTDs they lose control of the price*. Millions of illegal naked short shares created in a desperate effort to make retail go away. But guess what??

Speculation alert: Here are my thoughts for what's happened with GME in 2021:

- FTDs and SI% were getting out of control in early Jan
- As prices increased and more hype came to GME the shorts got more and more desperate
- Dark Pool OTC volumes went through the roof and Deep ITM call volumes were used to create naked shares ahead of the end of Jan price spike
- When prices really started to move from Jan 25th - 29th more than 100 million shares were created with Deep ITM call and married-put naked shorting and used to hammer down price and hide SI%
- A coordinated blocking of buy orders on key retail brokers and media induced FUD helped the shorts knock down the price and scare off some of the FOMO paper hand gang.
- Something happened to the short share borrow fees that completely disconnect from normal pricing.
- From Feb onwards average trade size on OTC decreased to around 50 shares per trade. That's a 70%+ drop in trade size. Retail orders were funnelled through Dark Pools to control buying pressure and 'short ladder attacks' used to control price.
- ETFs were used to hide more and more FTDs from the apes. I have data on ETFs but its such a pain to analyse (70+ funds, all different GME allocations, rebalancing over time etc..).
- DFV doubled down. RC tweeted an ice-cream cone. Deep ITM calls increased. FTDs remerged and on Feb 25th prices started flying again.

- All this time FTDs and prices have been manipulated with tricky options trades. Up to 200 million naked short shares could've been made from Feb through to April 6th using married put trades.
- But the apes are still here. Millions of short fund options have expired. FTDs are shown to get uncontrollable over time. An unprecedented FTD squeeze will come. New DTCC rules, a stronger SEC, GME annual meeting and share recall. So many catalysts. Shorts are fucked.

🚀🚀🚀🚀🚀🚀🚀🚀🚀🚀🚀🚀🚀🚀🚀🚀🚀🚀🚀🚀🚀🚀🚀🚀🚀🚀🚀🚀🚀🚀🚀

Back to Table of Contents

Hank's Definitive GME Theory of Everything

DD 👨‍🔬

*********** I am not a financial advisor, this is not financial advice ************

Introduction (DD starts below)

Apes, did you know that there are usually about 80 confirmed cases of deadly shark attacks per year. You know what nobody ever talks about though? The fact that sharks have TWO, count it TWO, FUCKING PENSIS. I am not making that up. Imagine what I could do with two penises. I'd have twice the total dick length. I might have to rename myself HomeDepotHank3InchesTotal.

On the topic of cocks, did you know that many reptiles have two penises as well? They call them hemipenes. SUCK MY HEMI PEEN SHILLS.

As many of you know, I am a music aficionado. I like to listen to my fair share of classical music like Megan Thee Stallion and Linkin Park, Jazz music like Fifth Harmony, and even heavy metal like Coldplay and Carly Rae Jepsen. However, I recently came across a beautiful artist who I was not previously aware of. He is a contemporary opera singer named Wheeler Walker Jr. Some of his most popular songs reminded me of this current situation:

"Fuck you bitch" - how I feel about shorts

"Pictures on my phone" - my DD

"Pussy King" and "Rich Sumbitch" - apes when the squeeze is over

"Finger up my butt" - me sitting on the toilet scrolling through this sub every morning

"Sleeping on the Blacktop" - shorts after they go bust

"Drop 'em out" - shorts getting squeezed out of their positions

"Sit on my face" - me every time I see my wife's boyfriend

"Still ain't sick of fuckin you" - apes when the shorts beg for mercy

"Dicked down in Dallas" - shorts who live in Texas during the squeeze

"I like smoking pot (a lot)" - my wife

(These are the actual titles and this guy is actually real, I love the internet).

Alright apes, enough joking around, it's time to get serious

Where the DD actually starts

There has been an absolute slew of data in the past month about FTDs, dark pools, and rule changes. As many of you know, I have been pumping out a bunch of DD about the FTD cycle. After reading tons of posts about dark pool DD and DTCC rule changes, I think I now understand how all of this fits together and have thus made this GME theory of everything. The DDs that I read on dark pools and OTC trading are the glue that connects everything together IMO.

In this post, I will be me connecting my own DD about FTDs to other users' DDs about dark pools, DTCC rule changes, and ETF shorting in order to give us a bigger picture of what all of this is and means. Thus, there will be absolutely no prediction in this post, however, it should help you understand how everything is tied together and the fact that because we don't know the exact extent of shorts' exposure, it is impossible to predict when the MOASS will occur. I am confident though that we are nearing the light at the end of the tunnel. With that, Apes, I present to you: HOMEDEPOTHANK69's DEFINITIVE GME THEORY OF EVERYTHING. Enjoy....

Roadmap

Alrighty apes, I am going to first briefly explain my own DD on the FTD cycle. Next, I am going to summarize some DD from a user about OTC trading and dark pools relating to GME. After that, I will summarize some DD from other users about how new DTCC and other agency rules affect GME in the future. Finally, I will summarize how ETF shorting plays into GME. After that, I will go into how all of these fit together in one big beautiful orgy that explains where the HFs are at with GME and why they are there. This will allow us to understand our current position.

Summarizing DD of FTD Cycle, new rules, OTC trading, and ETF shorting of GME

FTD Cycle

Below are the links to my posts on the FTD cycle:

Post 1 Post 2 Post 3 Post 4 Post 5

Essentially, the FTD cycle is the idea that because shorts have continuously shorted GME, covered it with borrowed shares, and used naked shorts, their short exposure is multiples higher than the actual shares of GME in existence. Because of this and SEC rules forcing them to cover every 35 days, there are predictable price and volume hikes on the chart that coincide with them covering. As every FTD cycle passes, the price to cover gets more and more expensive, and more and more shares are required (naked or not) to maintain their position, which makes it progressively more expensive and progressively increases their position. This increase in expense is going up exponentially, so each cycle is more expensive for them to keep their positions, and eventually, the pressure will be too much for them and they will be forced out. Because heavy naked shorting probably started in early 2020 for GME, with each passing month their exposure increases drastically because a naked short gives them double the obligation (they must cover the short and the nakedly created share). This is why I believe that their current short position is multiples higher than the amount of GME shares in existence. Therefore, they've dug themselves into a hole (hole is an understatement, it's more like an abyss) that they cannot get out of and are trying to slowly unravel the FTD cycle, which is only possible if apes sell. Because apes

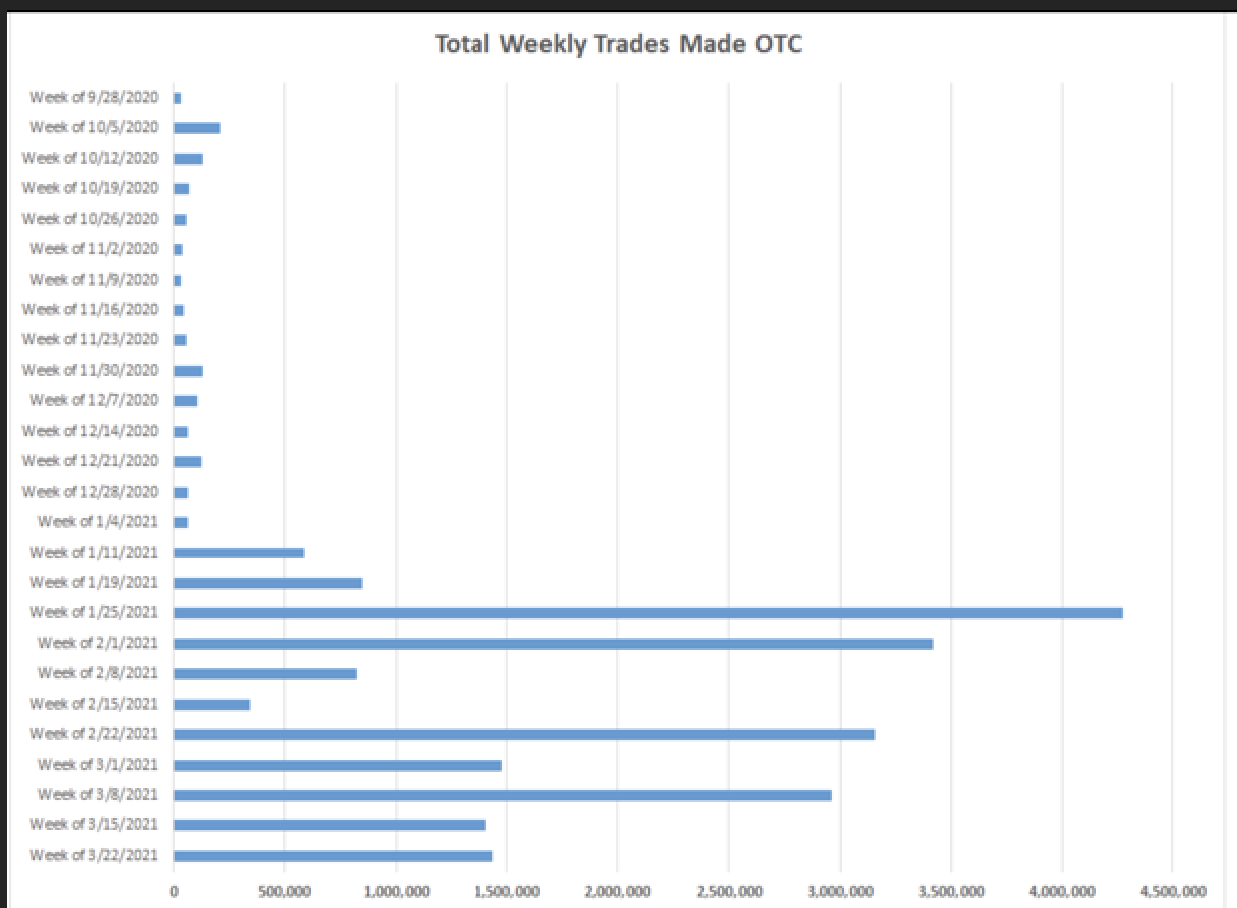
have not sold, the FTD cycle continues and gets progressively more expensive and they cannot get out of the abyss, they can only kick the can down the road. Similar to the January squeeze, eventually the pressure will be too much and they will be forced out. Here is a picture of the FTD cycle on the charts from one of my posts:

This doesn't give you the full picture of the FTD cycle but it gives you a generalization of its thesis. If you want to learn more about it, see my other posts.

OTC/Dark pool trading

All credit for this goes to the absolute KING who is u/nayboyer2*. Here is his* *original post.*

According to his post, Citadel, Virtu, and Two Sigma are and have been trading MILLIONS of GME shares in dark pools and OTC exchanges. He used publicly available data from FINRA and converted it into charts and spreadsheets (again FUCKING KING). He plotted the ownership of GME shares of these firms. He found that these firms are trading over 1000 shares of GME for every one that they own (let that sink in). He also found that an exorbitant amount of shares are trading in dark pools when compared to the float. This data is irrefutable because, again, it is publicly available FINRA data (i.e. he's not just making a theory, he's just saying what the data shows). Here are some important screenshots from his post:



Look how those weekly OTC trades increased

During the week of 1/11, over **671%** of the GME float was traded off exchange.

During the week of 1/19, over **746%** of the GME float was traded off exchange.

During the week of 1/25, over **855%** of the GME float was traded off exchange.

During the week of 2/1, over **478%** of the GME float was traded off exchange.

And during the week of 2/22, over **526%** of the GME float was traded off exchange.

That's one way to suppress buying pressure...

	Shares	Trades	Shares/Trade
Week of 3/22/2021	48,568,861	**1,436,410**	**33.81**
Week of 3/15/2021	41,980,529	**1,403,548**	**29.91**
Week of 3/8/2021	76,529,930	**2,960,633**	**25.85**
Week of 3/1/2021	70,118,713	**1,477,452**	**47.46**
Week of 2/22/2021	**121,667,480**	**3,157,057**	**38.54**
Week of 2/15/2021	21,554,348	**341,014**	**63.21**
Week of 2/8/2021	49,113,110	**825,424**	**59.50**
Week of 2/1/2021	**109,775,296**	**3,417,364**	**32.12**
Week of 1/25/2021	**184,322,088**	**4,275,953**	**43.11**
Week of 1/19/2021	**170,039,730**	**849,773**	**200.10**
Week of 1/11/2021	**156,958,902**	**588,136**	266.88
Week of 1/4/2021	13,926,925	63,783	218.35
Week of 12/28/2020	14,402,253	64,118	224.62
Week of 12/21/2020	35,405,726	122,854	288.19
Week of 12/14/2020	19,437,594	60,013	323.89
Week of 12/7/2020	26,137,279	107,667	242.76

The takeaway: there is a massive amount of dark pool and OTC trading of GME, it's multiples higher than the actual float. This is just publicly available data that they've reported, so I would guess there's even more to this than we can see from public data. Seriously, check out this post if you haven't, it is a masterpiece.

I am just scratching the surface of this, it's only meant to be a summary, I encourage you to read his post. I'd let him have a night with my wife ANYTIME.

New Rules

All credit for this goes to the absolute KING who is u/c-digs*. Here is his* *original post.*

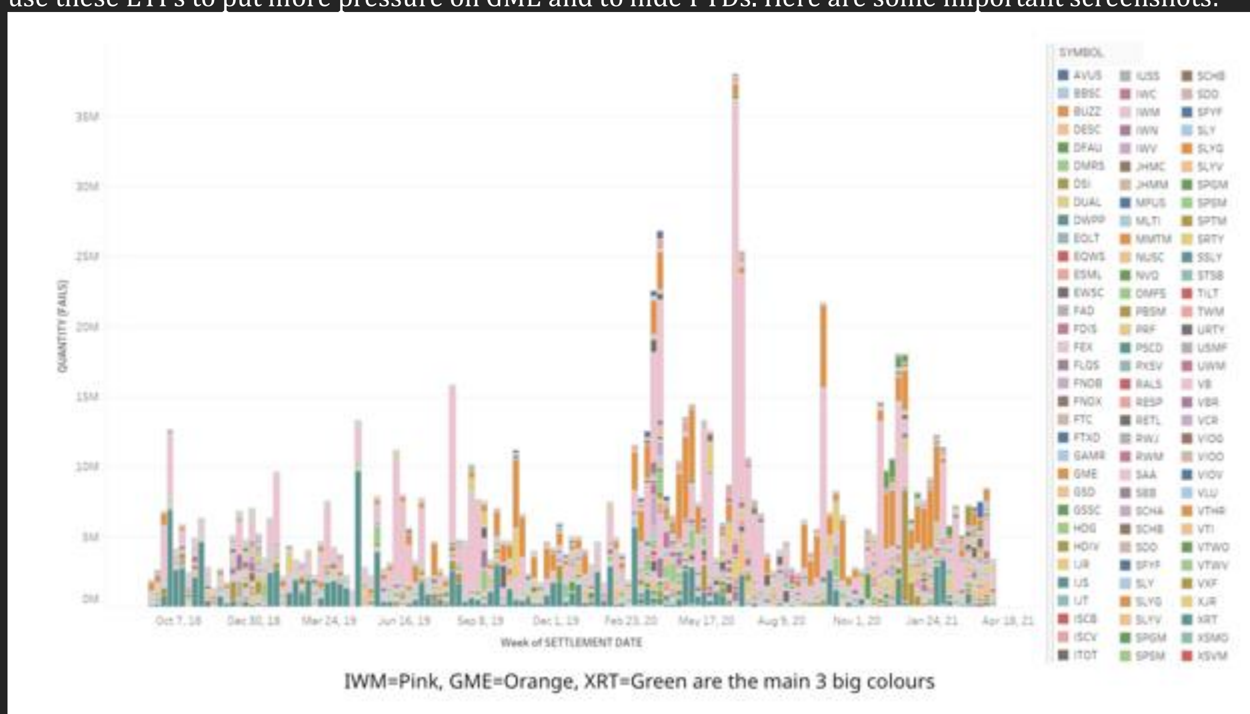
In his post, he theorizes that all of Wallstreet knows what's going on with GME and that we have been trading sideways for so long because Wallstreet is waiting on several crucial rules from organizations like the DTC and OCC to be passed that will essentially ensure that Citadel can't completely break the market when they go bust. The user believes that once these measures are passed, a firm (he thinks BlackRock) will put tons of buying pressure on GME and cause the squeeze because the measures would make the blow to the financial system more containable. He also points out that in a single week multiple banks broke the record for bond offerings (i.e. they want to have cash on hand). This user believes that a few institutions are in GME too deep and everyone knows it and the influx of rules is meant to make the unraveling safe for Wallstreet, therefore, Wallstreet is waiting to pounce on GME until the middle of the summer when these rules would be passed (at the latest). He gives specific rules,

how they will essentially take exposure off of clearing companies and put it on members and the defaulting institutions, and shows the latest possible dates that these proposed rules may go into effect. *I am just scratching the surface of this, it's only meant to be a summary, I encourage you to read his post. I'd let him have a night with my wife ANYTIME.*

ETF Shorting

All credit for this goes to the absolute KING who is u/leenixus*. Here is his* *original post.*

There are tons of posts about how ETFs are being shorted in order to a. put indirect pressure on GME and b. hide FTDs. I particularly liked this post because of all the charts, which make my smooth brain tingle. I won't go too far into this because most of us already know that another tactic used by HFs is to use these ETFs to put more pressure on GME and to hide FTDs. Here are some important screenshots:



IWM=Pink, GME=Orange, XRT=Green are the main 3 big colours

I am just scratching the surface of this, it's only meant to be a summary, I encourage you to read his post. I'd let him have a night with my wife ANYTIME.

I am not taking credit for the above three DDs. I am using their DD to contribute to my overall theory. Please see their posts as they are spectacular. These are truly KING apes

How all of this fits together

So, we have the FTD cycle, Dark pool/OTC activity, ETF shorting, and upcoming rules that could benefit us. But how do all of these fit together? (again, this is just my opinion and it could be wrong). I will guide you through the conclusions I make as I go by bolding them.

First, the dark pool/OTC data indicates what we all already know: HFs are in a giant fucking hole, an abyss. They borrowed shares, covered those borrowed shares with borrowed shares, shorted with borrowed shares, covered those with borrow shares, and so on. They have been repeating this forever, which is why the price of GME is still so high and volatile. They do most of this covering in dark pools to suppress buying pressure and do other shady things in these dark pools so it goes unnoticed (more on that below).

Moreover, GME's OBV has always perplexed me. How could OBV still be this high post squeeze? The DD on dark pools explains that (i.e. they are covering on dark pools to suppress buying pressure and OBV shows that). This means that apes did not sell post-squeeze and that the HFs did indeed use naked shorts to create artificial selling pressure (OBV is the yellow line):

The OTC data also explains the low volume. The funds are covering in dark pools in an attempt to suppress buying pressure, which is why volume has been so low lately. This also explains the random 1pm jumps in buy volume that I noted in a previous post. Finally, this further explains why GME reacts so strangely to catalysts - there are outside forces (OTC trading) that are currently bogging down the price. If a catalyst happens to line up with when they have to cover (i.e. February 24), then we will see positive volume, if not, there is still massive selling pressure on even positive news.
Furthermore, the dark pool/OTC data provides almost irrefutable evidence that 1. there is still fuckery afoot with GME, 2. the shorts have indeed dug themselves into a hole that they cannot get out of 3. the exposure that the short funds have is astronomical, and 4. unless for some odd reason all apes sell, the MOASS will in fact happen and it will happen big. Essentially, I believe that we now know exactly what's going on, we just don't know the exact numbers of it (i.e. we don't know their precise exposure or how many shares they borrow or use to short during an attack). The fact that GME's price is still insanely volatile and is trading over 5x what most analysts think it should be and the fact that an INSANE amount of volume is coming from OTC markets demonstrates that shorts still indeed have large positions are still very much IN THIS BITCH.

Conclusion 1: HFs are indeed in a deep hole, have not covered, and are trading in high volumes in dark pools in an attempt to kick the can down the road. All of this explains the low volume.

In the OTC data post, the user shows that the institutions involved in these dark pools do in fact own shares of GME; however, they are trading over 1000x the shares that they own. A few days ago, I remember seeing a post from someone who contacted Interactive Brokers asking why the borrow fee was so low (I don't remember the post but if you do please link and give user credit). The person said that GME is one of the hardest stocks to short right now but the reason that the borrow rate is so low is because there is almost zero demand.

Conclusion 2: GME is insanely hard to borrow right now and there is very little demand to short it

Next, dark pool activity helps us to further explain the FTD cycle. Why do we see these spikes in price and volume every 35ish calendar days? SEC regulations force them to cover. Why does it keep happening? The OTC data shows us that they are STILL naked shorting. Why else would there be this much OTC activity. That shows us that HFs are continuing to naked short and cover with borrowed shares every day, thus digging themselves in a deeper hole (because naked shorting creates 2 obligations - covering the short and covering the naked share) and it's getting more expensive to do so as time goes on (FTD cycle) because their short position is increasing rapidly as shown by the OTC data.

Conclusion 3: The OTC data adds credence to the idea that the FTD cycle is getting more and more expensive and that shorts are increasing their short positions rapidly as time passes

So if all of this is true, why isn't some whale coming in to take advantage of it and benefit from a squeeze as many of them did in January? That's where the new rules DD comes into play. Because Wallstreet has access to better, more accurate data than is publicly available, they probably already know what we are just starting to figure out. Why else would the DTC and OCC put in all these rules related to liquidation, bankruptcy, and oversight right after the GME squeeze? Therefore, potential whales are purposely sidelining themselves until these rules are passed, so that they don't completely destroy the financial system in unraveling these short positions. If some whale came in and tried to start the squeeze now,

there's a good chance that it would cause a collapse in the financial system because clearinghouses would go bankrupt from having to cover for the shorts who default, which would tank the whales' other assets; however, because of the proposed rules, doing so would only make a few institutions collapse, which would save the whales' other positions in the market.

Conclusion 4: Whales have purposely sidelined themselves and are waiting for the proposed regulatory rules to take effect so the squeeze doesn't destroy the financial system.

Back to OTC data. Why would an institution want to trade on a dark market? The first reason is to suppress buying pressure. The second reason is so that the broader market cant see what they're doing (without taking a deep dive like our ape KING did). The third reason is because they may be employing trading strategies that are borderline illegal, would cause a lot of suspicions, and would make GME dangerously volatile. Because dark pools allow institutions to trade with each other absent an exchange, I believe that this is what they're doing on those pools: they are buying and selling back and forth between each other at a rapid rate in order to drop the price. These are the short attacks that we see. Ever notice that it seems to take about half the volume for the price of GME to go down $5 (arbitrary number) as it does for it to rise $5 (arbitrary number)? This could be why. Moreover, I also believe that they are limiting their covering ONLY to dark pools to suppress buying pressure in public exchanges. Why do I believe this? If there was nothing crazy going on with GME then why is there still an asininely high amount of dark pool activity similar to what we saw during the squeeze?

Conclusion 5: Shorts are using dark pools to suppress buying pressure and to drop the price by rapidly trading between each other.

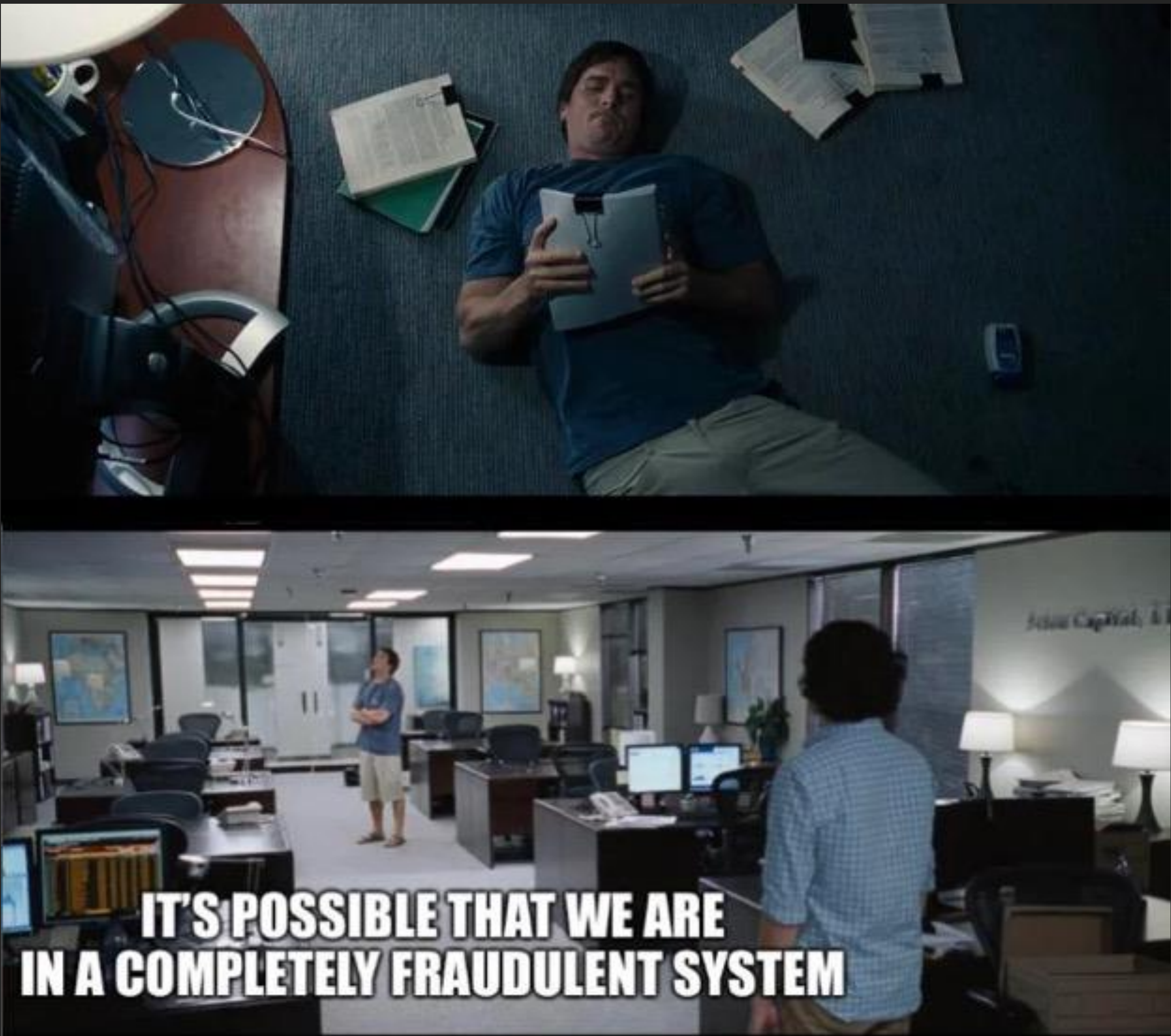
Back to the fact that it is getting harder and harder to borrow GME and there is very little interest. What I believe is happening is, as said above, these funds are rapidly trading back and forth between each other to drop the price, are borrowing shares from each other, are covering with borrowed shares, and continue to use naked shorts. HOWEVER, because the availability of borrowed shares in the broader market is drying up and because the shorts only own so many shares that they can borrow and trade between each other, their supply is drying up, so they can't continue this forever. Because apes continue to buy, the amount of shares available is further drying up. The longer these funds continue to borrow shares, make naked shorts, cover with borrowed shares, and borrow each other's shares, the more the shares available to borrow dry up. As the FTD cycle rages on, this also becomes more expensive over time. Thus, they are playing a losing game but financially cannot stop playing this game because they're in so deep. Therefore, the squeeze will happen when the supply of shares completely dries up and their short positions slowly (or rapidly) start to unravel or when the FTD cycle makes continuing their game too expensive.

Conclusion 6: The squeeze will happen once the availability of shares to borrow is completely dried up, which seems to be rapidly approaching.

Moreover, many people have also noted that GME and AMC trade disturbingly similar in price and volume. I'll also add that this seems to be true for other stocks that were squeezed in January. Why do you think stocks like AMC, GMC, KOSS, BB, NOK, EXPR move so similarly? It's because they are all victims of the FTD cycle as well. Why do you think all of these stocks squeezed at around the same time and why do you think brokers simultaneously halted trading on all of these stocks? Because naked shorting is a cancer infecting the market. Shorts got too risky during covid and thought that all of these companies would go bust, so they abusively shorted them hoping to get the bankruptcy jackpot. Bankrupting these companies would let these funds be off the hook for covering because the company would no longer exist, so there would be no share to cover. However, J Pow then turned on the money machine and we saw the greatest recovery of all time. Realizing how bad HFs fucked up, brokers had the choice of facing bad press for restricting buying or allowing the FTD cycle to unravel and let the financial system collapse. They did the rational thing. Then, realizing that the problem was still grossly persistent, financial regulatory companies started implementing more and more rules to prevent the unraveling of this from destroying the economy when it does happen.

No one says this but why do you think literally every brokerage did exactly what RH did? Do you really think they all had liquidity issues? No. It's because they all knew what was happening because they had the access to the data. They knew that if they let it squeeze, it would bankrupt Citadel and they'd be on the hook for it. However, now that there are all of these new rules in place, they can allow it to happen once all of the rules are passed.

Conclusion 7: The FTD cycle is persistent and exemplifies the naked shorting problem in Wallstreet that Dr. Trimbath discussed.

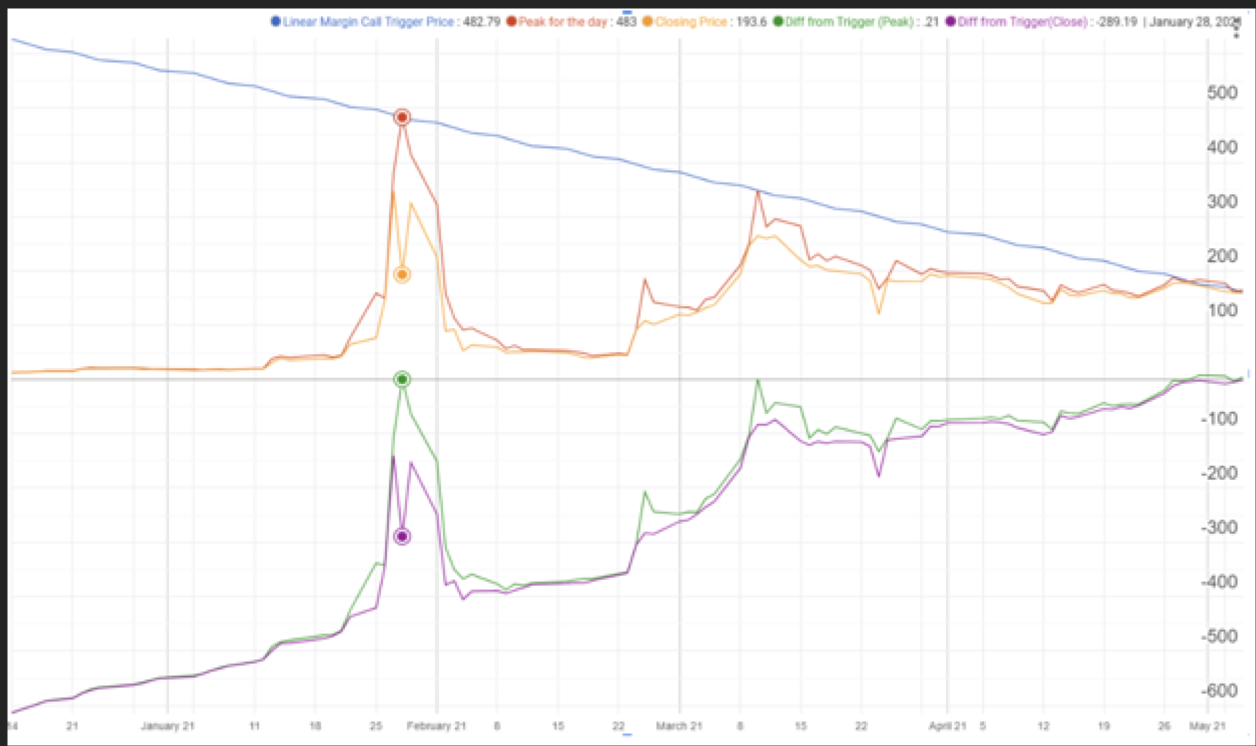


Back to GME specifically. In one of my previous posts on the FTD cycle, I used this chart to make sense of T+35:

Notice the low volume in February. I have long said that I don't think that the CFO being ousted is what caused GME to double in February, it just doesn't make sense. Instead, I believe that once brokerages turned off buying power in January, the HFs again amped up their naked shorting to get the price down to where they could possibly cover. Obviously, some people sold but OBV tells us that it wasn't enough people to get the price all the way down to $40. What explains this? Naked shorting in dark pools to disguise what's really going on. Then, at the end of February, T+35 starts coming in to play and HFs must cover for what they did to end the January squeeze. Obviously, they continued to apply more naked shorts throughout this (March 10th anyone?), so their short positions continue to grow and the FTD cycle continues to persist. Perhaps today's low volume, slightly downward price action is similar to what was happening in February (just a thought).

Conclusion 8: The February rise was the result of forced coverings from the January drop and demonstrates that the shorts still have large positions.

Back to the dark pool data. One of my favorite things from that was the fact that there is not just one player. There are multiple players in this game, which suggests that they are working in tandem. What I posit happened is that these funds all saw the same thing in early 2020: GME is struggling, covid will likely bankrupt it, so let's take some risk and apply naked shorts to hit the bankruptcy jackpot. Instead, the market roared back, GME had a slew of good news in mid-late 2020, and the shorts got themselves in this abyss because they continued to apply more and more pressure on GME. Again, a naked short makes your obligation double because you have to pay back the share that you borrowed and you also have to fulfill the obligation of the share you nakedly created. So every time they apply more pressure, sure the stock goes down, but their net short position goes up exponentially. This is why the FTD cycle persists. Just to kick the can down the road, they use synthetic longs and ETFs to hide and delay their FTDs.
Conclusion 9: Funds are working in tandem because they are both in too deep but it is futile and is just delaying the inevitable.
But what are some of their other tricks? As we know, they like to hide/delay their FTDs through synthetic longs (ITM calls). But what they also do is short the ETFs that contain GME. This applies much less efficient pressure to GME and shows that they are getting really desperate. How do we know that they are doing this? Well, just look at the FTD numbers of those ETFs.
Conclusion 10: Their activity on GME-containing ETFs demonstrates how desperate they are getting
But wait a minute, Hank. Do you have any actual hard data that can back up the FTD squeeze theory? If you would've asked me this any other day except for today the answer would have been no. Thanks to u/AOCsquad126 and u/leenixus for this beauty of a post. In short, the post uses a model with a linear margin call price trigger on GME. It's very fascinating and I suggest you take a look. In short, I believe this post gives further credence to the idea that the shorts are bleeding more day by day because it is getting more and more expensive to maintain their positions. Why do you suppose it gets more expensive day by day? Oh I don't maybe it's because of they keep borrowing and borrowing. Finally, the OP makes an excellent point here that, when they get margin called, we will not know for up to T+35 days (he gives the example that Archegos was margin called in February but the effects weren't seen for another month). This gives further credence to the idea that the MOASS will come randomly and out of nowhere. Here's a screenshot from the post:



Conclusion 11: I like the stock. I like the FTD cycle.

Putting all of the conclusions together and putting them in context:

Below is what I believe is the timeline of GME thus far. This is a summary of my theory of everything:

1) GME is a struggling brick and mortar retailer that is stuck in the past and on the brink of bankruptcy. Covid makes these problems even worse.
2) Multiple funds see a bankruptcy jackpot with GME as it is a struggling company that probably will go bankrupt because Covid will destroy its in-person business
   a) Because bankruptcy is likely, these funds decide to up their risky. Their risk models say there's only a 0.001% chance GME goes above $50 and it's almost certain it will go bankrupt, so they start doing some very aggressive maneuvers
   b) They short it, use naked shorts, cover with borrowed shares, cover with naked shorts, and cover with synthetic longs. Essentially, each time they do this, they are increasing their obligation by 2x because of the naked short. But it's all fine because they won't have to pay back these naked shorts if GME goes bankrupt, which is likely
3) The market roars back in 2020 because of J Pow's money printer. HFs positions are down, so they double down. It's fine
4) It might not be fine, it keeps rising. They double down again
5) They now have a disturbingly high, but not lethal, short position because all of these naked shorts are increasing their obligation by 2x. But it'll still be ok because the stock is only at like $20
6) It's still going up. They now have the option of either getting out of the position and taking the loss or doubling down. Guess what they do?
7) It's still going up; they are now forced to keep doing this
   a) They are now in a never-ending abyss that they can't get out of because they've shorted more shares than are in existence, but they still probably won't lose too much because the stock is still not above $50. It'll probably be fine
8) It's not fine. The media and retail investor catch wind of the high SI. Celebrities tweets, weak shorts are squeezed out, volume pours in
   a) The January squeeze happens
9) Realizing this could be the end, they coerce RH to stop buy orders because the squeeze would have destroyed them had it gone any higher. Other brokerages do the same because they realize that allowing the squeeze to continue could destroy the financial system because of how large the short positions are
   a) Now that there is no buying pressure, they can prevent the squeeze from bankrupting them by shorting it to the ground and getting out of this FTD cycle if they can get it low enough
   b) The requires using more naked shorts to get it from $400 to $40
   c) Though the price goes down, they are now in a bigger hole and need to keep shorting it if they ever want to get out of this hole
10) Because they need the price to keep going down, they don't take their food off the gas and they amp up their dark pool activity, which really picked up in January)
11) In the backdrop of all of this, they are abusively trading in dark pools
   a) To suppress buying pressure, they cover in the dark pools
   b) To put selling pressure on the stock, they rapidly buy and sell between each other on the dark pools
   c) Because they all own SOME shares, they lend shares to each other to help each other cover and put more pressure on the stock
   d) All the while, the availability of shares that can be lent out is drying up and the institutions themselves are running out of shares
12) While all of this is happening, the shorts must keep covering their FTDs every 35 calendar days because of some pesky SEC regulations (FTD cycle). To hide their FTDs they buy ITM calls so it appears that they have covered. However, calls expire, so they have to keep buying more every month
   a) They are financially unable to unwind their short position and have to keep applying pressure through naked shorts and the like
13) They are slowly running out of shares to short, they are digging themselves in a deeper hole the longer they keep it up, and it is getting more and more expensive every FTD cycle period, but they are in so deep that they are financially unable to stop doing this
14) All the while, financial regulatory organizations and companies noticed this a while ago because they have better access to information than the public. They implement an absurd number of rules and regulations to limit their exposure in the impending unwinding of the short positions. This will allow only a few institutions to collapse in the MOASS rather than the whole system
   a) Whales have purposely sidelined themselves in anticipation of these regulations, so that the MOASS doesn't destroy their other positions
15) Eventually, one of two things happens:
   a) There are no more shares to borrow, the shorts are forced to unwind their position
   b) Once the rules are implemented, whales finally feel comfortable to come in and yeet the shorts out of existence
      i) The 0.001% possibility on their risk models has come true
16) The entire thing unravels, a few large institutions go bankrupt, the economy corrects but doesn't crash, apes make absolute bank, whales make even more, Wallstreet blames the entire thing on retail investors, none of the abusive shorts are held accountable, Congress holds hearings to satisfy the masses but passes no meaningful regulations
17) My wife still has a boyfriend

Conclusion 12: Tendies

Some other thoughts

Catalysts

It has long been a sentiment that a catalyst will cause the MOASS. Though I wholeheartedly agree that this COULD be true, I want to emphasize that is not the only option. First, as I've said above GME reacts strangely to catalysts because of FTDs and shorting (doubled on CFO ousting but went down on RC being named daddy/master/lord/senpai of the board). We still have many possible catalysts: CEO announcement, partnerships, crypto shit, etc. However, it's important to remember that January was not caused by a catalyst. Sure, the events leading up to January were caused by catalysts (SI being sky-high, media coverage, RC, tweets, etc.); however, the actual squeeze in January wasn't spurred by a catalyst. It was just the shorts being forced to cover due to the price rising. After seeing how GME reacts to catalysts, I believe that the squeeze will not happen because of a catalyst but will happen in a similar fashion to January: completely unexpected because the shorts were forced to cover. Could a catalyst cause the squeeze? Hell yes. I personally think that a catalyst might cause it to rocket, but similar to January, the real squeeze will happen after an initial rocket due to catalysts and will be the result of the shorts being forced to throw in the towel, not a catalyst squeezing them out. Essentially: catalyst-> rapid price jump but not squeeze (think early January) -> parabolic price jump caused by rapid price jump squeezing out shorts (think January squeeze).

How this is disturbingly similar to 2008

In 2008 institutions sold risky mortgages to people who shouldn't have qualified for them. That was bad. They also created mortgage-backed securities with these risky mortgages in them and sold them across Wallstreet, which gave the entire financial system exposure to bad mortgages. That was worse. They then created collateralized debt obligations that were essentially bets for and against a default on these loans (i.e. they made derivatives of these MBS). That was fucking terrible. They then made synthetic

CDOs, which were bets on the reverse side of the CDO (i.e. a derivative of a derivative). That was a nuke. All the while half of Wallstreet was buying credit default swaps, which are derivatives that bet for a default to happen. This was Wallstreet canabalizing itself. That was a huge generalization of 2008, though. So essentially, the derivates market for these bad mortgages was about 10-50x more than the value of the actual underlying asset (the MBS), which is why when the underlying failed, it almost caused another Great Depression. By making bets on bets on risky assets, they created a web that, once volatility happens, would unravel (because once the underlying fails the derivatives fail and the derivatives of the derivatives fail). They essentially dug themselves into a hole that you couldn't get out of because they made all of these derivative bets that far exceeded the actual value of the underlying asset. Sound familiar to what I said above? Financial crises happen when institutions place risky bets and make bets on these bets. When they make layers of derivates like this, it makes the system seem like it's booming for a while but as soon as something goes bad, it all unwinds in a tragic way. That's what's happening now with these webs of naked shorts.

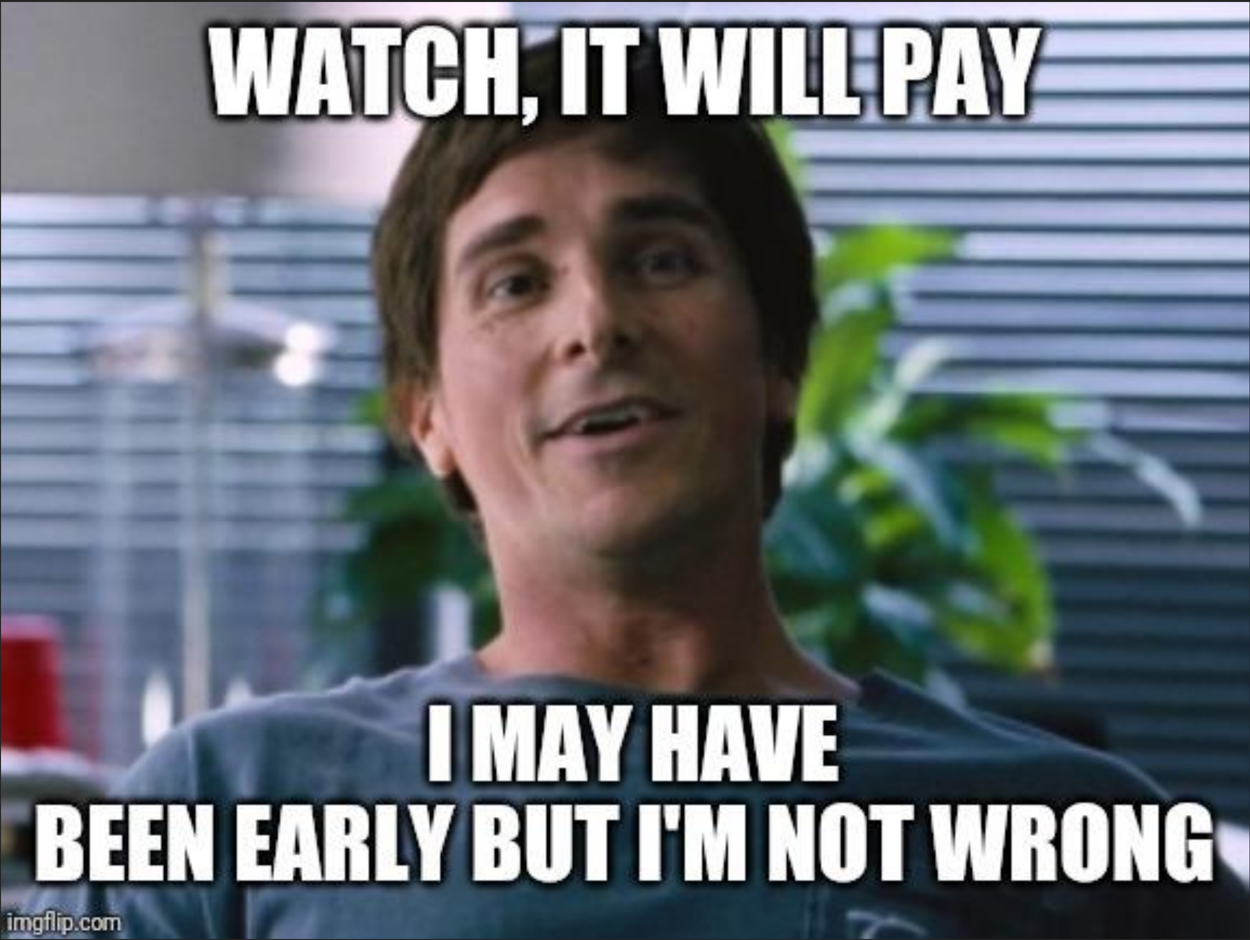
The Future

With all of this in mind, here are my thoughts about the future. As I have said, I believe that the FTD cycle is slowly chewing away at the shorts, and I think that the dark pool data helps confirm this. I also believe that the timing and contents of the aforementioned rules is very interesting.

Therefore, I believe that either A. the pressure on the shorts will overwhelm them and their positions will be forced to unravel, or B. with the safeguards put in place from the new rules, a whale will come in and unravel the positions for them.

This post has no dates. I personally like posts with dates if they have a ton of research behind them and are logical. However, as we've seen, though some people can predict certain price action, no one can predict the MOASS. The MOASS will come, we just won't know when because we don't know exactly how much blood the MMs have lost yet and how close they are to dying. All we know is that they've lost a lot of blood and keep losing more. So, none of us will see the MOASS coming, but it will come (just like my wife when she's with the mailman).

Though I have no dates as to the happening of the MOASS, I leave with this:



If you have FUD, read this

I, like all of you, have been a victim of FUD. I often think to myself, "they know more than us, there's no way they'll let this happen again" or "it's been trading sideways, it's all over" or "they have more resources than us and will end this quick." FUD is a bitch. FUD is the type of girl that your wife's boyfriend avoids. To help some of you who are experiencing FUD, here is what I always remember whenever those thoughts enter my head:

The thesis of this part of the post is that what's happening to GME is not normal, which validates all/most of the topics discussed in this sub. Yes, a short squeeze to that magnitude is abnormal, but what really gets me with GME is what happened AFTER the squeeze. Find any stock that has been massively squeezed, and you will see that it doesn't behave like GME has been for the past few months. If GME would have held around $30-50 like it did post-squeeze and didn't rocket up to 100>200>300 in the past few months with all of this crazy trading action then all of these theories would be very farfetched. However, as I have said a billion times, the chart and data are all that you need to see to know that this stock is still not normal.

Therefore,

It is not normal for a stock double in the span of a few hours on news of a CFO getting fired (2/24). It is not normal for a stock to open at above 250, go to 350 before noon and then fall down to 172 all before 2pm on absolutely no news (3/10). It is not normal for a stock to tank on earnings and then literally

make back those losses the very next day on absolutely no news (3/25). It is not normal for a stock to double on news of the CFO being ousted but to go down 5% on news that the key player (Cohen) is being announced as the senpai of the board of directors. It is not normal for a stock to stay above $150 when every Wallstreet analyst says it's not worth more than $50. It is not normal for a stock to have an extremely negative beta. It is not normal for a stock to fluctuate in value by 10x over the span of a few months (up AND down) on very little fundamental news. It is not normal for multiple forums talking about the same stock to be infiltrated repeatedly by suspicious accounts trying to create FUD (i.e. shills really on exist on forums discussing GME, not regular retail investing forums like r/investing and r/stocks (which I am banned from hahahaha)). It is not normal for a stock to be universally hated by mainstream finance yet still be trading over 5x what they believe the fair value to be. It is not normal for a stock to get squeezed, fall back down, then almost regain its squeeze price on no fundamental news. It is not normal for a stock to have OTC activity that is multiples higher than its daily volume and float. It is not normal for that OTC volume to be comparable to the January squeeze levels despite "ThE sQuEeZe BeInG oVer." It is not normal for DTC to be implementing a slew of rules about the very things we are talking about. It is not normal for a stock to have random volume spikes in the middle of the day on absolutely no news. It is not normal for ETFs containing said stock to be abusively shorted as well. I could go on and on. If you have FUD, come back to this, and you'll realize that though we might be early, we're not wrong.

Does it really make sense for GME to be trading on volume below 5 million consistently (on Wednesday we hit a number we haven't seen since early October) when every boomer analyst says it's 5x overvalued in price and there's an insane amount of interest from retail investors? No. It makes zero sense. On one hand, you'd expect those boomers to short it because it's so overvalued, but they're not. That's because it's almost impossible to borrow (unless you're a MM) and they know what's going on. On the other hand, you'd expect the media to be saying "this is crazy, it shouldn't be 5x overvalued, short short short" every day, but they aren't. That's because they know what's going on. Apes, I'll say it again, THIS ISN'T NORMAL!

Conclusion

Well apes, if you've made it this far I applaud you. That was a mouthful to say the least. Thank you for sticking with me to the end of it, this was probably my most in-depth DD and also the one I enjoyed making the most. Please take this with a grain of salt and remember that it is just my opinion, you should always do your own DD before making any decisions.

Apes, I hope you realize what this community has done because it's astounding. Between WSB, GME, and SuperStonk, regular, novice investors have pieced together the puzzle that only large financial institutions are usually able to do. What's even more amazing is that this was done using limitedly available, often incomplete public data. The level of complexity of some of the DDs that I've read is on the level of publishable. The volume, complexity, and completeness of data in this sub is spectacular. Fuck Robinhood's "DeMoCrAtIzIng iNvEsTiNg" bullshit. This sub is democratizing investing, and let me tell you, it's been an honor to be a part of this community. As always...

Stay strong, apes.

TL;DR

See "**Putting all of the conclusions together and putting it in context"** section with the 17 numbered points.
********** **I am not a financial advisor, this is not financial advice** **********

Back to Table of Contents

Actually useful info you might have missed, 23/04/21

DD

The shitshow this morning is arguably the result of forum sliding, so let's counter that by collating some of the better stuff until the mods can clean up the front page. Here's what I found buried that is probably of interest.

1. u/broccaaa has posted a follow-up to his earlier post about trying to detect hidden FTDs with machine learning. It outlines the method behind his data labeling and the AI architecture. https://www.reddit.com/r/Superstonk/comments/mwrycd/how_to_train_a_binary_classifier_ai_to_detect/
2. The proxy filing is encouraging voting to happen quickly - this wasn't in previous filings by Gamestop. https://www.reddit.com/r/Superstonk/comments/mwmgne/important_im_sure_everyone_has_seen_that_the/ **EDIT:** u/ColCrabs **claims that it was in the 2020 filing, page 9**https://www.reddit.com/r/Superstonk/comments/mwuszf/actually_useful_info_you_might_have_missed_230421/gvkuwn4/?context=3
3. People were speculating about some random shitcoin being pumped to fake the amount of collateral a fund had on hand - some has pointed out that the price is only seen on one very low volume exchange, and this is just a general crypto scam, not anything to do with us. It's unlikely a bank would view it as valid collateral. https://www.reddit.com/r/Superstonk/comments/mwhqwu/the_truth_about_capital_x_coin/
4. The free float is lower than previously thought (now around 25m), going by the numbers in the proxy filing. It appears that institutional ownership has grown. I can't speak for the accuracy of the 25m shares held by retail, as I haven't checked how that was calculated. https://www.reddit.com/r/Superstonk/comments/mwgyfw/free_float_is_267_million_didnt_count_cohen_twice/
5. A user claims that BlackRock and other institutions who were lending out their shares on the 15th of April do not have the right to vote at the shareholder meeting. I think it would

be worth checking, if at all possible, what the lending numbers actually looked like on the 15th. Were they unusually low? In that case, could BlackRock still have the right to vote? https://www.reddit.com/r/Superstonk/comments/mwj1ko/clarification_on_gamestop_record_date_shares/. **EDIT:** u/Spiaa **claims the filing explicitly states that BlackRock can vote on their shares:**https://www.reddit.com/r/Superstonk/comments/mwuszf/actually_useful_info_you_might_have_missed_230421/gvkgusd/?utm_source=reddit&utm_medium=web2x&context=3

6. I've seen reports that $2m has been spent on $300 puts with an expiration date of today. Could do with someone verifying, but I have no reason to not believe my source (someone in the Unusual Whales discord) - basically, two people have made a very large bet on the stock doing *something* today. u/welcometosilentchill claims this is a bearish sign, whereas u/Blussi claims it's a bullish one. https://www.reddit.com/r/Superstonk/comments/mwuszf/actually_useful_info_you_might_have_missed_230421/gvkgxyx/?context=3https://www.reddit.com/r/Superstonk/comments/mwuszf/actually_useful_info_you_might_have_missed_230421/gvkmkql/?utm_source=reddit&utm_medium=web2x&context=3

There are probably countless more good posts that I missed. If you saw any in the last day or two that are worth looking at, please comment them and give a quick outline for people.

Let's do our best to actively fight forum sliding and topic dilution by remaining on-topic. Mods, please do your best to keep the sub clean.

P.S: This isn't something I plan on doing every/most days - for the people who do do the morning news round up things, I think I speak for a lot of us when I say a more straightforward layout of the research and the findings like this would be preferable to a couple of confused sentences and then a giant 1000x1000px cringe meme

P.P.S: Please upvote the people linking research in the comments moreso than people saying thank you :D I appreciate it, but the point of this was to collect the substantial stuff

P.P.P.S: The reaction to this post is honestly pretty strange - I had a huge number of awards come in on relatively few comments and upvotes. Now the post is doing really well, but I go and check the first thing I linked and it only has 196 upvotes. What gives? I'm wondering if I've accidentally included misinfo on here that someone wants people to see. Be critical about everything I've written.

Back to Table of Contents

Walkin' like a duck. Talkin' like a duck

Serious DD 👨‍🔬🔬

TL;DR - I have prepared a case which strongly indicates that Citadel Securities, along with it's "affiliates" are committing securities fraud. On March 26th 2021, FINRA released a new citation against Citadel Securities for nearly 2 years worth of securities violations. The only reason Citadel HASN'T been busted for fraud is because they hide behind the veil of 'unintentional' behavior. However, this post illustrates how Citadel's actions flag ALL 3 corners of the fraud triangle- *pressure, motivation, and opportunity.* It's time for these people to be held accountable.

____

Trying something new this time.

I recorded a video walkthrough of this DD with u/isitabuy, prior to dropping the DD.

If you wanna watch that, **click here**

Prerequisite DD

1. Citadel Has No Clothes

2. BlackRock Bagholders, INC.

3. The EVERYTHING Short

____

My fellow apes,

Many of you are wondering how these posts about Citadel relate to GameStop. Perhaps I've lost sight on explaining this connection, so let me clear this up before diving into MORE sh*t on them.

As u/dontfightthevol pointed out: you just never know what a company's short position is because they aren't required to disclose it. And unfortunately, she's right.

What we can do, however, is expose the sh*t surrounding them. The fraud triangle WORKS because people act maliciously when they have the pressure, incentive, and opportunity to commit it. PERIOD. This means if it walks and talks like a duck, it's most likely a f*cking duck.

I hope I've done a good job revealing the evidence of their ever-tightening noose. To name a few big ones:

1. the FINRA violations for naked shorting, failing to post a short sale indicator on transactions, withholding large customer orders to lower the market price, FLASH crashes
2. the growth of rehypothecated assets for both treasury & equity securities (especially in 2020)
3. the growth in liabilities as their PROMISES to repay keeps getting bigger and bigger (especially in 2020)
4. FINRA's concern regarding the lack of preventative measures within their system to detect these issues
5. the number of times they've been documented for 'accidently' removing logic to detect these issues

Everything fits within ALL corners of the fraud triangle. Citadel commits violations just to make a few million, knowing their fines are essentially just a small tax. Now that their exposure to shorted stocks and bonds is increasing, the PRESSURE to commit these actions is even higher.
For far too long, people with money have been draining the wealth out of the global economy. Everything around us becomes more expensive and the power to do anything about it, decreases. We are forced to think about pinching-pennies just to make ends-meet, while there are people benefitting from ALL of this injustice- the ultra-wealthy.
This aggregation of wealth has been going on behind the scenes for centuries. Slowly and gradually like a frog sitting in a pot of boiling water. Debt has been designed to be carried for life.
Their confidence and greed reached a level SO HIGH that it should have been impossible for them to fail on their bet against GameStop. The ONLY thing that could blow their victory was if we all started listening to one another.. and most importantly- learning.
And learn, we did...
We sat down at the World Series of Poker, called their bluff, and won.
GameStop is the lynchpin; GameStop opens the flood gates; GameStop is our checkmate.
GameStop exposes them to a LIMITLESS and IMMEDIATE transfer of wealth back to the 99%. This situation is dangerous because those who put their vote into GameStop are finally able to take back control.
GameStop is our hedge against the funds____
Hopefully that's been cleared up and we can get back to the point of this post.
Now.... This sh*t just **KEEPS COMING!**
To me, this is further evidence of their desperate actions within a rigged market. After calling out Citadel for shorting US treasuries, I recently found out they've been slapped with ANOTHER FINRA violation on **3/25/2021** for US treasury securities..
yeah....seriously..
BTW, this wasn't even something I was searching for.. I literally walked Cory (the host) through my investigative process and uncovered it in our first live interview *(this link is for the short version; I uncovered it in the long version which wasn't posted).*
Anyway, these violations occurred between **July 2017** and **October 2019** while the Fed's tapering program was kicking off. It's extremely hard to be conclusive about the little details when you can only see a portion of the puzzle, so I usually start these DDs by finding WIDE holes that scream for attention- this violation is one of those holes. Citadel Securities has been slapped 58 times for regulatory violations and those are JUST within the stock market. To me, the reason why THIS violation is so monumental is because it represents their **FIRST treasuries violation** (first page under background). FINRA issued them a $275,000 fine along with a censure order, meaning they really disprove of Citadel's actions, here.
____
I'm going to show you pieces of the disclosure event and gently massage it into your smooth brains.

OVERVIEW

From July 2017 through October 2019, Citadel Securities had multiple issues with correctly reporting Treasury transactions to the Trade Reporting and Compliance Engine (TRACE) causing violations of FINRA Rules 6730 and 2010. These issues resulted in the following types of TRACE reporting violations: (i) incorrectly reporting internal transfers as Treasury transactions, when they were not reportable, (ii) failing to append the "No Remuneration" indicator to TRACE reports for certain Treasury transactions between affiliates, and (iii) failing to include the correct contra-party type in its TRACE reports for certain affiliate transactions. Citadel Securities also violated FINRA Rules 3110(a)

and (b) and 2010 because its supervisory system, including written supervisory procedures (WSPs), was not reasonably designed to achieve compliance with TRACE reporting rules because it could only detect violations that would generate automatic alerts. In all cases, the incorrect TRACE reports involved internal position transfers or transactions with affiliates, and did not involve transactions with clients.

1. Incorrectly reporting internal transfers as treasury transactions
2. Failing to append the "No Remuneration" indicator to TRACE reports for certain transactions between affiliates
3. Failing to include the correct contra-party type in its TRACE reports for certain affiliates

To me, the biggest red flag in this comes from the very last sentence: ***"IN ALL CASES, THE INCORRECT TRACE REPORTS INVOLVED INTERNAL POSITION TRANSFERS OR TRANSACTIONS WITH AFFILIATES AND DID NOT INVOLVE TRANSACTIONS WITH CLIENTS"***. I'll touch back on the rest of the violation, shortly.

Now, lemme take you to school.

I'll walk you through these indicators and then discuss how they relate to Citadel's situation.

What are **related party transactions** and why do they matter?

The codification (official accounting bible from FASB) explains related party disclosures under ASC 850. I'd love to have a subscription to this, but it's about $1,200 a year. So here's a link from Deloitte that gives a decent overview of ASC 850-10.

A typical related party transaction occurs just like a normal transaction, but the parties involved have a connection, somehow. They can be:

1. *A parent entity and its subsidiaries*
2. *Subsidiaries of a common parent*
3. *An entity and trusts for the benefit of employees, such as pension and profit-sharing trusts that are managed by or under the trusteeship of the entity's management*
4. *An entity and its principal owners, management, or members of their immediate families*
5. *Affiliates.*

Transactions can be any of the following:

1. *Sales, purchases, and transfers of real and personal property*

2. *Services received or furnished, such as accounting, management, engineering, and legal services*
3. *Use of property and equipment by lease or otherwise*
4. *Borrowings, lendings, and guarantees*
5. *Maintenance of compensating bank balances for the benefit of a related party*
6. *Intra-entity billings based on allocations of common costs*
7. *Filings of consolidated tax returns.*

When you have related parties, or affiliated parties, the biggest concern is that a relationship materially affects the way that business is conducted. For example, you should disclose situations where subsidiaries are conducting transactions with the parent entity. Or if the subsidiary is wholly owned, which means you're doing business with yourself, at least in practice. The failure to disclose this information may materially mislead investors.

For example, party A (affiliate) may be selling products / services to party B (also an affiliate) at a rate that differs significantly from the open market. For example, Party A sells treasuries to Party B at an amount that's much lower ($990) than fair market ($1,000). This would allow Party B to sell those securities back into the market at the normal market rate ($1,000), and record a bigger profit ($10) because their cost is much lower ($990). Party A then offsets the expense ($10) back to yet ANOTHER company, and removes it from their books. Hedge funds and offshore funds are perfect for burying these transactions because they don't report financial statements like public companies.

Likewise, Party A may need to remove something from their balance sheet (bad loans, etc.) and simply use Party B as a dumpster. This is EXACTLY what Enron did with their **special purpose entities(REMEMBER THAT TERM), or SPEs**. When Enron had to incur huge losses, they simply shifted those losses to shell companies and left the "good" stuff on their books.

Queue violation # 1

FACTS AND VIOLATIVE CONDUCT

This matter originated from FINRA's Trading and Execution Group's 2019 exam of Citadel Securities.

Citadel Securities reported Treasury transactions to TRACE that it should not have reported.

FINRA Rule 6730(a)(5) provides that members have an obligation to report transaction information, promptly, accurately, and completely to TRACE. FINRA began requiring firms to report Treasury transactions to TRACE beginning on July 10, 2017, in response to a request from the Treasury Department and the Securities and Exchange Commission. At this time, the reported information is not publicly disseminated.[1] However, it is important that firms report accurate information to TRACE because inaccurate information, including reporting transactions that should not have been reported, affect the audit trail, and can result in either false alerts or the inability to detect problematic transactions.

From August 2, 2017, through December 8, 2018, Citadel Securities reported 452,451 Treasury transactions to TRACE that it was not required to report. These reports constituted over 14% of the total Treasury reports the firm made. The over-reporting occurred when the firm transferred Treasury securities within its internal accounts because the firm unintentionally removed the logic to prevent these internal transfers from being automatically reported. Therefore, Respondent violated FINRA Rule 6730(a)(5) and 2010.[2] The firm detected the issue prior to being contacted by FINRA and reinserted the logic on December 8, 2018.

Ok.... when you send transactions to the TRACE system, they ask you to prove they are legitimate. If they are legitimate, and occur with an affiliate, FINRA needs to know that.. This is to prevent frauds like Enron from happening again.

For sake of argument, let's just ignore the part where they "unintentionally" removed logic and then "intentionally" reinserted it..... because that would make this DD too damn easy.

Breaking this down:

1. Citadel OVER reported 452,451 securities transactions which represents only 14% of total REPORTED transactions to TRACE. This means that **Citadel reported 3,231,792 treasury transactions, and 1 transaction doesn't necessarily mean 1 treasury... could be thousands**
2. They were **not** required to report 14% of those because they SHOULD have been flagged as internal transfers and not treasury transactions

Now we begin to uncover the corners of the fraud triangle *(pressure, incentive, opportunity)*. Citadel was obviously compliant for 86% of their treasury reports, so WHY would they feel the need to "unintentionally" OVER-report 14%....

Hey Citadel... why you WALKIN' like a duck?

How did FINRA find out these were actually internal transfers? Probably the same way I did- by looking for clues. Check out Citadel Securities "Related Party Disclosures" from 2020 (same as in 2019, I checked).

NOTE 1

Organization

Citadel Securities LLC (the "Company"), a Delaware limited liability company, is registered with the U.S. Securities and Exchange Commission ("SEC") as a broker and dealer, and is a member of the Financial Industry Regulatory Authority, Inc. ("FINRA") and Securities Investor Protection Corporation. CSHC US LLC ("CSHC"), an affiliate, is the sole member of the Company.

CSHC..... Who are you, REALLY???

Ladies and Gentlemen,

Presenting **Citadel Securities Institutional, LLC!!!**

Think it's the same company?

Nope..

Citadel Securities LLC

2020 Financial Statement

Citadel Securities **INSTITUTIONAL** is a completely different company in the books. These guys are **AFFILIATED** to one another, but exist separately as **SPECIAL PURPOSE ENTITIES, or SPEs**..

Let's walk through this again..

Citadel **SECURITIES** lists CSHC US LLC ("CSHC") as an affiliate (PG 2), and the **sole MEMBER** of the company....

NOTE 1

Organization

Citadel Securities LLC (the "Company"), a Delaware limited liability company, is registered with the U.S. Securities and Exchange Commission ("SEC") as a broker and dealer, and is a member of the Financial Industry Regulatory Authority, Inc. ("FINRA") and Securities Investor Protection Corporation. CSHC US LLC ("CSHC"), an affiliate, is the sole member of the Company.

Citadel Securities **INSTITUTIONAL ("CSHC")** lists CSHC US LLC ("CSUH") as an affiliate (also PG 2), and ALSO as the sole MEMBER of the company....

NOTE 1

Organization

Citadel Securities Institutional LLC (the "Company"), a Delaware limited liability company, is registered with the U.S. Securities and Exchange Commission ("SEC") as a broker and dealer, and is a member of the Financial Industry Regulatory Authority, Inc. ("FINRA") and Securities Investor Protection Corporation. CSHC US LLC ("CSUH"), an affiliate, is the sole member of the Company.

CSHC US LLC **("CSUH")**???? Who the hell is this?

Had to go back to a financial disclosure in 2016 to dig up this lil' jewel....

CITADEL SECURITIES INSTITUTIONAL LLC

NOTES TO STATEMENT OF FINANCIAL CONDITION
December 31, 2016
(Expressed in U.S. dollars in thousands)

(1) Organization:

Citadel Securities Institutional LLC (the "Company"), a Delaware limited liability company, which was formed on June 8, 2015, is registered with the U.S. Securities and Exchange Commission ("SEC") as a broker and dealer, and is a member of the Financial Industry Regulatory Authority, Inc. ("FINRA") and Securities Investor Protection Corporation. The Company was funded on September 11, 2015 and commenced operations on January 27, 2016. At the time of funding, CLP Holdings Three LLC ("CLP3") was the sole member of the Company. On January 1, 2016, CLP3 merged with and into CSHC US LLC ("CSUH"), an affiliate. As of January 1, 2016, CSUH is the sole member of the Company.

CLP Holdings Three LLC ("CLP3").......

WTF....

On January 1, 2016 "CLP3" merged into ("CSUH")....

So WHO is CLP Holdings Three LLC ?!?!?!?!?

Citadel Securities is a limited liability company organized under the laws of the State of Delaware. Citadel Securities is a wholly-owned subsidiary of CLP Holdings Three LLC, a limited liability company organized under the laws of the State of Delaware ("Citadel Parent" and, collectively with Citadel Securities and CSPI, "Citadel"). CSPI, like Citadel Securities, is also a wholly-owned subsidiary of Citadel Parent.

2

....found this from 2015 (bottom paragraph, PG 2)...

1. Citadel Parent Owns 100% of CLP Holdings Three LLC, which became "CSUH" in 2016
2. CSHC US LLC ("CSUH") is the ONLY member of CSHC US LLC ("CSHC")
3. CSHC US LLC ("CSHC") is ALSO managed by Citadel Parent.....

So basically......

...Citadel, is Citadel, is Citadel, is Citadel....

No wonder why FINRA was pissed. It *LOOKS LIKE* Citadel took treasuries from Citadel Securities and transferred them to Citadel Securities Institutional, but reported them as sales transactions to TRACE......

Queue violation # 2

Citadel Securities failed to include the "No Remuneration indicator" in certain TRACE reports.

FINRA Rule 6730(d)(4)(F) provides that when a trade report does not reflect either a commission, markup or markdown, the member should include the No Remuneration indicator. From July 10, 2017, through October 9, 2019, in 45,638 instances, Citadel Securities failed to append the No Remuneration indicator to TRACE reports for Treasury transactions with an affiliate that were at cost. The firm did not include the No

[1] Regulatory Notice 16-39 (Oct. 2016).
[2] FINRA Rule 2010 provides that a member, in the conduct of its business, shall observe high standards of commercial honor and just and equitable principles of trade. A violation of a FINRA rule constitutes a violation of Rule 2010.

2

Remuneration indicator because it did not have the necessary logic to automatically code these transactions to include it. Therefore, Respondent violated FINRA Rules 6730(d)(4)(F) and 2010. The firm discovered the issue in June 2019 prior to being contacted by FINRA and added the necessary logic to include the indicator in October 2019.

Again, let's ignore the part where they pretended to "discover" the issue in June 2019 prior to being contacted. Let's also ignore the lack of "necessary" logic to determine which transactions are which. They do this in almost every f*cking violation they get...

Now what is remuneration?

Basically, it's a type of compensation. In the case of Citadel Securities, it's the price adjustment that is passed to Citadel Securities Institutional when a treasury is sold / lent.

A normal market transaction might sell a treasury security for $1,000. In this case, the $1,000 is entirely represented by the bond's value.
An affiliated market transaction might sell a treasury security for $990, with $10 in remuneration for a total of ($1,000). In this case, the bond is ONLY worth $990, but the $10 in remuneration makes it APPEAR like a $1,000 bond..
FINRA asks for companies to disclose this because it can be heavily abused, obviously...
This is what happened to Citadel Securities. There were 45,638 instances between July 2017 and October 2019 where Citadel Securities did NOT appropriately indicate this....
If you fail to indicate this, and ALSO report internal transfers as normal transactions, it REALLY starts to look like you're covering your tracks....
Citadel...... Why you TALKIN' like a duck?
Queue Violation #3.

Citadel Securities reported the incorrect contra-party type to TRACE for transactions with its affiliate.

FINRA Rule 6730(c)(6) provides that each TRACE report shall include a contra-party indicator. From July 10, 2017, through November 15, 2018, in 11,989 instances, Citadel Securities reported that the contra-party in a transaction was a customer when the transaction was with an affiliate. The inaccurate reporting occurred because the firm's logic automatically marked any contra-party that was not a broker-dealer as a customer. Therefore, Respondent violated FINRA Rules 6730(c)(6) and 2010. The firm discovered the issue in August 2018 prior to being contacted by FINRA and fixed the issue on November 15, 2018.

Call this the smoking gun.....
Really.... it doesn't get much more obvious than this....
Citadel Securities gets busted pushing transactions into the TRACE system when they were really just internal transfers between SPEs....
They're then cited for failing to indicate a No Remuneration transaction with affiliated parties....
And finally, they "misclassified" the nature of the contra party in 11,989 transactions, saying they were customers instead of their own... you guessed it.... SPEs..

Want more? Check out this disclosure from Citadel Securities....

NOTE 6

Transactions with Related Parties

Expenses

Pursuant to an administrative services agreement, the Company reimburses CEAMER, CSAMER and their affiliates for direct and allocable administrative, general and operating expenses, including employee compensation and benefits, paid by these entities, on behalf of the Company. As of December 31, 2020, the Company had a combined payable to CEAMER, CSAMER and their affiliates of $160 million, which is included in payable to affiliates on the statement of financial condition. As of December 31, 2020, the Company has paid compensation to CSAMER of $20 million, which has not yet been expensed due to service vesting requirements. Such amount is included in other assets on the statement of financial condition.

The Company has also entered into service agreements with other affiliates, where such affiliates provide the Company certain relationship management, marketing or risk monitoring services, and technical support. The Company incurs expenses from such affiliates providing these services.

Executing and Settlement Activities

During 2020, CSIN provided execution services to the Company under a cost-plus agreement. As a result of this activity, the Company incurred service fee expense and recorded commission revenue from CSIN for acting as a counterparty for trades with third parties. As of December 31, 2020, the Company had a payable to CSIN of $7 million, which is included in payable to affiliates on the statement of financial condition.

Citadel Securities Institutional (CSIN) provided execution services to Citadel Securities under a cost-plus agreement..

huh.... cost-plus..... sounds a lot like a remuneration agreement.... because it is.

Let's bring this all together, shall we?

1. Citadel Securities sells treasuries to "affiliate" parties, such as Citadel Securities Institutional
2. Citadel Securities marks (most) of their transactions with a 'No-Remuneration' indicator after selling the security to the "affiliate" party.
3. To FINRA, this complies with TRACE because it looks like a typical transaction without a markup / markdown on the price of the treasury
4. At the end of the month, Citadel Securities reimburses Citadel Securities Institutional for the cost of their treasury purchases, plus an little more in profit for their services
5. Citadel Securities records the commission revenue from Citadel Securities Institutional once the treasuries are finally sold to the outside party

Did you catch the loophole?

Citadel Securities is able to remain compliance with FINRA because they pay for the services (markup / markdown) provided by Citadel Securities Institutional AFTER the transactions are cleared through this system... they just disguise them as "service fees".

Instead of paying DURING the transaction, by remuneration, they simply leave it off the books and hide it on their financial statements....

If you're wondering where the SEC is in all of this mess, listen up.

THE SEC AND FINRA ARE BOTH REGULATORY AGENCIES FOR FINANCIAL INSTITUTIONS.

I am now 100% convinced that the SEC has given the responsibility of investigating fraud to FINRA, while the SEC 'works' on creating the legislation to stop these acts...

However, it appears the SEC and FINRA are working as totally separate agencies while the SEC is supposed to be overseeing FINRA.... I'm convinced the money flows directly to the SEC from FINRA fines and the SEC is at risk of losing that revenue if they actually start cracking down on these pigs.

I am presenting a genuine case, here.

If you're wondering where the auditor (PWC) is in all of this, they just have to verify the statements are FAIRLY PRESENTED. **THEY DON'T HAVE TO SAY ANYTHING ELSE! All audit firms are now in the business of consulting, like Arthur Andersen did with Enron. They all sit in a room and discuss the best way to present this sh*t without looking like a giant fraud.**

You want to see how bad the situation has become? Check out this 10K (PG 4) from one of Citadel's recent 13G/A filings on 2/16/2021. Keep in mind, this is an acquisition company that *specializes* in purchasing companies that are headed for bankruptcy...

We believe the following factors will lead to a significant number of post-reorganized companies with unnatural equity holders which could be attractive combination targets:

- According to S&P, their leveraged loan "Weakest Link" count, which reflects companies with a B- or lower credit rating and a negative outlook, has more than doubled since 2019, rising from 145 companies, or 11% of the S&P coverage universe, to 329 companies as of June 2020, or 25%
- US default rates have risen sharply this year and are projected to continue to rise over the next 12 months. According to S&P, the trailing 12 month default rate has doubled since the beginning of the year to 3.9% and is projected to reach over 10% within the next 12 months. Defaults have ranged across a large number of industries including Business Services, Consumer and Industrials, according to S&P;
- The US leveraged loan market today is approximately $1.2 trillion, which is approximately double the size of the market during the 2008-2009 credit cycle. This means that similar default rates in today's market would imply a significantly larger volume of restructured liabilities;
- Collateralized loan obligations, or CLOs, represent a much larger ownership of today's leveraged loan market compared to the leveraged loan market in 2008-2009. There has been almost 2.5x the CLO issuance from 2013-2019 ($743 billion) compared to 2001-2007 ($302 billion). The increased CLO market share of the leverage loan market may lead to a larger number of post-restructured companies with equity ownership being held by CLOs, which could lead to attractive investment opportunities at relatively more favorable terms.

MUDRICK CAPITAL ACQUISITION CORPORATION II

This is so much more than speculation..... Citadel is a *duck*.
DIAMOND.F*CKING.HANDS
This is not financial advice

Back to Table of Contents

I've estimated the current SI% based on the SI Report Cycle and Deep ITM CALL purchases.

DD 👨‍🔬

0. Preface

Not a financial advisor. Yada yada. If you actually listen to me you might want to get your brain checked for crayons.
Probably no need for any more DDs from me after this one - its a cumulation of my thoughts over the past few months. People were interested in an SI% estimate so I thought, hell yeah, that's interesting shit. Why not?
On a side note, I've learned pretty much everything I have about the stock market from Peppa Pig. Good stuff. Definitely recommend.

Once again I'll be referencing charts from the mastermind /u/broccaaa and their post The Naked Shorting Scam. Go read that shit. Seriously.

Also, sorry. TLDR is very difficult besides the bullets of Section 0 and my calculated result in Section 2.

0. What's Going On Here?

I've posted a few DDs in the past, and have basically come to the conclusion of the following per the data I've seen. I'll show you a few charts from /u/broccaaa's post to support this:

- **The price movements we've been seeing, both volatile moves up and down, are caused by the shorters themselves by holding back buy pressure and then unleashing it at a later date. They are the reason we see bursts of high volume and large surges on certain days. This is due to the "SI Report Loop" that they're trapped in, paired with the fact that there are no more shares left in GME and there have been no shares for quite some time. I'll go into more detail in the next section because it is the basis of the SI% calculation.**
    - **They held back buy pressure from May 1 to May 12, and then it started to be unleashed on May 13. Refer to Section 1 where I discuss the SI Report Cycle.**
- I do not believe they are delaying FTDs or hiding FTDs. Ever. They are satisfying them immediately **with fake shares** and simply hiding their ever-growing SI%. This is why we never see the "FTD squeeze" theory play out. They aren't juggling a pile of FTDs - they're simply adding to their ever growing short position until they inevitably get margin called

from too high of a risk. (Hello??? Reverse repo loans coming out at higher frequencies lately?!)

- Each type of option is used for a very specific play. We see large purchases of OTM PUTs, ITM PUTs, OTM CALLs, and ITM CALLs popping up in anomalies.
    - **OTM PUTs = Used to hide their SI%**. This has no effect on the price of GME because these are not being exercised and they maintain OI even until expiration. The shorters are using these to hide their SI% from the world. The main counter-argument to the MOASS is "their SI% is 20%, they covered". So if you're a shorter and you hide your SI%, you can push that narrative that you covered and hope people sell. **Supporting Data: Figure 1, PUT OI Versus SI%. Check out how SI% drops when PUT OI skyrockets.**
    - **ITM PUTs = Used to flash crash the price**. This is an expensive move and I believe we only saw this happen once, on March 10. This is a last-ditch effort move where you mass exercise ITM PUTs to crash the price down from a critical point. If you don't remember - March 10 the price hit $350 before being flash crashed down. They have purchased up many more ITM PUTs lately, so they might attempt this again. **Supporting Data: Figure 2, PUT OI For Options, March 9 to March 11. Look at how the PUT OI dropped on March 10, indicating mass exercise of options to flash crash.**
    - **OTM CALLs = Used by other large players who want a profit.** We only just recently started seeing these from what I can tell. I'm assuming that because these just started popping up that other big players are looking to make some cash. The ones that were purchased expire on July 16, 2021. They might be hoping for the squeeze before then and maybe thought $140 was the bottom.
    - **ITM CALLs = Used by shorters to filter synthetic shares through and satisfy FTDs**. These purchases occur a lot when FTDs pile up. I believe that they continue to use this in conjunction with Citadel in order to fulfil FTDs because there is no liquidity. These options have an effect on price because they are immediately exercised so that the shares can be delivered. **Supporting Data: Figure 3, ITM Call Volumes Versus FTDs. Deep ITM CALL volume skyrockets when FTDs increase**.
- And my most important finding: **shorts r fuk**

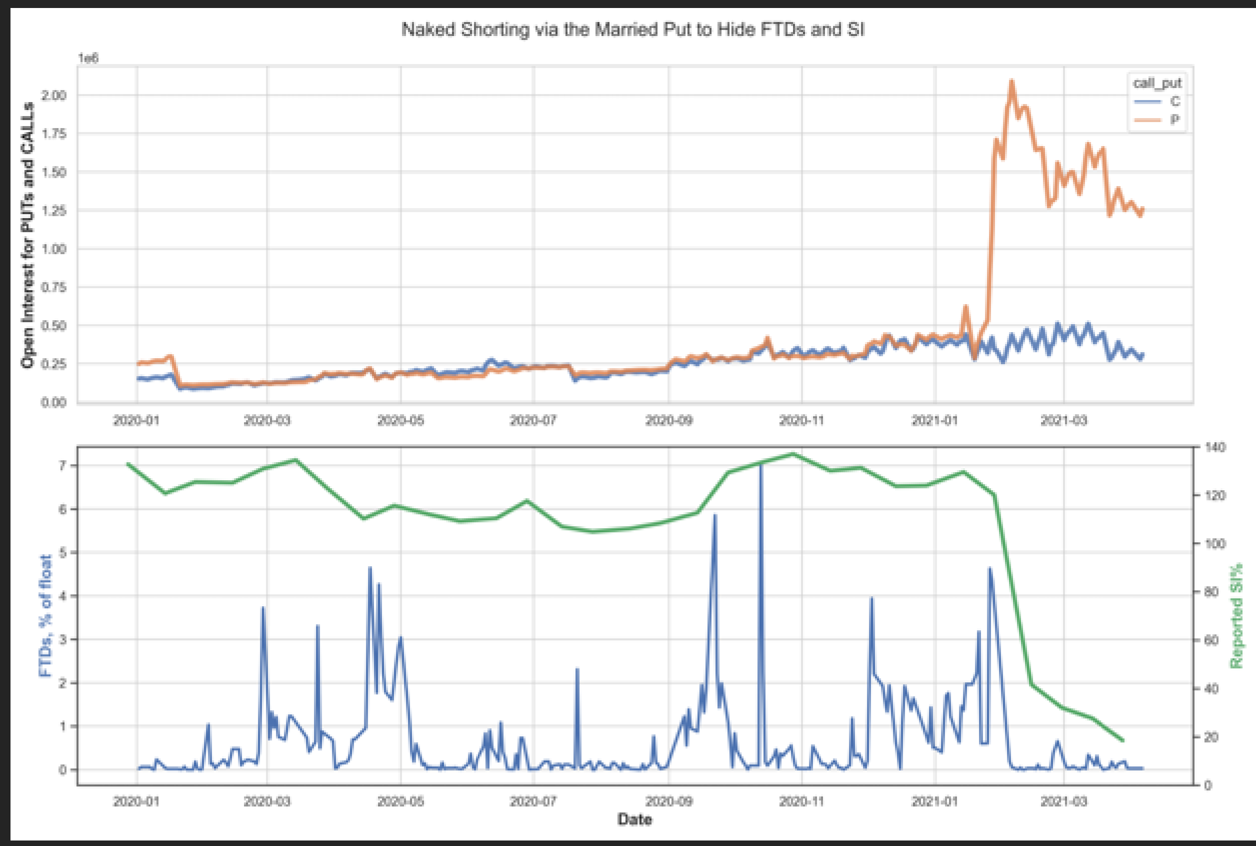


Figure 1: PUT OI Versus SI%

Data Date	Total PUT OI	Option Expiration Date					
		2/5/2021	2/19/2021	3/19/2021	4/16/2021	7/16/2021	1/21/2022
3/9/2021	1,416,275	-	-	378,317	328,944	236,431	222,134
3/10/2021	1,346,154	-	-	355,417	338,249	153,920	221,699
3/11/2021	1,604,253	-	-	413,951	354,000	263,694	230,049

Figure 2: PUT OI For Options, March 9 to March 11

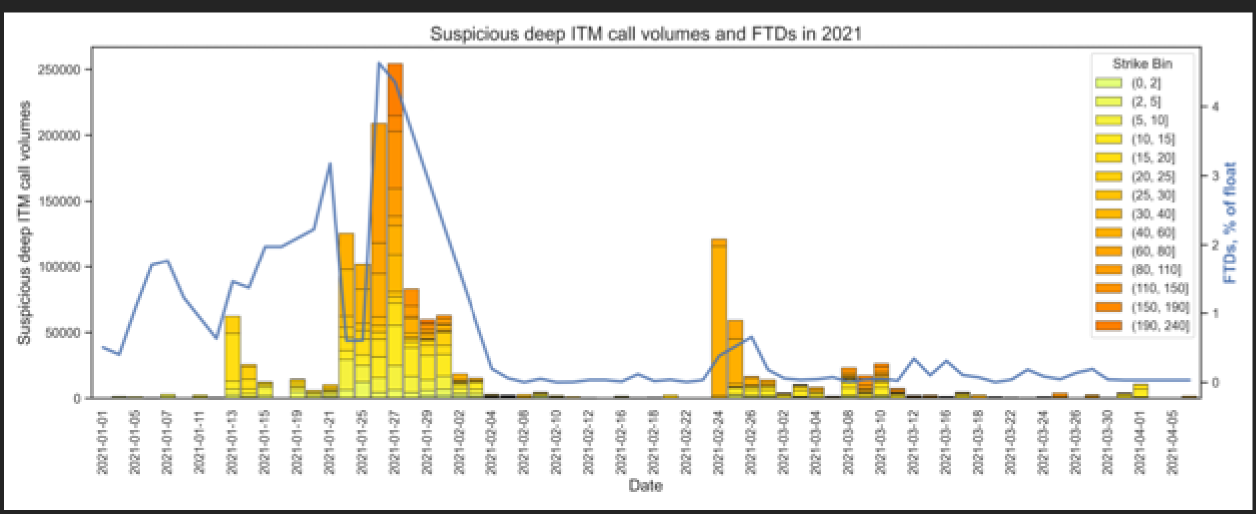


Figure 3: ITM Call Volumes Versus FTDs

1. There Are No Shares Left. Every Share Being Bought Is Synthetic

Well, at least most of them are synthetic. A vast majority are synthetic due to SI% being over 100% since December. You don't just suddenly find liquidity in GameStop after naked shorting the shit out of it. It's going to have to be continuously naked shorted (and produce synthetics) to satisfy buyers until the MOASS. Otherwise, whoopsie. They'll have to start unwinding a bunch of FTDs from being forced to deliver (and find the shares). So instead of that route, they'll make fake shares for the FTDs.

I've been trying to understand what the hell has been going on with the price. Why did it surge in January? Why did it surge in February? Why March? Why did we see volatile jumps all over the place? Why does buying pressure seemingly get negated? T+13? T+21? T+35? No, no, no. It is all SI Report Loop. They're stuck in that loop and can't get out. I've talked about this in my other DD but I'll recap because it's very relevant here for why we can use ITM CALLs to calculate SI%:

The shorters are stuck in a loop revolving around Fina Short Interest Reporting. What exactly is this? FINRA requires firms to report short interest positions in all customer and proprietary accounts in all equity securities twice a month.

There's three columns on that link. What are they:

- **Settlement Date**: The date at which short interest positions must be determined.
- **Due Date**: The date at which the report of the SI from the settlement date is due by.
- **Exchange Receipt Date**: The date when FINRA finalizes the reports and delivers them.

You want to make sure that your short positions are **hidden** by the Settlement Date so that it pops up to the world on the Receipt Date. For example, they opened up a shitload of OTM PUTs (Figure 1, PUT OI Versus SI%) prior to January 29th Settlement. Upon February 9th, SI% dropped like a rock. As long as short positions are hidden or covered by the Settlement date, then the receipt date will not take those into account.

Refer to Figure 1 on PUT OI skyrocketing when SI% dropped. At that point in time (early February), they could claim to the world that they covered, and they did claim that, but they actually just hid their short position from the world's eyes.

Here's a copy/paste of the dates for 2021. I'm going to only copy the ones through the start of June:

Settlement Date	Due Date	Exchange Receipt Date
January 15	January 20	January 27
January 29	February 2	February 9
February 12	February 17	February 24
February 26	March 2	March 9
March 15	March 17	March 24
March 31	April 5	April 12

Settlement Date	Due Date	Exchange Receipt Date
April 15	April 19	April 26
April 30	May 4	May 11
May 14	May 18	May 25
May 28	June 2	June 9
June 15	June 17	June 24

So we can say that between each Settlement Date is a loop where they'll have new shorts open up, and then they want to hide those new shorts by the next Settlement Date so that it doesn't appear on the SI% report and increase it. (Imagine if one day we saw SI% jump back up from 20% to 140% or more. Imagine the headlines. They can't risk that happening).

And what exactly goes on between each loop? Let me bring up my handy-dandy chart again before continuing. I've plotted the Settlement Dates here and boxed volatility moments. You'll see that **there is ALWAYS a volatile move up and a volatile move down between these dates**.

Figure 4: SI Report Loop And Volatility

Here's what I am assuming happens:

1. Retail starts buying. They (Citadel & Co) create synthetics to match this buy pressure because there's no liquidity/no shares available. This negates buy pressure and any additional shorts (iborrowdesk) helps **drive the price downward**.
2. Retail doesn't get their shares delivered. FTDs start piling up. The synthetics created in #1 and the shorts that were opened in #1 need to be hidden by the next SI report date otherwise it will pump the SI% up again. The FTDs must be satisfied as well or it will start an unwinding of their massive web of bullshit.
3. They feed these synthetics into Deep ITM CALLs that are then purchased up, exercised, and used to satisfy the FTDs that were created by retail buying. **This process drives the price up**. Retail now owns more fake shares and their overall short position continues to grow.
4. Combination of #1 and #3 cancels out the downward pressure on the price. GME creates a higher low as long as retail didn't sell. If you look at the GME price chart, you'll notice how it continues to create a higher floor between each SI Report Cycle. Basically, the "true" GME price is revealed after #1 and #3 cancel each other out because it shows how retail buying increased the price relative to the prior SI Report Cycle.
5. Any additional shorts they have will be pushed under the rug with OTM PUTs.

Each cycle they continuously grow an ever larger short position and thus an ever larger SI% with these synthetics and additional borrowing. Meaning they continue to have higher risk, and their margin call price slowly moves downward. They keep making it worse for themselves. Every cycle they spend a little money kicking it down the road. Every cycle the price floor rises. Every cycle they increase their short position.

You know how we see >=50% short volume each day? That's most likely them pairing 1:1 with retail buys for synthetics so that they can be later delivered through ITM CALLs. A bold assumption of course, but it could be relevant and might explain why we've been seeing that data of short volume.

That's why I believe that the volatile price movements both up AND down are caused by the shorters themselves by holding back buy pressure and then unleashing it at a later date. They are the reason we see bursts of high volume and large surges on certain days. They suppress the buy pressure with synthetics, but then must deliver those synthetics to satisfy FTDs. Upon exercising the ITM CALLs to deliver these synthetics, they cause the price to surge upward.

I am assuming that every one of these Deep ITM CALL purchases are synthetic-covered and thus 100 fake shares per contract.

2. Assumptions In Calculating SI%, And Results

We're assuming that the Deep ITM CALLs **are not used to hide FTDs** but **they are rather used to satisfy the FTDs** immediately with fake shares. This is most likely why we never saw the "hidden FTDs" pop out again to support the FTD squeeze theory. Because they've already been delivered, and the synthetics keep pumping into their total SI%. So they're in the process of juggling an ever-increasing SI% position while the price also continues to rise.

Per /u/Dan_Bren, between March 1st and March 11th, inclusive, there were approximately 27,650 Deep ITM CALLs purchased. If we assume that all of those were to fulfill FTDs and are synthetic due to no

liquidity in the market, then that comes out to **27,650 * 100 = 2,765,000 synthetic shares from March 1st to March 11th**.

In another post, on April 1st, there were approximately 5,960 Deep ITM CALLs purchased. Likewise, this equates to **5,960 * 100 = 596,000 synthetic shares on April 1st.**

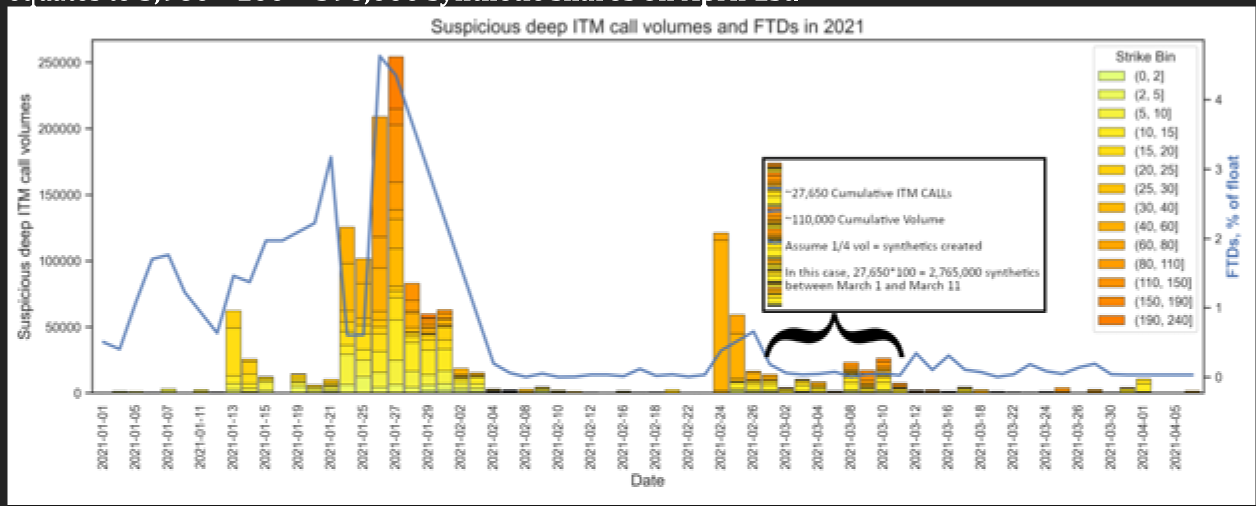


Figure 5: Cumulative Deep ITM CALL Volumes, March 1st to March 11th

Look at the volumes between March 1st and March 11th compared to everything else. Oof. All those blips of ITM CALL anomalies is nothing compared to January and the spike in February.

To be conservative I'm going to ignore straight up "volume" and rather calculate SI% based on a ratio of /u/Dan_Bren's data to the volumes we see. Here's results based on March 1st to March 11th, and April 1. I'm going to do an even value closer to the lower bound of 0.25 to get our "Average". It just makes the math easier.

	March 1st to March 11th	April 1
Cumulative ITM Calls	27,650	5,960
Cumulative Volume	~110,000	~14,000
Ratio of Volume to CALLs	~0.25	~0.42
"Average" Ratio		~0.3

Since we don't have historical data prior to 3/1, I'm going to use these two data points (March 1-March 11, and April 1) as our estimated "synthetics created" per volume.

With a conservative estimate, we'll say that we get 30 synthetic-covered CALLs that are exercised for every 100 volume (0.3 ratio). And thus 3,000 synthetic shares per 100 volume.

Let's tally it up based on Figure 5. I'm doing approximations for volumes because I do not have the data sheet that was used to create this figure. It's also easier to work with even numbers. Sorry for the long table.

Date	Volume	Approximate Synthetic CALLs (Volume*0.3)	Approximate Synthetic Shares (CALLs*100)
Janaury 7	3,125	938	93,800
January 11	3,125	938	93,800
January 13	62,500	18,750	1,875,000
January 14	25,000	7,500	750,000
January 15	12,500	3,750	375,000
January 19	13,000	3,900	390,000
January 20	6,250	1,875	187,500
January 21	10,000	3,000	300,000
January 24	125,000	37,500	3,750,000
January 25	100,000	30,000	3,000,000
January 26	210,000	63,000	6,300,000
January 27	260,000	78,000	7,800,000
January 28	80,000	24,000	2,400,000
January 29	61,500	18,450	1,845,000
February 1	62,500	18,750	1,875,000
February 2	18,750	5,625	562,500
February 3	13,000	3,900	390,000
February 4	3,125	938	93,800
February 5	3,125	938	93,800
February 8	3,125	938	93,800
February 9	6,000	1,800	180,000
February 10	3,125	938	93,800
February 11	1,000	300	30,000

Date	Volume	Approximate Synthetic CALLs (Volume*0.3)	Approximate Synthetic Shares (CALLs*100)
February 16	1,000	300	30,000
February 19	3,125	938	93,800
February 24	120,000	36,000	3,600,000
February 25	60,000	18,000	1,800,000
February 26	14,000	4,200	420,000
March 1	13,000	3,900	390,000
March 2	4,000	1,200	120,000
March 3	10,000	3,000	300,000
March 4	8,000	2,400	240,000
March 8	24,000	7,200	720,000
March 9	15,000	4,500	450,000
March 10	26,000	7,800	780,000
March 11	6,500	1,950	195,000
March 12	2,000	600	60,000
March 15	2,000	600	60,000
March 17	6,000	1,800	180,000
March 18	3,125	938	93,800
March 25	3,125	938	93,800
March 29	3,125	938	93,800
March 31	4,000	1,200	120,000
April 1	10,000	3,000	300,000
Total			**42,713,000**

Yup. Assuming only 30% of the volumes resulted in actual synthetic CALLs being exercised to cover FTDs, we come up with a potential of **42,713,000 synthetic shares being created between January 7th and April 1st.**

Just for fun though, and I'm sure some of you are curious. Let's assume 100% of the volumes were accounted for. What would that give us? Dun dun dun... 142,375,000 synthetic shares. But I'll stick with the conservative estimate for now. Just thought I'd slap that in there for fun.
Now let's assume that these were all NEW synthetics created because the SI was already over 100%. (Why else would they be buying these? The assumption is ITM CALLs are necessary for zero liquidity.) So we'll take the peak SI% since shitheads never covered and never will cover. The SI was 141% at its peak. Since 141% is based on 55,000,000 float, we'll say the original short position was **77,550,000**, resulting in a grand total of **120,263,000** shares short as of April 1.
What is the theoretical SI% now with our estimated **shorts/synthetics just up to April 1st** if the GME float is either 55,000,000 or the theoretical 30,000,000 as of late?

GME Total Float	SI%
55,000,000	218%
30,000,000	400%

Oh dear god. **That's a lot of tendies.**
They're amassing such a huge position that keeps growing every single SI Report Cycle. It's no surprise these reverse repo rates are coming out more frequently and in larger sums. They are battling a massive risk position now and GME is continuing to rise in price. They've got to be on their last legs.
GME has been edged so much and so long that when it explodes it's going to rip a hole in the fabric of space and time and the simulation we live in will crash.
Cheers apes. I'll see you on the other side.

Back to Table of Contents

Glacier Capital Exists - And It's Much Spicer Than You Thought

DD 👨‍🔬
(Skip to !!!!!! - This was the initial part of my investigation. Skip to that bit. Promise.)
In the linked in profile, they are advertising for one position in China with email domains for glacierchina.com
Running the advertisement through Google Translate, we can see that they have a public **WeChat account: GlacierCap.**
Throughout the rest of the job post, they refer themselves to **Gengxin Capital**.
Introduction:

Founded in September 2018, Gengxin Capital is an enabling boutique investment bank. The founding team comes from core members of companies such as LAZARD, Yuanhe Chenkun, Kaisheng Rongying, Huafeng Capital, Blue Lotus Research Institute, Analysys International, and has extensive contacts in the capital market, Internet, and technology industries.
Gengxin Capital is committed to deep participation and long-term empowerment in the value creation and value discovery of technological innovation companies that are the engine of global economic growth and unicorns generated in the tide of inclusive consumption in China. Since its establishment, it has assisted 26 projects to complete financing, with a total financing of 5.36 billion yuan.

Additional information I can tell you about the Chinese domain is that while it was initially registered in 2018, the Registry of the domain (RDAP) has been updated within the last 24 hours. Circumstantial, but the domain for the Chinese email accounts do not have anything else allocated to them other than their emails.{"eventAction":"last update of RDAP database","eventDate":"2021-03-14T06:57:12Z"}]
Registered with Alibaba.
Source material: https://whois.aliyun.com/rdap/domain/GLACIERCHINA.COM

!!
Bringing it back to Glacier Capital in Lux, I ran a WHOIS on the Domain and got a different address than u/timmmmmmmyy.
Domain name holder
GLACIER CAPITAL SARL
18, rue Jean Oster
LU - 8146 Bridel
https://www.google.com/maps/@49.6582799,6.0771793,3a,75y,326.47h,77.66t/data=!3m6!1e1!3m4!1sqXom6bxDm2-6Pd1NdeLZEw!2e0!7i13312!8i6656?hl=en-AU

Wonderful, modern house. Could hold 4 employees in the silo looking part next door, but otherwise a suburban street.

The official business registration yields the same address as u/timmmmmmmyy
Buisness ID: B212426
A new player has entered the game, **Norbert Raymond Becker.** Owns 48.08% of Glacier Capital, where Marc-Francois Joseph Daubenfeld owns 51.92%. Both Luxembourgers.
(I'm looking to upload the supporting paperwork - standby).
(EDIT GOES HERE: https://imgur.com/i9lTtDc Verifiable at https://www.lbr.lu/ which is the Luxembourg Business Register. Put the above Business ID into the "RBE" which is the Beneficial Owners Registry.)

What's Norbet up to?

He has a Directorship at Lia Holdings Limited. (Very close to Liar, lol). with the following address - 52 LIME STREET, LEVEL 27, LONDON, EC3M 7AF
Fancy new building there for Norbet. What's on level 27, the registered address for Lia Holdings Limited?
https://www.thescalpelec3.co.uk/#Neighbourhood
Level 27 holds Lombard International
https://www.thescalpelec3.co.uk/wp-content/uploads/2020/12/SCA005_Scalpel_Floorplans_V32.pdf
https://pomanda.com/company/12049264/lia-holdings-limited
This looks more like a spicy meatball. We have a list of other directors in London that we can chase down, along with business names that contain the word CAYMAN in them. Niiiice.
So.... who is this rag tag bunch of professionals for Lia?
https://www.lombardinternational.com/en-US/About-us/Leadership-team
Oh look - Hi Norbet! He isn't a small fish either - used to be Global CFO for EY (one of the big four consulting and accounting firms in the world).
I see that they have their funds managed by Blackstone, a fairly large and spicy meatball in the U.S (I know this because they just tried to buy a Casino group in Australia).
I must say that many of the board on Lombard International Group are not small fish - international Chief Investment Officer of HSBC is a spicy meatball (Stuart Parkinson) or a senior figure of Blackstone's Tactical Operations Group in Qasim Abbas (sounds like a lame Bourne movie).
So what has this got to do with our situation?
https://www.businessinsider.com.au/blackstone-and-citadel-have-reportedly-held-deal-talks-2019-10?r=US&IR=T
Fuck. Off.
TL:DR - The strawman at Glacier, whom has a Residential Office but has a 48% owner in the former Global CFO of EY Norbet Raymond Becker, who sits on the Board and is Vice Chairman of Lombard International Group, whose funds are managed by Blackstone, whom have been looking to merge with Citadel going back to 2019.
Edit: Adding the screenshot for the Public Record of Beneficial Owners of Glacier Capital, which ties them to LIA, which ties them to Blackstone Tactical Operations, which ties to Citadel.https://imgur.com/i9lTtDc
Edit2: Do not confuse BlackRock (who are long on GME and are listed as an institutional investor in GME) to Blackstone, the company listed above. Have a read of this 2018 article. To help remember, Blackstone = BS = Wanted to merge with Citadel in 2019. https://www.economist.com/business/2018/01/13/blackrock-v-blackstone

Back to Table of Contents

All Shorts Must Cover. They're Entering The Danger Zone. The SI Report Loop Consistently Brings Us Ever Closer To The Squeeze.

DD 👨‍🔬

0. Preface

This is your daily hit of hopium. In this case maybe a full rip of it since I see many people discouraged about 002 - but there is no need to worry. I want to show you that apes are winning and shorts are losing. You hold, you win. (But please note I am not a financial advisor. I don't want you guys bitching at me if you YOLO it on deep OTM options expiring within 24 hours).

It is my belief that we do not need ANY of the new rules for the MOASS to occur. These rules were created for the purpose of preventing **future stocks** from **ever** being in the same position that GameStop is in. Think of it as they're introducing rules to ensure that a January runup in another stock never occurs again post GameStop MOASS:

- The DTCC will no longer have a 'pool' of collateral. Now the members will be hurting more and its easier to hit a margin call. High volatility up = 1 hour margin call from 801.
- No more delaying FTDs. The DTCC will catch any attempt at this and shut it down. Volatility from FTDs can't be suppressed = 1 hour margin call is easier to push through.
- Positions will have much more visibility to the DTCC and risk always calculated. No more hiding from the margin calls during high volatility.

Again, all the bullets above are to prevent **future stocks** from squeezing. They never want this to happen again. Remember Tesla? It slow squeezed upward without any of these rules on a 15% SI. It's going to happen to GameStop eventually.

All I'm saying is don't get discouraged! Things can ignite literally any moment - and **they will ignite, with or without the DTCC rules**.

1. The Price Floor Is Moving Towards The Danger Zone.

On **January 25th, 2021**, Melvin received a total cash injection of **$2.75 Billion.** The price spiked to **$159.18**. So they were cutting it pretty close at that point - or at least, it was preemptive because Shitadel and Point72 knew things would spike a little bit more and this was to avoid the inevitable call from Marge. On another note, they absolutely **hate** the price of **$350**, which is where we saw the January and March peaks.

So it's probably safe to assume that somewhere in the range of **$160** and **$350** is when our good friend Marge will give them a call. We can apply $160 here because that's around when Melvin got bailed out by his buddies, and them bleeding money over time could eventually make $160 the margin call price

point. They can't continue this forever. And it shows. They are slowly but surely running out of time. How fast they are bleeding money? Eh, I don't know. I saw some linear predictions of the margin call price and that prediction could very well be true or very close to being accurate, but I'll leave it as a range for now instead of a "THIS IS THE PRICE TARGET WE'RE WAITING FOR!"
It's literally just a war of attrition while the apes have infinite supply of time as we approach and enter what I like to call the **DANGER ZONE**. Kenny G and his friends are on that highway right now and have been ever since January.

Source: Ryan Cohen in Top Gun (1986)

You'll start to notice something wonderful when you look at the charts starting from January and **ignore the trend downward** but rather **look at the trend upward**. Your doubts should erase from your mind when you notice it.
GME did a **very quick** decay from the January spike, and then a **very slow** decay from the March spike. Felt like it was going down in price, and the shorties were winning, huh? **So I'm just wondering - how would you have felt if this was the chart we saw instead? What if the price decayed really quick in March again and then settled around $120?**

Hm. I'd feel completely different. Give me that sweet sweet hopium hit. It would have no longer felt like it was going down in price but continuing to rise in price. The slow bleed from around **$220** to **$160**sucked **-** though trusting in the DD certainly helped. Now, imagine that SAME squeeze pattern on top of the arrows I drew. Let the price decay quickly in your mind. See what's going on here?

I only needed to bust out one crayon 🖍 from my mega 96-crayon pack for this chart. **The price floor (blue line) is continuing to rise. Not only this, we're just now entering the DANGER ZONE!! (purple box).** While it appears we are on a downtrend from looking at the decay in price from $220 to $160, GME is in fact going to higher and higher floors on these smaller and smaller bursts up. (FTD loop theory is right boys and girls, but I don't think it's been ironed out yet).

GME Price Floor Rising Into The Danger Zone

Well well well. The price floor continues to rise in this dampening effect of price peaks and troughs. It's not going down! It's already going into the **GODDAMN DANGER ZONE!** They are growing weak at trying to suppress the price. Their efforts can't contain it forever.

Now keep in mind, this is not to say that it is over once we're in the purple box. It is to say that the longer we stay in the purple box, the closer and closer we get to the margin call price. I can hold out for it - can't you? It's almost time for you to pick out your favorite lambo model.

Anything can kick this over the edge and finally trigger the MOASS without 002 and 801. **We're already stable at the price that GME spiked when Melvin received their cash injection.** It's really just a matter of time at this point, because their attempts to kick the price back down are dampening.

The longer this drags out, the higher the price floor becomes, until it kicks off.

- GameStop could find over 100% of their float voted and initiate a price spike, possibly through a recall.
- The entire market could tip just one way out-of-favor of the shorts, causing their margin price to drop.
- A long whale gamma squeeze can spike us into margin call territory long enough for the natural margin call (non-801) to occur.
- GameStop can slowly bleed upward until the critical danger zone price is hit with no other catalysts.
- **Or perhaps, another FTD loop spike pushes GME over the edge. Let's investigate this to try to iron out the missing pieces of the FTD loop theory.**

2. Hello FTD Loop - Or Should I Say SI Report Loop

This isn't T+21 or T+35 or anything. But I think it might finally paint the picture of why we have theories ranging from T+13 to T+21 to T+35, and everything in between. We definitely have a loopthat is occurring. And it's most likely due to something called Short Interest Reporting from FINRA.

Short interest?! That's two words we're all very familiar with. What exactly is this?

FINRA requires firms to report short interest positions in all customer and proprietary accounts in all equity securities twice a month.
There's three columns on that link. What are they:

- **Settlement Date**: The date at which short interest positions must be determined.
- **Due Date**: The date at which the report of the SI from the settlement date is due by.
- **Exchange Receipt Date**: The date when FINRA finalizes the reports and delivers them.

Ah nice. So if you were a shortie in January and your SI% is well over 100% of the float, and **the world thinks you haven't covered because of the high SI%**, then you might want to drop that SI% number down! If you maintain a low SI% for a long time, then the world will believe the squeeze is done for and you can claim that you've covered your positions. In order to drop your SI% that will be reported on the Receipt Date, you'd want to **hide** your short position before EOD of the Settlement Date.

You risk causing a mini squeeze right here. AKA the "Fake Squeeze" of January. But you MUST try it to shake off the holders. Dump it all. Pretend you covered. Hope that the apes sell.

Here's a copy/paste of the dates for 2021. I'm going to only copy the ones through the start of June:

Settlement Date	Due Date	Exchange Receipt Date
January 15	January 20	January 27
January 29	February 2	February 9
February 12	February 17	February 24
February 26	March 2	March 9
March 15	March 17	March 24
March 31	April 5	April 12
April 15	April 19	April 26
April 30	May 4	May 11
May 14	May 18	May 25
May 28	June 2	June 9
June 15	June 17	June 24

You could look at the Receipt Dates and say, "Hey! We spiked/dipped there! January 27, February 24, March 9, March 24! So the next spike would be May 11!", but not necessarily. It's interesting how some spikes occurred on a few of the receipt dates. I mean, the price certainly could spike again on May 11, but that's probably going to be a coincidence once more. I'm more interested in the **Settlement Date**column.
Like I said earlier, **it appears that they'll want to stuff away their shorts on days up to and including the settlement date**. When this happens, we get volatility in the price due to the ITM CALL +

OTM PUT tricks they've been using. The price spikes up, then crashes down. Or vice-versa. And this is **consistently happening**. Here's a few thoughts that I'm unsure of, but would like to propose:

- It's possible that a bunch of their shorts pour out after being hidden at critical dates, which result in massive ITM CALL and OTM PUT purchases prior to settlement dates, which consequently spikes/crashes the price in much larger movements. This could be why we're seeing smaller movements (February 12, April 15, April 30) because fewer shorts are popping out and we're waiting for a big pour out again.
- They like to waste money on flash-crashing the price, probably through exercising a bunch of PUT ammo, while simultaneously suppressing the SI% and moving FTDs out once more with ITM CALL and OTM PUTs (February 26, March 15, March 31). This bleeds them money when spikes occur, and thus makes the Danger Zone ever closer with a slowly incrementing price floor.
- The overlap of a bunch of their shorts pouring out and FTDs having to be reset occurs on these large movements (January 29, March 15, Some future date?)
- This is why we see discrepancies between T+21 and T+35 and dates in-between. It's not a cycle on those exact dates but rather any days before the settlement date.

To help visually, I plotted each settlement date on the lovely GameStop chart starting in January. You can see that prior to **every single receipt date**, **some kind of volatility occurs**. Even for February 12, I would argue that the spike/drop from February 5 to February 6 was one of these volatile movements, though ever slight of a movement like we're seeing now.

So, what does this mean? Well, it's not a date but more of a "**watch for shit to go down close to or on these Settlement Dates (May 14, May 28, June 15, etc.)**". The next few Settlement Dates **could continue to be dampening with smaller and smaller volatile movements**. But they **could also be a repeat of the January, February, or March spikes** due to the possibility that a ton of shorts and FTDs will need to be brushed under the rug once more.

- If GME spikes again due to this, they could attempt to flash crash the price once more.
- If GME spikes again due to this, and they are unable to flash crash the price, they'll be sitting higher in the **DANGAH ZONE**.
- **Regardless, we can assume the price floor will continue to rise.** Perhaps since we are at a critical point here of $160 and it has been dampening to an ever smaller volatile swings around $160 - that we will see a huge burst again just like January, February, and March in order to maintain that ever-increasing price floor.

It sounds like I'm covering my ass because I said it could spike significantly or not at all lol. **But I think there's enough data points here to assume that volatility will always occur prior to the next SI Report Settlement Date.** Whether or not it is a big jump depends entirely on the amount of shorts and FTDs they need to hide. When do those pour out? Is it a specific date? That's what I'd like to find out. Personally I still believe April 16, 2021 caused something **big** that is coming. You don't just have all these banks + Shitadel working overtime day and night as of that date and not prior to it. **If a big**

amount of shorts popped out of April 16 and they did not hide a lot of them prior to April 30 settlement, then the receipt date of those positions is May 11.

- Note: Receipt date of May 11 does not imply a price spike will occur. **This implies that the next SI% report could cause a SI% spike if April 16 shorts popped out and were unable to be hidden by April 30.**
- If the next SI% report date shows a spike in SI%, then its very possible that a portion of their hidden short position will be calculated into their risk, and the margin call price will go further down in the danger zone, making the tendies that much closer.

3. Conclusion

We're reaching a critical point here, and its obvious that the shorters are going to lose. Apes will win. Don't get discouraged. Anyone telling you you're crazy might be right - that you're crazy just in a general sense - but you're not crazy for believing in GME.

Blast off from here with some hopium / TLDR:

- Melvin received a $2.75B injection on the day GameStop spiked to $160. They have flash crashed the price from going above $350 every time. It's probably safe to assume they are entering the **Kenny Loggin's DANGER ZONE** as of this week which ranges from $160 to $350. **This zone is where the margin call price theoretically lives**.

    - GME is already stabilizing around this $160 price point. Melvin, are you scared?
- **The Danger Zone will continue to shift down while they bleed money** attempting to suppress the price. The margin call is inevitable. All shorts must cover.
- **We consistently see volatile movement at some point in the week or week before a SI Report Settlement Date. EVERY single date has had this occur. The next settlement date is May 14.**
    - This could be only a slight movement just like the past few Settlement Dates.
    - This could be a big movement due to April 16 from an overlap of a large amount of shorts having to be suppressed and FTDs shifted out (but who knows).
- **Every Settlement Date spike results in an ever higher price floor**. The past few floors, starting Feb 26 through May 7 = $100, $120, $140, $150, $160. This brings us closer to, and into, the Danger Zone.
- The Settlement Date following April 16 was on April 30. **If a bunch of shorts spilled out from April 16 and they are no longer able to suppress them, then the Receipt Date on May 11 can result in a spike of SI%. Note: not price spike. SI% spike.**
    - If the SI% spikes and they now have to include those shorts in their risk calculations, then that might shift the Danger Zone even lower and make the margin call price even closer.

Also note to not day trade. Imagine you make the wrong mistake and the volatile movement ends up being the MOASS. See ya.
The end feels so close. We'll see what the next few weeks bring. 😎

Back to Table of Contents

Tombstone Tweet Confirms Reverse Merger? Reposted Reverse Merger DD

DD
RC TOMBSTONE TWEET
"A tombstone is a written advertisement that gives investors basic details about an upcoming public offering."
EDIT #1 THANKS FOR ALL THE UPVOTES! I didn't expect this to blowup as I was just reposting it in light of the tweet. This is my theory based on facts. Also a great timeline of rc involvement with GME. Gamestop future is very bright in the near term and future. Not financial advice.

Reposting Merger DD
What's RC plan, does he have a plan?

Reverse Merger

Here is what I think Ryan Cohens plan is
Ok I have heard allot of talk about stock splits, reverse splits, dividends or crypto dividends ect on how RC can shake the shorts.
None of those really go the whole way. Reverse split is out of the question as the stock is not liquid enough, and there is legal questions surrounding the crypto dividend. OVERSTOCK
Also none of these moves benefit Ryan Cohen and GameStop at the same time. They may hurt the shorts or help retail investors but none of the options help Gamestop and RC at the sametime.
I have Posted and others have thought about RC buying more GameStop, after reviewing the filings **he can buy up to 20% of the company at any point.** This whole time I have been waiting for him to buy, and thinking that he is waiting for volume to dry up, or to save his ammo to protect the stock if the price starts to fall.
but there is a serious flaw in that thinking......it doesn't help Gamestop.
I lay out the timeline of RC and GameStop below more in-depth below, but at this point RC has control of the board and the chairmanship, he doesn't need to buy anymore stock the way normal people do.
GameStop, with the help of RC and his marry band of Apes has erased its long term debt (minus leases) and raised 555m (a nice down payment on the transformation)
Ryan Cohen wants to own more of GME, most owner/CEO own over 20% of the companies they run.
He is totally invested in the GameStop turnaround, the best thing he can do is a **Reverse Merger.**
He capitalizes RC ventures with allot of money (500m, 750m, 1.5b) he can even bring in other private investors.
RC Ventures and GME merge, they create a Holding Company that they both merge into. The holding company is renamed Gamestop and eventually trades as GME under a **new CUSIP#**
How does it help Ryan Cohen- He gets ownership of whatever % of the stock at the agreed upon merger price (it would be the same amount as if he bought on the open market)
H**ow does it help Gamestop-** they actually get the **CAPITAL,** if Ryan buys on the open market they don't get the money they sold that stock when they issued it. this way Ryan gets to infuse the company with much needed cash and increase his ownership stake at the same time.
You are probable asking
HOW DOES IT HELP APE **-** Did you gloss over the part about the CUSIP#...here read this
Example 1 or https://theintercept.com/2016/09/24/naked-shorts-cant-stay-naked-forever/
" Changing the stock cusip number results in each share with the old cusip number having to be exchanged for a share with the new cusip number, which causes each short position to have to prove the borrow. Naked short positions would be unable to comply and those positions could have to be covered by purchasing shares with the new cusip on the open market. "

Now the reverse split or the reverse merger has been tried before and it does squeeze the stock price a bit, but then it goes right back down. Typically this is because it is done on Penny Stocks and the shorts can simply cover as its not that expensive or there is not as many Naked shorts as people think.
but what if there is a ton of **NAKED SHORTS,** then those **SHORTS ARE FUCKED.** If they sold a bunch of shares naked and kept doing it without ever thinking they would need to be returned they would be foreced to buy a TON of GME under the new CUSIP #
ADDITION More research and DD need to be done on how a merger or reverse merger affects users on ETTORO https://www.etoro.com/posts/0__entry__19ed9016-5e15-4642-be20-64b8dc9bb89fAdding alpha merger info from Etoro. My take is not to worry if you are on Etoro, there would be a minimum 30 day period from the announcement of a merger to an actual merger, probably more. So the stock would squeeze during that period not after. Also any merger would cause a change in cusip number.
Remember Citadel Securities is the DMM for GME right now if they change their cusip number they can change DMM OR CHANGE EXCHANGES.

SHortsplan was never to cover
I have been writing a DD where I believe that Citadel and SUS has been stashing their Naked options sales or Naked short sales in Sold not yet purchased liabilities which are Ballooning. Citadel has no clothes describes the naked shorting done by Citadel securities the best.
Oh and GME has done this before when the merged with EB games
Gamestop EBgaming Merger
They created a new Holding company like a laid out above
More Fuel for the Fire-
Ryan Cohen changed lawyers (DFV pointed it out in his tweets)
new lawyer.....rising start in Mergers and Acquisitions
https://profiles.superlawyers.com/new-york-metro/new-york/lawyer/ryan-p-nebel/c6896fb3-ede6-4eca-8bbe-40b0dc317589.html
He also has a team of lawyers but Ryans on the Filings now . NEW TEAM
Ryan Cohen has the Assets-
He sold CHewy for Billions....he bought two stocks Apple and Wells Fargo (we don't know the ratio but articles point to it being heave on apple)
Do you like apples?

RC ownes 6.2 Million Shares of APPLE
Tinfoil Hat time-
Apple has been acting weird since mid February.
Apple bought back 19B in March, the stock didnt pop up until they crushed earnings and annouced that they are going to buy back 90B more....and its dipping again.
I have been thinking it is Funds selling out to cash out or to cover your position. Probably covering the position as apple it is safe haven stock.
but what if it was someone ready to go .....all in on GME

yeah crazy theory

https://preview.redd.it/xt08lsjvv1271.png?width=1072&format=png&auto=webp&s=d8276c1f6fa1cb5bad92332610c7f69da848d1ee

https://preview.redd.it/8iif6rzwv1271.png?width=782&format=png&auto=webp&s=c1cae8e7524d542837656f5a8f76f4eacf79deb6

Lets Recap what Ryan has done to Date-

-Ryan Cohen Started purchasing Gamestop on 8/13/2020

-Registers and Incorporates **RC Ventures LLC** on 8/28/2020

-Files first 13D on 8/28 signifying that he owns more than 5%

-Buys more GME and then on 11/16/2020 rights a letter to the board (This really the only DD I need) he points out in the letter Game stop is failing and squandering a Golden opportunity

He knows they were short

Would not be bought off with board seets

- On 12-21-2020 RC aquires more GME he now owns 12.9%, DFV eagle eyes it a notes Ryan switched attorneys, thanks DFV you look at everything

- GME and RC file a 13D/A that they have come to agreement that the board will expand from 10-13 seats, and Alan Attal, Ryan Cohen and Jim Grube will be added to the board. At the share holders meeting it will go back to 9 members. Agreement (please read)

https://preview.redd.it/qonwquv3w1271.png?width=1624&format=png&auto=webp&s=9b08866cd3b1bfe64c052ede6c671fb57b8d2371

the standstill provision last until 120 days after the annual meeting (unless they amend or terminate it)

https://preview.redd.it/p8cj95x6w1271.png?width=1649&format=png&auto=webp&s=96036d237f1a27eb901611291970f7073b8551e4

Standstill period for stock ownership, and it changes the definition of an interested stockholder from 15% to 20%. it notes that an interested stockholder would be restricted on any business combination for 3 years after they reach 20% (changed from 15%)

He is approved to buy 20% of the stock to date...but has not

-James Bell Resigns 2/23

-GME hires new COO from amazon 3/23 (they also hired a series of C-suite executives to lead the transformation)

-Gme 4/5/2021 updates their ATM offering reduce shares from being offered and increased the target price and the press thought it was Bad??? (side note in late 2019, GME bought back over 30,000,000 shares!!! so they bought back 30,000,000 shares in 2019 for 150 million, and sold 3.5 million shares in 2021 for 555million)

-GME 4/8/2021 announces Ryan Cohen will be director of the board on 6/9 and that the board will be 6 members (Ryan has 4 of the 6 seats) OK **He wrote a letter on November 11/16 and 6 months later he is the chairman of the board and has board control.**
-Gme 4/13/21 Announces Voluntary Early Redemption of Senior note (cool they will be debt free) lets check out the note

He can now do the merger
GME 4/19/21- Announces CEO succession plan (I don't think it matters if its Ryan or not, Ryan is steering the ship another person would just bring in added brain power and experience)
GME 4/26/21- Gme Complete At the market equity offering program (21 days) Sells 3,500,000 shares for $551,000,000
GME 4/30/21 Retired the debt and announced the opening of a new Fulfillment center
Ryan Cohen buys in August, wrights a letter in November and in less than 6 months he has
-erased long term debt (outside of leases)
-raised over 500million dollars
-Remade upper management
-Started the process of opening a fulfillment center for the east coast
-Added NFT and Blockchain to the Pipeline
Orginal Post on reverse merger(POsted 3 weeks ago)
https://www.reddit.com/r/Superstonk/comments/n7bv2h/ryan_cohens_kill_shotthe_reverse_merger/

Back to Table of Contents

If you STILL dont understand why today we went red again after we were big green yesterday and WHY you should get a hold of yourself and stop fucking caring.

DD

I swear to god this place is like a daycare sometimes. You all go wild if we go green, and you get despressed and FUDdy if we go red. You STILL don't understand why the price doesn't fucking matter....
I made this post in the daily and it was highly upvoted, and I was asked to post it like this too.
Here goes.

Guys I can't believe some of you still dont understand.This will moon when AND ONLY WHEN there is a forced buyback

How to achieve forced buyback?

1. Share recall
2. Margin call
3. Small raw buying pressure to push unhedged new options ITM so that hedging provides 'free' upward movement on TACTICAL MOMENTS ONLY.
4. Forced liquidation by DTCC
5. Hard intervention by the SEC

Unless one of these happens, the price can go anywhere.... and it doesn't matter if it's $200 or $40 a share...

Red days dont mean the squeeze is off, green days dont mean the squeeze is on. The price is fucking irrelevant (unless you're buying, then big red days are something to celebrate)

You should stop caring. We've been saying this for months, but everytime we have a green day you guys want to celebrate and cheer because "where lambo" like a bunch of spoiled children. And on red days you freak out way too much.
You're setting yourself up for constant disappointment which will paperhand you and ruin this for yourself. Yesterday I told you not to overcelebrate and I was told to fuck off and not ruin the fun. See where the 'harmless fun' yesterday got you? Totally (and without good reason) disappointed today.

Get fucking patient
For those 5 catalysts that I listed there are many things 'in the works'.
The DTCC is spewing new regulations like a toddler that ate too much icecream.
There is a shareholder vote 9th of June, GME hasn't released what we'll be voting on however.
SEC just got a new head that is known to be anti hedgefund bullshit.

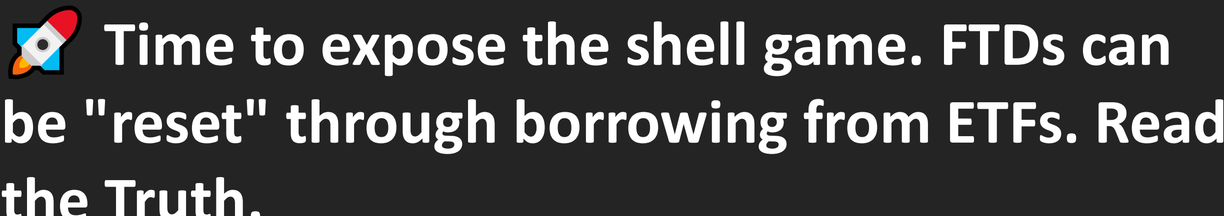
What IS important?
- Buy if you can. This determines how much exposure you have once we moon. More shares is more tendies.
- HOLD. Seriously. Don't daytrade, don't sell. Just hold. Doesn't matter if we're down 50% or up 40%. Stop giving a shit. This will only moon if there are not enough shares to go around. By holding, you are taking your shares and you're saying "These are mine now. Less to go around".
- Stop fucking promising yourselves dates. Especially if you're smoothbrained. Don't get excited at all. Stop it.

Not fucking advice, go ahead and be stupid if you think that's better

you dumb apes want to hear a secret? Max pain is at 150 🙌

Long whales are going to defend that point to bleed large option owners. You know who owns lots of options? People who needed to buy them to reset FTDs and huge short positions. That's who.
We will hover around 150 all day and that is a good thing for us. "Red bad, green good" is such an ape-unworthy simpleminded approach to this. Grow some wrinkles for gods sake. Do you want $200 as a price today if that helps shorts by letting them make a shitload of money on options? If you're saying yes then you're seriously almost a real ape.
Smart apes know that to win the war you don't have to win every battle. You have to win key battles.

Back to Table of Contents



🚀 Time to expose the shell game. FTDs can be "reset" through borrowing from ETFs. Read the Truth.

DD 👨‍🔬

🚀 Time to expose the shell game.

The Shell Game

FTDs are not "reset". FTDs on ETFs help show the short positions on the underlying securities.

Edit: Each Shell Game post is intended to be read sequentially. You've been misinformed on FTDs. You'll feel great after you go through this journey with me.

- Shell Game II
- Shell Game III

Many talented DD writers have theorized that FTDs are being reset using deep ITM call options and although it appears to be a credible theory that no doubt applies to many stocks, the singular attention it receives may have clouded our vision. I invite you all to take a step back and look at the raw data with me. The truth is, FTDs are a mechanism of an illiquid stock. They are an obligation on the part of the broker/dealer that carries a clear T+5 requirement to be rightfully delivered. That obligation requires that the security be purchased off the open market to be paid back within T+13 days, otherwise, the broker/dealer is restricted from accepting short sale orders from anyone else.
For more information on FTDs ("failure to delivers"), please see my entire body of work, specifically the links DD tab to get up to speed. I promise you will not regret it:

- https://docs.google.com/spreadsheets/d/1VhxsUkiMEdSFybr5E4jI0iARQ6urRvVYafjZe1uLly4/edit#gid=0

Special call-out to the ETF document from /u/turdfurg23. It has been a huge help for me.

- https://docs.google.com/spreadsheets/d/1vhbn6HqmkhwHqtSj0CDNHeCNuNOp-hPcmfur0pZUuFs/edit#gid=0

Now these FTD obligations can be granted extensions.

See here: https://www.finra.org/rules-guidance/notices/information-notice-120120

Settlement Dates that an FTD position can extend to

In my FTD document, I believe I have identified the smoking gun of how these shares have been borrowed and subsequently extended against. T+5+30 (T+35) FTD obligations of IWN created massive volume-upticks on the T+35 date. In my opinion, I have proven that ETFs were used to “reset” FTDs, but I am open for arguments against it.

🚀 The Train of Thought.

Imagine this scenario.

You shorted GameStop in December because you have a raging FTD problem that keeps biting you in the ass every 13 days, and you MUST exit this position. Unfortunately, GME is now too expensive to short and you are running out of options.

iborrowdesk.com screenshot

So, you call up your friend who holds the a bunch of settled GME shares in an ETF (XRT) and you borrow those to wash yourself of the FTD problem with GME. I say XRT, because look at the GME FTD rate on 12/14/2020 and then the pop of FTD rate out of nowhere from XRT on 12/16/2020!

ETFs are the timebombs they use to hide FTDs

On 1/29/2021, the extent of that borrow becomes obvious. At least 2 million GME shares were utilized to wash someone short out of their FTD problem that they dumped onto the SPDR S&P Retail ETF.

And the best part. The highly advertised XRT ETF was not the only one that did this on that same day. In fact, they WEREN’T EVEN THE MOST:

If you smellllllllllll. What the Rock. Is Cooking.

Blackrock’s IWM ETF exploded without warning and then dissipated away. What is happening here?

🚀 FPL Programs and why haven’t we talked about this?

Because the FTD #s were just starting to become talked about in mid-to-late January in the mainstream WSB community, the shorts knew they had to rotate that FTD reporting off the "GME" books and hide in internal Q1 data reporting. Coincidentally, by rotating the FTD problem internally through using ETFs, this freed up A LOT of settled shares to limit the FTD problem with OR allowed to be borrowed to short again (Blackrock).

So, with that line of thinking established, we should see a clear rise in FTDs in these ETFs of anyone who is running a “FPL Program”.

What is an FPL Program?

I will let this letter from Ms. Elizabeth Baird of the SEC to Kris Dailey, Vice President of the Office of Financial and Operational Risk Policy of the Financial Industry Regulatory Authority @ One World Financial Center (phew), speak for itself. https://www.sec.gov/divisions/marketreg/mr-noaction/2020/finra-fpl-20201022-15c3-3.pdf

She said it. Not me. I’m merely just a messenger

What does this mean to an ape?

https://www.thebalancecareers.com/sec-rule-15c3-3-1286902

Rule 15C3-3 established the requirement to keep enough cash and securities in a segregated account that will cover a portion of the costs of a major market move. Here is the law for review: https://www.law.cornell.edu/cfr/text/17/240.15c3-3

Therefore, this is my interpretation of the days to come. I know dates are frowned upon, *but I believe I can call attention to the date established by the Financial Industry Regulatory Authority.*

🚀 TOMORROW (DAWN OF THE FIRST DAY) April 22, 2021:

The markets will open "frothy". All the players are aware of the collateral requirements of their own positions. Every advancement on a position your institution is not long on, is a direct attack on that another institution's way of life. GME will be in a very precarious position. As a negative beta stock, and the biggest one of them all, all volume on long/short will influence the direction the market moves. It is both equally possible for the stock to explode with volatility we have never seen before, or it remain pinned on the Max Pain line for another day to continue to bleed off delta. In either case, the world will be watching with bated breath.

Assuming there are broker/dealers out there that did not come into compliance with Rule 15c3-3 by end of trading tomorrow, they will officially be out of compliance and everyone will be looking to the SEC for action. But… if there is a broker/dealer out there right now wondering if they have enough collateral to cover tomorrow's many hypothetical situations… you can bet your ass they are sweating bullets right now.

The "winner" of this battleground will set the collateral requirements for the "loser" as outlined here:

Margin is Calling

🚀 In Conclusion

IT IS TIME TO COVER

Moon Soon.

Back to Table of Contents

I Got What You Quant - 6/2/21 Trading Analysis and a Deeper Dive Into Today's Tape

DD 👨‍🔬

HOLY MOLY! GME has highest close since 1/29! If you haven't seen yesterday's POST, I recommend taking a look before getting into today's action, because **BIG THINGS ARE HAPPENING!** Congrats to the 💎🤚🦍 that like movies, as without you, GME wouldn't be on the brink of launch. Prepare yourself, it's time for the tea. This is not financial advice, my 🧠 is smooth.

Up until 5/27, GME price movements were strongly correlated to AMC, making the year to date R^2value between the two 76%. In 🦍 speak, statistically a price change in GME was 76% dependent on a similar change in AMC, and vice versa. After today's trading, that R^2 value has decreased by 40% to 0.45! MASSIVE DECOUPLING!

1. 6/2 Update - Plot of AMC and GME closing prices - R(square) = 0.45

From a risk management perspective, especially ones based on linear analysis, this means a long AMC position can no longer effectively hedge a short GME position based on this correlation breakdown. Some entities use more dynamic analysis for certain pair trades, especially volatile ones, and instead of relying solely on linear regression, can adaptively use a "BEST FIT" model. I now present you the logarithmic regression -

2. 6/2 Update - Plot of AMC and GME closing prices - LOG R(square) = 0.72

Well, after the last four trading days, on a logarithmic scale going long AMC can still hedge a GME short as ~72% GME price movements are dependent on AMC price changes. But this comes with SIGNIFICANT risk management implications! I'll explain -

3. GME-AMC prices 1/4 - 5/26/2021

As of 5/26, the price of GME can be modeled by the price of AMC with the equation **GME(price) = 16.8*AMC(price) - 12.36**. To hedge a GME short, a HF looks at the *derivative* of the off setting long, and in the case of a linear model, a standard hedge would be to buy ~16.8 shares of AMC for every share of GME that is short. This will reduce the VaR (Value at Risk) of the short GME position. I don't want to get into the full details of how to calculate VaR, but the key thing to understand is VaR models take historical prices to determine the daily price variance of a holding, as well as the covariance between holdings, to give a 95% confidence measure of the max drawdown of a portfolio from one day to the next. Some examples below, please scroll past if the math makes your head spin -

----

What a 95% Confidence looks like for single tail normal distribution

VaR Example 1 - 100 shares of GME

- VaR on a 100 share GME exposure - On 5/26 the YTD variance of GME closing prices was 22.8% from one day to the next, and the volatility of GME is the sq root of variance, which is 47.8%. To calculate a 95% confidence interval, you then have to multiple the volatility by 1.645 to statistically capture 95% of probable outcomes based on a normal distribution, bringing the value to 78.5%. GME closed 5/26 at $229, so 100 shares is worth $22,900 and the VaR of that position is $22,900*.785 = $17,987. In 🦍 speak,

hodling 100 shares of GME going into the trading session on 5/27, there was a 95% chance that position would not gain or lose more than $17,987. Another way to look at it, which is what risk management really is focus on - Over the next 20 trading days, 100 shares of GME should statistically **GAIN** or **LOSE** *more than $17,987 in a single trading session.*

Var Example 2 - 100 shares short of GME with Offsetting AMC Long 1,680 Shares Pair Trade

- Now, AMC's volatility must also be taken into account, along with AMC's correlation to GME. The variance of AMC on 5/26 was 11.9%, the volatility was 34.5%, and the correlation between the two stocks was 0.81. The math gets a bit more complicated here, but involves linear algebra and matrix multiplication, but by offsetting a 100 share short GME position by going long 1,680 shares of AMC, the overall portfolio VaR is reduced to $9,476 based on my model.

Model Snapshot - I'm not just pulling numbers out of the sky

Whew, lot's of math, but that's what you quanted, right? Just a bit more math, but we need to revisit the now dominate logarithmic correlation GME and AMC have. From Chart 2 - **GME(price) = 101.7ln(AMC) - 73.533**. The derivative (sorry, calculus) of that is 101.7/(AMC). What does that mean? Unlike a linear regression that can provide an optimal amount of shares needed across prices, a logarithmic correlation results in a constantly fluctuating amount of AMC shares needed to hedge a GME short based on the AMC price, and the higher that price goes, the more AMC shares are needed. **(Edit 1) -** ***A hedge using a linear regression has a constant capital requirement, because if f(x) = 2x, f'(x) = 2. In regards to a logarithmic regression, f(x) = ln(x), and f'(x) = 1/x. When using a logarithmic correlation of a long position to hedge the short position, the overall capital required to maintain the hedge increases exponentially as the long side of the trade increases in value, resulting in a feedback loop caused by more buying of the long side of the trade as prices rise, with the "hedging" buying also increasing the price of the long position, until a price point that causes the relationship to fully break down. Eventually the hedge becomes non existent because 1/♾ = 0.*** At a AMC price of 101.7, the shares needed reaches a 1 to 1 parity, and beyond 101.7, the effectiveness of a long AMC position to hedge a short GME share begins to diminish exponentially. This is a catch 22, because if AMC is being used to hedge a GME short, more shares are needed as AMC prices rise, causing further upward price pressure on AMC.

So now I'm going to try and tie everything together for all 🦍 to understand. HFs short GME have been able to hedge their position with AMC, but the last 4 trading days have forced institutions and MARGE to reassess risk models as the linear relationship turned into a logarithmic one. Because of this change, the amount of AMC shares needed to hedge a GME short position has begun to rise exponentially. This has resulted in an exponential increase in buying pressure in AMC, also leading to an exponential price rise. This strategy can continue based on the models until AMC reaches $100, but is becoming exponentially more expensive to execute with each tick higher in AMC's price. If/when AMC reaches $100, the effectiveness of this hedging begins to exponentially decay, and in theory will lead to an infinite amount of AMC shares being needed, which in reality is not possible.

The next critical point, is today's price action is just now being updated in risk models across all institutions, and these models also determine counterparty risk and MARGIN requirements. Due to the nature of logarithmic relationships in hedging/VaR, there is still time and pricing intervals available to maintain a long AMC position to offset a GME short, HOWEVER, if AMC reaches $100, this will no longer be the case, and institutions lending out margin to counterparties short GME will no longer be able to use the relationship to AMC to lower VaR used with margin calculations. Instead, each position will be taken independently, and the now exponentially larger AMC positions of SHF, combined with whatever short GME exposure the SHF has will almost certainly blow out all VaR models, leading to margin calls.

Now I want to be clear, everything to this point has been about hedge funds short GME in general, and not HFT trading firms like Shitadel. These are the players with short GME exposure that hold positions overnight for days/weeks/months at a time. The overnight/premarket moves in AMC have significantly contributed to AMC's outperformance of GME since last week, but during the regular trading session the two have moved nearly tick for tick, until today. I present you today's tape -

The Most Important Pink 🌭 You've Ever Seen
Take in what these two charts are showing for a moment, and specifically what happened during and right after AMC's first trading halt. Now, this is just theory, based off the evidence presented above, but the most exponential price rise GME had all day **WAS DURING THE AMC TRADING HALT**. If there was ever a smoking gun what 💩a🔔 is doing to ward off a margin call, this is it. During the halt, the main vehicle Shitadel has been using to hedge their GME short went away, right before one of the most important times in the day that institutions use in calculating counterparty VaR and margin needs. GME goes parabolic, because they couldn't hedge the short by purchasing AMC stock, they actually needed to start covering, and that volume spike gives all the confirmation anyone should need to infer some serious forced buying started. The exponential price rise continued until the moment AMC reopened. The HFT algos across the markets are currently programmed to respond to AMC price dumps with corresponding price dumps of GME, and the moment AMC reopened, 10 million shares were dumped, bringing AMC down over $10 in 2 minutes (hmm, recalling GME on 3/10 🤔), triggering another trading halt, but effectively stopping GME's exponential price rise. Now I have no idea exactly how the algos are programmed, but after today it's clear to me there is a clear line of logic that states something along the lines of "If AMC price declines >="x", sell "y" GME shares". It also seems the HFT algos have removed most, if not all logic rules for "If AMC price increases >="x", buy "y" GME shares", and this makes complete sense to me after the AMC-GME correlation has shifted from a linear relationship to a logarithmic one, and most likely why AMC upticks had diminishing magnitude upticks in GME shares as the day progressed. This ALSO means the magnitude of downticks in GME is amplified in relation to AMC during big sell offs.

So what's next? I expect the institutions that solely handle VaR and counterparty margin requirements with linear modeling are going to raise capital requirements for any account with short GME exposure, whereas those with more dynamic modeling still have a few days. I'm not sure what's going to happen

with AMC, but I think it is more likely that AMC continues higher for a bit longer to give SHF more ammo with the algos to stop GME price rises by dumping AMC shares, but as shown in this DD, the higher the price goes and closer AMC approaches $100, the more things get dicey. I do not think $100 necessarily needs to be a ceiling for AMC, but it will cause the final breakdown between AMC and GME and cause margin requirements to rocket higher across the markets due to massively increased VaR. If 🦍 that like movies continue to 💎🖐, the entire market will enter a phase never seen before. I am incredibly impressed thus far what 🦍 that like movies have been able to achieve, and gives me even more confidence in hodling GME, for the MOASS is close. I do think things start getting really interesting if/when GME gets above $300, because after the events of 1/28, 3/10, and today after AMC's first trading halt, it is clear $300 is the line 💩a🔔 MUST DEFEND. Nothing in this post should be considered financial advice, do not buy or sell anything based on any wrinkles this post gave your 🧠.
TL/DR (for🦍 that can't read) :
💎🖐🦍➡💩a🔔💥➡🔥🚀🚀🚀🌙➡🍗🍗🍗

Edit 1: Clarifying Logarithmic Analysis Below VaR Examples with strikethrough and new text.

Back to Table of Contents

The end has begun. (IMPORTANT INFO INSIDE)

DD 👨‍🔬
https://www.dtcc.com/-/media/Files/pdf/2021/5/4/B15129-21.pdf
DTCC is imposing a 100% haircut for MBS bonds "Not Rated or Rated below Aa2/AA"
What does this mean?
What is a "haircut"?
Source: http://www.columbia.edu/~td2332/Paper_Repo.pdf
" The recent financial crisis centered on the sale and repurchase (“repo”) market, a very large short-term collateralized debt market. Repo transactions often involve overcollateralization. The extent of overcollateralization is known as a “haircut.” Why do haircuts exist? And what determine the size of the haircut? We show that the existence of haircuts is due to sequential trade in which parties may default and intermediate lenders face liquidity needs. When there is a positive probability that the borrower will default, then the lender’s liquidity needs and own default risk in a subsequent transaction to sell the collateral become paramount. The haircut size depends on (i) the default probabilities of the borrower, (ii) the liquidity needs of the lender, (iii) the default probability of the lender in a subsequent repo transaction and (iv) the nature of the collateral "

What is a "MBS" or "CMBS?"

Source: https://www.investopedia.com/terms/c/cmbs.asp
" Commercial mortgage-backed securities (CMBS) are fixed-income investment products that are backed by mortgages on commercial properties rather than residential real estate. CMBS can provide liquidity to real estate investors and commercial lenders alike. "
Why are these important?
Required watch for all investors:
https://www.youtube.com/watch?v=x2xIgseFCpc&start=41s
So, what are the implications behind a 100% haircut. Well, this essentially makes all MBS /CMBS bonds that are "Not Rated or Rated below Aa2/AA" worthless as collateral. Why is this important? Because in the Repo Market (https://www.brookings.edu/blog/up-front/2020/01/28/what-is-the-repo-market-and-why-does-it-matter/) collateral is king.
The repo market is the glue that holds our global economy together, and it's fueled by bonds. In laymans, Repo Markets are where big banks go for 24hr loans. These 24hr loans mean they don't need cash on hand, and can utilize it in the market. These markets are integral to ensuring our global economy runs smoothly. If the repo markets go under, we get 2008 all over again.
Edit: Let me add this example from the knvesropedia article, familiar?
“Long-Term Capital Management's (LTCM) Failure and Collateral Haircuts Example LTCM was a hedge fund started in 1993. By 1998 it had amassed massive losses, nearly resulting in a collapse of the financial system. The basis of LTCM's profit model, which worked very well for a while, was to suck up small profits from market inefficiencies. This is commonly called arbitrage. The firm used historical models to highlight opportunities and then deployed capital to profit from them.
Each opportunity typically only produced a small amount of profit, so the firm utilized leverage—or borrowed money—in order to increase the gains. The firm had $5 billion in assets, yet controlled over $1 trillion worth of positions.
Banks and other institutions allowed LTCM to borrow or leverage so much, with little collateral, mainly because they viewed the firm and their positions as non-risky. Ultimately, though, the firm's model failed to predict inefficiencies accurately, and those massively sized positions began to lose far more money than the firm actually had...and more money than many of the banks and institutions that lent to them or allow them to purchase assets had.
The failure of LTCM, which required a bailout of the financial system, resulted in much higher haircut rules in terms of what can be posted as collateral, and how much the haircut has to be. LTCM had basically no haircuts, yet today an average investor buying regular stocks is subject to a 50% haircut when using those stocks as collateral against the amount borrowed on a margin trading account. So, let's start tying some of this together.”
What we know:

1. DTCC is making all bonds below a Aa2/AA rating worthless in MBS repo markets, they're also devaluing AAA/Aa2/AA by 7%.
2. The DTCC will only do this if they fear foreclosure, or high risk in an asset. In this case Mortgage Backed Securities and Commercial Mortgage Backed Securities.

Cool, now what has happened, literally tonight?

https://www.dtcc.com/-/media/Files/pdf/2021/5/4/MBS981-21.pdf
BoFA just shutdown one of it's MBS clearing companies.
Both of these announcements on 5/4.
If I'm understanding this correctly heads are rolling. Be safe tomorrow apes, we're in the endgame.
Edit: Let's get deeper.
This literally effects ALL bonds, AND securities! Meaning
https://preview.redd.it/zeaw7mjl69x61.png?width=537&format=png&auto=webp&s=b4ef561cb0cad7042bdefe5340063058a80ebb46
If you're on this list and your bonds don't meet the requirements, you're fucked.
Who's fucked?:

For reference:
Fucked:
Citadel: https://www.spglobal.com/marketintelligence/en/news-insights/latest-news-headlines/moody-s-affirms-citadel-securities-changes-outlook-to-positive-from-stable-60446734
Jp Morgan: https://www.jpmorganchase.com/ir/fixed-income
Bofa 80% fucked: https://investor.bankofamerica.com/fixed-income/credit-ratings
UBS AG Stamford: https://cbonds.com/company/34937/
Credit Suisse: https://www.credit-suisse.com/about-us/en/investor-relations/debt-investors/ratings-credit-reports.html
Goldman Sachs:https://www.moodys.com/research/Moodys-assigns-provisional-ratings-to-Prime-RMBS-issued-by-GS--PR_432499
I can keep going on, but literally everyone on that list.... is fucked.
Shoutout u/open_significance_43 for the assistance on this post in the r/truestock discord!
As measurement of expectations is key, I'm going to add some very insightful comments that may disprove/alter this theory! Shoutout to these brave soldiers for sharing counter DD! <3
https://www.reddit.com/r/Superstonk/comments/n59n8x/the_end_has_begun_important_info_inside/gx04yog?utm_source=share&utm_medium=web2x&context=3
https://www.reddit.com/r/Superstonk/comments/n59n8x/the_end_has_begun_important_info_inside/gx059wr?utm_source=share&utm_medium=web2x&context=3
This looks to have happened before, that being said the relation to BOFA was not there at the time. Per my understanding, BOFA shutting these two wings down means they're getting out of the MBS/CMBS game.
Someone agrees.
https://www.reddit.com/r/GME/comments/n50im1/need_a_wrinkle_brain_to_review/gwyw8pt?utm_source=share&utm_medium=web2x&context=3

Final Edit 5/5:
Just got off the phone with the DTC's risk department to see if they could provide any additional insight. Here's some takeaways.

Calvin was kind enough to let me know a couple of things. One, this hasn't been done before February. This is a new line of credit that was just established post rona. This was because of something called Reg W (https://www.investopedia.com/terms/r/regulation-w.asp#:~:text=Regulation%20W%20is%20a%20U.S.,requires%20collateral%20for%20certain%20transactions.)
The list of lenders is updated manually and applications start in early May, hence the update. Two lenders fell off the list this go around so they sent an updated list and re-published it.
From the sound of it, there were some issues with Reg W compliance and some of the lenders had to drop off.

So what do we know now, and has my theory altered?
I believe my timeline has altered, unbeknownst to me this program is for the following:
"How Regulation W Works Regulation W was published in 2003, to consolidate rulemaking under Sections 23A and 23B of the Federal Reserve Act. Its main purposes were to protect banks from financial risk resulting from transactions with their affiliates and to limit the banks' ability to use the U.S. deposit insurance system to cover their losses from such transactions."
and
https://www.federalreserve.gov/aboutthefed/section23a.htm (Very long read)
Alrighty, final theory.
Event#1:
Michael Burry dropping hints
https://www.reddit.com/r/brkb/comments/mh4nkb/michael_burrys_new_twitter_profile_banner_hinting/
After researching, from what I can tell, our hero was back at it again blowing the whistle this time to the public via code. In the post above, it shows his final twitter header before deleting his twitter. The one previous to that, was simply a picture of bricks and mortar. My assumption is he was alluding to the CMBS fraud that got whistle blown about last year.
Event #2:
Okay so, last year a whistleblower goes the the SEC and says "Hey! They fraudin again!" https://www.sec.gov/news/press-release/2021-62
Event #3:
SEC starts looking into it, sees the fraud, and calls the DTCCs. Once they investigate and collaborate they start rolling out changes late December. Hence the bond ratings changing overnight.
More whistleblowers come out as they realize the music is ending and they'll make more than they would've bonused.
Event#4:
TBD
That's all I got for now folks, seems to be huge news even though it did occur already. I think we may be seeing the effects of this play out over the rest of this year so keep your nose to the ground.
Disclaimer

I do not provide personal investment advice and I am not a qualified licensed investment advisor. I am an amateur investor.
All information found here, including any ideas, opinions, views, predictions, forecasts, commentaries, suggestions, or stock picks, expressed or implied herein, are for informational, entertainment or educational purposes only and should not be construed as personal investment advice. While the information provided is believed to be accurate, it may include errors or inaccuracies.
I will not and cannot be held liable for any actions you take as a result of anything you read here. Conduct your own due diligence, or consult a licensed financial advisor or broker before making any and all investment decisions. Any investments, trades, speculations, or decisions made on the basis of any information found on this site, expressed or implied herein, are committed at your own risk, financial or otherwise.

Back to Table of Contents

The March to Zero Liquidity: Volume or Bust

DD 👨‍🔬
Edit 1: Requested TL;DR - Remember that scene in Independence Day where the great Will Smith during a dogfight takes the baddie alien super low and into the canyon before they both crash? Or when we lost the indomitable Jamie Foxx in Stealth? Well, the lower you go the higher the probability there is for fatal error. GME volume has been suppressed to a point where any slight mistake by Citadel or added buy pressure will make price go BOOM.
I wonder which is DFV and which is Papa Cohen
Sorry for the spoilers.
Anyways....
Overview and educational terms
Let me ask you: what happens when a market maker stops making the market?
In life, and certainly when it comes to the tale of naked shorting $GME, sometimes one problem creates another. That's exactly what Citadel is experiencing with their well-documented movement of buy orders to dark pools.
During this brief Ted Talk, I'll venture to prove that Citadel's strategy of selling in the open market while buying in dark pools is marching GME toward Zero Liquidity. *Tick tock. Tick tock.* The motive behind removing buying from the open market is to limit buying pressure and balance with selling to stabilize the price. Over time, this action has reduced liquidity with a trajectory of it being near zero.
While zero liquidity is impossible without delisting, my argument is that this march to a theoretical point of zero liquidity has created a new problem for the short hedge funds – high risk of extreme volatility and slippage.

But first, a few definitions of terms:

- Volume: the number of shares traded of a security within a single day. Edit #3: reword for clarity.
- Bid-Ask Spread: the space between the lowest seller and highest buyer, which facilitates the market.
- Market Maker: a firm that actively makes bids and asks to provide liquidity for participants to have a market that fairly quotes price. They make money by setting buy orders at $100 and simultaneous sell orders at $101, for example.
- Liquidity: the degree to which an asset can be quickly bought (bid) or sold (ask) in the market at a price reflecting its intrinsic value (spread). If there is a big gap between the bid and ask, $95-$105, it's hard for a trade at or near the mean of $100 to happen.
- Volatility: how bigly a security can move around its mean value.
- Thinly Traded: a security that cannot be traded without significant change in price.
- Slippage: the difference between the expected price of a trade and the point at which the trade is executed. This can occur when a large order is executed and there is not enough volume to maintain the current price range within the big-ask spread.
- Dark Pool: a system for private trading of large orders outside of the market until the trade is settled.

Their January solution turned into May's problem

Ever since mid-January, volume moved on a decreasing slope. I downloaded historical quotes (https://www.nasdaq.com/market-activity/stocks/gme/historical) to begin my research here. Sure, we've had spikes that likely are instances resulting from the well-documented FTD Cycle. However, when charting a 5-day trailing average of volume by percentage of the mid-January squeeze, the number of shares traded according to NASDAQ historical volume is declining significantly.

Raw NASDAQ volume data since mid-Jan squeeze
5-day trailing average data (I'm good with crayons, not with excel)
So significant to the point where **multiple days this past week had only 5% of mid-Jan volume levels** traded. Furthermore, every five trading days results in a halving of the percentage of volume traded relative to the initial problem.
There are likely three causes for this decline in volume:

- Reduction in buying from retail as price increased / our SOs found out
- Reduction in buying from institutions as implied volatility of options made the trade less attractive
- Increase in dark pool buy orders executed by short hedge funds (https://www.reddit.com/r/Superstonk/comments/mpebkz/sells_through_the_major_exchanges_buys_through/) cc: u/koreanjc

Now, as we all know, **it doesn't cost us anything but our wives' boyfriend's trust to buy and hodl.**However, short hedge funds are spending money each day to push off not covering the massive amount they shorted before and especially during January.
Tick tock. Tick tock.

To do so, they are rehypothicating shorts and limiting buy pressure in the open market by routing their purchases through dark pools (cc: u/broccaaa). The result is that the daily volume continues to decline each week to the point where GME price action has become a shell of its old self. I can relate. The result of their limiting volume in the open market is that **they have turned GME into an unnaturally thinly traded stock that is primed for significant volatility should any amount of buy or sell pressure hit the order book.**

Tick tock. Tick tock.

So, what happens if this trend continues toward theoretical Zero Liquidity?

1. Regular Trading Hours will look more like Pre-Market – low volume of shares moving each minute.
2. Widened Bid-Ask Spreads – the gap between what the lowest seller is willing to sell and highest a willing buyer is interested in paying for through limit orders will widen making orders fill far above or below expectations.
3. Slippage – whenever any substantive buying pressure happens, the price will slip upward significantly. Logically, a thinly traded stock can slip down significantly too should there be substantive selling pressure. However, we apes illogically (to them) buy every dip historically.

A quick subjective note on slippage: Do you recall those odd mid-day spikes in volume that are greater than the first minute of trading? I think someone is taking GME's temperature to see how subject it is to slippage.

4/29 after lunch high volume candle, which was greater than first minute of regular trading hours candle.

This is their new problem.

If volume continues to stay this low or goes lower, a whiff of buying pressure will make the stock price shoot upward. If Ken gets the nervous poops and eases up on the selling because he spent too much time on the pot, stock price will shoot upward. And, given the trend, **there are probably less than 5 trading days (edit 2: this is a trend-based guess) before they have to add liquidity back into the market or else.**

You see, the problem is that when the short hedge funds, particularly Citadel, moved volume to the dark pools, they stopped making the market. This is a dereliction of their duty as a market maker. And, they can only do it for so long. ***Tick tock. Tick tock.*** A market with buys and sell is required to keep the bid-ask tight, establish a fair price for participants, and limit slippage when large orders come in. In fact, the whole point of dark pools is to be a portal for large orders so they don't eat up all the bids or asks. **Now that half the market is being made in the dark pool while the other is in the open market, they have created the new problem.**

They have marched GME to the point of theoretical zero liquidity, which poses threats of extreme volatility and slippage.

Citadel is at a point of needing to add volume or go bust. And, we all know what happens when GME gets volume.

Tick tock. Tick tock.

Back to Table of Contents

SR-DTC-2021-004, The DTCC and J.P Morgan. They're getting ready for defaults and bankruptcies, they've just opened THREE additional netting accounts.

DD 👨‍🔬

Edits at the bottom

I know what you're thinking. What the hell is a netting account and why does this matter?

WELL.

My wonderful apes let me feed you with some information. As always, I know nothing and may be putting 2+2 together to make banana. Please critique and help me fill in the gaps, my knowledge on this started approximately 10 minutes ago.

The background

Important Notice
Fixed Income Clearing Corporation - MBSD

MBS #:	MBS976-21
Date:	April 19th, 2021
To:	Mortgage-Backed Securities Division Participants
Category:	Membership Updates
Subject:	J.P. Morgan Securities, LLC **[JSBX, JSBY, JSBZ]** – Activation

J.P. Morgan Securities, LLC has been approved for three additional **full** Netting Services accounts effective May 03, 2021.

The new account symbols will be:

JSBX, JSBY, JSBZ

All trades with trade date of May 03, 2021 and earlier should be submitted for comparison on May 03, 2021. Beginning May 04, 2021, all trades are to be submitted for comparison on a trade date basis.

Questions regarding these activations are to be directed to Juan Dottore (212) 834-6436 of J.P. Morgan Securities, LLC.

So yesterday JP Morgan was approved for three more netting services accounts. You might be wondering, *why is this important?*
Well lets explain the purpose of **Netting.**

Netting

Netting is a method of reducing risks in financial contracts by combining or aggregating multiple financial obligations to arrive at a net obligation amount. Netting is used to reduce settlement, credit, and other financial risks between two or more parties.

As I will explain, netting has various purposes depending upon its' use. In trading it's described as offsetting losses in one position with gains in another. For example;

- I'm short 60 bananas
- I'm long 100 bananas
- My net position is long 40 bananas

Easy right?

____

Netting some failing whales

Well it also has other purposes.
Netting is also used when a company files for bankruptcy, whereby the parties tend to net the balances owed to each other. This is also called a set-off clause or set-off law. In other words, a company doing business with a defaulting company may offset any money they owe the defaulting company with money that's owed them. The remainder represents the total amount owed by them or to them, which can be used in bankruptcy proceedings.
Netting Definition (investopedia.com)

There are various types of netting are available;

- Close out
- Settlement
- Netting by novation
- Multilateral

The one that is the most interesting? **Multilateral.**

Multilateral netting is netting that involves more than two parties. In this case, a clearinghouse or central exchange is often used. Multilateral netting can also occur within one company with multiple subsidiaries. If the subs owe payments to each other for various amounts, they can each send their payments to a central corporate entity or netting center. The main office would net the invoices and the various currencies from the subsidiaries and make the net payment to the parties that are owed. Multilateral netting involves pooling the funds from two or more parties so that a more simplified invoicing and payment process can be achieved.

Now I know what you're thinking, '*one company with multiple subsidiaries'.* I may be wrong but there would be no requirement to register with an account with the DTCC in such a way if it was all internal.

____

What does this mean!?

Well remember this lovely rule? SR-DTC-2021-004 and this wonderful DD?
Why We're STILL Trading Sideways and Why We Haven't Launched

I quote -
"DTC may, in extreme circumstances, borrow net credits from Participants secured by collateral of the defaulting Participant"
Again I quote u/c-digs/

What if:

1. You are a non-defaulting member
2. And You **know** that there are going to be member defaults
3. And you **know** that that there will be an auction for their assets at a market discount

How would **you** prepare for this? Perhaps you'd want to have cash on hand to meet liquidity requirements and emerge from any collapse flush with assets? How might you go about this?

Well I think opening 3 new netting accounts would be perfect to prepare for this situation. However, these don't come into effect until 05/03/2021. So make of that what you will.

TL;DR - J.P Morgan opened three additional netting accounts with the DTCC on 04/19/2021. These generally have many different purposes although it I don't believe its' coincidental regarding the rule changes, increase in liquidity and ever impending doom of other DTCC members. This looks to be the groundwork to have means to profit off of the defaulting, over exposed members.

Edits start with the newest at the top

Edit 4 -

What a wonderful comment by u/Themeloncalling
I feel that there is need for some counter-DD here. The Netting account is addressed to the Mortgage Backed Securities department. You know, the good folks responsible for the financial collapse, who like another MBS, are good at chopping things up and bringing them elsewhere. I believe the shitstorm here with netting accounts and the weekend meetings has to do with commercial mortgage backed securities (CMBS) having their books cooked. This article detailing overstating of CMBS income is a widespread problem:
https://theintercept.com/2021/04/20/wall-street-cmbs-dollar-general-ladder-capital/
The graph shown by the university researchers shows that the incomes of the leaseholders are 25% to 50% overstated, and delinquency rates are spiking at the same rate or worse compared to 2008 among CMBS - can you spot the banks that just issued record amounts of bonds this week in the first chart? A netting account would be necessary because the delinquencies are skyrocketing with covid support and SLR ending on March 31, 2021. I believe there is rampant shorting of the Treasury Bonds, and since the SLR now requires disclosure of Bonds again (which are heavily shorted), the banks now need to issue

bonds to cover their bad bets and the overstated income of their mortgage owners - the netting account is where you settle your bad bets and pick up the pieces.
To further reinforce this point, the Infinity Q hedge fund was liquidated because they overstated their NAV value by at least 30%:
https://www.reuters.com/business/finance/exclusive-new-yorks-infinity-q-winds-down-hedge-fund-valuation-issues-spread-2021-04-19/
The emergency appointment and meetings on the weekend would make sense given that there will be a lot of bagholders from the CMBS fallout that will begin to rear its head in May. The firewalls will be put in place to ensure one firm's toxic pile of CMBS does not become a systemic problem.
Since we do need to tie GME into this somewhere, I believe the biggest impact will be reducedincreased margin requirements for hedgies. As liquidity dries up, banks will reduce the amount they lend out on margin, forcing hedgies to close short positions. If they are already upside down on a short, let's say one where an $8 short position now owes over $145 a share, there's no way out except liquidation - a margin call that sets off all the dominoes. The catalyst for a margin call may not be anything to do with GME at all, it may be another cancer like CMBS that reduces the amount of margin available for hedgies.
In any case, buy and hodl.

EDIT 3 - Oh I'm sorry. I've been corrected. IT'S NOW SEVENTEEN. u/patthetuck

MBS #:	MBS969-21
Date:	March 24, 2021
To:	Mortgage-Backed Securities Division Participants
Category:	Membership Updates
Subject:	J.P. Morgan Securities, LLC **[14 symbols]** – Activation

J.P. Morgan Securities, LLC has been approved for fourteen additional **full** Netting Services accounts effective March 31, 2021.

The new account symbols will be:

JSAU
JSBJ
JSBK
JSBL
JSBN
JSBO
JSBP
JSBQ
JSBR
JSBS
JSBT
JSBU
JSBV
JSBW

All trades with trade date of March 31, 2021 and earlier should be submitted for comparison on March 31, 2021. Beginning April 01, 2021, all trades are to be submitted for comparison on a trade date basis.

Edit 2 - What a wonderful comment. u/Longjumping_College

Here's DTCC's page on *netting and settlement services.*
This kinda freaked me out when I saw it on that page as a essentials document to check....
$103 trillion in mortgage backed securities...

The page?

— WHO CAN USE THIS SERVICE

MBSD netting and settlement services are intended for MBS trading participants that meet FICC's membership requirements, including brokers, dealers, banks, government securities issuers, mortgage originators, and investment companies.

Each MBSD applicant is required to execute an agreement binding it to MBSD's rules and procedures. In addition, the Capped Liquidity Facility (CCLF) ensures that FICC has enough liquidity in place in the event of a default of a major firm. Applicants are evaluated on the following membership criteria:

- Capital adequacy
- Operational soundness
- Financial resources

Crayon go brr

Edit - Oh yeah, BOFA added one too. Also CitiBank. Wonder what these accounts are used for...

MBS #:	MBS964-21
Date:	February 26, 2021
To:	Mortgage-Backed Securities Division Participants
Category:	Membership Updates
Subject:	BOFA Securities, Inc. **[MLCJ]** – Activation

BOFA Securities, Inc. has been approved for an additional **full** Netting Services account effective March 2, 2021.

The new account symbol will be:

MLCJ

All trades with trade date of March 2, 2021 and earlier should be submitted for comparison on March 2, 2021. Beginning March 3, 2021, all trades are to be submitted for comparison on a trade date basis.

Questions regarding these activations are to be directed to Jerome Greene (980) 386-9430 of BOFA Securities, Inc.

MBS #:	MBS953-21
Date:	March 03, 2021
To:	Mortgage-Backed Securities Division Participants
Category:	Membership Updates
Subject:	CITIBANK, N.A. **[CBGM]** – Activation

CITIBANK, N.A. has been approved for one additional **full** Netting Services account effective March 22nd, 2021.

The new account symbol will be:

CBGM

All trades with trade date of March 22nd, 2021 and earlier should be submitted for comparison on March 22nd, 2021. Beginning March 23rd, 2021, all trades are to be submitted for comparison on a trade date basis.

Questions regarding these activations are to be directed to Richard Hartnett (716) 730-8009 of CITIBANK, N.A.

Back to Table of Contents

CITADEL, MARGIN CALL, 1M MISSING SHARES & THE TRADING HALT

DD

Sit the fuck down before you read this.

MY **THEORY**: u/Leenixus was almost certainly correct in Thinking that "They" got margin called today. In After Hours 1M shares seemed to "disappear" from EOD Volume before "reappearing" in the EOD Volume later before AH close. I BELIEVE this is because Citadel got margin called @ 1127 today and therefor those 1M shares traded had to be re-routed or re-done or what have you. I can't be certain. I don't know if that's a thing or not but the concept makes a LOT of sense.

Part 1: Introduction to the **theory**
Part 2: Running the numbers
Part 3: Pictures of the EOD Volume bouncing between 2.7M to 1.7M back to 2.7M during AH
Part 4: Extra stuffing for your tinfoil hat & confirmation bias
Part 5: Putting it all together

PART 1: INTRODUCTION TO THE THEORY

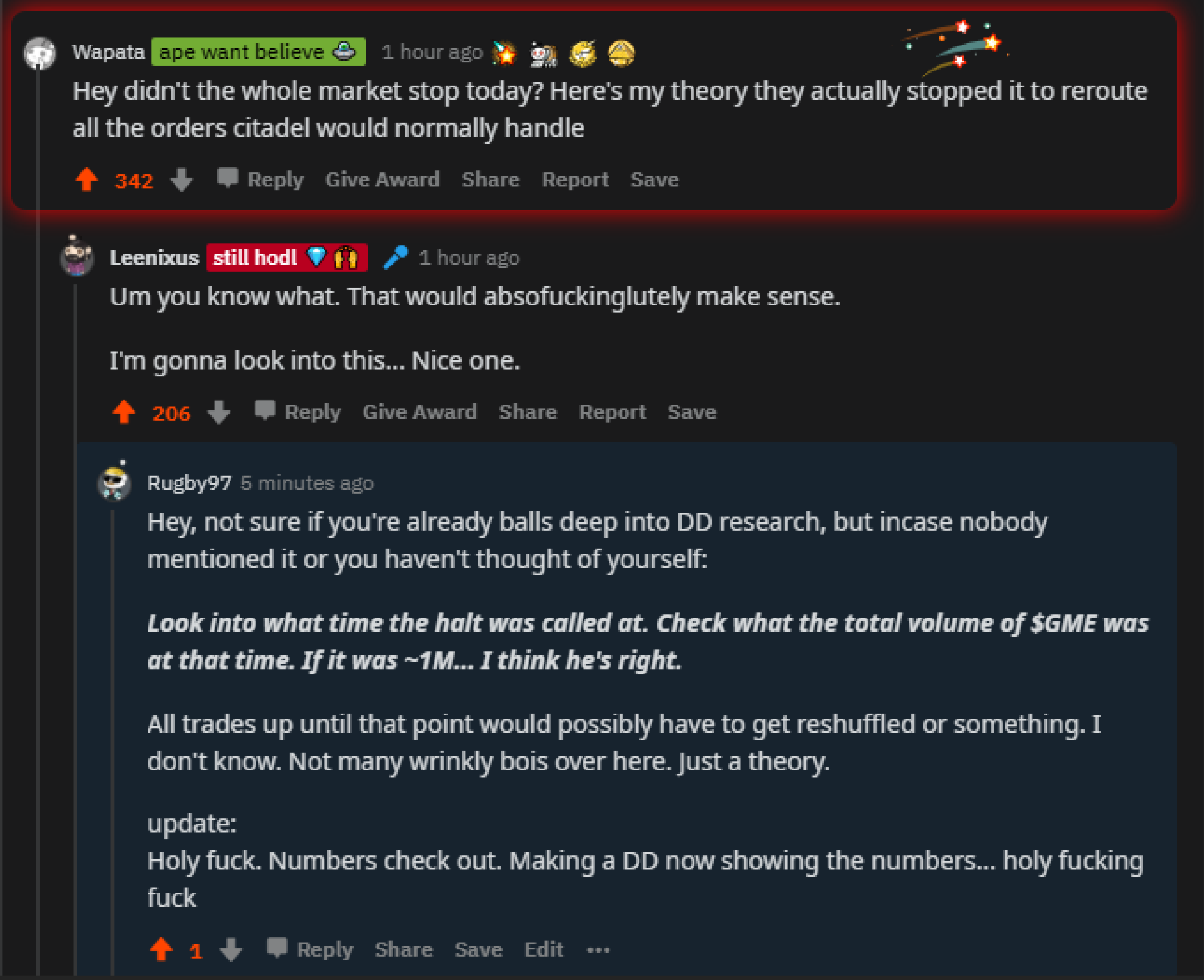
In case you live under a rock and don't spend every minute during trading hours staring at the $GME ticker & refreshing r/superstonk, today there was a 5 minute market wide trading halt from 1127-1132. There was also a case of 1M shares disappearing off of EOD (end of day) volume in AH (afterhours).

5 Minute Trading Halt - You can verify this yourself easily. credit to u/harbinger2nd for image

credit to u/lnning for image

enhance

I was reading This Post by Leenixus about how he has a theory Citadel got margin called today. Well, ***I think you're right*** u/Leenixus. Let me explain why.



In the comments under his post u/Wapata bought up an idea. So I ran some numbers

---

PART 2: RUNNING THE NUMBERS

I looked at what the volume was when the market got halted at 1127.

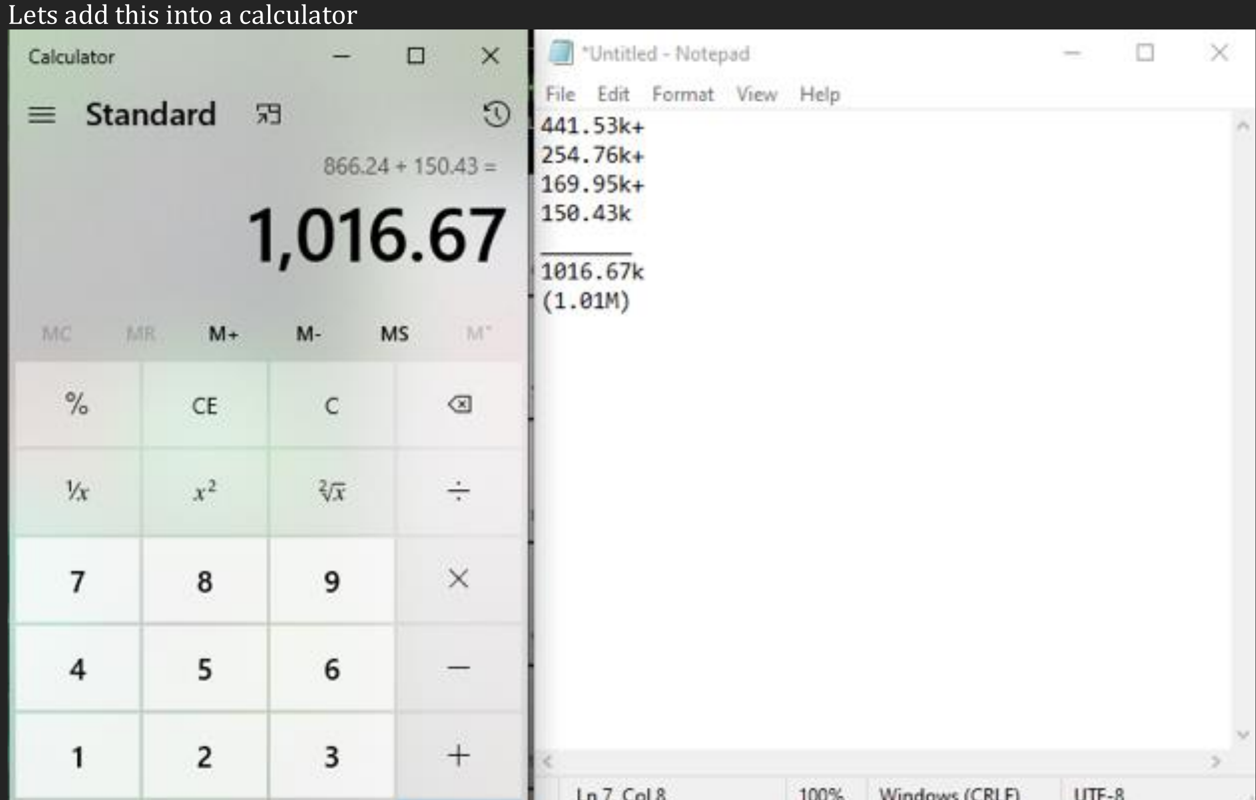
From 0930-1000 there was 441.53k volume

From 1000-1030 there was 254.76k volume

From 1030-1100 there was 169.95k volume

& Finally from 1100-1130 there was 150.43k volume

Lets add this into a calculator



1M shares nearly on the fucking dot.

Compare this to the AH candle again:

It's BARELY nudging over that 1M line. That looks a lot like 1.016M shares to me.

____

PART 3: PICTURES OF THE EOD VOLUME BOUNCING FROM 2.7M TO 1.7M BACK TO 2.7M DURING AH

Here's some pictures of the EOD volume not being at the "correct" 2.7M today during AH:

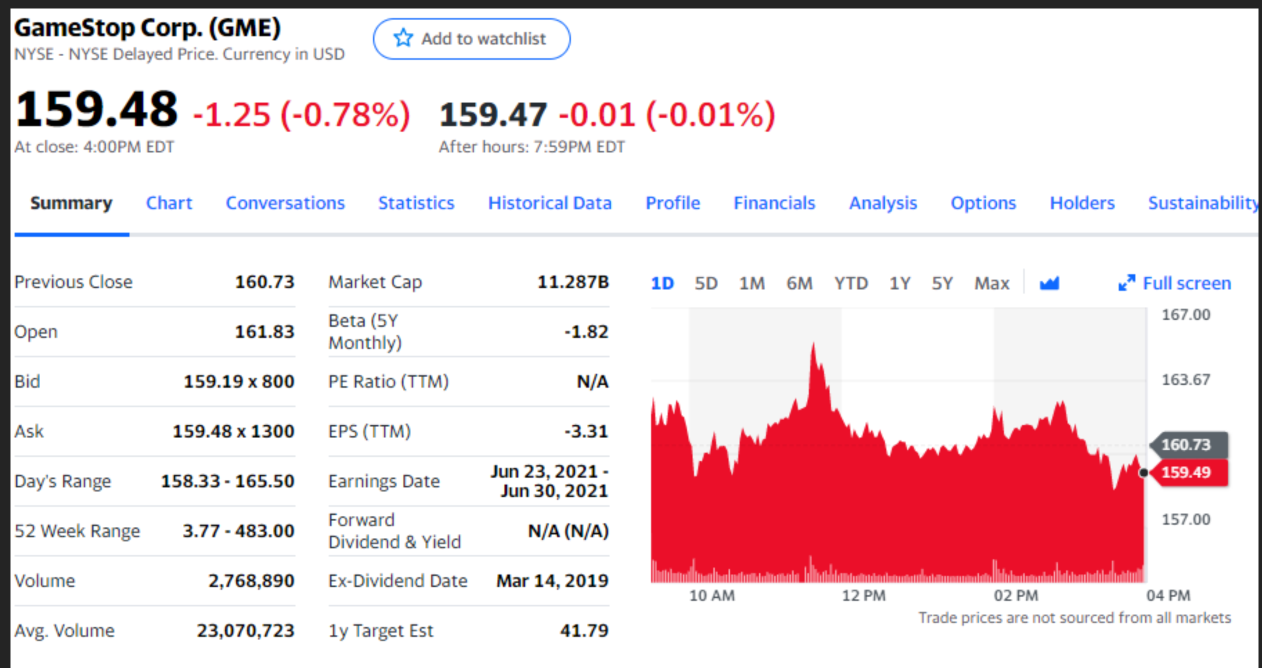
Webull

Yahoo @ 1718 EDT

Market details

Bid	$158.69 x 15	**Market cap**	$11.38B
Ask	$159.68 x 53	**P/E ratio**	—
Last sale	$159.49 x 0	**52-week high**	$483.00
Open	$161.82	**52-week low**	$3.77
High	$165.50	**Volume**	1.22M
Low	$158.35	**Yield**	0.00%
Exchange	NYSE		

Wealthsimple at 1.22M??? *by the way, it's at 1.23M now, it has not "corrected" like Yahoo & others. ????????? I've reached out to them, however replies usually take ~2 days



Yahoo correcting EOD Volume by end of AH back to 2.7M, many other sources did same

---

PART 4: EXTRA STUFFING FOR YOUR TINFOIL HAT & CONFIRMATION BIAS

At the end of the day we Todd Barker, the head of Citadel's Surveyor Capital step down.

Pensions&Investments

NEWS DATA INSIGHTS MULTIMEDIA EVENTS CAREERS RESEARCH CEN

MONEY MANAGEMENT

May 05, 2021 03:54 PM | 7 HOURS AGO

Head of Citadel's Surveyor Capital steps down

By Bloomberg

TWEET SHARE SHARE EMAIL REPRINTS PRINT

Todd Barker

Todd Barker, the head of Surveyor Capital at Citadel, is retiring after 16 years at the hedge fund firm and will be replaced by his deputy **Phillip Lee**.

Mr. Barker, 42, joined the $38 billion firm in 2004 as an analyst and has led Surveyor, one of Citadel's three stock-picking units, for the last five years. He will continue as a special adviser to the firm, said Kenneth C. Griffin, Citadel's founder, CEO and co-chief investment officer, on Wednesday.

Sorry to hear that, Todd.

In This Post by Leenixus they mentioned how todays price to get margin called is estimated* to have been $161.19

That's above the estimated $161.19 margin call trigger. Coincidence?

PART 5: WRAPPING IT ALL TOGETHER + TLDR

1. Citadel Securities is one of the **main market makers**. Market makers route orders to the market.
2. When NYSE was halted for 5 minutes @ 1127, the total trade volume for $GME at the time was ~1M shares
3. It's estimated that $161.19 was the margin call trigger price today for the major short sellers of GME (This includes Citadel, theorized to be the biggest) The price was $162.32 when the market was halted
4. **In After Hours 1M shares seemed to "disappear" from EOD Volume before "reappearing" in the EOD Volume later before AH close. I BELIEVE this is because Citadel got margin called @ 1127 today and therefor those 1M shares traded had to be re-routed or re-done or what have you. I can't be certain. I don't know if that's a thing or not but the concept makes a LOT of sense.**

It took over a month for us learn Archegos got Margin Called. So there ***may*** not be confirmation/proof saying otherwise for this theory for awhile. Regardless, the numbers add up and the rabbit hole leads to kens back yard.

EDIT1:
I should mention that just because a margin call happens, does NOT mean an institution needs to cover all their positions etc. Institutions CAN satisfy a margin call by having enough capital in your "margin account" (unsure if this would be called the same thing for hedge funds). If you can't satisfy it that way, one of two things can happen

1. You buy securities to cover your short positions or
2. Get liquidated

EDIT2:

Check out [An ape explained the missing 1million volume. I think I'm gonna throw up.]

EDIT3:

A very good point brought up by u/Jvic111 & my counter to it

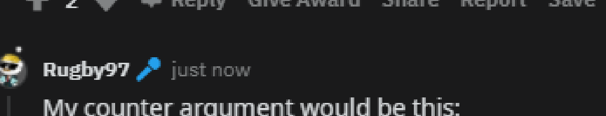
Jvic111 7 minutes ago

I definitely like your theory, and you've got good circumstantial evidence. The only potential flaw I can see is that Citadel handles 40ish% of market order flow, but what if they've been paying other MMs to route all/most GME orders to them? That would account for all of today's volume before 11:27 in your thesis.

Also, as a side note it's reported that other meme stocks such as AMC had volume corrections today as well.

Either way, Kenny boys stonk-o-matic 76 is on its way out based on the DD, and Gensler's comments in the press and his opening statement to congress tomorrow.

Tits are jacked more so than usual...



2 Reply Give Award Share Report Save

Rugby97 just now

My counter argument would be this:

So say 40% of 1M shares of GME, Xxx amount of AMC, Xxxx of BB, Xxxx of NOK, etc. are processed through Citadel. If they get margin called at 1130, **I don't see why they wouldn't go back and verify/redo every single trade up until that point during the day assuming they can't be certain what was and was not routed through ken.**

1 Reply Share Save Edit •••

Always encourage both sides of an argument! Thank you Jvic!

EDIT 3.1:

This may be another possible solution to the argument above alternative to my guess

EDIT 4:

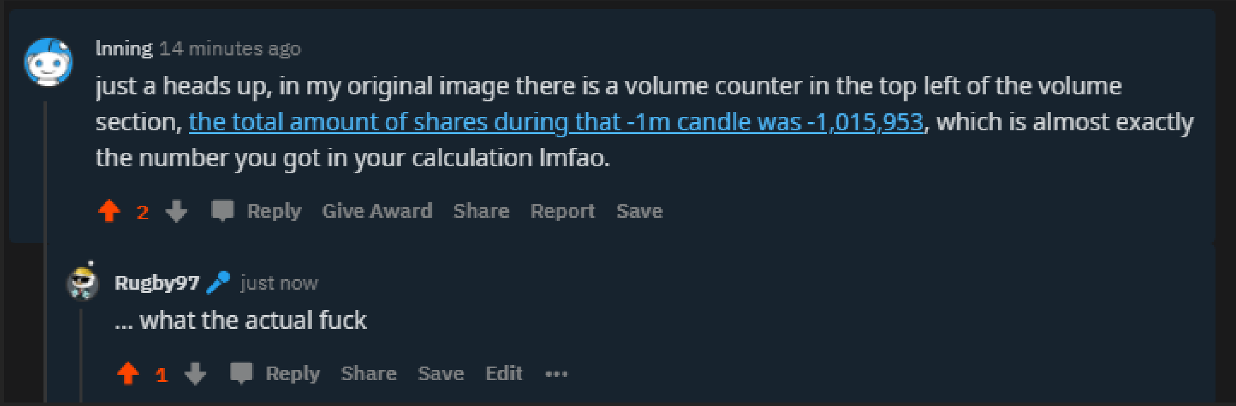
More Counter DD (thanks to u/diskodik for pointing this out):

https://www.reddit.com/r/GME/comments/n5pj2q/negative_1_million_on_volume_afterhours_wtf/?utm_medium=android_app&utm_source=share

My best guess against it: They started to run into problems because Citadel was in the process of getting margin called and it started to fuck with their processing due to the fact Citadel is one of the largest Market Makers for the NYSE. This would undoubtedly lead to difficulties processing orders/bids to the market https://www.reddit.com/r/Superstonk/comments/n5v5m0/an_ape_explained_the_missing_1million_volume_i/

Or
This: https://www.reddit.com/r/Superstonk/comments/n5yrd7/holy_shit_this_could_be_a_missing_link_between/?utm_medium=android_app&utm_source=share (Courtesy of u/diskodik again!)

EDIT 5:
Well, I guess I'm not sleeping tonight:



are you

fucking kidding me

My calculation: 1,016,670
Negative Candle: 1,015,953

None of this is financial advice. I'm an idiot. Pure speculation for entertainment purposes only.

tick tock ken

Back to Table of Contents

Major Deep ITM CALL Option Dates. A Massive Net Capital BOMB Might Explode This Week.

DD 👨‍🔬

0. Update

Edit: Ah here we are after cinco de buyo. No big price move was made. That's some good shit if you ask me. The prediction was that we'd see a price surge again **if they delayed FTDs once more**. The fact that it didn't happen today - no Deep ITM CALLs or PUTs occurred today - is reason to believe **this is almost over.** If Net Capital theory is correct, there's two possibilities here:

A) They raised enough capital to kick it to the next threshold on May 17. Remember, only 50% will be accounted for as of tomorrow. More time to try to hit the price down.

B) They **went net negative** and it's over. They were unable to reset FTDs. Only a matter of time before things start unwinding.

I also see some exciting stuff being posted today. Two caught my eye:

DD pointing to theoretical margin call price has been passed three days in a row.

We also possibly saw 1m+ in volume evaporate in after hours. Interesting shit.

So once more - see you soon moon.

1. Preface

I am not a financial advisor.

Take it all in, and then question what you read. We want all perspectives here. Criticism of DD is what makes this subreddit so amazing - it helps us re-evaluate our theories.

I also love dates. I think they should be promoted more **as long as there is data behind it**. Picking arbitrary dates based on Tweets, yeah, I can see a problem with that. But it really feels like we can pinpoint this shit down. And if it's wrong - you know what - we come back and re-evaluate everything. It helps us grow, learn, and find new perspectives. You no longer look at data one way, you take a new approach.

I have never done a TLDR but let's put it this way: 💎🤲 = 💣 = 💀🐻

TLDR in picture form:

https://preview.redd.it/vjttbykab1x61.png?width=316&format=png&auto=webp&s=ce91afc315f2e1872aa8043a9eb941fee53669c5

Edit: a real TLDR:

Deep ITM CALL + OTM PUT options expiry causes MMs (Shitadel) to have a debt due to them pushing FTDs out. The debt must be resolved quickly or they could become net negative, violating a Net Capital rule. If they violate the rule they essentially lose their MM privileges because they don't have enough capital for their positions in the event of a default.

Day 0 = 0% of debt accounted for in calculations

Day 7 = 25% of debt accounted for in calculations

Day 14 = 50% of debt accounted for in calculations

Day 21 = 75% of debt accounted for in calculations
Day 28 = 100% of debt accounted for in calculations
They appear to not want more than 50% of the debt accounted for and try to push FTDs out between day 0 and day 13 because once day 14 hits the 50% could bring them net negative.
Day 13 coincides with the spikes I've been observing:
Feb 5 -> Feb 24
Feb 19 -> Mar 10
And what might be coming:
April 16 -> May 5

2. Recap

I posted the other day theorizing a link between certain option dates and a spike the second Wednesday following expiration. For example:
February 5 Options Expiration -> February 24
February 19 Options Expiration -> March 10
April 16 Options Expiration -> **May 5**
What happened on February 24? We spiked up. Significantly.
What happened on March 10? We climbed up. Significantly, until a flash crash brought us down. And there's pretty good evidence that points to the flash crash being caused by nearly 80,000 PUTs from July 16, 2021 being exercised on March 10th.
What happened on May 5? We'll find out. But I'm sure I'll get a bunch of shit spam comments if it all goes downhill lmao.

3. Theory Hole

I was claiming that the link was due to T+13 forcing of FTDs by the broker, but that isn't necessarily true. /u/keijikage identified that:
T+13 only counts if it is on the threshold securities list (10k shares FTD + > 0.5% of shares outstanding). HOWEVER...there may be some nonsense going on around net capital"
We haven't seen GME on the threshold list since February 3rd. So the T+13 FTD delivery theory seems to be out the window. **However, the pattern still stands. And boy does this new information look spicy.**

4. The Link Between Options and Spikes Still Exists

There's no doubt in my mind that we're witnessing a pattern here, and that it will repeat. Each spike in price **has** to link to a date in the past - that's where I started going down this rabbit hole. I mean, shoving a few crayons up my nose like Homer Simpson might have also influenced me.
https://preview.redd.it/kwr9wb8o30x61.png?width=507&format=png&auto=webp&s=57af9773746a233aeb9486f978437507e413034b
In my last post, /u/beyond-mythos pointed out a wonderful source of information - another DD with crazy amounts of data for Deep ITM CALL purchases: The SI Is Fake I Found 44,000,000 Shorts
The DD poured through data finding that FTDs were hidden in very specific options with Deep ITM CALLs. What dates enticed the shorters so much? *queue ominous music* **dun dun DUN**...

https://preview.redd.it/11gjaljq70x61.png?width=559&format=png&auto=webp&s=1f1d295244e648846d7afd9cac6c1b1fe32ce193
February 5, February 19, March 19, April 16, July 16, January 2022, and January 2023. I got absolutely **JACKED** when I saw that there was evidence pointing to the exact dates I wanted to link to the spikes:
February 5 and February 19.
Now you're probably asking, hey, I see March 19 on that list. Why didn't it spike on April 7?! Don't worry, because it's going to need a little bit more explaining in this post. I'll get there just bear with me.
You also might be wondering, "Ok what the hell are you looking at these Deep ITM CALL purchases for?". It is because **we're theorizing that FTDs are being hidden through this malicious options practice.** And on the other end of the spectrum, it's theorized that the SI% is being hidden through PUTs which also expire on these major dates. Both old and new shorts and being stuck in PUTs.
The DD also posted the following table, and I absolutely love u/dejf2 for this glorious artwork. I'd pay at least 10 and a 1/2 Shmeckles for it. It shows the amount of deep ITM calls which were purchased not only for certain expiration dates, but when those purchases were made.
https://preview.redd.it/i5xh3f2350x61.png?width=1933&format=png&auto=webp&s=8594466c3aa5675ebffdb39a8364e18c4f39d7f3
You can see that they went absolutely nuts purchasing these Deep ITM CALLs on the January runup (dark red highlight) because liquidity was AWFUL. Robinhood pulled the plug on buyers, and let the buy pressure dry up while the HFs and MMs swapped FTDs to later dates because there were so many shares that had to be delivered. **The retail buy pressure is the whale that is now splashing larger and larger FTD waves until the MOASS.**
So thank you Robinhood, the floor was $1,000 back then but now there's going to be so much more money sucked out of the 1%.
https://preview.redd.it/wmlo5r9yc1x61.png?width=594&format=png&auto=webp&s=8d786347ecdf326c3c940538547b93d76f7a72d0
I did a rough calculation of the cumulative amount of Deep ITM CALL purchases for these dates ONLY with the red-highlighted area:

Option Expiration Date	Cumulative Deep ITM Call Purchases (Red Area Only / January Runup)	Number of Shares Equivalent
Combined	**287,000**	**28,700,000**
February 19, 2021	51,000	5,100,000
March 19, 2021	4,000	400,000
April 16, 2021	**143,000**	**14,300,000**
July 16, 2021	31,000	3,100,000
January 2022	58,000	5,800,000

Fucking... **WHAT?** In the January runup alone they had to purchase at least 287,000 Deep ITM CALLs to handle FTDs? That's equivalent to 28,700,000 shares. Hello float - or should I say more than the float -

since it's now estimated that the float is around 23,000,000. Remember that this table is ONLY for the red highlighted area, so the total number upon option expiry is greater than the rough calculation table. Let's look at the dates and their significance:

- February 19 had **51,000** purchases. Two Wednesdays later, March 10, we see $GME climb to a price of $350 before being smacked down.
- March 19 had **4,000** purchases. Two Wednesdays later, April 7, nothing. Hmm. Well, it certainly isn't a lot of CALLs in comparison but it should have done something - right? Even a tiny bump instead of the red day on April 7? Don't worry. I'm almost there.
- April 16 had **143,000** purchases. Two Wednesdays later, **May 5**, we'll find out! Take a notice the magnitude of deep CALLs that were purchased for this day compared to February 19 - big fucking oof if the price spike happens again.
- July 16 had **31,000** purchases, and January 2022 had **58,000** purchases. So obviously they wanted to spread out the FTDs among all the dates but for some godawful reason poured into April 16. If this does indeed pop again on May 5 but doesn't trigger the MOASS, we can expect it to pop following the next major Deep ITM CALL option expiration date.

But this doesn't really explain why the spikes occur two Wednesdays following option expiry.

5. Ok, If Not T+13 From FTDs Then What Is Causing The Movement?

/u/keijikage pointed out a **tasty rule.** Net Capital Requirements For Brokers or Dealers - 240.15c3-1.

In summary, 240.15c3-1 is a net capital rule which:

...is designed to ensure that a broker-dealer holds, at all times, more than one dollar of highly liquid assets for each dollar of liabilities (e.g., money owed to customers and counterparties), excluding liabilities that are subordinated to all other creditors by contractual agreement. The premise underlying the net capital rule is that if a broker-dealer fails, it should be in a position to meet all unsubordinated obligations to customers and counterparties and generate resources sufficient to wind down its operations in an orderly manner without the need of a formal proceeding...

...**A broker-dealer must ensure that its actual net capital exceeds its required minimum net capital at all times. -** Source

More ape-speak, this rule makes it so that if a Market Maker (Shitadel) wants to continue operating and not get ass-fisted by the SEC, they cannot carry a debt that makes their capital net negative. Otherwise, if they default, they're an idiot and have insufficient capital for the positions to pay out. How do you carry a debt? Let's say you are all nice and happy, shorting GME without a care in the world because you're a moron, operating net-netural, when suddenly a shitload of FTDs pour on you all at once. Oh shiiiit. I owe those shares and am carrying a debt! What do I do? Hmm I can either:

1. Raise some capital **or**
2. Sweep those FTDs under the rug using some sneaky sneak tricks. I'll pay that shit later, hoping the price of the stock is much lower and thus my debt calculation doesn't bring me negative.

What did we see every time a spike-up occurred? More **god damn Deep ITM CALLs being purchased. Because they're hitting the (2) button and kicking them further down the road**.
You know how much time they have to solve this net capital issue? **Not long**. The following is from rule 240.15c3-1 I linked, towards the bottom.
https://preview.redd.it/4dsve3w3d0x61.png?width=1166&format=png&auto=webp&s=b88384871b2de08e37b92826df32f5e5c1322707
This is my interpretation, please correct me if I am wrong. **Every 7 days that pass by, their debt is subtracted from their capital at an increase of 25% each tick. In other words, each 7 days your debt is 25% more accounted for:**
Day 0 -> Net Capital = Capital - Debt*0.00 = 0% of the debt accounted for in calculations
Day 7 -> Net Capital = Capital - Debt*0.25 = 25% of the debt accounted for in calculations
Day 14 -> Net Capital = Capital - Debt*0.50 = 50% of the debt accounted for in calculations
Day 21 -> Net Capital = Capital - Debt*0.75 = 75% of the debt accounted for in calculations
Day 28 -> Net Capital = Capital - Debt*1.00 = All debt accounted for in calculations.

Example A (Good Situation):
Imagine you have $100. Then suddenly you get a piece of paper saying "your debt is $90".
Day 0 -> Net Capital = $100 - $90*0.00 = $100
Day 7 -> Net Capital = $100 - $90*0.25 = $100 - $22.5 = $77.5
Day 14 -> Net Capital = $100 - $90*0.50 = $100 - $45 = $55.0
Day 21 -> Net Capital = $100 - $90*0.75 = $100 - $67.5 = $32.5
Day 28 -> Net Capital = $100 - $90*1.00 = $100 - $90 = $10.00
All good! You're still net positive. **This must have been what occurred for March 19 option expiry. The debt was insignificant! So much more time to spread out some Deep ITM CALL purchases. There was no way that they'd cross the net negative threshold from only 4,000 Deep ITM CALLs + PUTs.**

Example B (Bad Situation, Shitadel):
Imagine you have $100. Then suddenly you get a piece of paper saying "your debt is $250".
Day 0 -> Net Capital = $100 - $250*0.00 = $100
Day 7 -> Net Capital = $100 - $250*0.25 = $100 - $62.5 = $37.5
Day 14 -> Net Capital = $100 - $250*0.50 = $100 - $125 = -$25.00
Whoops! You're now net negative and you violated the rule and only when 50% was accounted for. Bye bye.

It's important to note that the debt is **based on current market price of the security. So if GME is trading $170 then the debt is based off of $170. If it drops to $150 the next day, then the debt is based off of $150. They want to kick this down the road until the price is really low. Probably in the $20s range. They're absolutely fucked.**
So, Day 0 they'll see the debt but might not need to worry about it. If it's not a problem, such as Net Capital having no chance to go negative, then they're fine. Whatever. They won't violate the rule and

they can go on being a happy Market Maker. But if it **is** a problem which would bring them negative and violate the threshold rule, then they'll start panicking. They want to resolve this **before** the threshold occurs which would make them net negative.

The fact that 50% of the debt is subtracted at T+14 is very curious. **That implies they (Shitadel) can't risk the debt even being 50% accounted for**. So it must be an absolutely massive position. Let's walk through February 19 expiration as an example:

1. February 19 options expire. Deep ITM CALLs and possibly married PUTs expire that were used to hide FTDs and shorts. **Day 0. Their Capital does not account for the FTD and short position yet.** Well... they can try to drive the price down and hope that the debt calculations don't carry them net negative.
2. Day 7 arrives on March 2. The FTDs and shorts are 25% accounted for. Maybe they'll start shifting some stuff out by purchasing new Deep ITM CALLs between March 2 and March 9 since the price doesn't seem to be going down as fast as they want.
3. Day 13 arrives on March 10. Oh **SHIT**. They can't let Day 14 arrive or else 50% of the debt will be accounted for and they'll be net negative and thus violate the rule. **So they start to move out a ton of FTDs to later dates by purchasing more Deep ITM CALLs.** (If you reference the purchase anomaly chart in my previous post, you'll see tons of Deep ITM CALLs are purchased on the spike dates and run-up dates)
4. Day 14 arrives on March 11. All is well in the world (for now) because their debt has been moved out.

Edit: But...why exactly does the price move up? On Discord, "Assets" has a great possible explanation. Assets - you are the best. ♡

1. You are obligated 100 shares through FTDs.
2. You buy an ITM Call and Sell an OTM put.
3. You short 100 shares of the underlying saying that it's actually covered by your ITM Call.
4. You exercise your call and you are credited 100 shares.
5. You tell your broker that you wish to cover your shorts with 100 shares and you tell the clearing house that you wish to satisfy your FTD with the same 100 shares.
6. Both parties take the same shares and both parties look to the market maker to satisfy those 100 shares because you said they were good for it when you exercised.

You've succesfully shorted and reset the FTD.

Apply this to the other major option expiry dates and you get the same picture. They want to fix this issue by the second Wednesday following option expiry because the massive amount of Deep ITM CALLs caused their debt to be too significant to carry the full 28 days. It brings them net negative by day 14. At least... that's the theory now. ;)

Let's finally apply this logic to our wonderful, beautiful, April 16th date which is the option expiration date of when a dumpster load of Deep ITM CALLs have been purchased:

1. April 16 options expire. Day 0
2. Day 7 arrives on April 27.

3. Day 13 arrives on May 5. They (in theory) don't want it to hit day 14 when their net capital would be negative due to accounting for 50% of the debt. **Whatcha gonna do this time, Shitadel?**

- Perhaps this is what /u/Suspicious-Singer243 was observing in The March To Zero Liquidity. The Market Makers are about to have a net capital bomb go off. They NEED to eliminate their debt by wiping out their FTDs that have appeared once again in order to become net neutral. They were able to swipe the FTDs under the rug on January 13, the January run-up, March run-up, and a few times here and there since then. But if 005 is enacted before the next pop then **they have to deal with this massive 143,000 order from April 16 without delaying it any longer. RUH-ROH RAGGY.**
- Of course while I'm writing this, I see that May the Fourth could indeed end up being the Golden Ticket day per /u/Door_Public. It's very likely that 002/801 go into effect tomorrow. **I've been thinking we'll see 002/801 as well as 005 enacted and within 24 hours a price spike would occur. If I see these rules go into effect tomorrow, I will NOT be able to sleep.** May the 4th Be With You
- Bank netting accounts coming into effect by May 5
- US Treasury Issuing 0% Bonds on May 4 and Maturing June 1

See you on the moon. If not this week - sometime soon. ♡

Back to Table of Contents

Another GME DD dump from Hank

DD 👨‍🔬

********** **I am not a financial advisor, this is not financial advice** **********

Apes, I've recently gotten into comedy and wanted to test out some of my jokes on you:

Why did the chicken cross the road? Because my wife is fucking the mailman.

What's the difference between GME and my wife? GME doesn't have four boyfriends.

How many HFs does it take to screw in a lightbulb? Seriously guys my wife is a cheating whore.

What happens after you eat five bags of flaming hot cheetos? **You take a dump.**

And that brings me to my next point. DUMP. Yes, apes, this will be yet another DD dump. No main purpose or direction, just a few DD theories from your favorite guncle Hank. As always this is not financial advice and I am not a financial advisor.

Hankey the Christmas Poo for those of you who don't know

FTD cycle update

Alright everyone, so the FTD cycle theory was correct again for this period. For those of you who don't know/remember, this theory says that because of SEC FTD regulations, there is a predictable price and volume spilke every 21 trading days or 35 calendar days with about a +/- one day margin of error. If you look at the FTD cycle since september when it was only $10, the price each cycle is increasing exponentially as it is now over $200, which means that it is getting more and more expensive to stay in this game. Not gonna spend much time on this because I've covered it tons in my past DDs and many other apes are also getting into smaller FTD cycle research (which I love):

In my opinion, this shows us something very important. First, it shows us that it is getting exponentially more expensive to stay in this game and that there should be a breaking point soon. Second, it shows that the media narrative that retail is the reason for this run up is flat out wrong. IMO retail stopped mass-buying GME in late January and has simply held and bought small amounts since then. This right now is all about institutions being forced to cover because retail continues to hold. It makes absolutely no sense that retail is just randomly deciding to buy GME in mass on absolutely no news every 21 trading days. This narrative makes sense because then they can blame us when it all blows up.

Midday spikes

Apes, this has been one of the most baffling things for me to research and it has taken a ridiculously long amount of time. As I've explained, I have noticed that GME has these midday spikes in positive volume and price. Here are the requisites for those spikes:

1. They occur between 11am - 2:30pm (any times before or after that cannot be counted becuase it could be due to early market high volumes or power hour volumes)
2. They are the highest, second highest, or third highest single minute volume candles for the whole day (usually the highest)
3. They occur on no news and preceeding and proceeding candles are always significantly lower than them.

Here is an example of one:

Just to show you how pervasive this is, I went to a random day and found this one on my first try

Here is an example of one that **IS NOT** one of these spikes:

Volume is far too low compared to other times in the day.

IMO it would be far too dificult to document literally every single one of these and run some data comparisons on it. However, after looking at many of these, here are my observations:

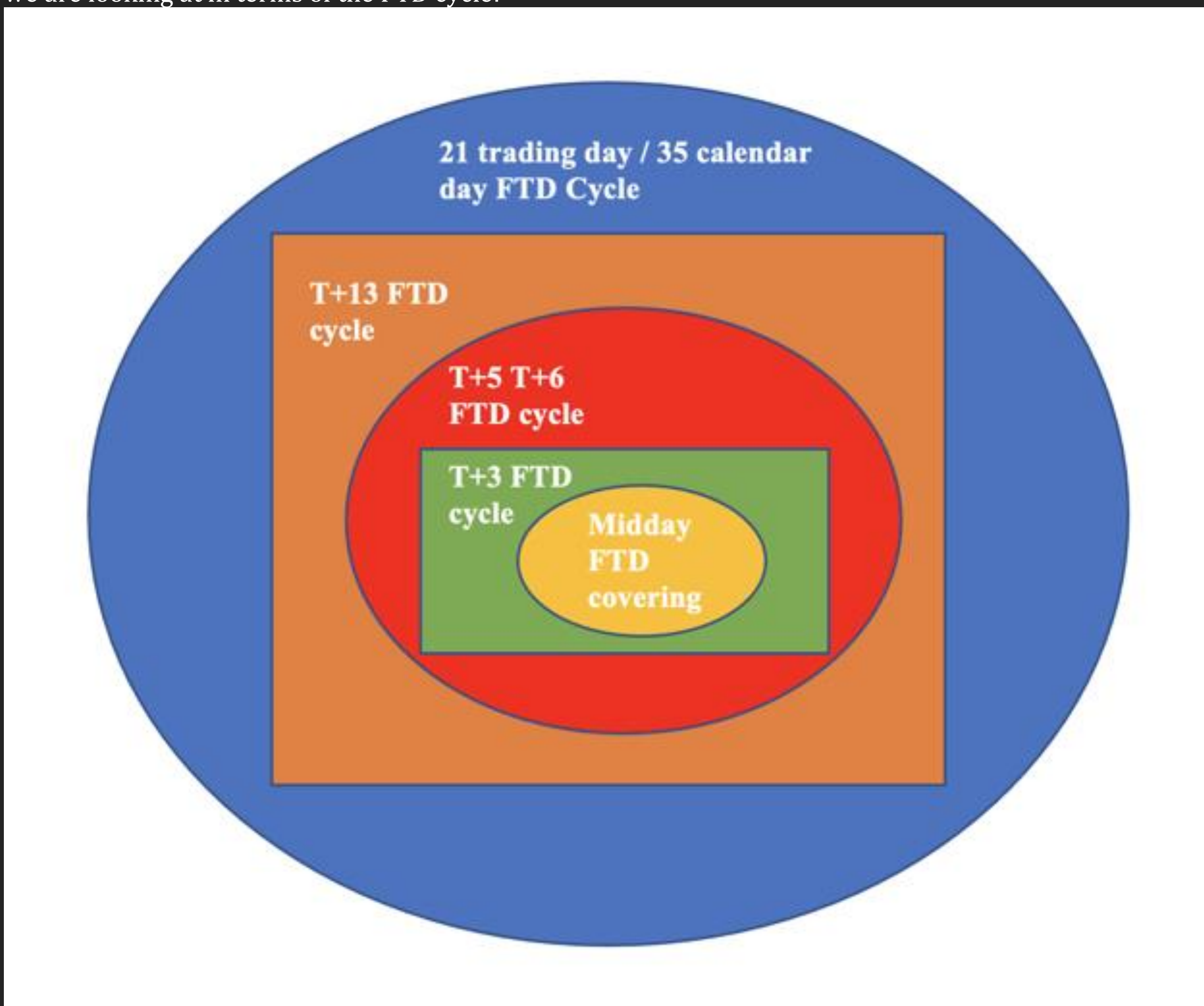
1. This DOES NOT happen to normal stocks, this is extremely weird
2. This DOES happen to stocks like AMC, EXPR, NOK, etc. but happens less frequently
3. These midday volume spikes have picked up drastically post-squeeze
4. The spikes also started to pick up after GME hit $10 in October 2020
5. The spikes increased progressively more throughout 2020 and up to the squeeze
6. The spikes have been going on since 2018ish and have been increasing more and more
7. The spike sometimes happen for a few days in a row but never more than three days in a row
8. There is typically a 1-4 day break in between spikes but never more than 5 days
9. The volume of these spikes (not price) has increased pretty regularly since 2020 but not consistently

What do I take away from all of this? I said in my last post that I think they are covering during these times. That would make sense because 11-2:30 is usually the lowest volume of the trading day, so they

want to cover when they can be positive that a HFT wont swoop in and screw them over on the price. They also don't want their trades to give the stock momentum during high volume times because that could cause a price spike.

If you all rememeber that big beautiful FTD squeeze DD doc (I think it's from this website https://iamnotafinancialadvisor.com/DD/GME/og/GMEv14.pdf which is now defunct) they say that the GME shorting likely happened in 2017 or 2018 when they took on some debt and it was likely that they would default in 2020. Why did these midday spikes start increasing more in 2020? I'm guessing that the shorts piled on more naked shorts between March-May (when GME hit its all time lows) because they thought that it was going to go bankrupt because of covid. Once it got above $10, their positions got more and more expensive, so these midday FTD covers happened more and more. Now these midday covers seem like a mainstay, which IMO indicates that they are indeed fucked in their short positions.

Sadly, there is far too much data for me to codify and find significance; however, I have done enough observations that I'm pretty confident my above findings are correct. So IMO, it appears that this is what we are looking at in terms of the FTD cycle:



So within our giant 21 day FTD cycle we have these other cycle occuring as well (the smaller the shape, the more frequently it happens, but the more frequently it happens the smaller and less noticable it is). Again this is just a theory / my opinion but what this means is that because the shorts have such a giant short position that's too big for them to unravel (they financially cannot do it), there are predictable days and times where they have to cover based on SEC regulations. Now, this is not an invitation to try to predict these times and profit off of them, that's stupid and will probably lose you money (not financial advice). However, the fact that some retard named hank can find this simply by using trading chart patterns, a calendar, and SEC rules, shows that they are indeed in too deep.

What's the best part about all of this? Well, it's increasing at an exponential rate meaning it's getting exponentially more and more expensive for them to keep this shit up (see one of my previous posts for proof of exponential increase as this recent FTD cycle increase only adds to that). AGAIN, this, unlike my other FTD posts, is not based on concrete data, it is based on my observations when doing back testing. However, because I did many hours of back testing, I am confident that these observations are accurate. If someone does some kind of data collection on this, WOW you really are a god becuase that would be the most time consuming thing ever, but I think that based on what I've observed, my findings are correct.

One genius-retard, u/startanks, sent me this message a week ago and it has been giving me wet dreams ever since:

"Current regulations forces market makers to have their net capital requirements positive, which they check once a day at 1pm est. Therefore it is most likely shorts, as you said, buying back stock so their net cspital stays positive for the day. This is what dtcc-002 is trying to change. To add to your discussion of the spikes around 2pm everyday - Reverse Repos have same day maturity date that closes ~1:15-2pm everyday."

This, IMO, is fucking genius and gives even more credence to the DD coming out of this sub about the repo market. Apes, I have been a bull my entire life. I legit drink bull semen. But holy fuck, this market is making me a 🌈🐻. IMO, the market is over-leveraged, the market is pricing things like the recovery happened 6 months ago, banks and institutions did some shady-overleveraged shit with the SLR releif and other easings of restrictions during covid, inflation is likely to happen, the repo market is absolutely fucked, etc. etc. etc. I could literally write a giant DD on why I think that there is going to be a serious correction soon (not financial advice) - don't ask me to do this though - I am focused on GME and nothing else. I think this is why Burry shorted TSLA. I think that he has the same thesis as I do, but he thought that growth stocks would be hit the hardest during a correction. So his bet against TSLA is really just a bet against the market that uses TSLA as further leverage. If the market corrects it is likely that HFs will be forced to liquidate their GME positions. Like I said in my other post, we should not be praying for a market crash because that destroys lives. Instead, we should be grateful for the fact that we seem to have found a way to profit off of it at the expense of those who created it. Does GME benefit from a market correction or does it cause a market correction? Who knows.

Earnings and annual meeting

You might have noticed that the very first chart in this post shows a consolidation pattern (red lines) that converge on earnings. I also covered this in a previous post. It appears that we have broken that trend. IMO, as I said in my post recent post, there is a good chance that this was simply to make apes think that the squeeze is over so that we sell before the annual meeting. IMO, I think that the annual meeting will be a slam fucking dunk. It will probably be the start of the squeeze (i.e. the catalyst that gets it going) but will probably not be the squeeze itself. Essentially, the annual meeting, IMO, will show us whether the MOASS will be a January-style squeeze (rapid and short) or a TSLA-type squeeze (slow and long).

The reason I think it will be the start is because of the lack of information that we've been given about GME from leadership in the past few weeks and their incentive to have a good meeting. We've seen teasers (NFT thing) and RC tweets (btw there's no doubt in my mind that he reads through GME reddit posts and is on our side because you don't tweet like that if you're not. He's just being vague so he

doesn't get investigated) that all point to a huge announcement. Could it be a CEO, a crypto dividend, notice that there are more votes than shares, NFT stuff, etc.? Either way, I think there will be an announcement there that kicks off the squeeze. More importantly, I think that it will gives whales a good entry point. Here's why:

I am going to use the example of George Soros' genius British pound trade (you can watch literally a billion Youtube videos on this). George soros made one of the greatest trades in history by shorting the British Pound. Essentially, he saw the British Central Bank doing dumb things that were going to devaule the currency and he saw technical weakness as well. He knew he was going to do this trade and knew why, however, he first needed some kind of news event or catalyst so that he could enter the trade so that others would join in. Essentially, Soros took a huge short position after some only slightly negative news about the Pound and it tanked. This made the rest of the market think that everyone was bearish, so it created a panic (after hours I may add so the volume was easily affected). People didn't realize that it was just one man doing this until it was far too late. (This is a metaphor for what I believe will happen to GME, George Soros is not involved in GME in any way - do not put your tin foil hat on).

I theorize that there is a long whale or several long whales waiting to pounce on GME for this exact reason. Whoever they are they have been consolidating GME's price for the past few months. I don't even think it's to lower IV anymore to set up a gamma squeeze. I know fully believe that whoever is doing this is trying to tame GME's price and will then pounce on it once there is appropriate news. Why? If the long whale just did this on no news the market wouldn't pounce on and be like "oh shit positive news, market loves GME" it would just be like "oh great more gamestop shit, it's retail again and it's gonna go away, I'm not getting in on this." Instead, if there's news and an influx of buying, the market might perceive that as "oh shit this news was way better than I thought I gotta get in. This is actually a fundamentally good opportunity." It doesn't matter if this is short or long term buying because once the price gets sufficiently high, the shorts get a call from marge. Again, this is all just a theory. However, RC tweet seems to confirm this as it says its coming back from the dead

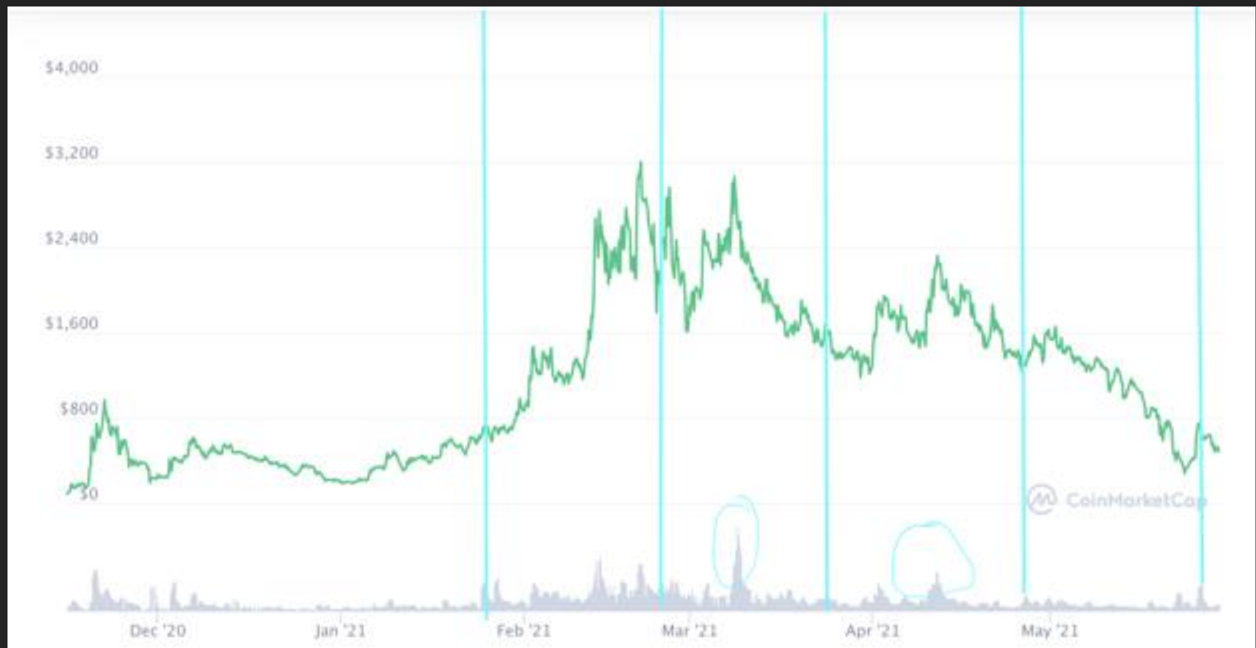
If you have FUD, I would direct you to see my previous posts where I address FUD, but just to add some more. Remember all of the things that aren't normal about GME. Remember that DFV doubled down. Remember that we have more evidence of a squeeze happening than the people pre January did... and they didn't have a previous squeeze to compare to. Imagine how crazy people mustve thought they sounded, "you think it's gonna squeeze past $300? yeah ok." Then it happened. If they can hold with less evidence, fewer apes, and no previous squeeze to compare to, then yeah I FUCKING CAN TOO. (Not financial advice).

Crypto and the FTD cycle

A few sexy apes have sent me some messages about crypto and GME. At first I thought this was bullshit but after doing some research, there seems to be something there. Every single FTD cycle is the lowest point that BTC gets (i.e. it decreases up to that day but doesn't decrease on that actual day by much then it goes back up). This got me thinking more about crypto and GME. Just like with GME's FTD cycle, when you see a repeating pattern like this in BTC (especially because it's so unregulated and easily manipulated) it's probably not a coincidence. What I think could be going on is that shorts are storing liquid cash in BTC in an attempt to hide their cash positions for disclosure/filing purposes. They are then liquidating those positions in the days preceeding the FTD cycle so they can pay for it. Notice how BTC climbs up the next few days after every FTD cycle? I still think there's something more going on here, however, because IMO it doesn't make sense to store cash in such a volatile asset, so if anyone has more ideas please send them my way:

Sorry about all the crazy dots and stuff those are my tard indicators. The red lines are FTD cycle days. Notice how there isn't a discerable up or down day on those dates. However, before each of those dates, BTC drops precipitously a few days prior. Like I said, that makes me think that HFs are storing capital in BTC (for whatever reason) and are liquidating it a few days prior to pay for the FTD cycle. Why was this recent BTC drop particularly bad? Well, it's because this FTD cycle was extremely more expensive AND there was horrible BTC news (elon tweets and investigations for one of the exchanges). Again, I think there's something else that I'm missing here, so if anyone has any ideas please send them my way or make your own DD!

Here is perhaps the most interesting thing that I've seen all week. A genius-retard by the name of u/pleasantlyunbothered (great name btw) sent me some information on a unique type of crypto that may have some relation to GME. This ape brought to my attention something called Saffron Finance, which "is designed to pool lioquidity to ease pressure off of over leveraged investors." So, I went on it's chart and marked the FTD cycle dates and circled days where GME had significant price dips:



It's not entirely clear if there is a correlation; however, it seems obvious, IMO that this concept (a place to ease liquidity troubles for overleveraged investors) could be a safe-haven for someone trying to hide a short position or hide capital to be used for short attacks. I am not saying anything definitive here and definitely need to do more research on this coin but it is something interesting to think about and again excellent find by the user who sent this to me.

AMC

I am now going to adress AMC. I've heard a lot of talk on here about how AMC is a distrction from GME or how anyone talking about AMC is a shill or how AMC is a HF ploy. What I'm about to say may make some of you mad but it needs to be said: stop fucking saying that because it's untrue, it makes us look jealous, it divides retail, and it makes us look like conspiracy theorists. Before I go further, let me first say that I have no position in AMC and am all in on GME. I think that GME is the better stock and has millions of times more potential than AMC.

If you look at my previous post where I discuss how there's a group of stocks that all have a similar pattern to GME (AMC, NOK, EXPR, KOSS, etc.), you will see that AMC is one of them. These stocks have a remarkably similar pattern and all seem to have started around may 2020. In that post, I go into how I think that HFs shorted all of these in concert because they expect covid to destroy them. When the market picked up, they got shafted on these bets, so they unravelled together. I said that GME was probably shorted the most and the best news happened to it, so that's why it shot up the most. Moreover, it is impossible for someone to be able to make a series of stocks behave in the exact same pattern for such a long period of time - it is the result of them being similarly shorted and SEC rules requiring similar coverages. Moreover, it makes absolutely no sense for a fund to pump up a stock that is already heavily shorted for the purpose of distracting from GME. Why would they spend their money on that when they could just short GME? It's clearly the result of an FTD cycle similar to GME (I mean GME did rise pretty significantly this week as well).

The thing that I keep seeing are these posts on days that AMC rises more than GME saying "if you talk about AMC, I'll report and downvote you." ARE YOU KIDDING ME? We should be saying "look at AMC, this shows us that the FTD cycle and naked shorting are happening to yet another GME-related stock. This is further evidence for our theory!"
So, please PLEASE stop saying that bullshit about AMC being a ploy to make us forget about GME. That is illogical, makes us look like conspiracy theorists, divides retail, and makes us look jealous. Do you realize that the fact that GME and AMC are rising in concert is further evidence that we are correct about all of this? It shows that HFs are being forced to cover on specific dates. If GME and AMC went up and down separately then the media would probably be correct about retail just buying in at random times, but this rise in concert gives us proof that they did the same thing with AMC that they did to GME (but to a lesser extent). So again, we should not be hostile to AMC - it is bad for us. Again, I do not have a position in AMC and think that GME is a better stock by miles (not financial advice). We should use the AMC run up as FURTHER PROOF that the FTD cycle theory and naked short theories are correct - we should not be saying that it's a distraction. To add to that, I've long said that if AMC squeezes first, I'd bet that people will use their profits on AMC to join GME.
We are all apes, we all have the same thesis about our respective stocks, and we are all fighting the same enemy - so let's not divide retail with this anti-AMC nonsense.
Before you message me, dont ask my thoughts on AMC. I am all in on GME because I like it better than AMC, so I will not be giving my thoughts on that stock, I just wanted to adress that point becuase I've been seeing it a lot.

Messages
Finally, I just wanted to adress my messages. As I have said, my inbox is always open and I try to answer every question. Just a warning though, if you want to message me, do it through my PMs (DMs). My posts get a lot of awards and activity so it's much harder for me to see regular messages because they get lopped in with award notifications, so if you want to reach me I'd recommend PMs. I'd say my response rate to PMs is probably 95% or so, but my regular message response rate is probably only like 50%. Finally, please do not message me about price floors, "thoughts on GME for the week," financial advice, selling advice, predictions, etc. as I will not be responding to these. If you have some information you'd like to share, I'd be happy to discuss it or if you have a question like "what is a gamma squeeze" I will probably answer it. But please do not ask me any questions about financial advice and the like as I will not be responding to those. To those of you who send me information, however, thank you so much. Many of you are often inspirations for my DDs and often contribute legitimate points to my DDs.
Closing thots
Apes, I, like many of you, feel that something is coming. The price action alone says enough but the information surrounding it says even more. As I said in my most recent warning post, be ready for some absolutely crazy price action in the coming weeks. I'm not sure when I'll be posting again but I hope that it will be soon. I will not be posting just for the fuck of it, I will be posting when I have something to say, so hopefully that will be within a week or two. Many of my very close followers saw that I put out a message saying I was thinking of expanding to another platform. You all overwhelmingly said YouTube. I

am not sure when I will be doing this but I think it's a great idea and am going to make a plan to expand sometime in the future (probably not the near future but sometime in the future). As always,
Stay strong, apes.
********** **I am not a financial advisor, this is not financial advice** **********
EDIT: I did not want this post to be about AMC but so many people have messaged me about it so I had to make this edit. It makes absolutely zero sense for a fund to spend money on AMC for the sole purpose of making apes transfer over to AMC when they could be spending that money on shorting GME. If you think that AMC doubled this week because of FUD and misinformation and not institutions buying in then you don't understand how markets work. No stock doubles in a week without it being because of institutional buying. Retail has power but has been holding for months, so it was not retail. If it was retail, then wouldn't we have seen a drop in GME due to apes selling GME to buy AMC? Instead, we saw both increases. It's the result of two stocks being the victims of naked shorting. I absolutely love this sub more than anything and it kills me to see this kind of illogical, confirmation bias from some of you. Again, I do not have an AMC position and think that GME is infinitely better than AMC but we need to stop with this rhetoric because it's not helpful.

Back to Table of Contents

CHAOS THEORY - The FINAL Connection

DD 👨‍🔬
The final picture is starting to come together. The ties of the former CFTC (who now works for citadel) & SEC chairmen to the industry appear to be pointing to fraudulent activity in efforts to prolong the necessity of **SOFR** being implemented. **SOFR** the last time it was attempted to transitioned into (in 2019) almost IMPLODED the market due to many realizing that banks and others could not handle a higher interest rate (based off the DAILY TRESURY YIELD RATE) versus the fabricated one that banks provide.

With that being said, let's get into it.

/u/sharkbaitlol here again for another post in the **"Chaos Theory"** series that delves deeper into the underworking of the financial realm. Just for a reintroduction of myself from other posts, my career has revolved around the data realm having worked on data collection, interpretation and machine learning for the last decade or so. I am also a lifelong gamer and have always been addicted to identifying patterns in real-life and games. **I do not claim to be a financial advisor; THIS POST IS NOT FINACIAL ADVICE. Apes should always challenge information and supplement with your own.**
It is in my hopes that these posts result in an increase of people seeking out MORE information that could continually lead us in the right direction; I want our children to grow up in a system where it is not

rigged against them. *I would like to thank the hundreds of fellow apes that have messaged me or commented with links and thoughts as we sweep the world for information. Apes together strong.*

I don't know how else to say this, but it is with great concern that I write this post.

There are elements here that go deeper into describing what danger the economy finds itself in (as if it wasn't evident already through all the countless DD already provided by this community).
I will attempt to provide you as many pieces of factual evidence possible and will make it known when my opinion on the matter is being presented. I will be creating links to some of my previous DD and others throughout the post. This is my attempt at connecting the dots in what I believe is one of **the final connections** of the story.

NOW GRAB THE COOLER OF BEERS AND GET BACK ON THE ROCKET BECAUSE WE'RE ABOUT TO GO DEEPER INTO SPACE 🚀👩‍🚀👨‍🚀🧑‍🚀🌙👌

Right from the top I will simplify the presentation of my findings for ease of understanding with the table of contents you see below.

1. CFTC & SEC --- You Can't Make Old Friends
2. Credit Suisse --- A Leaky Boat
3. Gary Gensler --- GG GLHF
4. LIBOR vs SOFR --- Global Financial Evolution
5. **THE GREAT TRAP**

Section 1 --- CFTC & SEC --- You Can't Make Old Friends

As identified in "Chaos Theory - Conflicts of Interest", we were able to find out that the former chairman of the CFTC & SEC appear to be in one hell of a conflict of interest. *If you've read my last post, you can probably skim over this and head into Section 2.*
Former SEC Chairman Jay Clayton just took a job at **Apollo Global Management** in a newly created role of lead independent director on its board last month. We start digging here and find out that **Tiger Global Management** holds a 14.8% stake in; making them the largest shareholder of Apollo other than a private holdings company from Apollo themselves (BRH) (https://fintel.io/so/us/apo).
In relation to this, don't forget that Bill Hwang is an alumni of the **Tigers** and the mess he's been involved in with **Archegos.** This as we know has resulted in a massive hit to **Credit Suisse's** books in the tune of billions (we still don't know the full extent of this).
We also found out that **Apollo** and **Tiger** so happen to be in the same building in New York (the Solow Building) and are doing shady dealings + tax evasions down in the Cayman Islands and Bermuda; namely the Ugland House (which was labelled by former president Obama as "the biggest tax scam in

the world"). Even new SEC chairmain **Gary Gensler** has some thoughts on the matter: https://www.youtube.com/watch?v=b_GcpsIyQFc&t=1259s (*We also know that the U.S. is losing $1 trillion annually to tax cheats: courtesy of* /u/vadoge). REMEMBER CITADEL IS DOING THINGS DOWN HERE TOO DIRECTLY THROUGH VARIOUS ENTITES LIKE PALAFOX.

NOW we encounter our first conflict on interest here as we delve into **Jay Clayton's** new employer, **Apollo Global Management.** As it turns out the former CEO of **Apollo** stepped down **JUST LAST MONTH** because of his ties with **Jeffery Epstein**. Here's the story from a couple weeks ago ago.

Leon Black unexpectedly quits Apollo investment firm after Epstein inquiry

Review showed that former Apollo chief paid Epstein $148m for his financial advising services and donated $10m to his charity

▲ Leon Black in Beverly Hills, California, on 1 May 2018. Black severed ties with Jeffrey Epstein in 2018 following a financial dispute. Photograph: Lucy Nicholson/Reuters

Billionaire Leon Black, co-founder of one of Wall Street's most prominent investment firms, unexpectedly stepped down early from his position as chief executive of Apollo Global Management on Monday, the latest in a series of moves following an inquiry into his ties to the disgraced financier Jeffrey Epstein.

https://www.theguardian.com/us-news/2021/mar/22/leon-black-quits-apollo-jeffrey-epstein-ties-inquiry

Wait so you're telling me that the former SEC chairman is working for a company that was connected with one of the most infamous criminals of all time? **YUP.** Well at least the old CEO isn't there anymore right?

Leon Black attended Apollo Global meeting days after resignation

Billionaire left investment group to quell investor dissent over his ties to Jeffrey Epstein

Black resigned on March 21 from all his roles at the asset manager he co-founded © Bloomberg

Mark Vandevelde, **Sujeet Indap** and **Andrew Edgecliffe-Johnson** in New York APRIL 13 2021

Yikes, almost like this shouldn't be allowed right?

Now lets take a step back about two weeks ago or so; recall Mr. Heath Tarbert? Who was the former chairmen of the CFTC (Commodity Futures Trading Commission). Last we heard he just got hired by our boy **Ken Griffin** as his **Chief Legal Officer.**
Turns out that Jay Clayton and Heath Tarbert (brought in during the Trump administration) **know each other pretty well. In-fact Heath had this to say about his *friend* Jay Clayton.**

“It has been an honor to serve alongside Jay Clayton. He is one of the smartest and most capable transactional attorneys in the country and an ***even better colleague and friend****. As leaders of the SEC and CFTC, we have* ***worked together closely*** *to harmonize our rules where appropriate and hold wrongdoers accountable."*
Directly from the CFTC site: https://cftc.gov/PressRoom/PressReleases/8310-20. So now we have two former chairman of the organizations meant to control **Wall Street** who are working for the very thing they were regulating. The same **Wall Street** they were "harmonizing rules" for --- oh and one of them is working at a Hedge Fund associated with a criminal. Great, totally not a problem.
MY OPINION: There's nothing from these two from continually working together even now; only a few months have passed since these two were last collaborating. This begins to lead us into an ordeal that starts to paint a picture of what may have happened in the last few years and how some hedge funds might have further screwed themselves with super cheap interest rates introduced during the pandemic on loans with these two formerly at the helm stoking the flames.

Wonder how **Gary Gensler** as the new SEC chairman will play into all this now? That will be covered soon.

Section 2 --- Credit Suisse --- A Leaky Boat

NOW how does **Credit Suisse (CS)** find themselves in this mess? They just can't seem to keep themselves out of the news. More holes keep getting blown out in their ship that they're desperately trying to patch. We already mentioned the situation with **Archegos**, but something that hasn't been mentioned as much is their losses associated with **Greensill Capital and their filing for insolvency on** March 8th, 2021**.**

Credit Suisse: $2.3B at risk in Greensill funds

Published: April 14, 2021 at 3:52 a.m. ET

By Margot Patrick

Credit Suisse Group AG flagged around $2.3 billion in problematic loans in its Greensill Capital funds, giving investors in the funds a more concrete sense of the size of their potential losses from the U.K. firm's demise.

The Swiss bank is liquidating $10 billion in a group of funds it ran with Greensill. In a Tuesday update, Credit Suisse said so far it has gotten $5.4 billion back for investors.

The bank said three borrowers are "driving the valuation uncertainty" in the remainder of the four funds' investments. The three borrowers are metals magnate Sanjeev Gupta's GFG Alliance; West Virginia Gov. Jim Justice's coal company, Bluestone Resources Inc.; and SoftBank Group Corp.-backed construction startup Katerra.

GFG companies owe the funds $1.2 billion, while Bluestone owes $690 million. Katerra owes $440 million.

The bank is working to recover the amounts it identified, but it isn't yet clear how much it will eventually get back.

As a result of their bankruptcy, 50,000 people lost their jobs when it became evident that during courthouse hearing in Sydney, Australia - $4.6 billion was owed and no one was extending out a hand to loan anymore to **Greensill** (THIS IS A BIG PIECE OF THIS STORY, HOLD THIS THOUGHT FOR NOW BECAUSE THIS IS GOING TO GET CRAZY LATER ON).

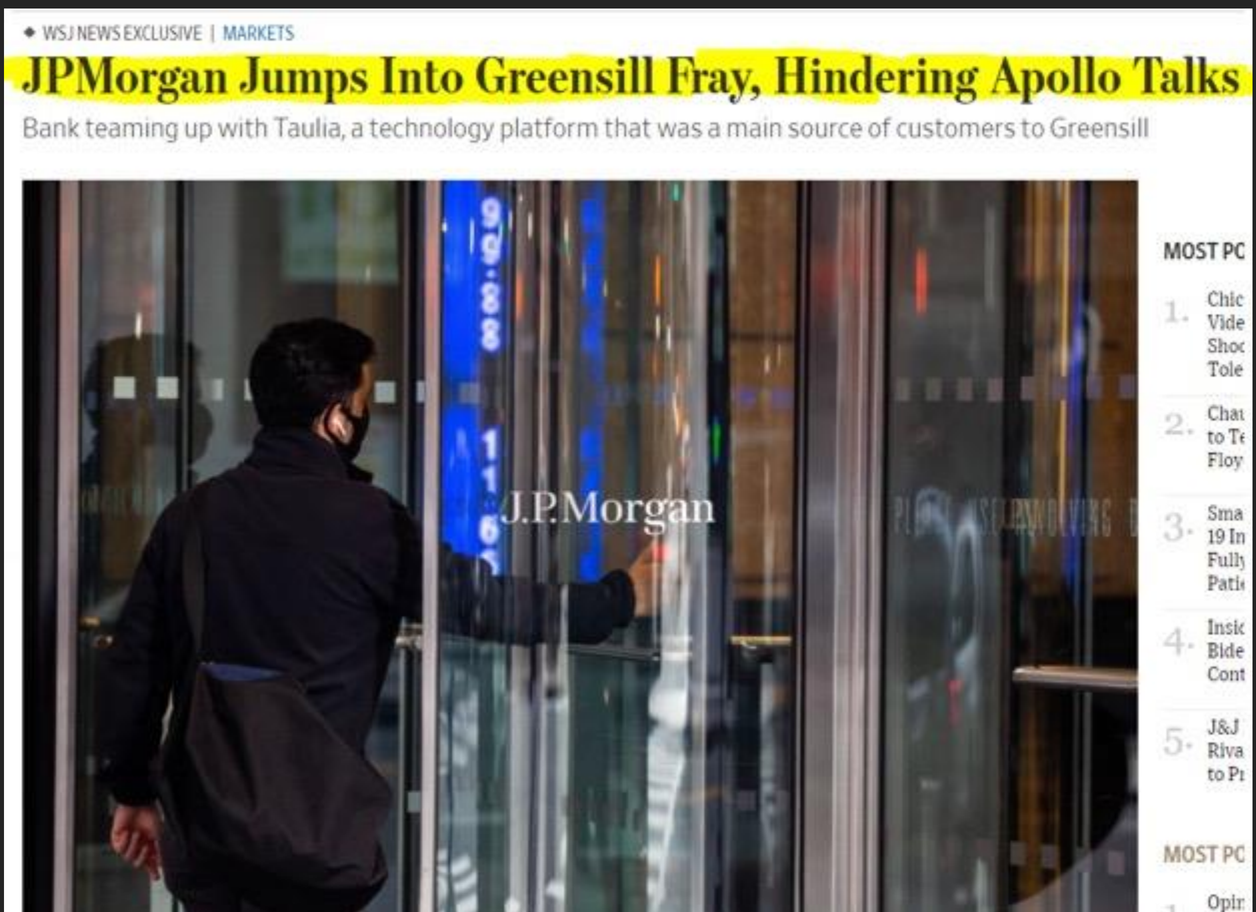
As a result different parts of **Greensill** had to be liquidated as a means to recoup costs. One of the impacted was **Greensill's** tech partner **Taulia**. **Guess who had plans to acquire them?**

what are they doing here???

YES **APOLLO** IS MEDDLING HERE. Now everything was going according to plan for **Apollo**, seems like they'd be able to get a pretty cheap cost of entry on **Taulia** who from their site:

*" **Taulia** is a financial technology business that provides working capital management, electronic invoicing, supply chain finance, and dynamic discounting services. The company helps **buyers and suppliers accelerate payments***, improve supply chain health, and* ***unlock trapped cash. "***

But **SURPRISE!**



https://www.reuters.com/article/us-britain-greensill-apollo-idUSKBN2B4233

YOINK. JPMorgan decides to play the uno reverse card and that they want **Taulia** on their side too. Oh and it turns out **UniCredit + UBS Group** want a piece of the action as well.
Don't forget who are the two major institutional owners of **JPMorgan**...

File Date	Form	Security		Prev Shares	Current Shares	Change (Percent)	Ownership (Percent)
2021-02-10	13G/A	VANGUARD GROUP INC			243,407,749		7.99
2021-01-29	13G/A	BlackRock Inc.			192,569,871		6.30

if it isn't our boys BlackRock, and Vanguard. Source: https://fintel.io/so/us/jpm

As a side note did I mention that **UBS** is the direct competitor of **CreditSuisse** in Switzerland and that the two are planning a merger? https://www.fnlondon.com/articles/ubs-chair-axel-weber-says-a-merger-with-credit-suisse-could-take-years-20201207
To add to all this, we now we also know that **BlackRock** is looking to make a move on Credit Suisse in the midst of this storm. This is in addition to their existing relationship with Swiss Re (scroll down for more information in that thread to Section 5.)

MY OPINION: From researching around it seems that for one reason or another, consolidation of banks appears to be a focus headed into the near future. **BlackRock** is looking to somehow join the narrative and become further ingrained in the banking world. This becomes especially interesting considering how **BlackRock** is positioning themselves as **the 'fourth branch of government'**. I believe I explain this relationship a bit better in anticipation of what the future is going to bring (Section 4).

--
BONUS ROUND --- UK EDITION
--

Just so our fellow apes in the **UK** don't feel left out of all the drama, none other than former **Prime Minister David Cameron** was heavily involved with **Greensill,** lobbying for the company.
Just some examples of what he's being called out for:
"

- He **texted Chancellor Rishi Sunak**, asking for the company to be included in a Covid-related government loan scheme
- He also contacted Treasury ministers Jesse Norman and John Glen about the company
- He met Health Secretary Matt Hancock - along with Lex Greensill - for a "private drink" in 2019 **to discuss a new payment scheme for NHS staff**

"

What is the Greensill lobbying scandal and who is involved?

From an Australian financier to David Cameron, here are the key elements in the controversy so far

David Cameron, left, and Lex Greensill in Saudi Arabia in January 2020. Photograph: Unknown

IT NEVER ENDS DOES IT.

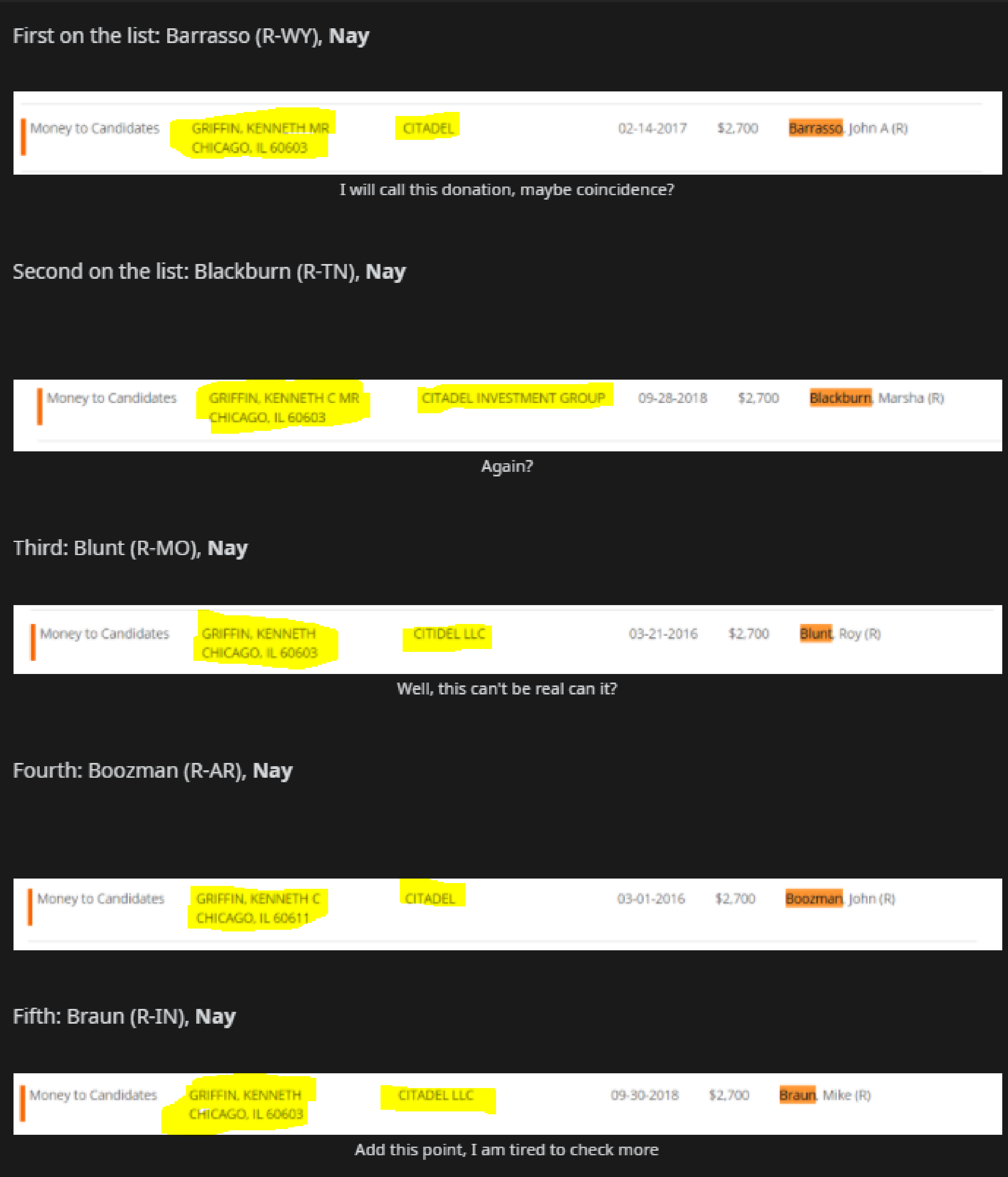
Now back to our friend **GARY "GG" GENSLER** and how this all potentially plays together.

Section 3 --- Gary Gensler --- GG GLHF

Now I'm not going to go into too much depth here about **Gary** himself; apes have done a TON of research already in this regard. If you're not familiar with him, please have a read of other apes work and then come back.

For a short synopsis from ape /u/AAces_Wild (I totally agree with their statement here):
"Fellow apes, please warmly welcome Professor Gensler to the SEC. If there's anyone I would trust to wield the power as SEC chairman while closing loopholes, protecting investors, and policing the largest financial center in the world, it's Gary Gensler.
Key Takeaways*: Gary has extensive expertise in the prosecution of big banks and has shown support for market transparency. Without hesitation, I believe he's the man for the job. Gary is good.*
As Gary likes to say: "Markets work best when there's a cop on the beat.""
I would add to this that he also has a fairly deep background in crypt0-currencies which explain the recent movement of **C0inBase** and the currencies associated with it. **Gary** is very likely to implement new legislation that favors crypt0. He's also fairly knowledgeable about darkpools and their inner workings.
One of the major concerns that I have however is that **Gary** was involved with bringing the big banks to light back in 2008. To have him appear now and for such a short period of time (his contract is until June when it'll be renegotiated) raises a bit of a flag.
There is another point here that is of concern, but before we get into it...
DISCLAIMER DISCLAIMER DISCLAIMER DISCLAIMER DISCLAIMER
POLITICS ARE ALL SCREWED --- THIS ISN'T AN ARGUMENT OF LEFT VERSUS RIGHT. BOTH SIDES HAVE INVOLVEMENT WITH WALL STREET AND ACCEPTS BRIBES. REMEMBER APES ARE TOGETHER BECAUSE WE ARE FIGHTING A CLASS WAR REGARDLESS OF RELIGION, GEOGRAPHY, BELIEFS. WE WANT A BETTER LIFE FOR EACH OTHER.

Fellow ape /u/justoneshyboy, dug into all those who voted 'Nay' against the election of **Gary Gensler**as the new chairmain.
Here's what they found:



First on the list: Barrasso (R-WY), **Nay**

Money to Candidates	GRIFFIN, KENNETH MR CHICAGO, IL 60603	CITADEL	02-14-2017	$2,700	Barrasso, John A (R)

I will call this donation, maybe coincidence?

Second on the list: Blackburn (R-TN), **Nay**

Money to Candidates	GRIFFIN, KENNETH C MR CHICAGO, IL 60603	CITADEL INVESTMENT GROUP	09-28-2018	$2,700	Blackburn, Marsha (R)

Again?

Third: Blunt (R-MO), **Nay**

Money to Candidates	GRIFFIN, KENNETH CHICAGO, IL 60603	CITIDEL LLC	03-21-2016	$2,700	Blunt, Roy (R)

Well, this can't be real can it?

Fourth: Boozman (R-AR), **Nay**

Money to Candidates	GRIFFIN, KENNETH C CHICAGO, IL 60611	CITADEL	03-01-2016	$2,700	Boozman, John (R)

Fifth: Braun (R-IN), **Nay**

Money to Candidates	GRIFFIN, KENNETH CHICAGO, IL 60603	CITADEL LLC	09-30-2018	$2,700	Braun, Mike (R)

Add this point, I am tired to check more

As it turns out, Kenny boy has donated to majority of the 'nay' sayers. Of course, this was bound to happen considering **Gary** was selected on behalf of the democrats. Where does this lead us to?
Well one of the major topics of focus come from this clip of **GG** himself; give this a quick watch for about 2 minutes:

https://youtu.be/b_GcpsIyQFc?t=1425 from 2014

https://youtu.be/b_GcpsIyQFc?t=1425; a quote directly from **Gary** in the video:
"Today the CFTC announced it's fifth settlement with a bank for **pervasive rigging interest rates**[...] these interest rates called the **London Inter-Bank Offer Rate (LIBOR)** is a **critical reference rate for the U.S. economy.** Student loans are sometimes tied to them, mortgages are tied to them, small business loans, and yes 70%; **seven-zero** of the international derivatives market, futures, swaps are tied to LIBOR"

REMEMBER THESE TWO THINGS MENTIONED IN ASSOCIATION WITH EACH OTHER:

- "PERVASIVE RIGGING INTEREST RATES"
- **"London Inter-Bank Offer Rate (LIBOR)"**

MY OPINION: Look at what's happening with the bond market in the last few days in China and the U.S. (more on this in /u/Captain_Omar 's post) --- With so much of the world's loan market tied up in this "LIBOR", why is it a big deal now? Well we know that the CFTC is the one establishing settlements for any rigging of game that may be taking place within interest rates.
Oh right, and the former chairman of the CFTC now works at Citadel was in charge of policing this for the last 4 years. In addition, what are the chances he's intertwined with the congress

members who've received donations from Citadel do you think? Seems like this LIBOR thing might be a problem for certain parties?

Okay so something's up, what is **LIBOR** anyways? This leads us into Section 4.

Section 4 --- LIBOR vs SOFR --- Global Financial Evolution

Take a breather here if you haven't already. This is a lot of information in digest and **LIBOR (London Inter-Bank Offer Rate)** is not a light topic. Thank you /u/RegularJDOE1234 & /u/HCRDR on further research into this.

There is about $350 - 400 trillion (yes that is TRILLIONS with a T, about 4x the size of the global economy) tied up in it.
A short explanation of what **LIBOR** is:
" Libor is an average interest rate calculated through submissions of interest rates by major banks across the world. "
IN 🦍 SPEAK, GRAB YOUR 🖍's IT'S TIME GO TO🏫🚌. Interest is something all of us have dealt with in one fashion or another. Credit card payments, mortgages, student loans. The concept is all the same. You borrow money from the bank, and they tell you that you'll be paying a fee monthly (known as the interest rate) on top of the money you've loaned out from them. On top of this you get told what your interest will be ahead of time (forward looking interest rate) so you know what to expect your bill to be.
Now the reason **LIBOR** is a problem is that it can easily be gamed and has been for quite some time. It also doesn't adjust for another crazy shit that might happen until the next payment period. If the economy crashes in that time frame and you're still paying a super low interest rate because of a contractual agreement, the banks lose BIG TIME. Directly from Wikipedia on the "LIBOR Scandal":
" The scandal arose when it was discovered that banks were falsely inflating or deflating their rates so as to profit from trades, or to give the impression that they were more creditworthy than they were.[3] Libor underpins approximately $350 trillion in derivatives
The banks are supposed to submit the actual interest rates they are paying, or would expect to pay, for borrowing from other banks. The Libor is supposed to be the total assessment of the health of the financial system because if the banks being polled feel confident about the state of things, they report a low number and if the member banks feel a low degree of confidence in the financial system, they report a higher interest rate number."
REMEMBER THIS, the interest rate drops to low percentages when the market is confident or is looking to inject growth (like how it is now); the inverse happens when the market is fearful (higher rate = higher cost of borrowing money usually). This is like letting your buddy Good Guy Greg borrow 20 bucks versus your half-cousin twice removed, Scumbag Steve.
The banks here would deliberately rig the interest rates between each other in order to get massive loans to profit from (they basically are making themselves appear like Good Guy Greg to everyone around them, when in reality they're stealing your wallet out your back pocket). **THE LIBOR SYSTEM IS**

WHAT ALLOWS FOR THIS TO HAPPEN. As it turns out, a lot of people are fed up with this and want see it changed for good reason as seen below...

WORTH NOTING:
LIBOR was a massive playing piece involved in the 2008 financial crises, this quote is directly from the congressional hearing on the matter:
" The LIBOR's self-reporting structure has created opportunities for individuals or institutions to manipulate or falsify data*. In the wake of the 2008 financial crisis, upon discovering a widespread culture of LIBOR manipulation built around industry relationships, U.S. and U.K. regulators settled with various banking institutions, including some of the world's largest banks such as Barclays,* ***JP Morgan Chase****, Citigroup, and* ***UBS*** *over allegations that these institutions manipulated the* ***LIBOR*** *by****pressuring their colleagues to report artificially low or artificially high interest rates in order to manufacture trading opportunities. "***
Talk about the timing of **Gary Gensler** coming back into the picture right? One of the few people in the **SEC** who directly dealt with this type of scenario before.

FEAR NOT, HERE COMES THE EVOLUTION OF THIS SYSTEM

Introducing **SOFR (Secured Overnight Financing Rate**)!!!!! This is a MASSIVE 200 trillion dollar transition that will take place over the next few years.
OH and it almost imploded the entire fucking market the first time it was attempted to be implemented back in 2019 https://www.federalreserve.gov/econres/notes/feds-notes/what-happened-in-money-markets-in-september-2019-20200227.htm

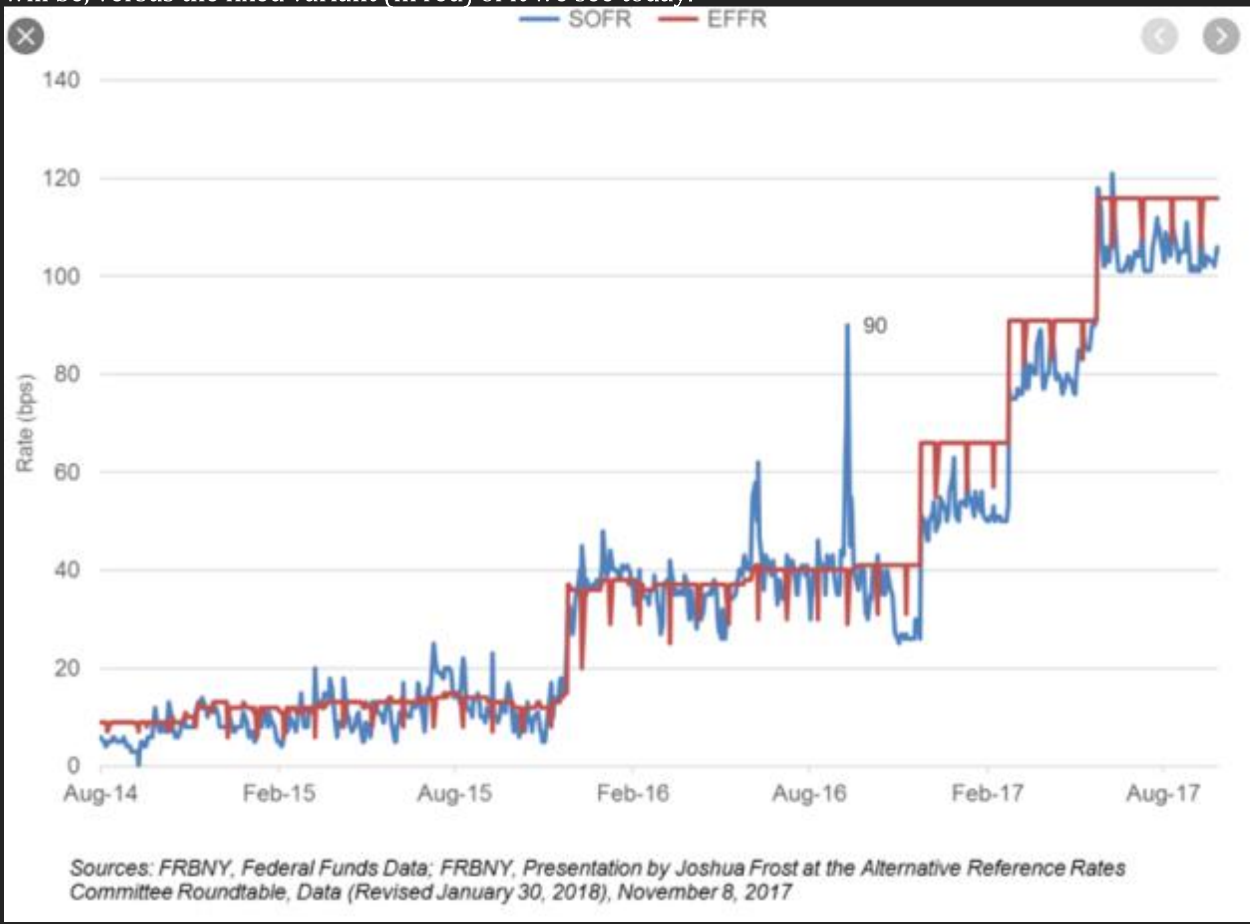
And it looks like they just had a hearing on this evolution just YESTERDAY.

https://www.youtube.com/watch?v=igmJ-SFvyRU two hours worth of content, watch at your own risk

I watched them talking about it live, I would be lying if I told you it was a thrilling piece of entertainment. Watch it if you're really curious and want to get a deeper understanding of what's at stake.

What this means is SOFR will change how interest rates are calculated.
Yet again in a very simple explanation: if **Libor** is "forward-looking" meaning you get an interest rate ahead of time (you know exactly what your payment will be) - **SOFR** is the inverse, meaning it's "backward-looking".
WHAT THIS MEANS IS THAT BANKS AND OTHER PARTICIPANTS WILL NOT KNOW WHAT THEIR MONTHLY PAYMENT FOR THEIR LOAN WILL BE(for example) UNTIL THE DAY OF PAYMENT (From reading I believe it's about 5 days prior, I could be wrong). THIS IMPLIES THAT THE RATE THEY WILL HAVE TO PAY FLUCTUATES ON A DAILY BASIS. THIS DAILY FLUCTUATION WILL BE BASED OFF THE DAILY TRESURY YIELD RATE. This transition is expected to be completed by 2023, however no new contracts can be written under Libor as of... MARCH 31ST, 2021.

To illustrate this point, the image below shows how much more "variable" (dynamic) the rate (in blue) will be, versus the fixed variant (in red) of it we see today.



This solves two things:

1. If the market fluctuates in the time that a loan was given, the banks will not be put into a vulnerable position nor profit from it. Think of this as a "we ride together, we die together" type of scenario. They'll be impacted as much as any of us should the market take a down turn or rise.
2. The rates can no longer be gamed as easily because they're no longer based off self-report data, but rather the rate of the daily treasury yield on the market.

Now here's the thing, we should've already started transitioning to this new system over quite some time. The fed wanted all the new loans being given out in the last year to be already implemented through SOFR, but instead the banks chose to STILL tie them to **Libor**. But wait a minute some of these are 3-year, 5-year loans; but **Libor** will only be around for another 2 years. Sounds like it can be another problem in the making and the banks don't want to face reality yet. **Knowing this it's not surprising they posted such great earnings right? Easy to make the picture look pretty when it's full of shit.** Watch about 45 seconds of this clip for concerns coming straight from **Grant Thornton UK** on the matter.
https://www.youtube.com/watch?v=HAf6Bk5szIk&t=1245s

HERE'S THE REASON MANY ARE TERRIFIED AT WHAT THIS WILL MEAN FOR THE MARKET:
"I think it's fair to say that people like myself are getting a bit of an odd feeling in the gut about what is going on about some of these books - so to drive transparency there, the cyclical quarterly testing on impairments and cogence the data will be out in June, and I think the views we have are that some of the borrowers will fail." --- Grant Thornton UK Advisor
[Source: https://www.youtube.com/watch?v=HAf6Bk5szIk&t=1553s]

LONG STORY SHORT; THEY'RE WORRIED THAT WHEN BANKS AND BUSINESSES ARE FORCED TO PAY THE ACTUAL RATES OF THE MARKET (and not their made up ones) BECAUSE OF THE LIBOR -> SOFR TRANSITION, THAT THEY WILL NOT HAVE THE CASH ON HAND TO MEET THE **SOFR** REQUIREMENTS AND RUN INTO SERIOUS FUCKING TROUBLE. THIS IS SIMILAR TO WHAT HAPPENED ALREADY IN 2019.
NOT ONLY THIS, THE PEOPLE WHO BORROWED MONEY WILL BE STRESS TESTED ON A REGULAR BASIS (think monthly/quarterly) TO SEE IF THEY ACTUALLY CAN SUPPORT A HIGHER INTEREST RATE SHOULD THE MARKET GO TO SHIT. Once again no new contracts can be written under Libor as of... MARCH 31ST, 2021.
YOU WILL NOW SEE THE MARKET STARTING TO DELEVERAGE THEIR LOANS IN ORDER TO HAVE MORE CASH ON HANDS TO MEET THESE SOFR REQUIREMENTS AS QUICKLY AS POSSIBLE. THIS EXPLAINS WHY JPMORGAN AND OTHERS ARE SELLING BONDS AFTER 'STELLAR' EARNINGS **(once again still in a Libor system). This would also explain why BlackRock is the heaviest in cash they've ever been. The reintroduction of Gary Gensler during this timeframe, is a concerning one as he dealt with the 2008 crash once before which involved LIBOR.**

EDIT: Bank of America just posted a 15 billion dollar sale of bonds couple of hours ago; the dominos are starting to fall https://www.bloomberg.com/news/articles/2021-04-16/bofa-to-set-record-for-largest-bank-bond-sale-at-15-billion

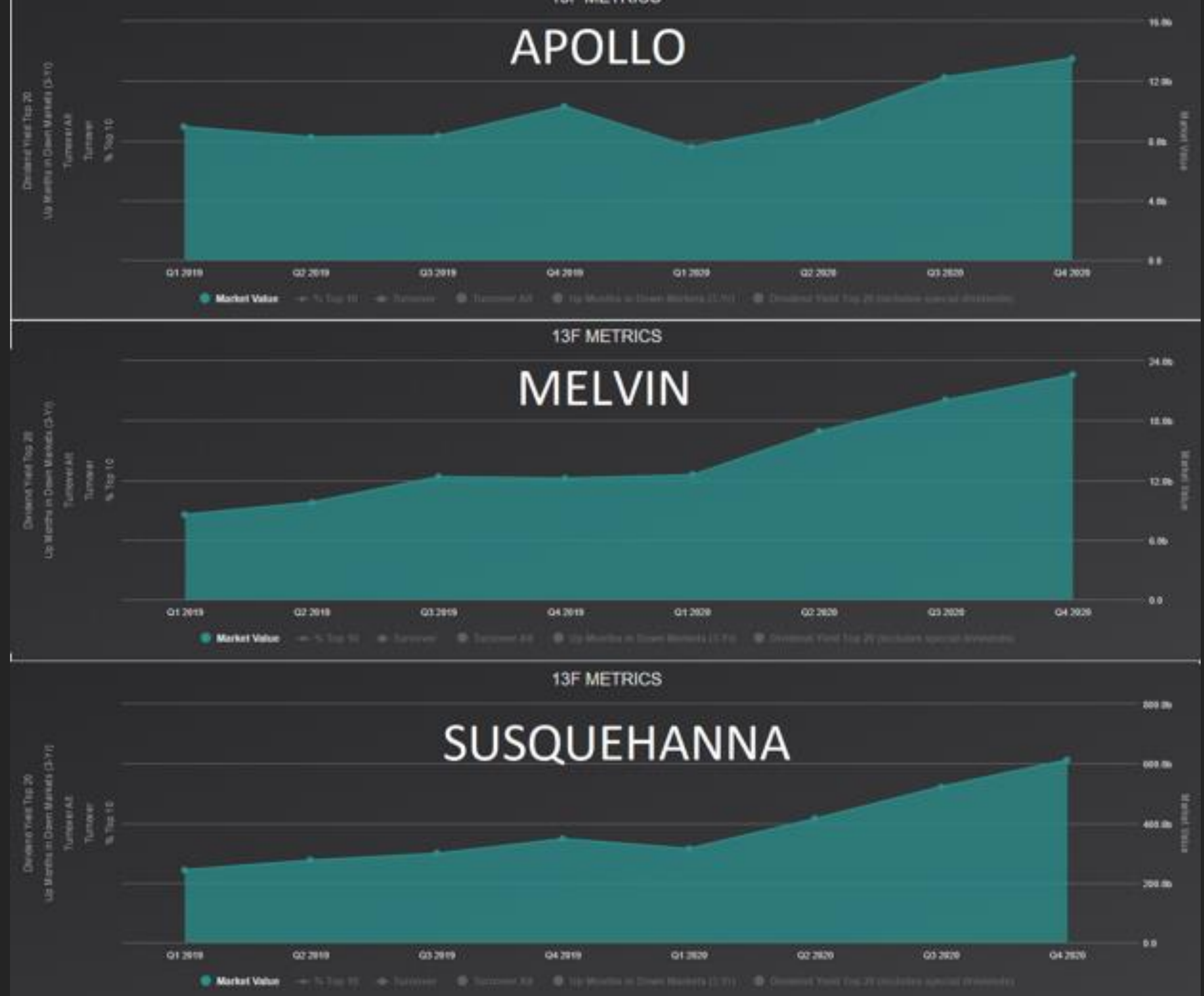
Now the question becomes, who's already caught in the web?

FINAL SECTION --- THE GREAT TRAP

My Opinion: I believe that many of the "bad" hedge funds, took on massive risks with expectations that the 7rump administration would get re-elected and prolong the need for transitioning to SOFR and others (involving the former SEC + CFTC chairmen). This would give them ample amount of time to make profits on the companies (and banks?) they bankrupt.
It appears to me that they didn't properly hedge their risk for any other outcome.
Now lets have a look at who might have abused the low interest rates fabricated by banks, and provided collateral with rehypothecated assets?
Well a good place to start looking is to see who's grown the most in the last year.
we have a pretty good starting point as we've seen in /u/yosaso's post about the war to control the DTCC: (I'm just renaming these teams for the sake of vulgarity, and adding some names)
TEAM Good Guys
JP Morgan, BOA, Morgan Stanley, State Street, Vanguard, BlackRock, Goldman Sachs
TEAM Bad Guys
Citadel, Virtu, Citi, Susquehanna, Melvin, Apollo
TEAM UNKNOWN
BNY Mellon - 2

Here are the good guys, seems like pretty stable growth since last year right roughly returning to where they were before

NOW HERE ARE THE BAD GUYS. WHOA THEY JUST RIPPED OVER THE LAST YEAR.



WOW WHAT GROWTH!

Growth over the last 4 quarters:

Good Guys:

Company	Growth Since Q1 2020
State Street	42.8%
Vanguard	46.9%
BlackRock	53.3%

Bad Guys:

Company	Growth Since Q1 2020
Apollo	78.4%
Melvin	80.5%

Company	Growth Since Q1 2020
Susquehanna	94.8%

Now we plug in /u/atobitt 's "Everything Short" thesis here. I believe Hedge Funds have been taking advantage of the low interest rates that are being gamed. They decide they're going to take this to a whole new extreme through rehypothecation and the repo market.
MY OPINION: THIS IS MONEY THEY'RE NEVER GOING TO BE ABLE TO PAY BACK. CITADEL AND FRIENDS ASPIRED TO REACH THE GRAND SIZE THAT THE LIKES OF BLACKROCK AND VANGUARD ARE THROUGH ANY MEANS NECESSARY. I BELIEVE THEY'VE TAKEN ON MASSIVE RISK AND ARE NOW BEING CLOSED IN ON BY THE DTCC + THE SEC WITH THE SOFR ADJUSTMENT.
THEY'VE PUT MULTIPLE BANKS AT HUGE RISK A BLOWING UP ON FAKE BONDS --- IT'S ONLY A MATTER OF TIME BEFORE SOFR DROPS THE BOMB ON THEM. I believe this is the reason why BlackRock and Co have been pushing for "max pain" each week; this is so that it makes it impossible to keep up with SOFR interest rate requirements.

As time progresses I believe we will see more evidence of multiple parties attempting to deleverage their positions before 2023. Coincidentally **GameStop** has just paid off all their debt that was due that exact year.
So this becomes a two pronged problem;

1. Assets are being rehypothecated which are being used as collateral
2. Banks are providing absurd interest rates off the old LIBOR system instead of SOFR; this has resulted in the taking on a position that will be extremely difficult to get out of.

As we can see they're fighting against these changes through politics, but it appears they've brought in **Gary Gensler** to kick some ass.

TLDR: DIAMOND HANDS APES. 💎✋

NOT FINANCIAL ADVICE

Back to Table of Contents

SEC Filing: Merger with brokarage, detailing lawssuit, mentions 30 brokerages engaging in coordinated conspiracy

DD 👨‍🔬

SEC Filing for Northen Star and Apex merger link: S-4 (sec.gov)

Addendum— these lawsuits are mentioned in an upcoming merger- lawsuits related to the debacle fall out from GME in January - the reason I think it's a positive thing is the merging brokerage must disclose and they state an increase of awareness of market manipulation and this makes them more liable and also more apt to regard Sec laws. Also it provides more info to help us know the bigger picture. I think this is all GOOD- there will be more eyes and more regulation. I personally am not changing my broker. Just personal opinion and absolutely not financial advice. I'm a silly ape who doesn't know anything.

*Note I only had time to start perusing it-- I think this document is a great filing that can help gather more info. Just putting it out there for all the other ape nerds like myself that like to research-- I appreciate you all as all of us that play by the rules need to see the bigger picture to stop allowing the bigger parties to make their own rules.

Part of merger goes into detail about APEX lawsuits and "conspiracy"--

" Plaintiffs allege that Apex, along with over 30 other brokerages, trading firms and/or clearing firms, including Morgan Stanley, E*Trade, Interactive Brokers, Charles Schwab, Robinhood, Barclays, Citadel and DTCC engaged in a coordinated conspiracy in violation of anti-trust laws to prevent retail customers from operating and trading freely in a conspiracy to allow certain of the other defendants, primarily hedge funds, to stop losing money on short sale positions in GameStop, AMC and certain other securities. "

Engaging in unfair competition

" Apex Pro, ETC Processing Technologies LLC and ETC Global Holdings, Inc. (collectively, the "*ETC Defendants*") are defendants in the matter captioned as InteliClear, LLC v ETC Global Holdings, Inc., et al., filed in the United States District Court for the Central District of California (the "*District Court*") in 2018. The plaintiff in this matter alleges that the ETC Defendants misappropriated trade secrets under the Defend Trade Secrets Act and California Uniform Trade Secrets Act, breached a contract with plaintiff and engaged in unfair competition. "

Please disregard my spelling errors in title- my iPad wasn't the ideal typing platform and I'm horrified I cannot edit it. *ashamed ape*

cheers my beautiful apes

Back to Table of Contents

a followup to the HoC DD- the "everything" in Everything Short. I present, RAGNAROK

DD 👨‍🔬

Atobitt made some great DD. House of Cards 1-3. Everything Short. Classics. However, part 2 and 3 of HoC felt *incomplete*. No offense to the man, no offense to the data. I think it is spot on, i think we all know what to do. HODL.

But, I am here to add this, somewhat controversial, somewhat illuminating piece of information. I hesitate to post this because I don't want to insinuate there are other plays. There are not. i want to be clear- this is in no way intended to diminish, nor will it, your desire to do nothing more but BUY AND HODL. Ready for it? it's not even much of a surprise...

its not just GME.

Several Hedge Funds like Citadel, Melvin, Highfields, etc... develop a significant position in certain companies they like. The big boys. Now, when Atobitt said it was the Everything Short he fucking meant it is the EVERYTHING SHORT. So for the sake or brevity, i will only focus on a select few. namely,we are going to be discussing some rather interesting connections between amazon, netflix, target and GME and the like. This is going to be a bit of a swim, so please bear with me. let us dive in

Recently, Netflix has been rumored to be entering the video game industry. https://www.polygon.com/22447410/netflix-executive-games-expansion-the-information-report

And, as you know, Amazon recently purchased MGM studios. https://www.cnbc.com/2021/05/26/amazon-to-buy-mgm-studios-for-8point45-billion.html

Now i am sure it doesn't take a few crayons to see our big boy GME is in the video game industry, and little brother AMC, is in the movie biz. Okay. I see that connection. Let's divert a bit and look into some other connections. i turn your attention to Kevin Turner https://en.wikipedia.org/wiki/B._Kevin_Turner:

"Kevin Turner is an American businessman and investor who is currently the chairman of Zayo Group and the vice chairman of Albertsons/Safeway .He previously served as the COO of Microsoft from 2005 to 2016. Prior to joining Microsoft, Turner was the CEO of Sam's Club and the CIO of Walmart. He is also the former Vice Chairman of Citadel LLC and CEO of Citadel Securities "

wow okay, citadel connection, sure. but what's Zayo Group?

From: https://finance.yahoo.com/news/were-hedge-funds-flocking-zayo-190533381.html

"The largest stake in Zayo Group Holdings Inc (NYSE:ZAYO) was held by Senator Investment Group, which reported holding $205.5 million worth of stock at the end of September. It was followed by Citadel Investment Group with a $162.9 million position. Other investors bullish on the company included Kensico Capital, Zimmer Partners, and Hunt Lane Capital.... [most] stocks had an average of 21.25 hedge funds with bullish positions and the average amount invested in these stocks was $365 million. That figure was $1248 million in ZAYO's case."

Okay! that's a fine connection there. Who is Senator Investment Group, though? https://finance.yahoo.com/news/hedge-funds-aren-t-crazy-234734875.html.
" **VICI Properties Inc. (NYSE:VICI)[https://viciproperties.com/about-us/].** At Q3's end, a total of 37 of the hedge funds tracked by Insider Monkey held long positions in this stock, a change of -37% from the previous quarter. .Soros Fund Management with a $419.8 million position. Other investors bullish on the company included Senator Investment Group, Citadel Investment Group, and Point72 Asset Management. total hedge fund interest was cut by 22 funds in the third quarter."
Okay, im going off the rails a bit. My point is, all of these Hedge funds are obviously connected. And all of them, have their fingers in a few different pots. Now lets get back on track. Now senator Investment group has large holdings in Amazon and Five Below. https://whalewisdom.com/filer/senator-investment-group-lp, among many others. I started looking into their competition and found something odd.
Now i apologize, i will be referencing a lot of charts, so please google them yourself. Look at the chart for FIVE stock- it has had significant growth year after year but has followed GME chart inversely, every spike for GME correlates with a dip. This will be true for many, many other stocks. I started looking into other Brick and Mortar Companies and comparing charts. i found quite a few. Again, for sake of brevity, i will be focusing on a few.
FIVE, AMAZON, Walmart, Dollar Tree- their competition is other retail brick and mortar stores. CVS, Rite Aid- their competition is pharmacies. however, target recently partnered with CVS pharmacy in 2015 for their own stores. Amazon recently wants to enter into brick and mortar pharmacy or add them to whole foods. https://www.cnbc.com/2021/05/26/cvs-walgreens-shares-fall-on-report-that-amazon-may-open-pharmacies.html.
target and CVS was interesting to me, because check Citadel's institutional ownership of CVS over the years-. https://formthirteen.com/filers/0001423053-citadel-advisors/holdings/126650100?quarter=2020-12-31. Notice the spike in 2015 prior to Target announcing CVS agreement?
Citadel has also created a bunch of call/put LEAPS throughout the years on Rite Aid- CVS competition. https://fintel.io/so/us/rad/citadel-advisors-llc. Citadel is also very bullish on Amazon. https://finance.yahoo.com/news/billionaire-ken-griffin-bumps-stake-123655840.html. Griffin even stated at one point he was considering moving Citadel's headquarter's because of Amazon https://www.cnbc.com/2019/03/14/ken-griffin-says-hes-less-likely-to-move-citadel-to-nyc-after-amazons-heartbreaking-exit.html.
****
edit- further info i forgot to add from CVS
https://www.hstong.com/news/detail/20090104245156133 " Of the funds tracked by Insider Monkey, D. E. Shaw's D E Shaw has the number one position in CVS Health Corporation (NYSE:CVS), worth close to $218.8 million, comprising 0.3% of its total 13F portfolio. Sitting at the No. 2 spot is Cliff Asness of AQR Capital Management, with a $218.6 million position; the fund has 0.4% of its 13F portfolio invested in the stock. Some other professional money managers that are bullish encompass Ken Griffin's Citadel Investment Group, Phill Gross and Robert Atchinson's Adage Capital Management and Ken Griffin's Citadel Investment Group. "

https://www.fi-desk.com/chang-reported-to-leave-aqr-for-citadel/ " Citadel has confirmed that Isaac Chang, the head of trading at AQR Capital Management since 2016, will join the Citadel hedge fund in September as the firm's first head of execution trading for fixed income. Chang's work history combines trading on the buy-side, sell-side and high frequency trader (HFT) market making, via his position prior to AQR as global head of fixed income, currency and commodities (FICC) at HFT firm KCG, now Virtu, and in US interest rates electronic trading at Goldman Sachs..

VIRTU Financial is a marker maker similar to citadel. if you google virtu and "fined" you will find many violations, one for this in particular- https://www.financemagnates.com/institutional-forex/brokerage/finra-slaps-175000-fine-at-virtu-for-not-offering-best-execution/, something our good friend Robinhood recently got in trouble for https://www.sec.gov/news/press-release/2020-321
****
Now, Amazon bought Whole Foods a few years back. Whole Foods largest competition is Albertson's. What's interesting is Albertson's was going to merge with Rite Aid until the deal was killed after immense pressure from a certain hedge fund, Highfields Capital. https://www.forbes.com/sites/brucejapsen/2018/06/27/a-big-investor-opposes-rite-aids-albertsons-deal-amid-flat-pharmacy-growth/?sh=55f37f9c37fe
Some more connections here: https://www.businessinsider.com/amazon-deal-for-whole-foods-true-genius-hedge-fund-2017-7. "genius move" they called the acquisition. Remember when They killed the Rite Aid deal, and Target bought CVS?
[https://www.wallstreetoasis.com/forums/7-best-long-term-stock-picks-by-morgan-stanley](Currently, Target's shares are trading at $51.70 and are expected to reach $64 by the end of 2012....Jonathan Jacobson's Highfields Capital Management doubled its stake in TGT during the third quarter to nearly $300 million.) TGT is in the top 50 of Citadel's holdings. https://docoh.com/company/1423053/citadel-advisors-llc
Now, Look at the stock charts for Rite Aid (RAD), and compare it to GME. Interesting.
Now, more digging led me to find these same connections with Lowes/Home Depot. As well as BBBY and Walmart. DLTR. All of these charts, and dozens and dozens of others have the same chart patterns as GME or inverse if they are insider owned by hedges. Look at 5 yr charts and see the changes over time. Also, Circuit city was acquired and tanked by Highfields. And many, many others are currently involved. Literally, EVERYTHING that stands in the way of a long bet by these hedges are SHORTED.

Wanna know what's even scarier? All of the money maker stocks connected to these hedges only started printing cash AFTER the 2008 crash- almost as if they pivoted their strategy to this.

WHAT THIS MEANS
TLDR: What appears to me, is that several hedge funds have placed large bets on their precious money making stocks, and have over the years been systematically bankrupting, manipulating, and sabotaging the competition of the acquisitions being made for their babies. Target wants a pharmacy? destroy rite

aid, place calls on CVS. Netflix wants gaming? Short GME. Amazon wants to buy movie studio? short the movies. Amazon bought a grocery chain? prevent their competition from ever growing. Rinse, repeat. GME is the one that stood against them and is fucking them up royally. However, what this means is that there is not one bomb. There are dozens of mini-GME's littered around the market. If GME goes off, the systematic margin calling will cause mini-short squeezes all over on these stocks. If you check recent SEC ownership filings, these hedges have been reducing or closing their positions in these shorted stocks like Rite Aid and Lowes (and many, many others). They are disarming these mini-bombs before the big one goes. The longer we hold, the more we buy, the closer they get a cluster bomb. We have not one Asteroid called GME heading to the Earth, but a meteor shower of smaller rocks following quickly behind.

We will not have an entire market implosion. if the GME squeeze is an event that occurs over weeks, we will have the long-manipulated stocks experiencing a sudden boon with these squeezes like GME and AMC have and have benefitted from, breathing new life into these failing companies through the expense of banks, hedges, and the US Federal govt.

Through their destruction, we shall have creation.

Ragnarok is upon us.

Audio reading thanks to /u/tyrant_tyra for those that don't want to read. https://youtu.be/0Az%5C_91MJh-4

Back to Table of Contents

I've been scraping data used by hedge funds for over a year now to make it freely available to everyone. I think I might start doing regular data reports on $GME on here if there's interest, let me know if you have any feedback on the report below.

Serious DD 👨‍🔬 🔬

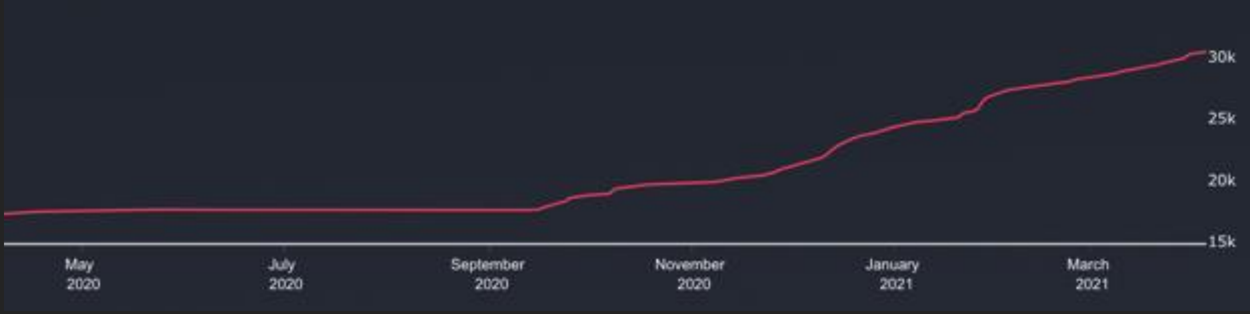
Hey guys pdwp90 here, founder of Quiver Quantitative for those of you who don't know me by Reddit tag.

This report is primarily comprised of "alternative data" which can be loosely thought of as data that comes from outside of traditional sources like earnings reports. The reason this type of data gets me so

jacked is because it's data that retail investors (you guys) often have an edge over Wall Street in interpreting.
Sadly, it has also been largely inaccessible to normal people in the past as providers usually charge thousands of dollars a month for any sort of access to their data, making it only available to hedge funds and other institutional investors. That's what motivated me to start collecting this data myself, to make it available to those who can't afford to another $10k a year bill.
So without further ado, here's the inaugural u/pdwp90 alternative data report

Twitter

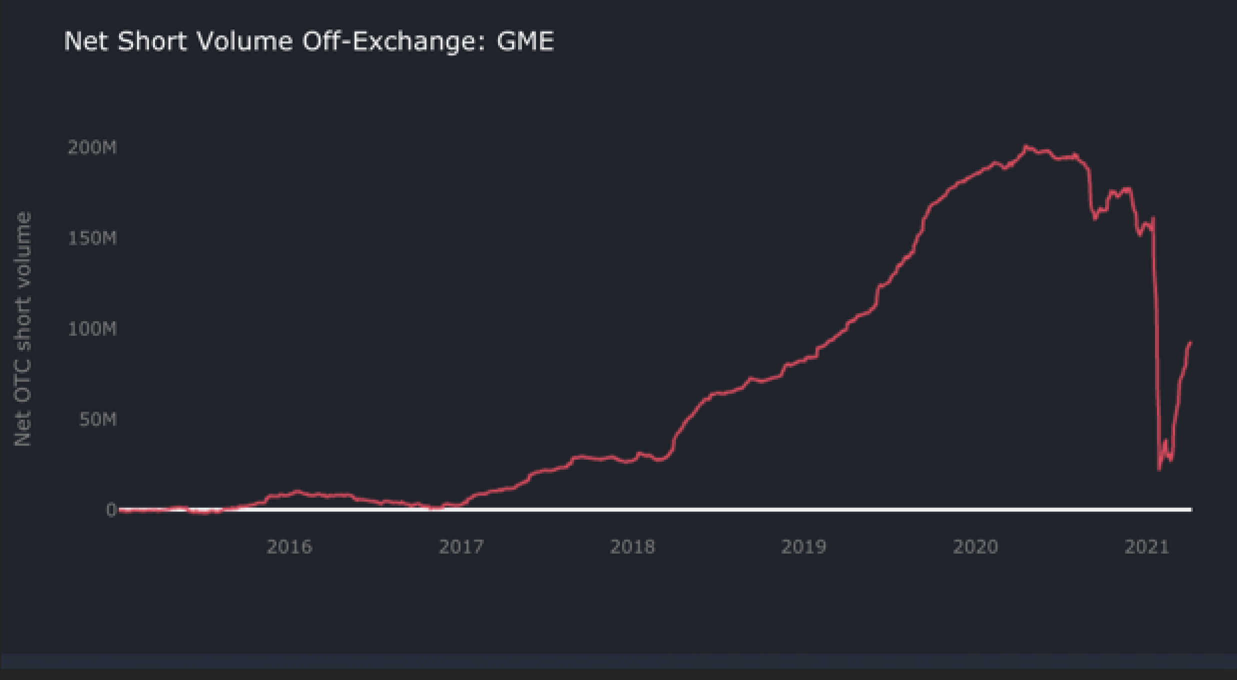
GameStop's corporate twitter account has had a .17% gain in followers in the last day (#14 of 842 companies tracked), a 2.06% gain over the last week (#6 of 842), and a 6.69% gain over the last month (#11 of 182)
Here's a graph of the twitter following of GameStop Corporate (@gamestopcorp) over time:



GameStop Corporate Twitter following over time

Off-Exchange Activity

Yesterday, 5.13 million shares of GME were traded off-exchange and 2.48 million of those shares were sold short, giving GME a DPI of approximately .48. Below is a graph of the cumulative net off-exchange short volume since 2010:



$GME cumulative net OTC short volume

Wikipedia

GameStop's wikipedia page has been viewed 37.6k times this week, making it the 11th most viewed company page out of the 1342 that I track.

WSB Discussion

I know that this might ruffle some feathers in this community, but I put a lot of precaution into ensuring the data is protected from the effects of manipulation and moderation. The reason for using WSB is that it has years of historical data which allow for better analysis and modeling.
Yesterday, GME was mentioned 895 times on WallStreetBets daily discussion threads, making it the most talked about stock on the sub.
The discussion around $GME has a sentiment score of .576, which is the highest it's been since late January.

Insider Trading

"Insider trading" used in this context just means trading reported by company insiders, not the illegal trading. Over the last 6 months, GameStop's directors and management have bought 2.79M shares of $GME and sold 226k.

Trading by US Congressmen

There haven't been any trades of $GME in the last week by congressmen.

Disclaimer: This is not financial advice.

Back to Table of Contents

[UPDATED] DD: I did the math, there is literally NO DOUBT that we own >100% of the remaining float. [including updated remaining float from GME's proxy statement] 🚀 🚀 🚀

DD 👨‍🔬

(clears throat) "ehem !"

First of all: Many thanks for all the great feedback you freaking apes gave me on my initial DD on r/GME. As some time *(around 1 month)* has passed and we have some new apes and apettes on board and some new information around my initial assumptions has been updated and revealed, I have decided to work on an updated version of my initial DD. So let's start right away, main changes are as follows:

UPDATE 24th April:

The release of GME's proxy statement revealed some new figures around the floating shares. Using figures from their 14A, we end up with around **26.6m remaining floating shares**. (Please note that there are some approaches that calculate with an even lower number of floating shares, but lets stay conservative here). Credits to u/thr0wthis4ccount4way for putting this all together in a great overview post. Also check out the subreddit this is posted in for some high-quality DD.

In addition to number of floating shares I have updated and added a lot of brokers to get a more and more precise picture of the total retail situation. I dont trust Bloomberg terminal in any way regarding individual ownership as numbers are heavily distored due to this fuckload of synthetic shares being around.

Following brokers have been added since my first post:

- Saxo Bank,
- Lynx,
- Freedom 24,
- Hatch,
- Nordnet,
- Avanza,
- FP Markets,
- Questrade,
- Sharesies,
- Stake.

Following brokers have been identified as missing in my DD, but do not provide public information about user numbers:

- OnVista,

- Consorsbank,
- TD Canade Trust,
- CashApp,
- RBC,
- Passfolio,
- Firstrade,
- TradeStation,
- Citibank Brokerage
    - Basically all major 'banks' that offer investment accounts.

Important: If you are investing with on of the abovementioned brokers, please reach out to them and ask about the total number of investment accounts (or even better about total number of users investing in $GME).

Enough blah blah, lets dive into the (updated) DD:

Okay fellow apes, listen up, here is some fresh **updated** DD straight out of the oven to feed your confirmation bias. 🚀

tell me more about how you covered your shorts...

This is a screenshot taken today (24th April) from **eToro**:

466,974
FOLLOWERS

100% OF THEM HAVE **BUY** POSITIONS.

Seems like we like stock, huh?

Not to mention all the posts and screenshots from other investment brokers reporting GME as their current top traded stock for the past month(s):

(Rankings based on filled Canadian and U.S. equity trades placed by RBC Direct Investing clients in the month of March.)

1.	*GameStop Corp*
2.	*Tesla Inc*
3.	*NIO Inc*
4.	*Air Canada*
5.	*AMC Entertainment Holdings Inc*
6.	*Apple Inc*

RBC statement for the month of March

6:36
21%
secure.selfwealth.com.au/Research/(
Community Ownership
Ownership of GME in the community.
69.6%
50.7%
95.1%
24.6%
15.2%
3.3%
2.8%
5.1%
13.2%
2.8%
4.1%
Top 1%
Top 10%
Top 20%
Top 30%
Top 40%
Top 50%
GME in the Community
1st
Rank by Ownership
1st
Rank by Weight
857th
Rank by Company Market Cap
Popularity of GME in the Community (3 months)
Own / Weight
0
20
40
0k
2k
Support
Feedback

selfwealth community checking in ! Thanks u/Chabkraken for sending this screenshot !

Europoors doing our part over here !

Top Buys and Sells AS OF MARKET CLOSE 04/22/21

Rank	Symbol	Company	Price Change	# Buy Orders	Buy / Sell Ratio	# Sell Orders
1.	COIN	COINBASE GLOBAL INC	-1.85 (-0.6304%)	15,466		4,814
2.	TSLA	TESLA INC	+9.71 (+1.3492%)	10,755		9,471
3.	GME	GAMESTOP CORP	+0.01 (+0.0066%)	11,350		2,260
4.	AMC	AMC ENTERTAINMENT HOLDINGS INC	+0.17 (+1.7017%)	6,188		3,712
5.	AAPL	APPLE INC	+2.38 (+1.8039%)	5,727		4,110

Fidelity checking in !

So i thought to myself, why don't we take this percentage from eToro and try to get an estimation about how many apes in total are holding GME right now and see where some variables regarding shares per ape get us. Are you exicted? Because **I AM**, LETS GO! 🚀🚀🚀

I spent the last hour(s) weeks or so researching the largest broker firms and gathered their total user numbers. This list is **by far not complete** which means that the % held by retail investors could be **way way (!)** higher than my estimates. Please let me know if you have access to more brokers data and i will update my list.

Some friendly ape posted a statement from neo-broker Wealthsimple, thats states a GME-ownership of up to 14% (!) of their total users. Therefore I made assumptions regarding the share of users that invested in GME for each broker. For neo-brokers like eToro, Robinhood, Revolut and WeBull I went with an average of 10% GME ownership of all users. (*Also included a scenario for only 5% GME-ownership for neo-broker, as some apes raised concerns that my 10% assumption may be too far on the optimistic side. Considering eToro stats i am more likely to lean on my 10% assumption, but in order to deliver a differentiated view, have your 5% scenario)*

Of course we have to consider that the average eToro/neo-broker user might have a higher risk tolerance and is more likely to invest in GME compared to the average boomer investor. So for 'classic' brokers that are more known for "passive investing" like Vanguard or Schwab I went with a lower share of users that are invested in GameStop. Some brokers from the Nordics report an ownership of around 1.5% - 2.0% of their users, so lets go with 1.5% for the classic brokerages.

Okay, now that we have a vague feeling of how many GME retail investors we are, lets play with some scenarios.

Scenario 1: GME-ownership of 5% for neo-brokers and 1.5% for classic investment platforms:

			Users that hold GME		Average GME-Shares						
Broker	Type	Total users	%	Shareholders	5	10	15	20	25	50	100
eToro	Neo Broker	20,000,000	8.23%	1,646,000	8,230,000	16,460,000	24,690,000	32,920,000	41,150,000	82,300,000	164,600,000
Robinhood	Neo Broker	13,000,000	5.00%	650,000	3,250,000	6,500,000	9,750,000	13,000,000	16,250,000	32,500,000	65,000,000
E*TRADE	Neo Broker	7,200,000	5.00%	360,000	1,800,000	3,600,000	5,400,000	7,200,000	9,000,000	18,000,000	36,000,000
Fidelity	Classic Broker	31,300,000	1.50%	469,500	2,347,500	4,695,000	7,042,500	9,390,000	11,737,500	23,475,000	46,950,000
Vanguard	Classic Broker	30,000,000	1.50%	450,000	2,250,000	4,500,000	6,750,000	9,000,000	11,250,000	22,500,000	45,000,000
Wealthsimple	Neo Broker	1,500,000	14.00%	210,000	1,050,000	2,100,000	3,150,000	4,200,000	5,250,000	10,500,000	21,000,000
Schwab	Classic Broker	14,000,000	1.50%	210,000	1,050,000	2,100,000	3,150,000	4,200,000	5,250,000	10,500,000	21,000,000
Webull	Neo Broker	2,000,000	5.00%	100,000	500,000	1,000,000	1,500,000	2,000,000	2,500,000	5,000,000	10,000,000
TD Ameritrade	Classic Broker	12,100,000	1.50%	181,500	907,500	1,815,000	2,722,500	3,630,000	4,537,500	9,075,000	18,150,000
Revolut	Neo Broker	1,200,000	5.00%	60,000	300,000	600,000	900,000	1,200,000	1,500,000	3,000,000	6,000,000
Ally Invest	Classic Broker	6,000,000	1.50%	90,000	450,000	900,000	1,350,000	1,800,000	2,250,000	4,500,000	9,000,000
DEGIRO / Flatex (EU)	Neo Broker	663,000	5.00%	33,150	165,750	331,500	497,250	663,000	828,750	1,657,500	3,315,000
Freetrade (EU)	Neo Broker	600,000	5.00%	30,000	150,000	300,000	450,000	600,000	750,000	1,500,000	3,000,000
Trade Republic (DE)	Neo Broker	500,000	5.00%	25,000	125,000	250,000	375,000	500,000	625,000	1,250,000	2,500,000
T212 (EU)	Neo Broker	??	5.00%	44,344	221,720	443,440	665,160	886,880	1,108,600	2,217,200	4,434,400
Merril Edge	Classic Broker	2,500,000	1.50%	37,500	187,500	375,000	562,500	750,000	937,500	1,875,000	3,750,000
comdirect (EU)	Classic Broker	1,715,000	1.50%	25,725	128,625	257,250	385,875	514,500	643,125	1,286,250	2,572,500
Avanza (Nordics)	Classic Broker	1,300,000	1.71%	22,202	111,010	222,020	333,030	444,040	555,050	1,110,100	2,220,200
ING DIBA (EU)	Classic Broker	1,430,000	1.50%	21,450	107,250	214,500	321,750	429,000	536,250	1,072,500	2,145,000
Hargreaves Landsdown	Classic Broker	1,400,000	1.50%	21,000	105,000	210,000	315,000	420,000	525,000	1,050,000	2,100,000
Nordnet (Nordics)	Classic Broker	900,000	1.89%	17,000	85,000	170,000	255,000	340,000	425,000	850,000	1,700,000
Interactive Brokers	Classic Broker	1,000,000	1.50%	15,000	75,000	150,000	225,000	300,000	375,000	750,000	1,500,000
Freedom 24 (EU)	Neo Broker	140,000	5.00%	7,000	35,000	70,000	105,000	140,000	175,000	350,000	700,000
Stake (AUS)	Neo Broker	100,000	5.00%	5,000	25,000	50,000	75,000	100,000	125,000	250,000	500,000
Sharesies (NZ)	Neo Broker	250,000	3.60%	9,000	45,000	90,000	135,000	180,000	225,000	450,000	900,000
Saxo Bank	Classic Broker	600,000	1.50%	9,000	45,000	90,000	135,000	180,000	225,000	450,000	900,000
Scalable Capital (EU)	Neo Broker	80,000	5.00%	4,000	20,000	40,000	60,000	80,000	100,000	200,000	400,000
Questrade (CA)	Classic Broker	500,000	1.50%	7,500	37,500	75,000	112,500	150,000	187,500	375,000	750,000
Selfwealth (AUS)	Neo Broker	67,000	5.00%	3,350	16,750	33,500	50,250	67,000	83,750	167,500	335,000
Hatch (NZ)	Neo Broker	90,000	2.00%	1,800	9,000	18,000	27,000	36,000	45,000	90,000	180,000
LYNX (EU)	Classic Broker	60,000	1.50%	900	4,500	9,000	13,500	18,000	22,500	45,000	90,000
Personal Capital (EU)	Classic Broker	27,000	1.50%	405	2,025	4,050	6,075	8,100	10,125	20,250	40,500
FP Markets	Classic Broker	10,000	1.50%	150	750	1,500	2,250	3,000	3,750	7,500	15,000
Total		152,232,000		4,767,476	23,837,380	47,674,760	71,512,140	95,349,520	119,186,900	238,373,800	476,747,600
Remaining Float	26,664,355			% of float	89.40%	178.80%	268.19%	357.59%	446.99%	893.98%	1787.96%
Neo Broker	5.00%										
Classic Broker	1.50%										

truth probably between 15 - 25 shares / investor

% of remaining float that is held by retail (Scenario 1)

Scenario 2: GME-ownership of 10% for neo-brokers and 1.5% for classic investment platforms:

			Users that hold GME		Average GME-Shares						
Broker	Type	Total users	%	Shareholders	5	10	15	20	25	50	100
eToro	Neo Broker	20,000,000	8.23%	1,646,000	8,230,000	16,460,000	24,690,000	32,920,000	41,150,000	82,300,000	164,600,000
Robinhood	Neo Broker	13,000,000	10.00%	1,300,000	6,500,000	13,000,000	19,500,000	26,000,000	32,500,000	65,000,000	130,000,000
E*TRADE	Neo Broker	7,200,000	10.00%	720,000	3,600,000	7,200,000	10,800,000	14,400,000	18,000,000	36,000,000	72,000,000
Fidelity	Classic Broker	31,300,000	1.50%	469,500	2,347,500	4,695,000	7,042,500	9,390,000	11,737,500	23,475,000	46,950,000
Vanguard	Classic Broker	30,000,000	1.50%	450,000	2,250,000	4,500,000	6,750,000	9,000,000	11,250,000	22,500,000	45,000,000
Wealthsimple	Neo Broker	1,500,000	14.00%	210,000	1,050,000	2,100,000	3,150,000	4,200,000	5,250,000	10,500,000	21,000,000
Schwab	Classic Broker	14,000,000	1.50%	210,000	1,050,000	2,100,000	3,150,000	4,200,000	5,250,000	10,500,000	21,000,000
Webull	Neo Broker	2,000,000	10.00%	200,000	1,000,000	2,000,000	3,000,000	4,000,000	5,000,000	10,000,000	20,000,000
TD Ameritrade	Classic Broker	12,100,000	1.50%	181,500	907,500	1,815,000	2,722,500	3,630,000	4,537,500	9,075,000	18,150,000
Revolut	Neo Broker	1,200,000	10.00%	120,000	600,000	1,200,000	1,800,000	2,400,000	3,000,000	6,000,000	12,000,000
Ally Invest	Classic Broker	6,000,000	1.50%	90,000	450,000	900,000	1,350,000	1,800,000	2,250,000	4,500,000	9,000,000
DEGIRO / Flatex (EU)	Neo Broker	663,000	10.00%	66,300	331,500	663,000	994,500	1,326,000	1,657,500	3,315,000	6,630,000
Freetrade (EU)	Neo Broker	600,000	10.00%	60,000	300,000	600,000	900,000	1,200,000	1,500,000	3,000,000	6,000,000
Trade Republic (DE)	Neo Broker	500,000	10.00%	50,000	250,000	500,000	750,000	1,000,000	1,250,000	2,500,000	5,000,000
T212 (EU)	Neo Broker	??	10.00%	44,344	221,720	443,440	665,160	886,880	1,108,600	2,217,200	4,434,400
Merril Edge	Classic Broker	2,500,000	1.50%	37,500	187,500	375,000	562,500	750,000	937,500	1,875,000	3,750,000
comdirect (EU)	Classic Broker	1,715,000	1.50%	25,725	128,625	257,250	385,875	514,500	643,125	1,286,250	2,572,500
Avanza (Nordics)	Classic Broker	1,300,000	1.71%	22,202	111,010	222,020	333,030	444,040	555,050	1,110,100	2,220,200
ING DIBA (EU)	Classic Broker	1,430,000	1.50%	21,450	107,250	214,500	321,750	429,000	536,250	1,072,500	2,145,000
Hargreaves Landsdown	Classic Broker	1,400,000	1.50%	21,000	105,000	210,000	315,000	420,000	525,000	1,050,000	2,100,000
Nordnet (Nordics)	Classic Broker	900,000	1.89%	17,000	85,000	170,000	255,000	340,000	425,000	850,000	1,700,000
Interactive Brokers	Classic Broker	1,000,000	1.50%	15,000	75,000	150,000	225,000	300,000	375,000	750,000	1,500,000
Freedom 24 (EU)	Neo Broker	140,000	10.00%	14,000	70,000	140,000	210,000	280,000	350,000	700,000	1,400,000
Stake (AUS)	Neo Broker	100,000	10.00%	10,000	50,000	100,000	150,000	200,000	250,000	500,000	1,000,000
Sharesies (NZ)	Neo Broker	250,000	3.60%	9,000	45,000	90,000	135,000	180,000	225,000	450,000	900,000
Saxo Bank	Classic Broker	600,000	1.50%	9,000	45,000	90,000	135,000	180,000	225,000	450,000	900,000
Scalable Capital (EU)	Neo Broker	80,000	10.00%	8,000	40,000	80,000	120,000	160,000	200,000	400,000	800,000
Questrade (CA)	Classic Broker	500,000	1.50%	7,500	37,500	75,000	112,500	150,000	187,500	375,000	750,000
Selfwealth (AUS)	Neo Broker	67,000	10.00%	6,700	33,500	67,000	100,500	134,000	167,500	335,000	670,000
Hatch (NZ)	Neo Broker	90,000	2.00%	1,800	9,000	18,000	27,000	36,000	45,000	90,000	180,000
LYNX (EU)	Classic Broker	60,000	1.50%	900	4,500	9,000	13,500	18,000	22,500	45,000	90,000
Personal Capital (EU)	Classic Broker	27,000	1.50%	405	2,025	4,050	6,075	8,100	10,125	20,250	40,500
FP Markets	Classic Broker	10,000	1.50%	150	750	1,500	2,250	3,000	3,750	7,500	15,000
Total		152,232,000		6,044,976	30,224,880	60,449,760	90,674,640	120,899,520	151,124,400	302,248,800	604,497,600
Remaining Float	26,664,355			% of float	113.35%	226.71%	340.06%	453.41%	566.77%	1133.53%	2267.06%
Neo Broker	10.00%										
Classic Broker	1.50%										

truth probably between 15 - 25 shares / investor

% of remaining float that is held by retail (Scenario 2)

As you guys can see, even with our lowest assumptions we easily land in the +100% ballpark. And consider that this list does not contain all of the existing stock brokers or banks that offer investment accounts! Real numbers should be way way higher!

Also keep in mind that we have some huge individual whales among us, talking about u/DeepFuckingValue, u/HeyItsPixel, u/xeisu, u/Spielporn and many many more who hold xxxx shares.
Oh no ! Looks like poor Kenny has to buy back our shares **multiple times now…. Anyway!**

retail whale has entered the chat

IMPORTANT: If you have access to more detailed data regarding number of users or even GME-ownership for a specific broker, please let me know via dm. There are too many comments here and it's hard to keep track of all of them. And please add your source (link or screenshot) so I can publish this here as well.

THIS OVERVIEW WILL BE UPDATED ON A REGULAR BASIS, SO MAKE SURE TO FOLLOW!!
(no financial advice in any way)

EDIT 1 (25th April):
First wave of comments and suggestions came in over night. Fixing some typos, updating numbers and adding brokers:
Thanks u/InferiorMonkeyRobot, u/MAD_broker, u/AdministrativeTurn84 for an update on Avanza GME-Investors, checking in with 22,202 (+500 since last post).
Thanks u/binge360 for pointing out missing broker Hargreaves Landsdown. Added to the list.
Thanks, u/Icy_Rhubarb2857 for sharing most traded stocks from RBC statement for month of March.
Thanks, u/Chabkraken for pointing out missing broker Selfwealth and sending through a screenshot about GME being traded as #1 stock.
TA;DR 🚀🚀🚀:

There is no way that retail holds less than 100% of the remaining float, the actuals number might be much (!!!) higher, maybe even in the 1000%+. Buckle up, because this rocket is about to enter fucking lightspeed! 🚀 🚀 🚀

It costs you nothing to hold, it costs them everything to cover.
u/InForTheSqueeze, 2021, lelz

Sources:
https://www.fidelity.com/about-fidelity/our-company
https://about.vanguard.com/who-we-are/fast-facts/
https://www.brokerage-review.com/online-brokers/largest-online-brokers-by-size.aspx
https://fortune.com/2021/02/02/robinhood-stock-trader-revolt-webull-alternative-china-app/
https://www.businessofapps.com/data/revolut-statistics/
https://www.businesswire.com/news/home/20180911005141/en/Merrill-Edge-Hits-200-Billion-in-Assets-Under-Management
https://www.comdirect.de/cms/ueberuns/de/presse/monatszahlen-april-2020.html
https://www.interactivebrokers.eu/de/?f=564
https://flatexdegiro.com/en/company/who-we-are
https://finanz-szene.de/digital-banking/trade-republic-duerfte-schon-um-die-500-000-kunden-haben/
https://en.wikipedia.org/wiki/Freetrade
https://www.wealthsimple.com/en-ca/magazine/gme-data
https://www.interest.co.nz/personal-finance/108826/thousands-nzers-partake-gamestop-movement-sharesies-users-alone-make-20
https://www.home.saxo/about-us
https://www.lynxbroker.de/
https://de.freedom24.com/about
https://www.hl.co.uk/investor-relations/key-financial-data
https://inspiredinvestor.rbcdirectinvesting.com/en/di/hubs/investing-academy/article/top-10-traded-stocks-in-march/kkr40d4p
https://themarketherald.com.au/selfwealth-asxswf-finishes-december-quarter-with-yoy-revenue-growth-2021-01-12/

Back to Table of Contents

PROOF of Artificial Price Movement: Spreadsheets with Statistics to Soothe the Soul

DD 👨‍🔬

Edit/Update: Thank you for the love and awards!!! I have posted a question about this to Dr. Timbrath's AMA, here, if anyone else is interested on her opinion of this.

Apes, our primate community has gone through a lot in the last 4 months. We've been called names, lied to, and manipulated through the same PsyOps techniques typically used on extremist groups. Throughout everything you beautiful people have remained stubborn and hyper-rational while never losing your love of crayons, and I have never been more proud to be an ape. Therefore, before we completely undress GME time and sales data, I would like to dedicate this research to:

Shills. Thank you shills everywhere, for making this research possible.

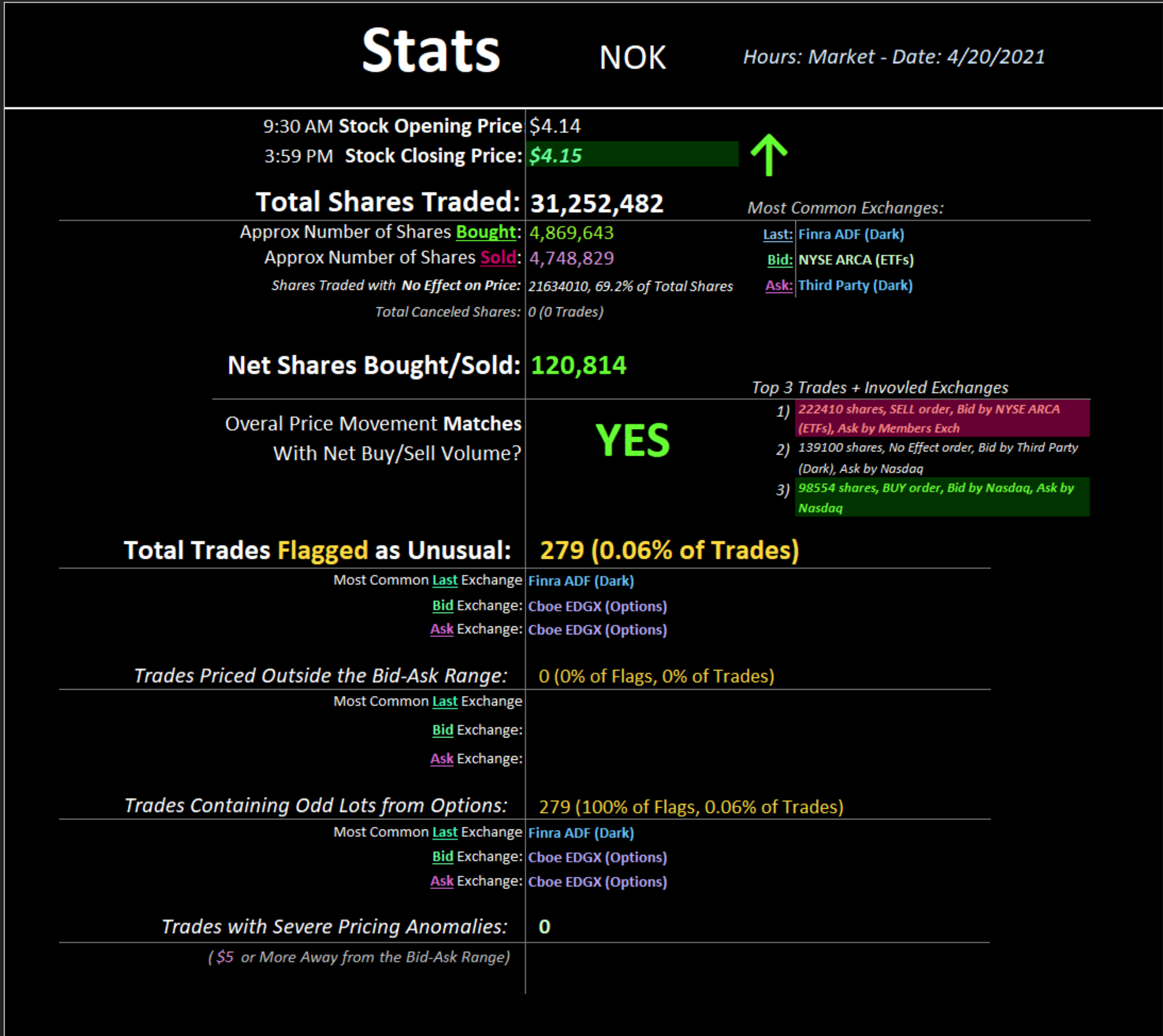
You've made sure I stay good and motivated (pissed off) by harassing my online friends, name-calling good people for no reason, and attacking my computer with malware after every stats-based post I've made public. (I may an idiot, but after the third time this happened, I was fairly sure it wasn't random bad luck.) Thanks for the 100s of subscriptions to random-ass pron sites, much appreciated. You've also provided LITERALLY the best peer-review system I've ever experienced. Never has someone caught my tiny mistakes SO quickly- your hard work and diligence has enabled me to very quickly correct and refine my research, drastically improving the quality of the final product. **THANKS**.

NOW, time to strip **time and sales** data down to nothing but binary code and statistics. All methods, raw datasets, and completed analyses can be found here: Materials, Methods, and Madness. Briefly: I have created a spreadsheet analysis that runs on only one source of data, **time and sales**, exported from Fidelity Active Trader Pro. The spreadsheet reports whether each trade had a POSITIVE or NEGATIVE effect on the price, and thus designates the trade a "**BUY**" or a "**SELL**." Many trades have no effect on the price: these shares have been included in the total counts but not towards any buy or sell total. This is an imperfect method to calculating total buy and sell volume, but as you will see, correlates well to overall price movement of the stock and therefore provides a **statistically significant buy:sell ratio that we can use**. The opening and closing prices are summed, and if the overall price movement does not match the net buy/sell pressure, the spreadsheed tells you **IN REALLY BIG LETTERS.** The spreadsheet also flags **trades priced outside the bid-ask range**, with a special check for prices that are **crazy** high (to catch odd price spikes as I did in my first rant with statistics here). I also have it check for "odd lots" from options-based exchanges- if a trade comes from a **bid** or **ask** exchange that specializes in options only, it should really be **100 shares traded or a multiple (1 options contract = 100 shares)**. I've relaxed the tolerance a bit, and the check is only for **things that are non-divisible by 10** originating from an options-based trade.

KEY: Codes	Exchange	MIC
A	NYSE AMEX (Options)	AMEX, NYSE
B	Boston (Options)	BOX
P	NYSE ARCA (ETFs)	ARCA
PH	Philadelphia (Options)	PHLX
DEA	Cboe EDGA (Options)	EDGA
DEX	Cboe EDGX (Options)	EDGX
DF	Finra ADF (Dark)	ADF
TH	Third Party (Dark)	TH
EPRL	Miax Pearl (Options)	EPRL
Z	Cboe BYZ (Options)	BYZ
BYX	Cboe BYX (Options)	BYX
N	Nasdaq	NSDQ
MW	Malawi Stock Exch	XMSW
MEMX	Members Exch	MEMX
NATL	NYSE National	NSX
IX	Investor's Exch	IEX

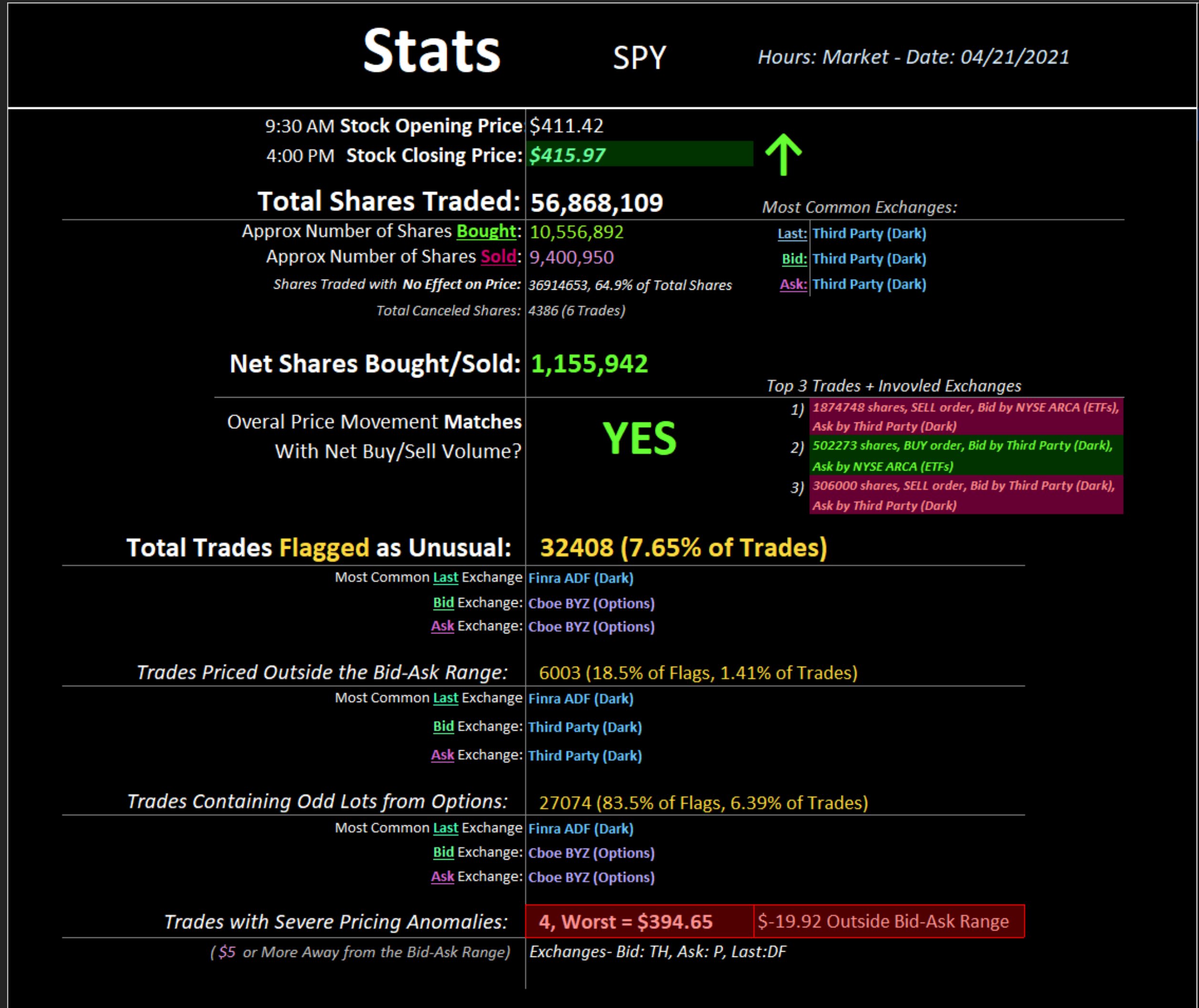
fidelity loves acronyms

First, let me show you some "controls;" aka super "boring" stocks that we are assuming are **NOT**manipulated and therefore do **NOT** have artificial price movement: their price movement is natural and expected based on buy and sell volumes. And the most boring stock prize goes to....



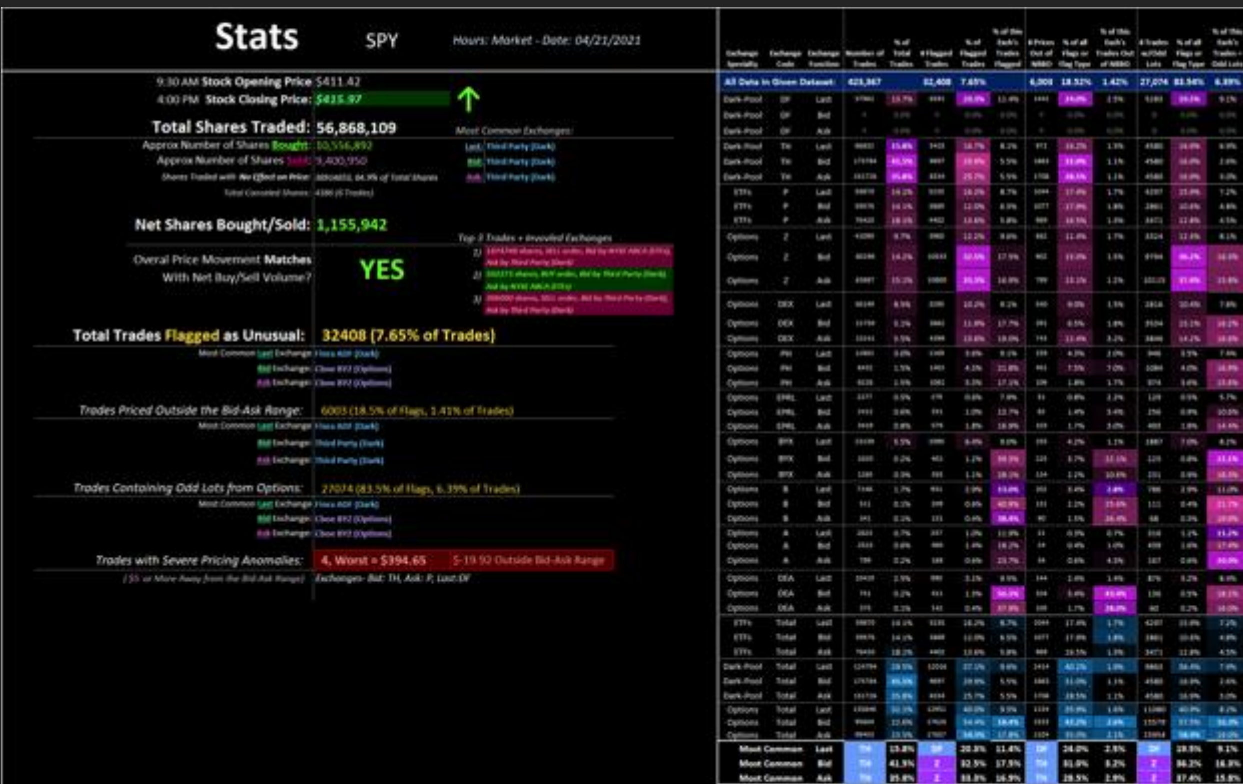
Nokia of course!!

This is the “summary sheet” that gets printed with all the nifty info. This is what “normal” looks like- more buy volume than sell volume detected matches with the closing price going up. Pathetically small number of trades were flagged as unusual, all having to do with odd lots being traded by options exchanges. Looks good. Next control, the SPY-



wait what

Everything looks great, happy spreadsheet, except for four really weird trades I totally did not expect to find. Here's the full mind-fuck analysis on this data:



color-coded fuckery!

The "main offenders" are listed at the bottom- Options and dark pools. This is my surprised face. Let's look at those crazy prices up close:

1	Time	Last Price	Last Exchange	Bid Price	Bid Exchange	Ask Price	Ask Exchange	Bid Size	Ask Size	Last Size	Trade Condition
180236	11:46:55 ET	414.5701	DF	414.57	TH	414.58	P	6	26	1	--
180237	11:46:55 ET	394.65	DF	414.57	TH	414.58	P	6	26	5	--
180238	11:46:55 ET	414.58	DEA	414.57	TH	414.58	TH	6	25	100	--

some ETF action

1	Time	Last Price	Last Exchange	Bid Price	Bid Exchange	Ask Price	Ask Exchange	Bid Size	Ask Size	Last Size	Trade Condition
180323	11:46:48 ET	414.55	P	414.54	TH	414.55	IX	23	1	100	--
180324	11:46:48 ET	394.43	DF	414.54	TH	414.55	Z	21	15	29	--
180325	11:46:48 ET	414.55	BYX	414.54	TH	414.55	Z	21	20	100	--

dark pools and options

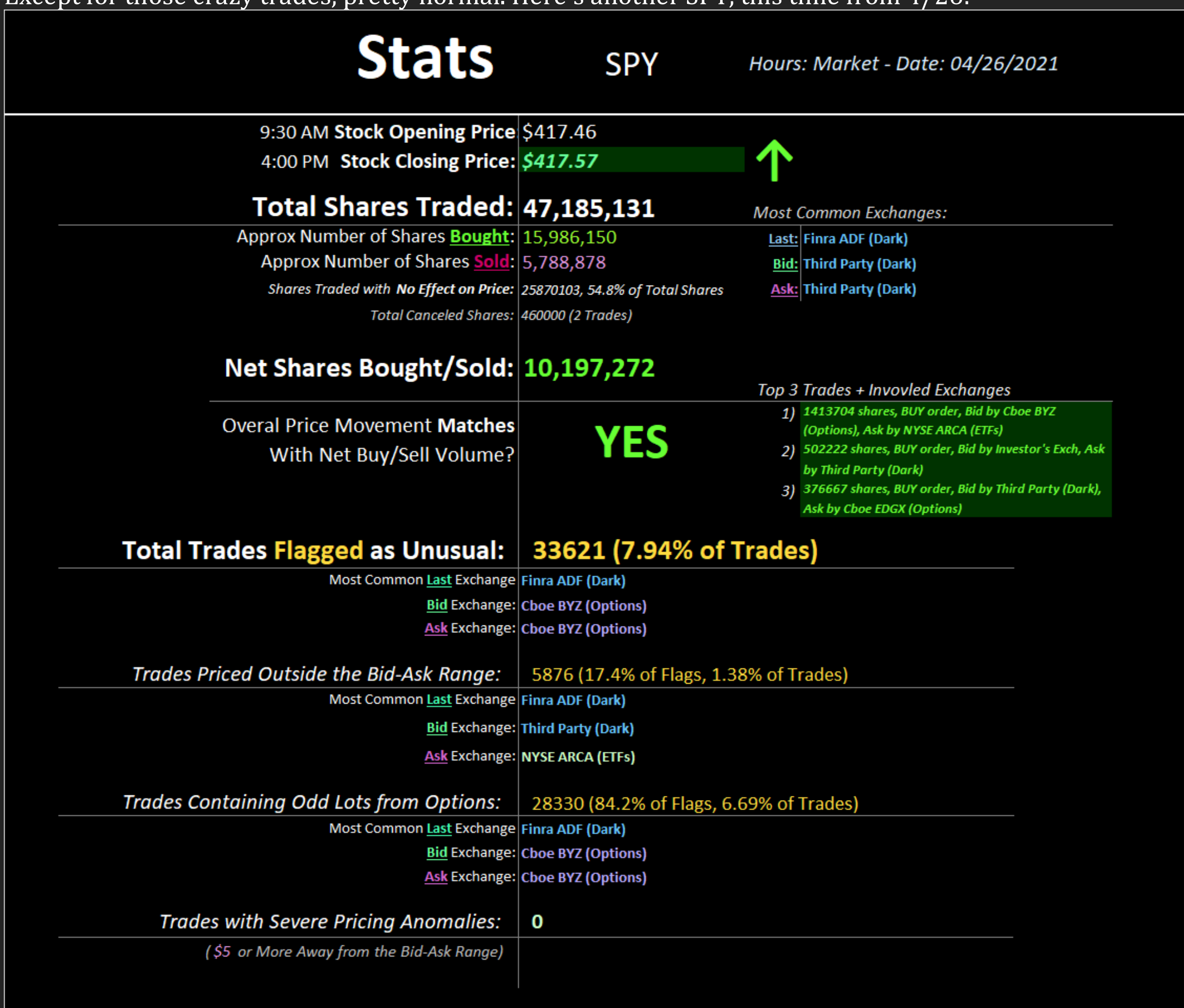
1	Time	Last Price	Last Exchange	Bid Price	Bid Exchange	Ask Price	Ask Exchange	Bid Size	Ask Size	Last Size	Trade Condition
180517	11:46:25 ET	414.555	DF	414.55	TH	414.56	TH	15	27	100	--
18051[illegible]	11:46:25 ET	395.11	DF	414.55	TH	414.56	TH	9	28	1	--
180519	11:46:25 ET	414.5599	DF	414.55	TH	414.56	TH	12	27	5	--

dark pool party

1	Time	Last Price	Last Exchange	Bid Price	Bid Exchange	Ask Price	Ask Exchange	Bid Size	Ask Size	Last Size	Trade Condition
180549	11:46:22 ET	414.57	TH	414.57	TH	414.58	P	7	44	74	--
180550	11:46:22 ET	395.11	DF	414.57	TH	414.58	P	7	43	10	--
180551	11:46:22 ET	414.57	P	414.57	TH	414.58	N	1	36	208	--

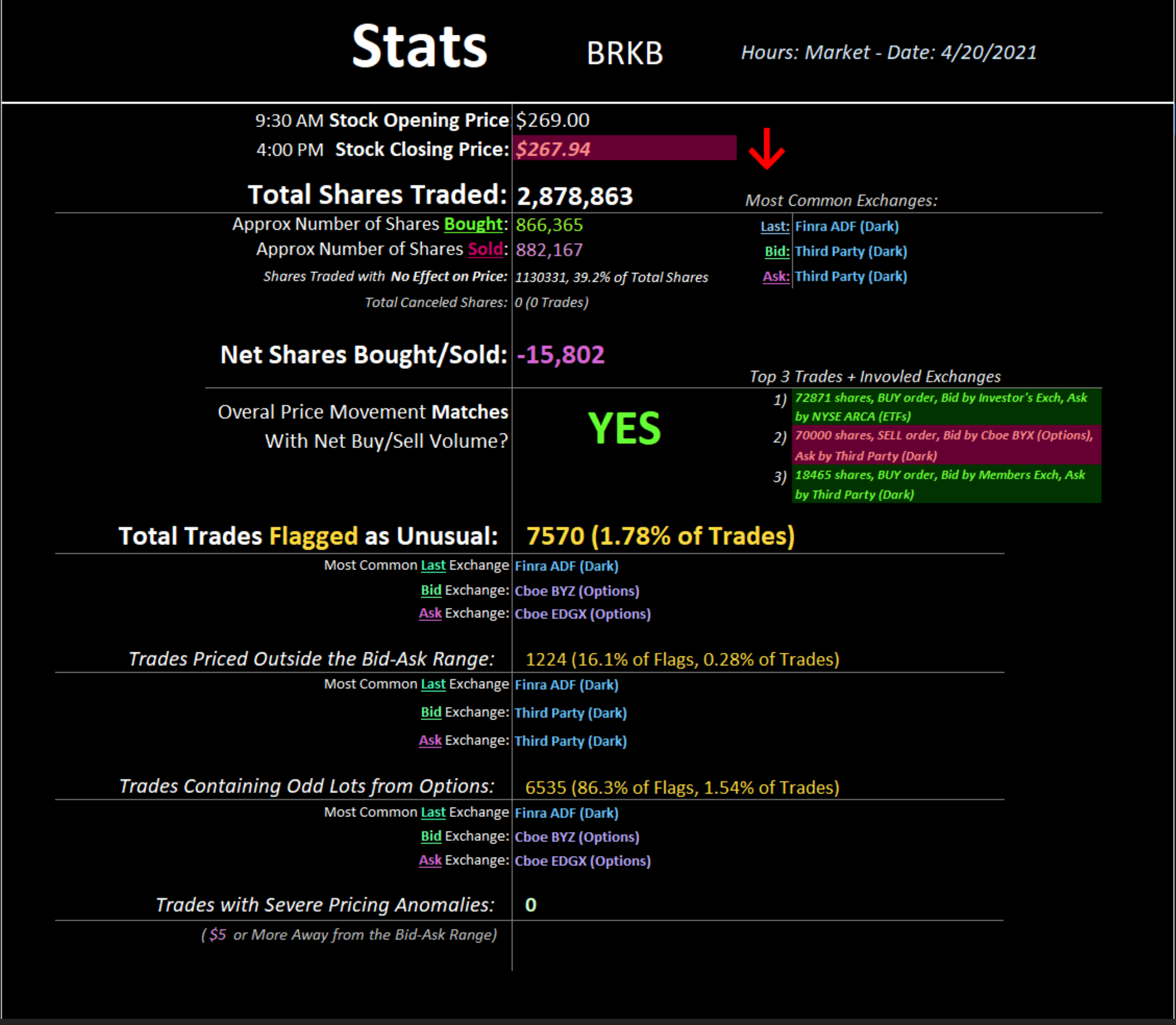
Can I please have shares for $20 under the going price?? I said please.

Except for those crazy trades, pretty normal. Here's another SPY, this time from 4/26:



happy spreadsheet!

No wacky trades on this day for the SPY. How about one more control analysis:

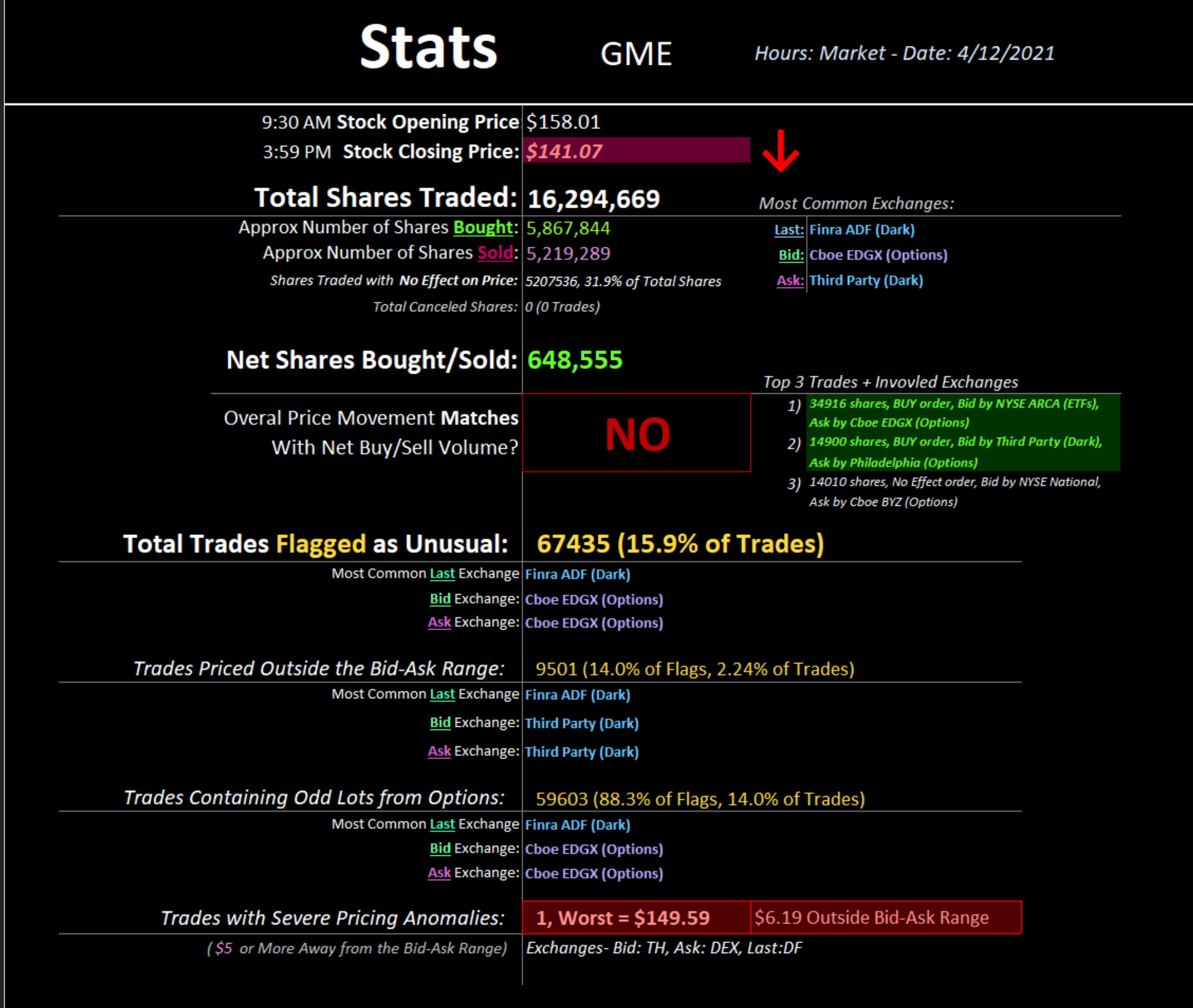


Overall, more shares detected were sold than bought, and the price for the day went down. Lovely! Now, on to the main event. Let's plug and chug some GME! We start with 4/12. Why? Because I was pissed that day.

163.90
How the fuck does that do that
when this is Largest volume...
04/12
11:00
12:00
13:00
14:00
15:00
04/13

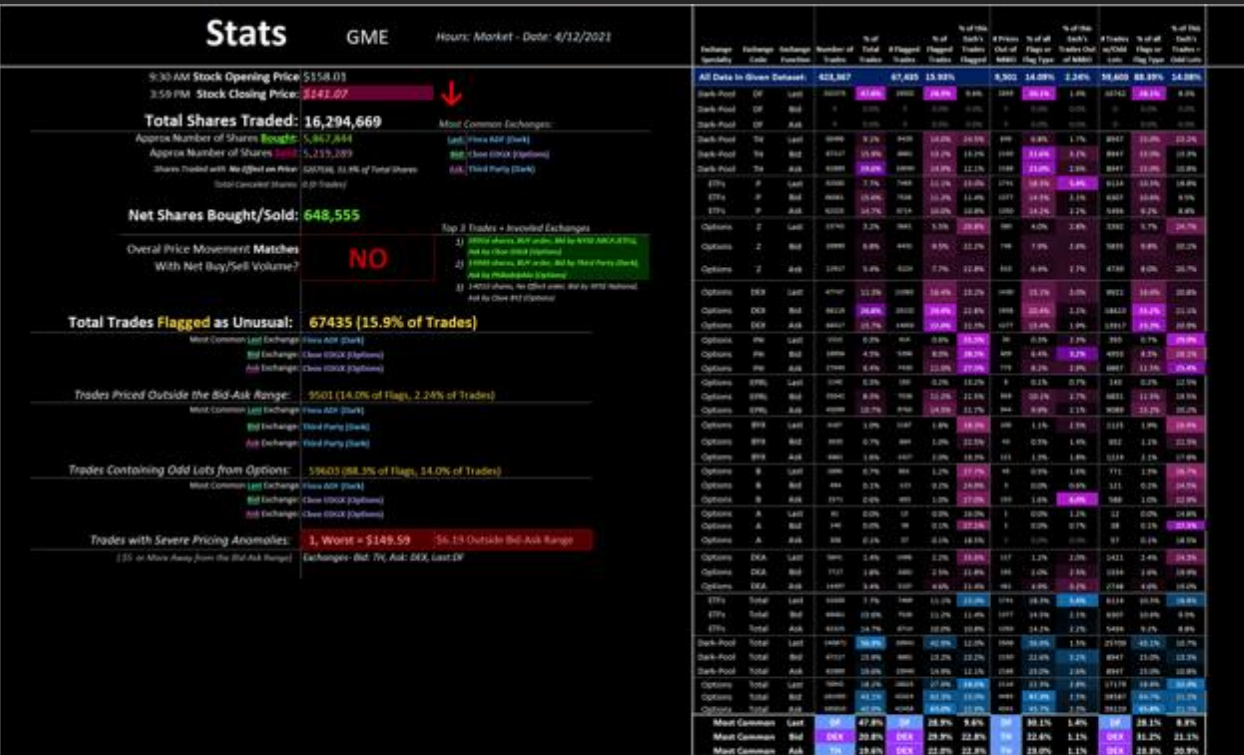
I ate a lot of crayons later that night

So I was very interested in looking at this dataset. Lo and behold....

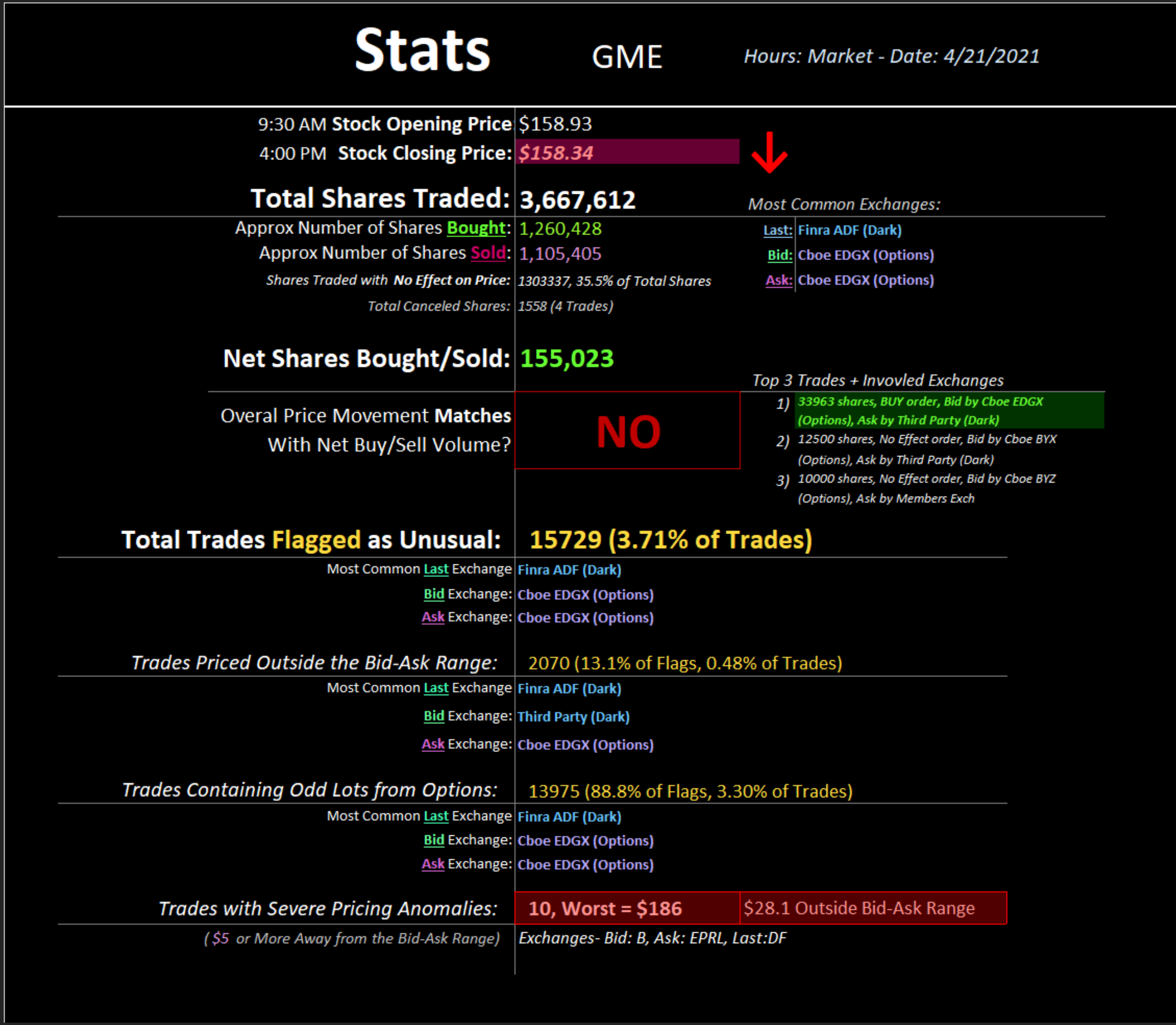


more surprise face

My beautiful spreadsheet telling me exactly what my eyes saw that day. There were more shares bought than sold, yet somehow the price drops $17. Queue mind-fuck:



EDGX and dark pool buddies. But of course. These high numbers make me giggle, which offsets some of the freshly pissed-off I am at this concentrated fuckery. I know your brains are tender, but how about one last GME analysis- 4/21 because dyslexia:



omfg?

Well $28 outside the bid-ask range seems..... excessive? That's like if some dude said "I'll sell this thing for $158," everyone agrees, and then somehow he gets $186. Why doesn't my life work like that? Let's see all of these crazy trades up close:

1	Time	Last Price	Last Exchange	Bid Price	Bid Exchange	Ask Price	Ask Exchange	Bid Size	Ask Size	Last Size	Trade Condition
58453	11:45:13 ET	158.2	N	158.04	DEX	158.25	DEX	3	1	1	--
58454	11:45:13 ET	185.7	DF	158.04	DEX	158.25	DEX	3	1	10	--
58455	11:45:13 ET	158.2	DF	158.04	DEX	158.25	DEX	3	1	2	--

1	Time	Last Price	Last Exchange	Bid Price	Bid Exchange	Ask Price	Ask Exchange	Bid Size	Ask Size	Last Size	Trade Condition
59148	11:42:30 ET	157.48	DF	157.3	P	157.5	P	1	1	21	--
59149	11:42:30 ET	185.2	DF	157.3	P	157.5	P	1	1	46	--
59150	11:42:29 ET	157.4	DF	157.3	P	157.5	P	1	1	30	--

1	Time	Last Price	Last Exchange	Bid Price	Bid Exchange	Ask Price	Ask Exchange	Bid Size	Ask Size	Last Size	Trade Condition
749	11:37:53 ET	157.755	DF	157.61	B	157.9	EPRL	1	1	32	--
750	11:37:53 ET	186	DF	157.61	B	157.9	EPRL	1	1	2	--
751	11:37:52 ET	157.755	DF	157.61	B	157.9	EPRL	1	1	1	--

1	Time	Last Price	Last Exchange	Bid Price	Bid Exchange	Ask Price	Ask Exchange	Bid Size	Ask Size	Last Size	Trade Condition
61900	11:34:59 ET	158.6173	DF	158.5	DEX	158.7	EPRL	9	1	5	--
61901	11:34:59 ET	179	DF	158.5	DEX	158.7	EPRL	9	1	1	--
61902	11:34:59 ET	158.6	DF	158.5	DEX	158.7	EPRL	9	1	1	--

1	Time	Last Price	Last Exchange	Bid Price	Bid Exchange	Ask Price	Ask Exchange	Bid Size	Ask Size	Last Size	Trade Condition
61927	11:34:52 ET	158.625	DF	158.5	DEX	158.75	EPRL	1	1	1	--
61928	11:34:52 ET	179.56	DF	158.5	DEX	158.75	EPRL	1	1	50	--
61929	11:34:52 ET	158.625	DF	158.5	DEX	158.75	EPRL	1	1	1	--
61981	11:34:43 ET	158.65	DF	158.5	P	158.8	EPRL	1	1	1	--
61982	11:34:42 ET	178.51	DF	158.5	P	158.8	EPRL	1	1	1	--
61983	11:34:41 ET	158.5001	DF	158.5	P	158.8	EPRL	1	1	250	--
62007	11:34:36 ET	158.8	DF	158.7	DEX	158.87	BYX	1	1	5	--
62008	11:34:36 ET	182	DF	158.7	DEX	158.88	BYX	1	1	291	--
62009	11:34:36 ET	158.9	DF	158.7	DEX	158.94	TH	1	2	1	--
2145	11:34:05 ET	158.7638	DF	158.5	DEX	158.79	N	1	2	250	--
2146	11:34:05 ET	178.82	DF	158.5	DEX	158.79	N	1	2	5	--
2147	11:34:05 ET	158.74	N	158.5	DEX	158.79	N	1	2	1	--
62151	11:34:04 ET	158.645	DF	158.5	DEX	158.79	N	1	2	2	--
62152	11:34:03 ET	180.99	DF	158.5	EPRL	158.79	N	1	2	26	--
62153	11:34:03 ET	158.5	DF	158.5	EPRL	158.79	N	1	2	1	--
62286	11:33:22 ET	158.74	DF	158.55	DEX	158.74	N	1	2	1	--
62287	11:33:21 ET	178.81	DF	158.55	DEX	158.74	N	1	2	2	--
62288	11:33:21 ET	158.7167	DF	158.55	DEX	158.74	N	1	2	3	--

nothing to see here?

That's all I've got for today. But now that I've got my spreadsheets all set up, I think I will continue to post revealing statistics until GME blasts off to the moon. Seems like a good way to pass the time?? 😼

TLDR: Either the matrix is glitching out or there's some really fucky shit going on. 🚀 🚀 🚀

Selling puts on my computer's CPU.

[Back to Table of Contents]

It's Just a Pyramid Scheme Part 1: The Missing Cornerstone

DD 👨‍🔬
Hey Everyone!
What a fucking few days hey? GME closes almost 15% up, streamers that are more interested in their weird tarot card readings than actual data, FUD that we can barely even spot anymore, and an IV increase that is being hidden by a hidden company none of us have even talked about. Wait... what was that last part? Oh yeah haha, another fucking DTCC that we have all neglected or overlooked or just got buried somewhere. Here it is, another banker filled board that oversees ALL OPTION CLEARING DATA.
No, I am not fucking around - it is stated on their website:
https://www.theocc.com/
The mother fucking OCC.
https://preview.redd.it/n2mh2lwgkrz61.png?width=1035&format=png&auto=webp&s=1505e0d8779a48ceeaa9797df719a8f203b2200e
The largest derivatives clearing organization. Stability. Integrity. Overseen by the SEC and CFTC. Major OTC clearing for options.
Who might want to clear options OTC to maintain a free market that doesn't drown them?
How about banks and institutions who accepted these giant fucking pile of dog shit option contracts from market makers who are hedging bets and cut off buying/selling in Jan?

1. **Chairman -** One of the most influential people in finance (knows Chicago trade and mergers origins).
2. **Managing Director, Head of Americas Asset Management Services, Bank of America -** Literally still works for BoA, previously Morgan Stanley. What a fucking conflict considering what is currently going on between apes and the fact that BoA holds shares and puts on GME, and we have successfully proved the data is being manipulated (Ill come back to more on manipulation through these guys).
3. **Founding Member -** Literally has worked for BoA, Goldmans, Morgan Stanley. Probably one of the geniuses behind this since he's the tech guy.
4. **Partner and Head of Market Structure, Wolverine Trading -** DONT THESE GUYS HOLD A VERY LARGE, UNHEDGED PUT POSITION ON GME?!?! WHAT IN THE FLYING FUCK IS GOING ON?!
5. **Executive Vice President & CIO, Interactive Brokers, LLC -** DIDNT THESE GUYS HALT FUCKING TRADING TO GME IN JAN???? WE FUCKING KNOW THEY DID.
6. **Managing Director, General Counsel Department at Credit Suisse Securities (USA) LLC -** Oh another banker overseeing the largest derivatives clearing corp, when the banks are currently going through a liquidity crisis.

7. **Vice Chairman, NASDAQ Inc. -** I actually think the NASDAQ is probably the free and fair market we are looking for. I have no comment.
8. **Chief Strategy Officer, Intercontinental Exchange, Inc. -** Seriously. This is getting tedious. CSO. ICE which owns NYSE. Oh, and represents them on the DTCC board. Lol fuck me, right? But retail is definitely the problem.
9. **Executive Vice President, Chief Operating Officer, Cboe Global Markets -** No issue with this guy. I actually think the CBOE Bats thing might be beneficial to us. But that is another DD.
10. **Senior Vice President - Head of Product Management for North American Market Services, NASDAQ Inc. -** Ex Goldman-Sachs guy. Obviously.
11. **Senior Vice President - Head of Product Management for North American Market Services, NASDAQ Inc. -** Just another individual investor exchange board member. TD Ameritrade (didn't they do some shady shit?). Anyway.
12. **Chief Regulatory Officer, Intercontinental Exchange & General Counsel, NYSE Group -** Oh look, another ICE/NYSE lawyer, which has let Citadel and friends run the show on the NYSE, especially GME.
13. **Former Financial Executive -** Meh no issues she seems to have been just a hard nosed finance person. Unless someone wants to dig in more, no complaints, just a derivative guru.
14. **Managing Partner, Windham Capital Management Inc. -** Oh look, an ex Bear Sterns **PRESIDENT**. Curious how he made out after the crash and I would be even more curious about his insider trading reports for Bear.
15. **Chairman, Risk Committee, Kepos Capital LP -** Oh look, an ex Goldman Sachs partner. Again...
16. **General Counsel, Citadel Securities -** My fucking favorite board member on the list. This is pretty much self explanatory. Oh, and a FINRA grad.
17. **Co-founder and Chief Executive Officer of DASH Financial Technologies -** Meh. Nothing crazy. Has a vested interest in OTC markets for large institutions.
18. **Managing Director and Global Head of CCP Strategy and Resource Optimization, Morgan Stanley -** Literally works at Morgan Stanley
19. **Economist -** Ex Federal Reserve person. Regulated OTC derivatives market.

https://www.theocc.com/Company-Information/Board-of-Directors

There you go. That is the start of how the system has be built to keep the wealthy, well, wealthy. And what I am going to conclude from the next bit should really show how they're bending the fucking rules to make sure this doesn't cause too much of a ripple (in my opinion - this is how I cope in case they decide to fuck it all over again and say "well retards it went to $x is that not enough? Greedy apes").

I said once, derivatives and options surrounding GME have become the main issue. This is how they are balancing their books to avoid margin calls through their lenders (I.E. Goldmans, Morgan, BoA, get the idea here of *how and why*?) They are purposefully changing the math, and I think I can prove it, right now.

NYSE OPTIONS CONTRACTS

I found the mapping data for the NYSEArca contracts and it has some interesting data. They don't even consolidate the option data until 5pm the next business day. Which means it is 100% probable that the OTC trades take over for deals to settle option contracts for large financial institutions the next day. And the lights are most likely on because they are making phone call after phone call trying to run their quants and figure out what they can trade for some moon tickets. This means that these guys are trading on the back end, in bulk, being overseen by our new favorite board of bankers and lawyers.
https://ftp.nyse.com/

https://preview.redd.it/r0c51cybxrz61.png?width=651&format=png&auto=webp&s=09ed8102c962ab2f04b243d4244b6ec5fa76e35d
Ive been cross referencing the ArcaAmex data with the OCC data, because on OCC you can actually check option data (which seems awesome because you would think the main derivative clearing corp would have up to date info). And there is definitely some weird data coming from the OCC.

https://preview.redd.it/6hkc2jbfyrz61.png?width=297&format=png&auto=webp&s=c437168f9d1cad8b2663d52847586eda0a97db92
0 OI for GME May 14 Calls (all in the money in this case).
0 OI for GME May 14 Puts (all in the money).
Ok but ok. Maybe they dont update it. But the May 21 Calls are there...

https://preview.redd.it/mat2h8ltyrz61.png?width=307&format=png&auto=webp&s=52f3d526485cd19469ff1d87056c56309f5df70c
Ok... And before you say these arent sourced from everywhere:

https://preview.redd.it/qqluvrv2zrz61.png?width=954&format=png&auto=webp&s=65e87312e800ff73309689899b93f3efaed9cd71
The info is here https://www.theocc.com/Market-Data/Market-Data-Reports/Series-and-Trading-Data/Series-Search?symbol=gme&symbolType=Options
These should literally be updated daily. And depending on who's buying and paying attention, there should definitely be some movement. But anyway, lets go look at TODAYS data for May 21 GME options, through the company that OCC links all their derivative data through.
https://oic.ivolatility.com/oic_adv_options.j;jsessionid=a-dh_HwzV6lh

https://preview.redd.it/iwi1zukvzrz61.png?width=1905&format=png&auto=webp&s=a5d5a158b26d1831c2170a8ecc8fb48fa8a2db88
Notice anything weird about the IV? And the cost of the option vs the strike price? Literally the Deep In The Money calls mean worth is the exact same cost as a share. And we know that everything about "free and fair market" in the last little while has been about "taking the best average cost at market value for our clients" (my broker touts this - I assume most do).

And the IV is significantly lower than what other sources are saying. Barchart has $10 calls at 1600% IV, yahoo same thing. Odd that this data is almost purposefully deflating the IV of GME, considering after the last massive increase in IV was Jan. No, seriously:

https://preview.redd.it/6ro04put0sz61.png?width=547&format=png&auto=webp&s=5a1e601fc6c657a49ec675ced38e8852f81917ed

And if we go back to the NYSE Arca data, the consolidated short interest changes with how many shares are short as well. Check this out, I am only going to go to the end of Jan because there is a ton of data, but maybe Ill do the rest after to prove their algo is betting against retail. Because they only changed it once WSB reallyyy started to get into GME mid January. And they didn't expect the upward buy pressure, so they manipulated the market through the OCC to make this work in their favor.

https://preview.redd.it/cjoc7rzc4sz61.png?width=562&format=png&auto=webp&s=2b3635a3b7388c689b51820f2ec251819e3b6380

The short volume literally started to MIMIC THE FUCKING BUY VOLUME AFTER MID JAN. HOLY FUCKING PYRAMID SCHEME BATMAN.

I said it before, and I personally think this definitively concludes that the banks, shitadel and other hedge funds, and the regulatory bodies like the OCC are working against us through algos, reddit scraping, and OTC. Thanks for attending the fucking TedTalk. I hope we can all buy and hold more. Not financial advice. Just an ape who wants tendies from these people who have made a fortune off our hard work and lower class lifestyle. Buckle up hodl, and dont forget your hellmits.

https://preview.redd.it/suvwgwjq5sz61.png?width=487&format=png&auto=webp&s=35219ddfceb080e409f2bf4cd0790476d237d3ca

References:

1. https://ftp.nyse.com/
2. https://www.theocc.com/
3. https://www.theocc.com/Company-Information/Board-of-Directors
4. https://oic.ivolatility.com/oic_adv_options.j;jsessionid=a-dh_HwzV6lh
5. https://www.barchart.com/stocks/quotes/GME/options?moneyness=allRows
6. Oh and the fucking terminal drops.

Back to Table of Contents

Dance of Darkness: The SEC and Dark Pools

DD 👨‍⚖️

Dance of Darkness: The SEC and Dark Pools

Hello everyone, as requested I am trying again to get this on r/Superstonk so this stays documented, and allows the light of transparency to be shone upon Darkpools, hopefully this time it uploads, and if it does, enjoy:

Hello everyone, thank you in advance for your patience and for reading this thesis on dark pools and the SEC. First, please note that this is strictly not financial advice and just research I have compiled over weeks for entertainment purposes—it's all-public information and not intended to affect the price action of any stock in any way, shape, or form.

The article will be divided into 3 major parts: SEC and the financial derivatives market, dark pools of credit swaps and synthetic shares today, FUD dispersal, and legal ramifications of naked shorting. I was motivated to write this article as a result of two conditions: the ongoing process of appointing Gary Gensler as the SEC chairman, and the revelation of the existence of massive dark pool trading certain meme stocks, in an effort, to bamboozle the retail investor.

---THE SEC SECTION---

Gary Gensler, the former chairman of the CTFC (Commodities Trading Futures Commission) is currently in the process of being appointed the SEC chairman. Currently, the senate banking committee has approved Gensler at a 14-10 vote (https://www.investmentnews.com/senate-banking-committee-approves-gensler-nomination-203813 , https://www.c-span.org/video/?509429-1/sec-chair-cfpb-director-confirmation-hearing), and he will be voted on by the Senate proper in a weeks time on April 12th (https://www.thinkadvisor.com/2021/03/31/schwab-expects-activist-sec-under-gensler-senate-sets-confirmation-vote-date/) . He is expected to have bipartisan support and to be sworn in as the new SEC chairman. Gary Gensler is extraordinarily hated by Wall Street for a couple of reasons, the primary being that he is a hard-nosed regulator interested in the transparency of the marketplace and democratizing the information within it in favor of the little guy. This fundamentally goes against the closed country club nature of Wall Street, which is shown by the enforcement of the Dodd-Frank Act (https://en.wikipedia.org/wiki/Dodd%E2%80%93Frank_Wall_Street_Reform_and_Consumer_Protection_Act , https://www.investopedia.com/terms/d/dodd-frank-financial-regulatory-reform-bill.asp).

The last time Wall Street made a grievous market error was in 2008. This was due to the financial derivatives market and credit default swaps market having a massive correction (https://www.investopedia.com/ask/answers/052715/how-big-derivatives-market.asp, https://www.investopedia.com/terms/d/derivative.asp). The financial derivatives market (futures, in particular) was designed by markets to allow farmers, ranchers, manufacturers, industrialists, producers, etc., to lock in prices and mitigate risk in the production and operation of businesses. Thus, the core of what these markets are about is to lock in prices for commodities and to manage risk for the supply chain. Thus, the derivatives market is quite essential to the supply management side of the real economy (the part of the economy where you and I work), as such any

meltdowns in the derivatives market further deteriorate our economy; in 2008, this spilled over to the real market—which combined are gigantic markets, estimated at 640 trillion dollars (https://www.investopedia.com/ask/answers/052715/how-big-derivatives-market.asp) in market capitalization. According to Gary Gensler that represents roughly $22 of hedging for every dollar exchanged in the real economy (https://www.c-span.org/video/?304711-1/financial-regulations-consumer-protection); this is from 2010 though, so it could be a lot higher right now. Such futures and swaps are invested in almost every aspect of our lives (food, fuel, mortgages, credit rates, interest rates, etc.). So, given the importance of the derivatives market, it must stay transparent and competitive; this was not the case in 2008.
Due to two things being in play in 2008, dark pools and credit default swaps, specifically CDSs insuring against CDOs composed of collapsing mortgage bonds. As a result of the underlying assets (mortgages) defaulting at a rapid rate, causing the collapse of the bonds, causing the CDOs composed of the bonds to collapse/default in price; causing the CDSs to kick in and insure against the original value of the bond upon inception of the CDSs. This transaction occurred, you guessed it, in dark pools. dark pools will be covered highly in-depth so bear with me, Gary Gensler's response needs to be analyzed first. First definitions:
CDOs; collateralized debt obligations, think of these as financial products composed of multiple other financial products backed by assets like bonds, collateralized loans, etc. (https://www.investopedia.com/terms/c/cdo.asp#:~:text=A%20collateralized%20debt%20obligation%20(CDO)%20is%20a%20complex%20structured%20finance,derived%20from%20another%20underlying%20asset)).
CDS: Credit Default Swap; in short, it's insurance against a value of a security in case its value drops. It works by taking out a policy against a security and paying somebody else to take the risk of its valuation falling. This risk is taken off your shoulders, by you paying the other party a premium to maintain the insurance policy (i.e. you hedge against your securities dropping in value). As such, the value of the security you are insuring is safe if you keep up your premium payments, insuring you against risk. Furthermore, if you choose to exercise your insurance, as the value of the security falls, you are paid out your insured amount; if the value of the security rises and you choose to close out/exercise, you will take that loss + premiums (https://www.investopedia.com/terms/c/creditdefaultswap.asp#:~:text=A%20credit%20default%20swap%20(CDS)%20is%20a%20financial%20derivative%20or,with%20that%20of%20another%20investor.&text=To%20swap%20the%20risk%20of,the%20case%20the%20borrower%20defaults).
Dark pools: Dark pools are exchange forums that replicate open stock exchanges, closed off to the public designed to hide institutional trading intent. In other words, by Gary Gensler himself, dark pools are designed to lack regulation, transparency and the light of transparency must be shone upon them (https://www.investopedia.com/terms/d/dark-pool.asp).
As definitions have been established let us quickly reiterate the chain of events in 2008, and Gary Gensler's response as the CFTC chairman; and how he dealt with dark pools before (meme stock synthetic shares are in dark pools I would speculate):
Banks relax loan requirements to make cash of interest and mortgages-> package those into bonds --> package those into CDO's --> market them as a great investment, while the underlying bonds are

absolute garbage (this became garbage around 2006) --> Michael Burry and co notice this and take CDS on them --> wait 2 years, 08 roles around --> the market corrects itself violently where CDS are basically used to wipe out mortgage CDO's; these transactions occur in dark pools, away from the public eye; all the while like right now the media say everything is absolutely fine, you should totally hold onto your mortgage and get it refinanced (sell your meme stocks today, the squeeze is definitely over, you should totally believe us).
Thus, the unregulated swaps market split over into the real economy and exposed everyday Americans to real risk (with meme stocks it's reversed, the shorter are at real risk right now).
In comes Gary Gensler and the Dodd-Frank Act: https://en.wikipedia.org/wiki/Gary_Gensler .
Due to the crash, the Dodd-Frank Act was designed to curb excessive market abuses and speculation due to the lack of transparency from dark pools—it had 3 main goals according to the prospective SEC chairman (https://www.c-span.org/video/?304711-1/financial-regulations-consumer-protection , https://www.investopedia.com/terms/d/dodd-frank-financial-regulatory-reform-bill.asp):
i) Bring transparency and competition to swap dark pools
ii) Lower risk
iii) Increase market integrity
As such, according to Gensler, 90% of unregulated swaps and futures were brought from dark pools and mandated to use clearinghouses, so position data could be marked real-time for the public to view.
Furthermore, the Dodd-Frank Act established several other protections (https://www.investopedia.com/terms/d/dodd-frank-financial-regulatory-reform-bill.asp), these are as follows:
i) Protections against the formation of too big to fail institutions (so Citadel can fail, and everybody will be fine hypothetically), as a failure of any one of them, could negatively affect the US economy.
ii) The Consumer Financial Protection Bureau (CFPB), established under Dodd-Frank also worked to curb predatory mortgage lending, deterring high commission mortgage brokers from closing high-interest loans with high fees; stopping the feedback loop of bad loans being dished out in exchange for high commissions, fees, and interest. It also protects consumers from excessive credit and debit card fees and interest, by my understanding (https://www.govinfo.gov/content/pkg/PLAW-111publ203/pdf/PLAW-111publ203.pdf).
iii) Volcker Rule: It restricts banks investing in speculative trading and eliminates proprietary trading (https://www.investopedia.com/terms/p/proprietarytrading.asp); moreover, banks are not allowed to be involved with hedge funds or private equity firms considered to be too risky; lastly, to minimize possible conflicts of interest, financial firms aren't allowed to trade proprietarily without sufficient "skin in-game". Furthermore, the Volcker Rule: "regulates financial firms' use of derivatives to prevent "too big to fail" institutions from taking large risks that might wreak havoc on the broader economy" (Citadel may be intimately familiar with this).
iv) Whistle-blower Program: The Dodd-Frank Act also goes ahead and strengthened and expanded the whistleblower program. As such it specifically established a mandatory bounty program (you heard that right, if you hunt down a shill spreading "insider information", that alludes to collusion or any other illegal activities, you get a big fat reward). I'll let the text from Investopedia take this one here:

"Specifically, it established a mandatory bounty program under which whistleblowers can receive from 10% to 30% of the proceeds from a litigation settlement, broadened the scope of a covered employee by including employees of a company's subsidiaries and affiliates, and extended the statute of limitations under which whistleblowers can bring forward a claim against their employer from 90 to 180 days after a violation is discovered".
Meaning, you as a whistleblower can receive up to 30% of the litigation settlement amount if you can provide concrete evidence of collusion (we'll expand on naked short fines in a bit after the in-depth dive through dark pools as promised.); so if you have proven insider information, happy hunting: https://www.sec.gov/whistleblower/frequently-asked-questions#:~:text=Under%20the%20program%20eligible%20whistleblowers,regulatory%20and%20law%20enforcement%20authorities .
Lastly, to end this section I'll leave the actual Dodd-Frank Act here in case any legal scholars are reading this and would like to dissect this: https://www.govinfo.gov/content/pkg/PLAW-111publ203/pdf/PLAW-111publ203.pdf .
Now going back to the man who enforced this and brought the banks and other bad financial actors under control the last time by busting these dark pools, Gary Gensler. If Gary Gensler is appointed, and if these hedge funds have their short positions in dark pools to dupe the consumer; they will not only be breaking a litany of federal financial regulation laws. Furthermore, the SEC, DTTC, and hedge funds/institutions long on meme stocks (Blackrock) have already started swimming around sensing blood in the water, once Gary Gensler comes in, based on his previous behavior of effectively curb-stomping illegal actors into submission, I can see him litigating Citadel and co (if they are guilty) out of existence and forcing them to close like he did last time as the Future's chairman.
Recap for Apes
So let us recap, swaps and dark pools were used in 2008 to insure against the financial collapse created by the greed of financial institutions. The reason why we haven't had an exact repeat of 2008 is because of the Dodd-Frank Act; and the enforcer that took out Wall Street Gary Gensler is going to be running the SEC during meme stock chaos; which means the shorts lose their friends in high places that haven't been enforcing the rules.
From here on we shall take a deep dive into how dark pools work, then talk about the hypothetical legal implications of shorter being caught with illegal naked shorts in dark pools; so, let us begin.
---DARK POOL SECTION FOR APES---
Dark Pools for the layman are exchanges off of exchanges. A growing problem that brokers and retail investors noticed is that if a lot of small-scale orders are going through a relatively large and complicated fee system, for instance with the NYSE (https://www.nyse.com/publicdocs/nyse/markets/nyse/NYSE_Price_List.pdf).
Both retail and broker-dealers have issues with this due to a convoluted pricing model; if a certain threshold of clients is reached, internal off-exchange trades can begin—this is the basis for a dark pool. Morgan Stanley (https://www.morganstanley.com/disclosures/morgan-stanley-dark-pools), Goldman Sachs (https://www.thetradenews.com/guide/goldman-sachs-sigma-x/) and of course Citadel (https://www.reuters.com/article/us-citadel-darkpool-idUSKBN0MN22Q20150327 , closed in 2015 after harsher reporting requirements, go figure), all have dark pools.

This creates a buffer of exchanges, as shares circulating in dark pools can fulfill buy and sell orders to 100% outside of the exchange during normal trading activity.
However, any buffer can be used as an amplifier. As such if a hedge fund wants to make a quick profit by shorting a stock, they lend as many shares as possible; dump them on an exchange and watch as the retail investor tries to “cut their losses''; while spreading FUD by calling in the media, till even the least sophisticated investor sells. As volatility spikes, smart money comes in and the shorts are covered in a dark pool. This allows you to buy shares on a downward momentum, influencing the price immediately on the open exchange. The reverse works for long positions as well, if you would like to dump it at a profit, just sell it off in a dark pool. Cramer admitted to part of the process in an interview (https://www.youtube.com/watch?v=jIfixbq_u0Q), on the dark pools, while not mentioned, it is certainly part of the process.
An illustrate how this might work in an example:
Company A wants to acquire company B ASAP by buying up let's say 30% of shares of company B. Company A, therefore, goes to market maker M to buy shares for them. M then proceeds to start buying shares on the exchange to drive the price up a bit.
Meanwhile, they try to buy up as many shares from the dark pools as possible, to not drive the price up on the open exchange. The price on the exchange usually reflects in the dark pools, but not vice versa (because people look at the exchange prices, shortages in dark pools only show after a slight delay).
If you were to say that a purchase of 5% of the float would drive up the price of shares from B up by 5%, that would mean that after the buy the price would be 30% higher with around 15% higher than the start price average.
That is if people were not to start day trading the shares, which probably will happen.
However: if you were to do the same thing with dark pools you suddenly see that while the price on the exchange goes up, M is suddenly able to buy shares from places that do not influence the share price. Again, a 5% purchase on the open market equals a 5% price increase. If 10% can be covered over the dark pools, only 20% affects share price, leaving us with an average of about 10% higher than starting price.
This is 5% that was "saved" for M and A. M obviously wants a small fee for the service totaling 2%, which leaves A with around 3% saved.
That 5% came from the retail investor that was not aware of the movements in the dark pools. It costs the retail investor money. It robs you of your 30% gain in that scenario and gives you 20% instead. It costs you.
Remember Crammer stated sentiment is key in pulling the stunt off: (https://www.youtube.com/watch?v=r07Gg92YjOI)? It would be exponentially by simply getting the order flow, as such sentiment can be deduced without any bias. This allows the fund to take opposites of trades by going short negating buying pressure, either in dark pools or exchanges, as well as directing how the orders get executed. This possible order execution delay has been brought up in Congress (https://youtu.be/RNgzOr-m6ok?t=89). This amounts to a hedge fund/ moneymaker being able to make a small money printer for themselves (Citadel), which we can confidently speculate exits.
Furthermore, if Citadel doesn’t like your decision to buy, they can simply take the other side of the trade giving you a shorted share.

This is where Citadel and CFD trading comes in:
Using dark pools, Citadel as a market maker could in theory capitalize on such scenarios massively; furthermore, until 2015 they ran their own dark pool, called Apogee (https://www.iotafinance.com/en/Detail-view-MIC-code-CDED.html) which was decommissioned in 2015 possibly due to increased reporting/transparency requirements (https://www.reuters.com/article/us-citadel-darkpool-idUSKBN0MN22Q20150327).
By operating Apogee, however, Citadel as a market maker was able to capitalize on such scenarios massively. Since then, Citadel switched to Citadel Connect, which does not qualify as an alternative trading system requiring no reporting.
The best-case scenario for Citadel, if they wanted to short a stock would be to not have shares involved at all or making a contract for difference with you; this means you make an agreement with Citadel to get the current share price at any time you like from them, without ever having to buy or sell the shares. This kind of trading is heavily regulated, however, thus not common. However, they have engaged in similar tactics: naked shorting.
Under Reg SHO 203 b 2 iii (https://www.law.cornell.edu/cfr/text/17/242.203) market makers are allowed to short a security under a bona fide agreement, meaning without ill intent. As such, to naked short a stock, good faith is pretended to be in effect, from there they buy naked calls from another party they control (Citadel LLC in this case). From here, the equivalent amount of shares are lent out to either "Citadel LLC" or any other party, which are then dumped on the open market. After 3 days, since the "shares" never existed on the open exchange, becoming FTD's. As FTD status is reached, they simply go to a shell company or "Robinhood" and write ITM call options, exercise them, replacing FTD-IOUs with the ones from the shell. As these reach FTD, the reverse happens, as Citadel IOUs replace ones from their shell. Repeat to infinity and a stock price can be crashed by printing shares faster than the Feds print money (these shares will quickly add up dark pools though and need to be cleared). As institutions bailout, only retail would remain, if retail has no strategy on the security, a run by retail to get rid of the bag happens.
Now what I've said may sound despairing and should get you angry, however, I believe this cycle has almost been crushed, due to apes buying and holding. Allow me to present to you this diagram (the link below contains a flow chart of how dark pools operate within the market):
https://ddextension68.blogspot.com/2021/04/dance-of-darkness-darkpool-methods.html
As shown, they can use synthetic share production mechanisms, blatantly creating synthetic shares in a dark pool as a market maker (citadel runs it), making phantom shares using calls, Failure to Delivers, explicit naked shorting (creating IOU's), etc. (there are tons of illegal production mechanisms, most of which we're covered in my old DD's and a quick recap example above. Once they have determined which method they'll use, they target the security, and the flowchart begins. If they use the dark pools, they can theoretically create an infinite number of synthetic shares (they'd have to buy infinite real shares to buy though to cover though if they are a) caught with synthetics or b) get margin called).
Apes for the last months have been buying up all synthetics and creating price floors as you've seen, a hedge fund at this point has 2 choices; cover all the shares (the smart choice), or digging themselves in the hole deeper hoping you will sell creating FUD (Reddit/discord infiltration will tell you when their

getting desperate); so they can finally cover, as such if investors keep buying and holding, either more rocket fuel gets added to the rocket or they cover; either-or, doesn't matter what anybody else says. Lastly here's a list of dark pools that I found that have existed in "the state of play", back in 2014, I apologize I couldn't find any more recent data:
https://link.springer.com/content/pdf/bbm%3A978-1-137-44957-3%2F1.pdf ; (FYI Goldman Sachs has one, and they just got margin called for context: https://www.youtube.com/watch?v=mP4yaoQll7I (if your r/wsb YouTube links aren't allowed for sources sorry) due to Bill Hwang)
Recap for Apes
Now let's recap, the SEC chairman Gary Gensler is well versed in bringing swaps out of dark pools which caused the last crash and is coming in during the point of the SEC during a speculative short squeeze that will top all other short squeezes in human history (in my speculative opinion), This may cause the greatest wealth transfer in history.
The elites from any society would not like this as it would mean, their status would be tarnished; as such they will resort to any amount of financial war crimes to try to make sure that doesn't happen. However, during the last financial war (2008), Gary Gensler came in and enforced the rules congress passed, this time he's coming in again. I believe he will enforce the rules and bring justice to these financial war crimes again as shown by his record; as such before that happens you will see FUD intensifying (which is already happening, expect more of this); as such if you've been in the game this long, you should know the drill by now.

---LEGALITIES FOR APES---
Let's talk legal; if Citadel as a market maker is using order flow, dark pools, and synthetic shares to balloon to the height of being too big to fail, they violate a half dozen federal laws and policies, targeting you the consumer. Let's go over them (I'm a physicist by training, not a legal expert so I'll link the laws and tell you guys my speculation and let legal experts handle it):
Sources for these laws are coded in this link (I apologize there's a 40k reddit field limit):
https://ddextension68.blogspot.com/2021/04/dance-of-darkness-legal-sources-for-apes.html
As stated above, I am no legal expert; however, I will tell you of my understanding of them based on the sources I have read, any legal expert reading this is; feel free to correct me and post them in the comment section below (I want a specific rebuttal based on the legal text though, your co-operation is appreciated).
If a market maker like Citadel, or any other firm that has shorted meme stocks, uses dark pools, collusion, and synthetic shares to try and dupe retail investors that simply "like the stock" and are buying and holding, by my understanding they violate:
i) Anti-collusion and market manipulation laws: By working together with other institutions they are colluding and manipulating the price, that simple.
ii) Naked shorting: Borrowing a security that doesn't exist to shorting is straight-up illegal, and if you are caught using naked shorts the fines can range from $5,128 - $14,887 (USD) per naked short (sources are given in the naked shorting section).

iii) Synthetic share creation: This in my opinion would qualify as a naked short and market manipulation; as not only are you shorting a share that doesn't exist, you are manipulating the market so the price goes down by diluting supply, which also illegal.
iv) SHO rule violations: From the SEC: Regulation SHO requires broker-dealers to identify a source of borrowable stock before executing a short sale in any equity security to reduce the number of situations where stock is unavailable for settlement (https://www.sec.gov/investor/pubs/regsho.htm#:~:text=Regulation%20SHO%20requires%20broker%2Ddealers,stock%20is%20unavailable%20for%20settlement) ; as such if a broker-dealer cannot identify the source of a stock, before a short sale, it's illegal.
v) Dodd-Frank Act violations: If Hedge funds are found colluding with each other to rig the market using short shares to become too big to fail, that violates the Dodd-Frank Act as it is explicitly designed to stop according to you guess it Gary Gensler the new incoming SEC chairman.
vi) Insider Trading Laws: Trading based on non-public information; in my opinion, this is blatantly illegal as such the debate is black and white; thus illegal.
vii) Order flow payment: The SEC and Congress are currently debating whether order flow payment is legal in the first place; we shall see what conclusion they come to.
This is all I've found so far, but if you find any more illegalities please go ahead and comment down below.
Wrapping up these financial war crimes (their war crimes, because they are explicitly designed to hurt the innocent; retail investors). If Citadel is using synthetic shares to make itself too big to fail hypothetically it would break anti-collusion laws, the Dodd-Frank Act, prohibition against naked shorting, SHO rules, prohibition of Market manipulation, insider trading, etc. (lawyers have at it); as such, if they are caught, would be facing legal and financial extinction (of course this is just speculation by a dude on the internet, confirm it for yourself; if this is true however and can be proven in court, I believe it can be constituted as a financial war crime and should be dealt with accordingly).
Furthermore, if you have insider information proving this, you by the Dodd-Frank Act's whistleblower program are entitled to up to 30% of the settlement amount, so happy hunting apes.
If you are reading this on r/wallstreetbets (if this gets on there) this is as far as I can go without it violating the new rules, due to the subreddit's size; as such, I thank you for reading my work,
List of additional sources:
https://ddextension68.blogspot.com/2021/04/dance-of-darkness-additional-sources.html
Thanks for your attention, and I hope you have a wonderful day; none of this was financial advice, and purely opinion based on the sources given for entertainment purposes. Lastly, I am not a cat, and like the stock.
If you are still here, this is for subreddits other than r/wsb. We shall begin the meme stonk section for both GME and AMC; let's dive in:
---MEME STONK SECTION---
I apologize this isn't on reddit, however it has an absurd 40kb strict limit: as such I have coded back up links: https://ddextension68.blogspot.com/2021/04/dance-of-darkness-meme-stonk-section.html .
Within this link you shall find the full extent of the darkpool arguments and memestonks, as well as evidence of 4.6 billion, and 630 million synthetic shares of GME and AMC circulating in darkpools, while

entertaining the idea that this is simply just 1 darkpool, using empirical evidence to show it is not the only one; I hope you enjoy it (This is also my first time modularly coding together blog pieces, so feedback would be appreciated)(https://www.reddit.com/r/amcstock/comments/mbuti6/another_sighting_of_that_possible_4_billion_share/?utm_medium=android_app&utm_source=share , https://www.reddit.com/r/GME/comments/mcpyid/after_exposing_the_525_million_shares_in_the_otc/?utm_medium=android_app&utm_source=share).

Going forward this will be a 3 part series for AMC, and 2 part series for GME; you beautiful apes have held so far despite all this and you my friends have nothing but my highest respects, I believe your efforts will be rewarded with Martian tendies sooner rather than later.

Quickly touching on the next piece FUD: the desperation of shorts, will consist of me addressing "mUh gOvErNmEnT wIlL iNtErVeNe aT 500 #trustmysourcesbro", share dilution (in my opinion will not happen, it's a ploy to get the share recounts), the squeeze not happening (total FUD cause math). As DFV said, hang in there, helps on the way.

Recap apes; firstly the crucial point is they most likely owe more than 10x float on AMC, and 13x float on GME hence they're desperate, they are resorting to financial war crimes breaking a dozen laws trying to prevent you from picking up your tendie orders, this happened in 2008 and in case anything drastic happens, memestonks are your insurance and you will more than likely have your insurance policy be exercised, all the mathematical indicators for a squeeze are there, now it's just a when, dark pools are designed to hide the truth and hide intent, and because of those synthetic shares in these pools, they are most likely panicking; lastly when this squeezes, you holds you apes hold all the cards, and you, not the institutions, you determine how this timeline and the future plays out.

---HIGH LEVEL SUMMARY---

A lot has been covered, let’s summarize. This is a repeat of 2008, but this time we hold the insurance policies, in case this moons. The similarities are quite startling, from the SEC chairman Gary Gensler coming to bust this down, them using dark pools to screw the average person out of tendies, committing financial war crimes in broad daylight to shake apes. Furthermore, the dark pools explicitly showing both meme stocks have been naked shorted by at least 10x, this squeeze is mathematically confirmed, and we are looking at a fallout, how big the fallout will be depends on how big the hole they dug themselves with these dark pools; but in any case, apes hold the insurance policies so I believe we should be chilling, and if we continue to buy and hold we are simply buying more insurance for stonks we like. As such to sum it up in one sentence, their hiding in dark pools, Gary Gensler is starting the hunt and we have the insurance policies.

---What you can look forward to in this series--

As stated above, this series will diverge into 2 hyper focused parts; one GME focused, another one AMC focused. The AMC series will be:

i) Dance of Darkness: The SEC and Dark Pools

ii) FUD: the desperation of shorts

iii) AMC the climb to 10k and battle of 12008.01

GME:

i) Dance of Darkness: The SEC and Dark Pools.

ii) GME, the journey too Olympus Mons.

---TLDR---
They’re hiding in dark pools and using ETFs, naked shorting and synthetic shorting to manipulate the market hoping people will sell so they can exit the feedback loop as illustrated; there are most likely multiple dark pools with synthetic shares hence their desperation (+ their overleveraged). These memestocks have become swaps (CDS's: Credit Default Swaps), and those who hold them hold insurance against any financial disturbance. The longer this manipulation continues, the larger the correction will most likely be.
Lastly, I’d like to offer you two links, that I had to develop due to reddit’s archaic code (best crowd communication technology we have so far though):
i) https://ddextension68.blogspot.com/2021/04/dance-of-darkness-thesec-and-dark-pools.html
ii) https://ddextension68.blogspot.com/2021/04/dance-of-darkness-sec-and-darkpools.html
In those links, you will find the unaltered cuts of this DD, the first one is edited; however, the Snyder Cut is as raw as it gets. I hope you enjoy them

---Final Commentary and Thanks---
Thank you for sticking with me and going through this rather long article, the reason why I keep this article long and extensive is because I believe in transparency and integrity. I believe all data should be put on the table, for the reader to determine what they should make of it. I don’t believe in hiding data and guiding people, I believe the average retail person is best suited in making choices that affect their future, as such the data should be transparent and visible. Moving forward, these articles will remain extensive and mathematical in nature; to bring transparency and integrity to the marketplace.
Furthermore, I understand there is a lot of FUD floating around on meme stocks, these articles serve as papers that bring transparency, as they are designed to investigate memestonks.
I understand there’s a lot of FUD going around, as such I usually don’t ask much other than a request that you give me feedback and try to break my thesis in the comment section below; however, this time I will ask you to share this on your favorite social media (mine is stockwits) using #DanceofDarkness. I believe a lot of people will benefit from market integrity and transparency so thank you in advance for sharing this. I hope it helps a lot of apes; and as DFV, during congressional testimony, alluded to Hang in there.

Here's a quick quote to encapsulate the entire article in my opinion: "You will never do anything in this world without courage. It is the greatest quality of the mind next to honor"—Aristotle.
Finally, to reiterate here's a quick hashtag you may use if you feel like using social media to make this article spread fast: #DanceofDarkness; and the original cuts are as follows:
i) https://ddextension68.blogspot.com/2021/04/dance-of-darkness-thesec-and-dark-pools.html
ii) https://ddextension68.blogspot.com/2021/04/dance-of-darkness-sec-and-darkpools.html
Legal Disclaimer: None of this was or is financial advice, this is purely speculative opinion based on the sources as presented in this article—as such, it should be both viewed as and taken for entertainment

purposes (i.e. the entertainment of ideas). Lastly, I am not a cat, and I like the stock. Thank you for your time.

Back to Table of Contents

[Final Update] Superstonk users ALONE hold between 27 million and 35 million shares. No, really.

DD 👨‍🔬

TL:DR; after doing two polls and comparing to another user's results, I estimate superstonk users own between 27 million and 35 million shares of GME.

Edit: A very large point of misunderstanding is that the average shares are too high. In statistics, averages are easily skewed by outliers. For example, you have two groups: 3,3,3,2,4,2,4,3 and another 0,0,1,2,10,2,3,4. The average of both is 3. People have said it's impossible for the average person to own $25-30k worth of shares. I agree. In this study, 70% of the respondents own less than the average number of shares. The median user here owns 54 shares. This means that 50% of users here own $9000 or less (based on a stock price of $170)

This is my last post (probably...) about the survey research I've done. I actually have work to do which I'm putting off for this, and I really have to get back to it. If anyone else wants to play around with it, the data is available in my previous post.

First post:https://www.reddit.com/r/Superstonk/comments/mwziwn/users_of_superstonk_own_at_minimum_9_million/

Previous post: https://www.reddit.com/r/Superstonk/comments/myaxaw/update_retail_users_own_at_absolute_minimum_138/

Introduction

There have been many opportunities for short sellers to cover their short positions since January, and it has been speculated many times this is the case. Publicly available data, such as SI%, have also predicted a decline from over 140% to around 20-40% recently. Adding to this, institutional ownership has been predicted to be around 137% on current bloomberg terminal updates (https://www.reddit.com/r/DDintoGME/comments/mz6zq1/26042021_gme_bloomberg_terminal_information/). But as of yet, and remains to be a crucial variable, is that retail ownership remains a mystery. It has been heavily speculated to be much greater than GME issued shares. Previously, I made a survey to estimate retail ownership. Since last time, I added another poll. The first poll I was unsure of how

accurate (possibly because of trolling) the 500-1000 and >1000 categories were. I also tried to extrapolate the results to all of retail. To account for this I removed the 500-1000 and >1000 categories. Some users pointed out that even if I remove those groups, it's still comparing two different populations as we have little general retail data. They were valid arguments. Instead, I'm now making inferences only for superstonk users. The other issue with my first poll was overcrowding of the 100-500 groups and absence of a 0 share group. After splitting these into more groups and adding the 0 group, I see a more normal-like distribution of responses. Using a frequency distribution (https://www.spss-tutorials.com/frequency-distribution-what-is-it/), which is a type of statistical binning or histogram (https://en.wikipedia.org/wiki/Histogram), to predict superstonk ownership, I provide an estimate that superstonk GME ownership is at minimum 27 million shares, upwards of 35 million.

Results

Respondent Bin Distributions

Group	Respondents	Percentage
0	4	0.250312891
1 to 5	87	5.444305382
6 to 10	106	6.633291615
11 to 15	113	7.071339174
16 to 20	90	5.63204005
21 to 30	151	9.44931164
31 to 50	199	12.45306633
51 to 100	278	17.39674593
101 to 150	159	9.949937422
151 to 200	72	4.50563204
201 to 300	106	6.633291615
301 to 400	52	3.254067584
401 to 500	43	2.690863579
501 to 750	44	2.753441802
751 to 1000	31	1.939924906

1000 | 63 | 3.942428035 Total | 1598 | 100

Based on bin sizes and ranges within them, the 11 to 15 bin had the highest representation. In the bins as a whole, the highest number of respondents had between 51 to 100 shares, with 31 to 50 being the next largest bin.

Estimation of 200,000 person population

Group	200000 people	Shares min	Shares max
0	500.6257822	0	0

Group	200000 people	Shares min	Shares max
1 to 5	10888.61076	10888.61076	54443.05382
6 to 10	13266.58323	79599.49937	132665.8323
11 to 15	14142.67835	155569.4618	212140.1752
16 to 20	11264.0801	180225.2816	225281.602
21 to 30	18898.62328	396871.0889	566958.6984
31 to 50	24906.13267	772090.1126	1245306.633
51 to 100	34793.49186	1774468.085	3479349.186
101 to 150	19899.87484	2009887.359	2984981.227
151 to 200	9011.26408	1360700.876	1802252.816
201 to 300	13266.58323	2666583.229	3979974.969
301 to 400	6508.135169	1958948.686	2603254.068
401 to 500	5381.727159	2158072.591	2690863.579
501 to 750	5506.883605	2758948.686	4130162.703
751 to 1000	3879.849812	2913767.209	3879849.812

1000 | 7884.85607 | 7884856.07 | 7884856.07 Total | 200000 | 27081476.85 | 35872340.43

Using the results of the bins, it appears that superstonk users alone own 27.1 million to 35.9 million shares of GME.

Average share ownership of Superstonk users = 27081476/200,000 to **35872340/200,000** ** = 135 - 179 shares/person**

Using the data provided from the poll, I estimate Superstonk users own, on average, 135-179 shares per person.

Edit: The median value is 54. This may be a better representation of the "mid-point" of the data.

Comparison to other studies

In another sampling method using direct share input and combing these into 5 ownership bins, /u/Kalaeman used a sample size of over 2000 to predict that the average superstonk user has around 166 shares (+/- 13) and the median user has 19 shares. Using this data to infer the population, they predicted that from 200,000 superstonk users, 33,200,000 +/- 2,668.433 shares are owned by users alone. Comparing this to my prediction of 27.08M - 35.9M million, I can't help but notice the value fits exactly inside my range... https://www.reddit.com/r/Superstonk/comments/mylv9k/1_billion_share_owned_by_retail_confirmed/

/u/haydoboyo used 14A filing information to predict retail ownings and speculated that, if retail owns at least 3 shares each, the free float is owned. https://www.reddit.com/r/Superstonk/comments/mxkwlb/double_the_short_interest_half_the_anxiety/

/u/InForTheSqueeze also used measurements from the GME 14A release and from brokers to estimate retail ownership. Although there are speculations in these, they support the findings of my study. https://www.reddit.com/r/Superstonk/comments/mxrdcb/updated_dd_i_did_the_math_there_is_literally_no/
/u/DiamondsApes a month ago looked at broker information to estimate retail ownership as well. https://www.reddit.com/r/GME/comments/m54vpq/serious_dd_retail_ownership_using_public_data/
/u/thedav1d 1 month ago also predicted retail ownership including options. https://www.reddit.com/r/GME/comments/mduj5t/dd_why_retail_is_holding_far_more_shares_than/
/u/brocaa used AI (which is a fancy word for regression analysis) to estimate the number of FTDs hidden by deep ITM options, and predicted around 140M. https://www.reddit.com/r/Superstonk/comments/mvdgf5/the_naked_shorting_scam_in_numbers_ai_detection/
/u/eastrod, building on work by /u/defj2(https://www.reddit.com/r/Superstonk/comments/mz7c7h/put_anomalies_pt1_were_127_million_synthetic/), predicted that around 1.09 million puts were possibly used to reset 109 million FTD https://www.reddit.com/r/Superstonk/comments/mzgtvx/a_method_for_hiding_ftds_that_uses_the_109mil/
/u/33a also shared their findings:
Estimate based on comparison to other securities and general buying patterns https://old.reddit.com/r/Superstonk/comments/mwn95o/retail_is_the_whale/
Estimate based on fidelity order volume and level 2 order sizes https://old.reddit.com/r/GME/comments/msyhlq/fidelity_users_purchased_about_61_million_more/
/u/ColonelOfWisdom speculated, with relevant information, that hedge funds had plenty of opportunities to close their short positions leading up until now. However, these methods offer the *opportunity* for these events to happen, not *proof* they happened https://www.reddit.com/r/GME_Meltdown_DD/comments/mxj6a9/faqs_about_the_gme_situation/. Support for their argument came from the diminishing of reported SI% from 140% to 20-40% as of last filing.
https://iamnotafinancialadvisor.com/GME/, who originally predicted the FTD squeeze and how uncoiling the spring is a possibility, predicts that based on current trends of reported FTDs, the FTD cycle is diminishing and a squeeze is statistically unlikely. However, based on information here, it is entirely possible that the FTD cycle peaks are diminishing because of FTDs being hidden.
And lastly, SI% has been around 20 - 40% (https://www.marketwatch.com/investing/stock/gme - https://finance.yahoo.com/quote/GME/key-statistics/). However, as mentioned, SI% can be hidden in options and through other methods.
Now, the first question on your mind is: "can't users just mess with the results? I mean, that's what I would do. Polls are useless anyway." I would agree this is possible. For example, in my two polls, the percentage of respondents for each group changed a maxmimum of 2% over each bin. For large bins,

this doesn't affect the results much. But over smaller bins with high underlying values (the >1000 bin, for example) the 2% is a large change. However, the underlying findings remain the same for either poll and for the other presented by /u/Kalaeman, reducing the likelihood of tampering.

Methods

I used a poll to estimate superstonk GME ownership using strawpoll. Original poll is available here: https://www.strawpoll.me/42979202/r and the newest poll is available here: https://www.strawpoll.me/44432640/r. The settings were such that each IP address was only allowed to vote once, and Captchas were in place to prevent bots from interfering with results. The polls had 1200 and 1598 respondents, respectively. To try and minimize observation bias, such as through trolling, manipulation, or other means, I used a frequency binning method. Bin sizes were determined based on the first study to minimize overcrowding of bins. Frequencies observed from the 1598 sub sample were used to infer the ownership from 200,000 superstonk users. Average share ownership was calculated as **predicted total shares / 200,000**. At 1598 users, the margin of error was calculated to be approximately 2%.

Edit: Some people have asked about how I calculated margin of error, so here it is. I did it two ways: A quick and dirty method where ME = Z X std.dev / sqrt(N). Note that although this gives you a general idea, it is meant to be applied to continuous data, not discrete data like mine is. The other method for margin of error, and the one I used, was calculated as such: For each bin, the formula ME = Z X sqrt((P(1-P))/N) where P = number of 'successes' or number of respondents in that bin, Z was the critical value for a 95% confidence interval (=1.96), and N is the total sample size. The bin with the the highest margin of error was the 51-100 bin, so it's value was used (1.54%) and rounded to 2% to be conservative.

Conclusion

After comparing the results of three different surveys, all placed the number of shares owned by supserstonk users from 27M - 35M.

I don't know what overall retail ownership is (although there have been predictions), but from superstonk users alone, it seems the free float is owned. Now, the question everyone wants answered: "Will this moon? When?" I don't know the answer to either question. But considering that the remaining free float is predicted to be 26-30 million ish and superstonk alone owns that much, I think it's safe to assume GME is significantly oversold. What should you do? Fuck if I know. The data here isn't telling you what to do, rather providing you with information to decide for yourself what fits your investing goals best. And of course, if you have any comments or criticisms, I'm all ears to them! I'll probably argue with you, but if you convince me with a good argument, I'll (hopefully) listen to your criticisms.

Back to Table of Contents

The MOASS is not a straight line up, do not paper hand at a minor dip

DD 👨‍🔬

"It is said that if you **know your enemies** and **know yourself**, you will not be imperilled in a hundred battles;" -Sun Tzu

There are several areas where the MOASS could be hindered. **Saying the MOASS will be one straight line up is FUD because people will paperhand the moment it goes down.** However, these things may or may not happen, so **if you day trade, there is a very large chance you get left behind**. Remember we're up against a lot of big players, even if other players like Blackrock are on our side. Here are just two main areas where they may be a dip.

Delay on Margin Call

First of all, unlike what some people think, margin calls are not instant (finra). **You have two to five days to pass a margin call** before they start liquidating assets. Smaller hedge funds will fail the margin call and get liquidated first. This may start the rocket. If the rocket starts before the margin call is finished for Citadel, Citadel still has some time before they get liquidated. Two to five days is for the average investor. Who knows how long Citadel, a market maker, could extend that period of time?

Update: The NSC 801 only gives Citadel one hour to fulfil liquidity requirements. However, once liquidated, the NSCC has to close their positions within the settlement date. Which is typically T+2. (Thanks for the source, /u/Ginger_libra)

" We were losing hundreds of millions of dollars a week, if not more . . . And each day we bought one more day"

We all know Ken's philosophy of one more day. He will not give up, ever. He would rather the whole economy tank before he does. The squeeze will only happen after he has done everything to suppress it and fail. However, once he inevitably fails, we're not out of the woods yet, because now we're threatening a new player, the DTCC.

The DTCC Taking over

Remember, **THE DTCC DOES NOT WANT THE PRICE TO HIT 10 MILLION**. The DTCC doesn't want to pay out of pocket at all, that's why there are so many new rules. They're hoping the squeeze stops at ~5k, or even lower because higher prices mean the DTCC has to pay out of pocket. At higher prices, the DTCC has to liquidate its members. Banks will lose massive amounts of money and assets and the US will undergo turmoil. **All of these new rules, such as auctioning off assets, won't matter at 10 million.** At 10 million per share, the DTCC will be forced to liquidate banks like Credit Suisse and JPMorgan, causing a huge chain reaction across the market. Do you think the big banks are going to sit quietly while they get liquidated?

What if other market makers are forced to Naked Short Gamestop to survive because if GME goes too high, the DTCC will be forced to liquidate them?

DTC-005, a rule too good for this world

You've probably heard of DTC-005 by now, if you haven't, the simple version is that it stops the naked shorting of stocks, at least, you can't delay them with options anymore. While you can still naked short for liquidity, you can't delay them for longer than a week. This means the naked shorting of GME will never happen again. However, this rule was completely taken down, and no timelines are given when they'll be back up. **Without this rule, GME can be naked shorted by any market maker.**

Isn't it a bit weird that this rule is the only one to have been completely removed?

Both J.P. Morgan and Credit Suisse have market-making capabilities (There are more in the DTCC). This means they can naked short stocks just like Citadel. However, they don't appear to have shorted Gamestop. They WILL NOT get margin called with Citadel.

However, as DTCC members, they'll be forced to pay up assets to buy GME and close naked short positions. If GME goes too high, to the point where they'll have to sell everything. . . They may be forced to try and halt the squeeze or end it prematurely to avoid liquidation. If they mass naked short a stock, and **you can short a stock during a squeeze**, as there have been historical precedents for it, the price will dip. . . temporarily.

Obviously, nothing can be done long term. Eventually, the squeeze will continue, and it will continue much higher than before, as all the shorts will just be fuel for the rocket. In fact, naked shorting Gamestop is not only reckless but extremely bad for the global economy. But. . .

Do you think wall street cares about the global economy or the average citizen?

The only way this squeeze will stop is if a short attack causes apes to paperhand.

DO NOT BELIEVE THE IDEA THAT THE SQUEEZE WILL BE STRAIGHT UP

The banks aren't going to sit by quietly while all of their assets are being liquidated. They'll fight back tooth and nail, just like Citadel did. If you want to change the world, be prepared for a world-changing fight. **Even if the DTC-005 gets approved before the squeeze, the market makers can still naked short stocks for a few days for "liquidity".**

Update: DTC-005 to be approved "soon" with no dates given. That seems extremely suspicious to me. It's been months since the rule was taken down, and even now there are no dates given.

You may see the money dip from 500k to 200k, you may feel like the squeeze is over after it falls 3 days in a row, but in reality, that could just be more market manipulation.

So what do we do? The same thing we've always done.

HODL through all dips. We own the float. Trust the DD. Trust the community. 10 million or nothing, lambos or food stamps.

Not financial advice. Exit your positions when you feel comfortable. I personally only feel comfortable exiting when I see real change when these scammers are put behind bars and corrupt politicians step down.

Is my money safe in X and X bank?

What I believe happens is that your assets are safe because those assets are not equal to the bank's assets. However, you may have a bit of trouble accessing them if the banks go bankrupt, and it takes a little bit to swap the relevant information to another bank. I personally believe the US gov will bail the banks out again, but just in case, I suggest having GME in multiple brokerages.

Edit 1: "Reposting" with a bunch more information

Edit 2: Wow, that's a lot of comments. I'll try to answer every question in the comments, but might take me a bit tho.

Edit 3: Wow, my first time getting platinum. Thanks for that kind stranger! I didn't even know there was an exclusive club for those people. Not that I do anything but spend time on Superstonk and write DD, mind you.

Edit 4: I have since lost my flair because I was trying to make sure everyone in my comments voted. Whoops. One more small sacrifice to the cause.

Edit 5: NSC-801 Changes Margin rules

Edit 6: Two Platinum Awards? holy shit guys. I'm honoured. Now I can blow it all on DFV's postresponsibly award good new posts to make sure it gets to the top.

Back to Table of Contents

The Complete Bank of America Gamestop DD

DD 👨‍🔬
TL/DR It's possible that Bank of America is holding the biggest bag in the Gamestop saga
Note: This is just a theory, and I am not advocating anyone to do anything with their BofA accounts. Just some information I found and felt an obligation to share. I am not a financial advisor.

If you owe the bank $100 that's your problem. If you owe the bank $100 million billion, that's the bank's problem. -*J.Paul Getty*

Good afternoon Apes of the world. For the past couple of weeks, I've been digging into reports, and news articles looking for evidence to connect Bank of America to the naked shorting situation and to postulate who may be holding the bag at the end of this saga.
Now I'm still new to building DD's and if I am incorrect please forgive me and I will try my best to fix this article. If anyone has additional information to refute or support my claims they are welcome as it's the best way to find the truth. I would also like to thank u/Alert_Piano341 for their considerable help and hours of research. I won't even touch that their building is always lit up on weekends/holidays (Veterans day...really guys) and that they were one of the trading platforms that restricted trading in January.
Hypothesis: Bank of America is the biggest bagholder in the Gamestop saga.
Supporting Evidence:
The 15 Billion Dollar bank bond.
On April 16th Bank of America issued a $15 Billion dollar bond. Now given they had an extremely strong quarter, why would BofA need the additional collateral?
https://www.marketwatch.com/story/bank-of-america-tops-charts-with-15-billion-bond-deal-the-biggest-ever-from-a-bank-11618606409
BAC needed that 15B bond for insurance
https://www.foxbusiness.com/business-leaders/bank-of-america-expects-to-increase-dividend-share-buybacks-ceo-moynihan
watch this video at the 1:30 mark..... "assuming we get through the stress test...." he catches himself and is like I HAVE TO BE SUPER CONFIDANT HERE.
I can't find one other article or media post about the liquidity test anywhere, and here is the CEO mentioning it in an Interview....it was on his mind.

The Citadel Link
So the MM has a special exemption that allows them to Naked short the securities for the sake of market liquidity and they classify them as "Securities sold but not yet purchased" labilities. Market Makers have been fined for naked shorting before but nothing has been done to really curb it and the fact that we have two companies with expanding balance sheets show it's being abused right now.
Citadel specializes in Option naked shorting, and because of GME they have an ever-expanding bag of SHit. There "securities Sold but not yet purchased" went up to 57.506 B this year with 32.386B of it in

Options. To recap Abbot told us the liabilities are valued at fair value, and that this will be an issue for citadel in the future. **I think it is going to be an issue for someone else as well.**

LIABILITIES AT FAIR VALUE AS OF DECEMBER 31, 2020

($ in millions)	Level 1	Level 2	Netting and Collateral	Total
Trading liabilities				
Equity securities	$ 14,601	$ 6	$ —	$ 14,607
U.S. government securities	10,417	26	—	10,443
Corporate debt securities	—	58	—	58
Non-U.S. government securities	1	6	—	7
U.S. agency securities	—	4	—	4
Total investment liabilities	25,019	100	—	25,119
Derivative liabilities				
Options	32,384	2	—	32,386
Futures	92	—	—	92
Swaps	—	1	—	1
Warrants	1	—	—	1
Gross derivative liabilities	32,477	3	—	32,480
Netting	(24)	(1)	(68)	(93)
Total derivative liabilities	32,453	2	(68)	32,387
Total	$ 57,472	$ 102	$ (68)	$ 57,506

In the tables above:

Citadels Liabilities

Notes from the financial statement for Sussqhana and Citadel

NOTE G - RECEIVABLE FROM AND PAYABLE TO CLEARING BROKERS AND CONCENTRATION OF CREDIT RISK

The clearing and depository operations for the Entity's securities transactions are primarily provided by Merrill Lynch Professional Clearing Corp., Merrill Lynch International London and Goldman Sachs & Co. LLC.

At December 31, 2020, substantially all of the securities owned and securities sold, not yet purchased, and the amounts receivable from and payable to clearing brokers reflected on the statement of financial condition are securities positions with and amounts due from and to these clearing brokers. The securities at these clearing brokers serve as collateral for the amounts payable to such clearing brokers. The clearing brokers have the right to sell or repledge this collateral, subject to the clearing agreements with the Entity.

Susqhannas note makes it perfectly clear that the assist and liability are just on paper, the clearing broker can just sell their shit when needed

Let's check what Citadel says about its Prime Broker ---->

The Company has concentration risk with respect to its derivative financial instruments. At December 31, 2020, BAML serves as clearing and prime broker for 96.69% of the Company's net derivative assets. See Note 8 for a discussion of credit risk and risk management.

The Company attempts to manage the risks associated with its derivative financial instruments along with its speculative investing activities in cash instruments as part of its overall risk management process (discussed in Note 8).

NOTE 10

Who is holding Citadel's bag of shit?

Credit Risk

Credit risk is the risk of losses due to the failure of a counterparty to perform according to the terms of a contract. Since the Company does not clear all of its own securities transactions, it has established accounts with other financial institutions for this purpose. This can, and often does, result in a concentration of credit risk with one or more of these institutions. A substantial portion of the Company's options, clearing and financing activities are with a Bank of America Merrill Lynch subsidiary ("BAML"). These positions are recorded at fair value under securities owned on the statement of financial condition. This results in a concentration of operational and credit risks with BAML. Such risk, however, is partially mitigated by the obligation of certain of these financial institutions to maintain minimum net capital and to segregate customers' funds and financial instruments from the financial institution's own holdings. The Company actively reviews and attempts to manage exposures to various financial institutions in an attempt to mitigate these risks. The Company also attempts to minimize this credit risk by carrying minimal excess collateral above any specific collateral requirement determined in accordance with the contractual terms between the Company and the relevant financial institution.

The Company is exposed to credit risk in its role as a trading counterparty to dealers and broker and dealer clients, as a holder of securities and as a member of exchanges and clearing organizations. The Company's client activities involve the execution of various transactions. Client activities are transacted on a delivery versus payment or cash basis. The Company's credit exposure to broker and dealer clients is mitigated by the use of industry-standard Qualified Special Representatives ("QSR") or Corresponding Clearing Agreements ("CC Flip") where the Company locks in client trades at the DTCC's NSCC facility allowing the Company to face the clearinghouse directly. The Company also uses the industry standard of delivery versus payment through depositories and clearing banks for non QSR and CC Flip clients.

T his is also found in Citadels 2020 Annual Finacial report "A substantial portion of Citadels' options clearing and Financing activities are with BAML"

BAML (which stands for BANK OF AMERICA MERRIL LYNCH) or now BAC is the prime and clearing broker for 96.69% of all the net derivative assets of Citadel Securities? They are holding the 57.6 Billion Bag on Citadel Poo... 32,386 Billion of it in options, with a ton of those, are going to explode in their face or be worthless.

Something to consider...
Virtue Capital annual report
https://sec.report/Document/0001592386-21-000005/
They could note that their payment for order FLOW more than doubled in 2020 with the rise of RH ..... what do you think about Citadel's Payment for order flow (Virtue is a publicly traded company so we have their expense data you will not find it for citadel) but Virtue and citadel are competitors. this article says Virtue does 9.4% while citadel does 13.4% of the market in December of 2020. so if Virtue is paying 758M for order flow in 2020 Citadel is paying at least a 1B.
https://outline.com/SxAFCy

	Years Ended December 31,			57
(in thousands)	2020	2019	2018	
Reconciliation of Trading income, net to Adjusted Net Trading Income				
Trading income, net	$ 2,493,248	$ 912,316	$ 1,266,682	
Interest and dividends income	62,119	108,778	87,508	
Commissions, net and technology services	600,510	498,544	184,339	
Brokerage, exchange, clearance fees and payments for order flow, net	(758,843)	(386,888)	(376,424)	
Interest and dividends expense	(125,649)	(158,039)	(141,814)	
Adjusted Net Trading Income	$ 2,271,385	$ 974,711	$ 1,020,291	

Virtue Capital payment for order flow
then they could look at Citadel's debt (most MM don't take on debt ....because they print money, they are not supposed to have the liabilities citadels has and they may have a simple line of credit but Citadel got a direct cash infusion last year. They sell options they don't own yet (with the expectation they won't have to purchase most of them)......shit
The Loan

Loans and Interest Payable to Affiliate
The Company has entered into a cash advance agreement with Citadel Securities LP, an affiliate. During 2020, the maturity date was extended until December 31, 2021. For the period January 1, 2020 through June 30, 2020, the loan advances were interest free. Effective July 1, 2020, the agreement was amended and loan advances bear interest at the rate of LIBOR plus 2.85%. Loan advances are payable on demand. As of December 31, 2020, the loans and interest payable to affiliate were $1.65 billion and $3 million, respectively, and are reflected on the statement of financial condition. CAL4 estimates that the carrying value of the loans payable to affiliate approximates fair value due to the short-term nature of the loans.

NOTE 6

They issued a 1.653 billion loan to Citadel, when they also recently raised the 15 Billion for their bond. SMH
The New Hire?

A key piece of information that I came across that I thought might support our thesis was the recent hiring of Executive David Kim. David Kim was the head of equity client solutions at Bank of America and was recently hired by Citadel Securities (link below). Now, this is speculative, lets say there's a new hire named Mavid Jim, would it be possible that Jim has signed off on some terrible credit/increased risk, and jumped ship on some hidden backdoor deal?
https://www.efinancialcareers-canada.com/news/2021/04/david-kim-bank-of-america-citadel

Look for the usual suspect

I speculate that Bank of America also contributed heavily to the naked short selling of the so-called meme stocks (most likely Gamestop GME and Bed Bath and Beyond BBBY, as they are the stocks their analysts mentioned). In an article as recent as 2018 its been documented that BofA has paid the most fines out of all the major players since the 2008 financial crisis. It would appear that the rules simply don't matter to them.
https://www.marketwatch.com/story/banks-have-been-fined-a-staggering-243-billion-since-the-financial-crisis-2018-02-20

Bank	Fine, in billions
Bank of America	$76.1
JPMorgan Chase	$43.7
Citigroup	$19
Deutsche Bank	$14
Wells Fargo	$11.8
RBS	$10.1
BNP Paribas	$9.3
Credit Suisse	$9.1
Morgan Stanley	$8.6
Goldman Sachs	$7.7
UBS	$6.5

The 13F Filings

In recent 13F filings on whalewisdom you can see that Bank of America does hold decent-sized Put positions on GME and AMC. As holding these put positions are a legal loophole way of holding a short position and resetting an FTD, I believe it's possible that they also took short positions against these meme stocks. As both organizations would benefit from colluding an aggressively short position, they could drive the price down and both mutually profit.
https://whalewisdom.com/filer/bank-of-america-corp-de#tabform4_tab_link

The recent Bank of America Q10 Quarterly report

I decided to do some digging and when I was looking through the cashflows on their most recent quarterly report a figure under trading and assets/liabilities I found this gem.
The net change in cash from derivative assets/liabilities from 2020 to 2021 was a womping deficit of $53.756 Billion or a difference of $83 Billion from the prior year. That's just what is reported. I tend to believe that it's probably worse than that.

Consolidated Statement of Cash Flows

(Dollars in millions)	Three Months Ended March 31 2021	2020
Operating activities		
Net income	$ 8,050	$ 4,010
Adjustments to reconcile net income to net cash provided by operating activities:		
Provision for credit losses	(1,860)	4,761
Gains on sales of debt securities	—	(315)
Depreciation and amortization	461	432
Net amortization of premium/discount on debt securities	1,530	482
Deferred income taxes	566	(229)
Stock-based compensation	853	543
Loans held-for-sale:		
Originations and purchases	(8,253)	(6,078)
Proceeds from sales and paydowns of loans originally classified as held for sale and instruments from related securitization activities	9,383	7,397
Net change in:		
Trading and derivative assets/liabilities	(53,756)	29,615
Other assets	(23,477)	(21,022)
Accrued expenses and other liabilities	12,186	(588)
Other operating activities, net	1,989	35
Net cash provided by (used in) operating activities	(52,328)	19,043
Investing activities		

Page 47 on their recent Q-10

https://investor.bankofamerica.com/regulatory-and-other-filings/all-sec-filings/content/0000070858-21-000063/0000070858-21-000063.pdf

The Bullshit Push for Silver

Who else thought it was total bullshit when the media spewed out that Reddit was into Silver, and that it was the new Gamestop? Who on earth would benefit from crowds of people moving to purchase silver? Honestly if/when Gamestop moons everything is Gold Plated. Silver is shit.
https://www.cbc.ca/news/business/silver-stocks-surge-1.5895790
https://www.northernminer.com/fast-news/bank-of-america-sees-further-upside-potential-for-silver-in-2021/1003825311/

The Roaring Kitty

It seems that our beloved Roaring Kitty knows something is up with Bank of America as well. In his recent Twitter post, he shows a scene from Baby Driver (A great film, check it out). It would appear there has been a Gamestop logo inserted just above a Bank of America ATM. Interesting stuff.

Bank of America ATM and the GME logo

The closed locations:

Currently, hundreds of Bank of America locations across the United States are currently closed. It was definitely sus. To my understanding, some of these locations were being boarded up due to the trial of George Floyd (RIP). This was very strange as some of these banks were being boarded up after the verdict of the trial, and it appeared no riots would happen. I understand that with the shift to mobile/online banking there is less need for physical locations, but does that facilitate about 1/5th of all locations been temporarily closed (I did a sample of several states and came across 1/5th. I wasn't about to spend a day checking all 4600 locations but I welcome someone else with more time on their hands to take a look).

Bank of America Analyst Shitting On GME

"GameStop missed EBITDA estimates, which was a big negative for Bank of America analyst Curtis Nagle. The analyst, which rates the stock at Underperform with a price target of $10, said the company missed EBITDA estimates by 66%"

"This is not a good quarter," Chukumba said. "I will be listening to how they're going to pull a rabbit out of the hat and turn this into a viable company."

Chukumba said GameStop needed "some magic beans and pixie dust" to help the company going forward. He dropped coverage of the stock in January.

https://www.benzinga.com/analyst-ratings/analyst-color/21/03/20322372/gamestop-analysts-react-to-q4-earnings-company-needs-some-magic-beans-and-pixie-dus

Conclusion: Based on all the evidence provided above, I asked the question, who else could be the biggest big holder at the end of all this? If Archegos is a much smaller hedge fund and contributed to 10+ Billion dollars in losses to Credit Suesse, then I speculate that the losses from the margin calling of Citadel and Susquehanna could be magnitudes larger. If you also consider the short selling of securities

from BofA itself, it is entirely possible for 100+ Billion dollars in losses. Let me know what you think.
Again big shout out to u/alert_piano341 for their help/contributions.
Note: If someone could get me some Bloomberg shots for a few of the major banks that would be great! Ideally BofA, JPM, GS please and thanks.
**if you choose to use any of this in a DD please reference this article as it took a lot of hard work.

Back to Table of Contents

Elliott Waves, GME, WEN THE F*CK MOON!?

DD 👨‍🔬
Sup apes
not financial advice in the slightest.
Before I begin this analysis post, if you question the validity of fibonacci and Elliott Wave because it has proven to be "incorrect" you are approaching this topic with the wrong mindset. Fibonacci and EW are quite literally the "formula" to the stock market, but its much easier to understand than it is to implement.
GET FUCKING HYPEEEE!!!!
Obligatory crank: https://www.youtube.com/watch?v=Phy75VJRObQ
Spotify link: https://open.spotify.com/track/21UoRIOIjkWdHU8xbxQ0Z7?si=1958348bf5524bf0
As always, I post intraday analysis on my twitter to provide updates on what I see, if you're interested in the snippets/BTS charting, you'll love it.
In this post I am going to be going over mainly GME and touch on a few indices.
First off, if you've been reading my posts for a while, you'd know I was on the lookout for the current trend to hold above 197 for my wave count to be correct. Friday and today we broke below this level, seeing a low of 193.71.
Wut mean you ask?
All this means is that the count I was analyzing on a smaller scale was invalidated, as we broke below the original supposed low target of 197.
In lehman's terms, instead of a 3 within a 3 within a 3 within a 3, the updated trend will be a 1 within a 3 within a 3 within a 3.
basically, nothing is changed.
I am also very well aware that bad actors read my and other's analysis and act on it as an attempt to attack the validity of not only technical analysis but members of the sub that are looked up to for their analysis.
To the shorts that do this, I say fuck you, pay me.

I have happily added more shares under 200, that's a fucking steal if you ask me.
Here's my updated chart factoring in today's low, simplified (I cleaned my shit up big time)

Daily

Note, the only targets changed from the recent downward pressure (white line/red annotation). All larger scale targets remain the same, the only way the latter would be invalidated is if we broke below 112.83 (yellow line target) and 38 (blue line target)
The white (3rd largest degree) will go down proportionate to how much downside we have from hereon out. example, the 1.618:1 ideal wave 3 target factoring in today's low of 193 comes out to 567.66. If we drop to a low of 190 in the next few days before continuing up, then the updated 3 target would be 564.66.
My biggest reason for writing this is to clear up some misconceptions I have heard regarding the wave structure.
So idk about you, but I could care less about what happens in the short term. The overarching setup is (as always) screaming buy.
However, in terms of my previous prediction of 197 being the low, this fell through as we broke below the smaller scale wave 1 low. Remember, for a motive (5 wave impulse) structure, wave 2 cannot retrace into the territory of your wave 1, otherwise you must redraw. There is NO exception for this rule.
Before I continue with GME, I would like to shed more light on my $SPY analysis . I still hold my 432 top target, I just want to go a bit deeper in the analysis. I was considering making another youtube video so you could see how I analyze and draw targets, but I'll save that for another time. I do want to thank you all for the insane amount of support on my first (and only) GME SPY EW video
Here's what I see on a 4hr view:

4hr

Monthly:

Monthly

Without a doubt, SPY is ridiculously extended to the upside.
I believe we will see 436 hit in the near future at the very least, highly doubt much more upside from there. My reasoning for this is remember that EW is a fractal trading strategy, meaning targets on a smaller timeframe line up to form larger time frame targets.

visualized

You can see the 5 wave structure from the recent lowest low, normally wave 4 can't retrace into the territory of 1, however keep in mind the overarching wave is a 5, meaning 4 CAN retrace into the territory of 1. This trips a lot of new EW traders up as they don't understand the rule of **diagonals.**
regardless, wave 5 usually targets .618 - .786 of 1. the .618 level of this move comes out to 436, where the bigger cycle 5 next target comes out to 436 as well (1:1 level, yellow).
an extension of above .786 for a wave 5 is considered to be extended for what it's worth. The yellow trajectory I drew is **only for visualization purposes** and in no way is saying this is exactly how SPY will play out in relation to price/time.
the reason I'm talking so much about SPY here is because GME and a little something called negative beta. in short, market go down, GME go up, and vise vera, though correlation does not mean causation all the time. The market being near the top and GME near/at the bottom of the trend is interesting when you compare the two, and the supposed trajectory of each from hereon out using EW:

visualized

again, do note the white lines on SPY are only for visualization purposes, see my SPY DD for in depth retracement targets for our seemingly imminent bear market.
SPY near top and GME near bottom, hmmmm...
In terms of GME downside should this not be the bottom, super dumbed down, here's the channel GME is traveling in with fib dates worth keeping an eye on:

channel in red, time extensions colorful

Fibonacci time extensions can also be used to predict when a wave will change trajectory. In this scenario, I measured the length of the 1 (from 113 to 344) to get fibonacci numbers in relation to this time period. Stocks often need to cool off/consolidate after big moves before continuing the original trajectory. Totally normal in the stock market.
However, given that GME is incredibly manipulated, take these fib dates with a grain of salt. I personally don't use them often with GME, though on other tickers I have found it to be quite profitable. Not that I endorse GME day trading at all, because you shouldn't, though when trading NORMAL (key word) tickers, Ideally, when swing trading, you load a full position a bit after the first upwards move, and use fib time extensions to predict when the corrective wave will end.
In this scenario, the 38.2 time extension comes out to tomorrow, which signals a **potential** reversal coming tomorrow. Wednesday is also notorious for erratic GME movement, so stay buckled up!
What's reallllllly fucking interesting is the 50% time extension comes on the notorious 7/14 date.
What I want you to take away from the above visual is in the event that our reversal doesn't begin tomorrow from today's low, lower bound of the channel comes out to around 175. Just keep an eye on that level for some insane cheapies if Shitadel decides to abusively press the short button.
All in all, GME is incredible bullish and those that hodl through this wave 2 will be handsomely rewarded. This I can guarantee. Fibs don't lie.
What make's me think today COULD be the low is, you guessed it, significant fib levels. This time, I measured the low of february to the high of march (second highest degree of waves), visualized:

4hr

Fib level? 193.5. Today's low? 193.71.
so close to .69 :')

Until we have significant upwards pressure, I won't have narrowed down smaller timeframe upside targets, but larger timeframe targets are still valid. It will be very hard to break the overarching setup for the shorts.
I'm out. Thanks for reading 🍌
Time to go get high af and stare at fib levels some more.
TLDR: Boom soon, Market near/at peak, GME at/near bottom, negative beta, GME to 8+ figures is not a meme and will happen if you believe and hodl for it. I know I will 🚀

Back to Table of Contents

SRO Filings

DD 👨‍🔬
Recently there has been a screenshot of a NYSE SRO filing being circulated purporting to show that NYSE is "suspending a ton of dark pool groups." Or that NYSE is appealing an SEC ruling or something like that. So to start, NYSE has nothing to do with dark pools. NYSE is a lit exchange regulated under the Exchange Act, while dark pools are "Alternative Trading Systems" regulated completely differently (a combination of the SEC and FINRA). The filing, which is available here has a much more relevant excerpt that was obviously not included in the original tweet:

As background, on March 10, 2021, the Exchange filed with the Commission a proposed rule change for immediate effectiveness (the "Filing") that amended the colocation services offered by the Exchange to provide Users the option to access to the systems and data feeds of various additional third parties.[4] The proposed rule change became operative on April 9, 2021. Since then, five Users have contracted to receive the services that were added in the Filing.

On May 7, 2021, the Commission suspended the Filing and instituted proceedings to determine whether the proposed rule change should be approved or disapproved.[5] Such action suspended the Exchange's ability to offer access to Third Party Systems from Long Term Stock Exchange, Members Exchange, MIAX Emerald, MIAX PEARL Equities, Morgan Stanley, and TD Ameritrade, and to offer connectivity to Third Party Data Feeds from ICE Data Services - ICE TMC, Members Exchange, MIAX Emerald, and MIAX PEARL Equities (together, the "Suspended Services").

The Commission's suspension of such services is likely to cause disruption to the current Users of such services, who must now acquire substitutes for the Suspended Services. As an accommodation to such current Users, the Exchange now proposes to provide the Suspended Services to all Users, at no charge, for a period of 14 days from the date of filing ("Transition Period"), to enable current Users to maintain their connectivity while establishing alternate connectivity.

Here's what happened. Certain rule changes by exchanges are "immediately effective" - the rule change takes effect when the exchange lets the SEC know, because the exchange deems the rule change non-controversial. I won't get into whether this should even exist as an option here, it's a long and conflicted story.

The NYSE filed a change to co-location as immediately effective, and several clients of the NYSE contracted to receive the service. The SEC then decided that the rule change was not ok, and told NYSE they couldn't do it. NYSE is asking the SEC to allow them to provide the service while those clients transition off of it, because those clients (including other exchanges) likely rely on it for their NYSE data.

If you're interested in reading SRO files, you can find them here: https://www.sec.gov/rules/sro.shtml

I used to read every single SRO filing every money, and it was the best way to deeply learn about market structure. They're incredibly boring and written in obtuse legalese, but once you learn to read them you'll learn a lot.

The entire SRO status is frankly crazy, and I touched on it in my AMA. Wall St is the only industry in which you have for-profit, publicly traded, self-regulatory organizations. An SRO is supposed to be a quasi-governmental entity that regulates itself, and that balances the for-profit motive with a duty to build and maintain fair and efficient markets. If that sounds as absurd to you as it does to me, welcome to modern market structure.

Back to Table of Contents

A revisit to Net Capital. What is truly driving these T+21 loops, the March and June gamma runs, and how skyrocketing ETF FTDs might cause big price movements in the coming weeks.

DD 👨‍🔬

0. Preface

Well well, I think it's time to revisit an old topic. Net Capital. I posted about this in the past and for some reason gave up on it. I can now provide **counter DD to my own T+21/T+35 theory**.

Remember - I am not a financial advisor and I do not provide financial advice! Everything in here is based on research and discussion with others on the topics. As always, do your own research and criticize. Take my opinions with a grain of salt.

Wanting to revisit the Net Capital topic was a few things. There were posts about ETF FTDs spiking **severely** as of May 12th - even more than the highest peaks of January. I had my own doubts over time of how we could possibly have multiple cycles overlapping, when it felt more like there would be only a single cycle. And of course, some people commented and/or posted counter DD! Which I think is awesome, it's always good to provide counter DD.

Kenny and his gang love to continue digging a hole for themselves - while the whole financial world tries desperately to contain this potential market crash from coming to fruition.

GME shorts and Reverse Repo Market go **brrrrrrrr**.

TLDR: Sorry I'm too lazy right now. About to post this and go to sleep. 😎

Kenny And The Boys

My previous post about Net Capital was thinking that we'd see significant price movement T+14 days after April 16th options expirations. That didn't happen, so I tossed it out of the window. (Criand, you dumb bitch)
Which then led me down the path of the T+21 Loop Missing Link. It got pretty popular. It's the whole T+21/T+35 conjunction theory that occurred May 24th and May 25th. While it definitely **appears** to be right, **I have been doubting it ever since May 24th**. Especially after a courageous ape u/dentisttftposted the Counter DD to T+21 theory. T+35 (May 24th) didn't have significant enough price movement. If it truly was a new T+35 initiating a loop, then it should have exploded up in price on May
24th. And for that, I think it's time to put that theory to bed.

The counter DD that /u/dentisttft posted is excellent and you should definitely take a look. If my post is wrong, /u/dentisttft still proposes another possibility: that T+35 from the FTD spike could initiate buy pressure around June 17th.

Ever since the counter DD, I decided to revisit Net Capital since that is what /u/keijikage brought to my attention so many weeks ago. Very smart guy by the way! Always very knowledgeable and provides amazing discussion!

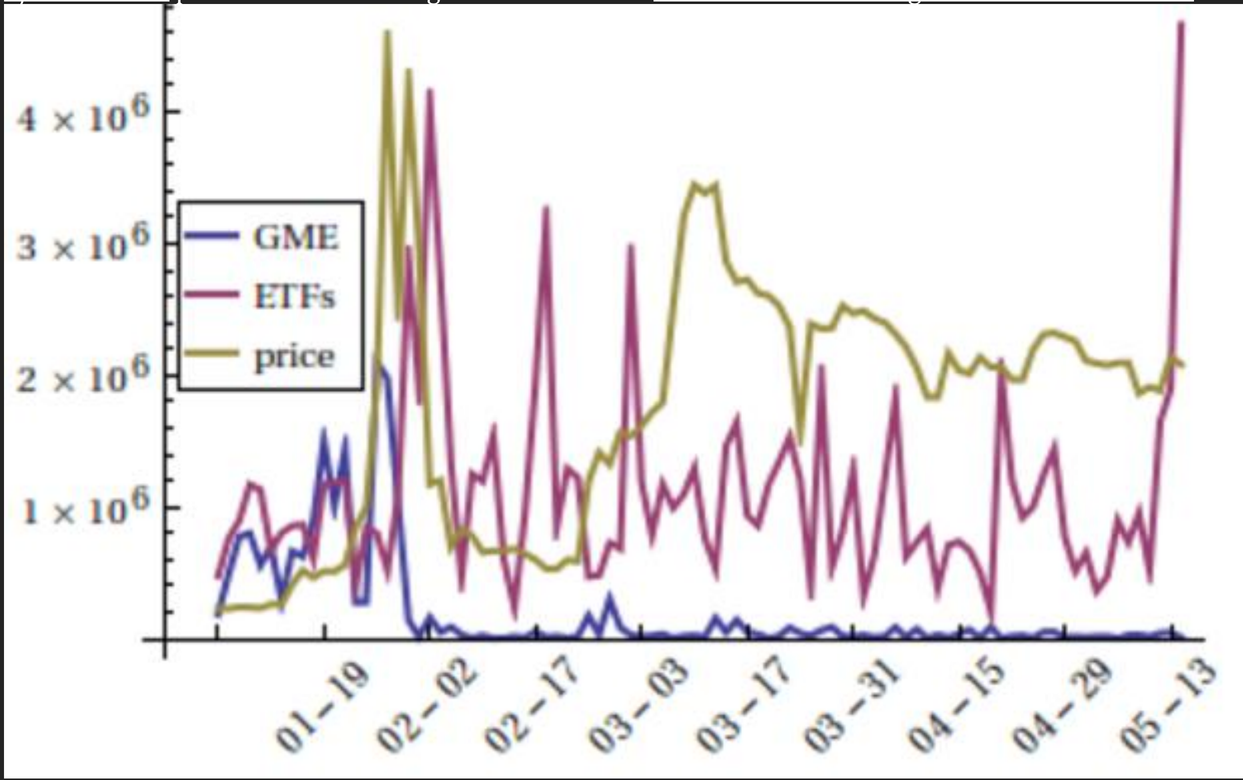
Looking back on Net Capital now, especially with the ETF FTD spike that occurred on May 12th, it might finally paint the picture as to what has been going on this whole time with the "T+21 cycle", the March Gamma Ramp, and the June Gamma Ramp.

1. GME FTDs, ETF FTDs, Massive Resurgence Started May 12

First, I want to discuss ETF FTDs, as something absolutely wild occurred in May. Note that we do **not**have the full months FTD data yet. The SEC releases the data in first half and second half of the month reports. So, it cuts off quite conveniently when FTDs began to go haywire.

For a while now it's been theorized (with some pretty damn good evidence) that ETFs containing GME have been heavily shorted. Supposedly they will short the ETF, buy up all of the other stocks in the ETF that were shorted, but leave GME alone. There's a net 0 effect on the other stocks but a net short on GME. This then starts to cause ETF FTD anomalies which they also try to suppress, but they can't hide forever. Because it appears that as of May 12th, these FTDs have begun to spill out of hiding.

u/basketas87 posted about this surge of ETF FTDs in "New data shows a large increase of ETF FTDs":

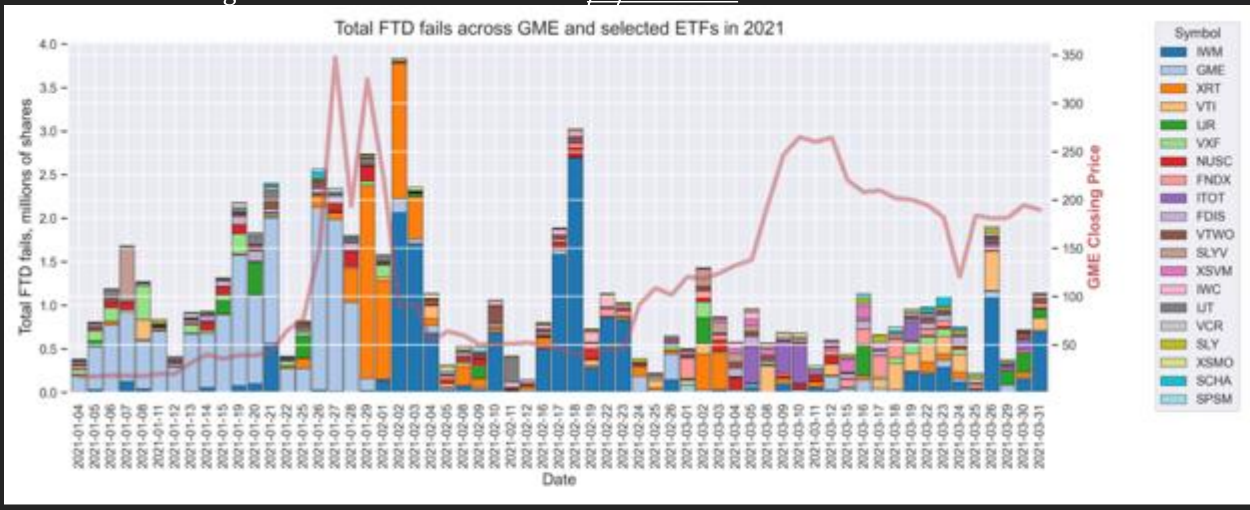


GME Price Vs. GME FTDs and ETF FTDs (which contain GME); Source: /u/basketas87

You can immediately see the ETF FTDs absolutely **SKYROCKETED** just before the cutoff of the SEC FTD bi-monthly report. **We don't even know how high this has gone in the following days or if its come crashing back down**. **Remember - these are aggregate. We don't sum up the FTDs between dates. Whatever the number is upon a date is the current total of FTDs reported.**

For a date-by-date tracking for these FTDs between January and the end of March, /u/broccaaaprovided an excellent chart in "The naked shorting scam using ETFs: mass shifting of FTDs from GME to 20+ ETFs & 27+ billion dollars still owed in remaining SI". This gives us an easier look at the exact dates when FTDs spiked earlier in the year.

I selected GME and 19 ETFs containing GME. I chose to only look at the ETFs that contain the most GME shares and had large numbers of FTDs in 2021. - /u/broccaaa



Aggregate FTDs for GME; GME and ETFs; Source: /u/broccaaa

Some notable aggregate FTD dates from this chart:

1. January 29th
2. February 2nd
3. February 18th

And of course, the latest absolutely insane **May 12th**. Once again, we don't even know what the FTD numbers are for the second half of May. It could very well be much higher.

2. Net Capital And Market Makers; Citadel's Can-Kicked Bag

Net Capital is detailed out in this post but I will do a quick summary. It revolves around Net Capital Requirements For Brokers or Dealers - 240.15c3-1:

...is designed to ensure that a broker-dealer holds, at all times, more than one dollar of highly liquid assets for each dollar of liabilities (e.g., money owed to customers and counterparties), excluding liabilities that are subordinated to all other creditors by contractual agreement. The premise underlying the net capital rule is that if a broker-dealer fails, it should be in a position to meet all unsubordinated obligations to customers and counterparties and generate resources sufficient to wind down its operations in an orderly manner without the need of a formal proceeding...

...A broker-dealer must ensure that its actual net capital exceeds its required minimum net capital at all times. - Source
Or in other words, you must have enough capital to not be "margin-called". In this case, Citadel is a prime victim to this rule as they are a Market Maker and must sustain enough net capital to not go bust. If they do not, they're a risk to their customers and counterparties. This rule tries to ensure that they have enough money to pay up in the event of a default.
The very interesting part of this rule comes down to how they're calculating Net Capital in regards to short securities:

(A) Deducting the market value of all short securities differences (which shall include securities positions reflected on the securities record which are not susceptible to either count or confirmation) unresolved after discovery in accordance with the following schedule:

Differences [1]	Numbers of business days after discovery
25 percent	7
50 percent	14
75 percent	21
100 percent	28

Net Capital Rule; Short Securities Deduction From Net Capital Per "Days After Discovery"

What this basically means is that after the short security difference is found to be unresolved after discovery (think FTD popping up is the "discovery"), then it's going to slowly start eating away at their net capital the longer it remains unresolved/undelivered:

- Day 0 after discovery = 0% of the unresolved short security is calculated into their net capital
- Day 7 after discovery = 25% of the unresolved short security is calculated into their net capital
- Day 14 after discovery = 50% of the unresolved short security is calculated into their net capital
- Day 21 after discovery = 75% of the unresolved short security is calculated into their net capital
- Day 28 after discovery = 100% of the unresolved short security is calculated into their net capital

When you have these debts accounted for into your net capital, it is taking away that value, because it is a short difference you **owe**. As the days go by, net capital starts chunking down. So, if you have a rather large short security difference discovered one day (such as May 12th) then you want to resolve it quickly or risk defaulting.
Do you find a way to stuff the unresolved shorts back under the rug? Do you deliver and force buy-ins? Both? That appears to be the loop they've been stuck in, which slowly bumps the price floor upward.
You'll notice that there's a familiar number in there. **Day 21**. T+21? Oooh. Tasty. **Here we go**.

The total timeframe for Net Capital is 28 days, but Citadel most likely cannot allow the Net Capital threshold to go past 75%. They must kick-the-can and force buy-ins on or before T+7, T+14, T+21 but complete the entire process by the net 75% threshold of T+21. They can't risk it going to 100% or else they'll most likely default.

Wham, bam, the T+21 loop ignites itself continuously.

3. Plotting The Net Capital Loop - The Counter of T+21 and T+35

The major option dates still play a big role. But I don't think T+35 theory is what's really applying here.

What are "major options"? These are the **only** options that were available for the year 2021 back in early 2020. These are the option dates that were most likely opened up initially by shorters at the start of COVID. Perfect time to place bets and start their kill shot on GameStop:

- January 15, 2021
- April 16, 2021
- July 16, 2021

Upon expiration, unrealized losses now became realized losses, and their overall capital receives a dent. It most likely gets harder to hide FTDs and hide them under the rug.

You know the most curious thing?

Posts about Citadel working the night-shift started just after April 16th options expirations. **That's also right around when Bank of America shut down a bunch of their locations. I won't buy their excuses. Bank of America looks like they're a bag holder and is freaking out too.**

Something big had to of happened as of April 16th, and it's most likely that they had a huge dent in their capital that is now causing a slow bleed-out of FTDs that they've hidden, which then must be satisfied within the Net Capital timeframe of T+7, T+14, T+21, T+28, or else they can go net negative and default.

And of course, following April 16 options expirations, the ETF FTDs start to skyrocket on May 12th. My main intuition is that they were unable to hide these any more and they have started to spill out. Ruh-roh.

First, I'll plot out the T+21 Net Capital loop so that it isn't **too** cluttered:

Plotted Net Capital "T+21" Cycle, December 22 to July 26

Upon December 22, the clock starts ticking. It's possible that at this point the price was too high for them to **NOT** worry about Net Capital any more, and they had to start can-kicking and forced buy-ins.
Each loop is separated T+21 because it appears that they cannot sustain higher than the 75% threshold each time. You can see the T+21 loop we're familiar with, starting December 22, and then traveling through January 25, February 24, March 25, April 26, May 25. And potentially continuing on to June 24 and July 26. [The next two dates if any apes are curious].
To get a closer look of the potential effects of the various Threshold amounts (T+7 (25%), T+14 (50%), T+21 (75%)) I've zoomed in on March 25th to May 25th. **ENHANCE**!

Plotted Net Capital "T+21" Cycle, March 25 to May 25, Price Spikes Prior to Each Threshold (T+7, T+14) Date

In the above it's **unlikely** but there is a chance that they have too many FTDs to shuffle around by the time Net Capital 25% (T+7) Threshold hits. This could initiate some buy-in pressure on or before that date, typically the day before, as outlined in the **light green** circle. The day before because they don't want those positions to be 50% upon the next day. They must be resolved **BEFORE**.

It is also **unlikely** but a greater chance that they have too many FTDs to shuffle around by the time Net Capital 50% (T+14) Threshold hits. This again could initiate some buy-in pressure on or before that date, typically the day before, as outlined in the **blue** circle.

And of course upon Net Capital 75% (T+21) Threshold, they must complete their rug-hiding and/or buy-ins to avoid going Net Negative. It is possible that the rug-hiding and buy-ins are in conjunction with one another, slowly increasing the price floor, and that **between each threshold they try to short the stock more to push down the price**.

Looping back to Section 1 when we identified the major FTD dates:

1. January 29th
2. February 2nd
3. February 18th
4. May 12th

There's a potential relationship to be seen with these insane FTD dates. Now this chart I'm about to show is highly speculative. I'm unsure if the Net Capital loop initiates upon the FTD spikes (though it certainly should, per Net Capital rule, because that would be when they are "discovered").
I say I'm unsure because I only see one data point here so far and somewhat of a second data point from the price run-up we've been seeing the past few days.

Plotted Net Capital "T+21" Cycle, December 22 to July 26, and FTD Spike Relationship

In the above picture, look at January 29th's FTD spike. Plotting the full 28 days of Net Capital out where 100% of the debts would be accounted for, that lands it on March 11th. They want to resolve this **before** March 11th, while the debts are still 75% accounted for. Remember that date? March 10th? I sure do. This **could** be why we saw the price spike, and why T+35 is incorrect in theory. But, it appears the major option dates still play a role, because of the May 12th FTD spike that just occurred, which followed April 16th options. Likewise, the January 15th options may have initiated the FTD spikes around January 29th and February 2nd.
If the **same** situation occurs due to the May 12th FTDs, then plotting out the full 28 days of Net Capital lands us on June 22nd. **If** these FTDs initiated Net Capital T+0 upon May 12th, then things could get crazy on or before June 22nd.

It is very possible that the run-up from May 25th to June 8th was all due to this new set of FTDs, and they had to start buy-ins on or before T+14 and T+21 from May 12th due to the sheer amount of unresolved shorts that were eating away at their Net Capital. If the FTDs aren't fully hidden again or all the buy-ins aren't complete, there's still T+28 to look towards, which lands on **June 22nd**. They would need to hide these FTDs again and/or buy-in on or before June 22nd. This would keep in line with the March 10th squeeze.

This could also very well explain what was going on with AMC. (Don't freak out on me yet, I love looking at AMC because it's very good analysis to track. It's been following the **same exact T+21 pattern** as GME)

4. AMC Behavior - Given Up On By Shorts? Too Expensive To Juggle With GME?

AMC has gone on an absolute RUN. It increased nearly 70% in one day. Take a look at the following chart now that you know about Net Capital and the different T+7, T+14, T+21, T+28 Thresholds:

AMC Behavior from May 12th to June 24th

Damn. Did they just GIVE UP on AMC and decide that it's too much to deal with? Do they not have enough capital to deal with both GME and AMC (and possibly other short meme stocks)? I think so,

because this lines up quite well. They had to fix Net Capital for AMC by T+7 (25%) Threshold on June 4th probably because it was too expensive to handle alongside GME, and GME is the one they **really** need to keep their ammo for.

Between T+7 and T+14, they of course short some more, trying to pull the price down in preparation of the next Threshold cycle of T+14, which will probably cause an equivalent or greater amount of buy-ins. This lands on... June 15th. And if it's like previous cycles, that would imply that they want to do the buy-ins by June 14th (next Monday) to avoid those unresolved shorts hitting the next threshold amount. Big price spike coming again?

Even then, the current T+21 cycle isn't over. The threshold of 75% doesn't land until June 24th, where things very likely will continue to spike upward with an equivalent or greater spike of the run before T+7 (25%) Threshold.

I truly think that they've put all of their effort into containing GME and have more or less "given up" on AMC because it's not as big of a deal to them. That's why it's mooning like crazy while GME is taking a little time to wake up.

5. GME Behavior - Shorts Holding On As Long As They Can

With the same exact timeframe of AMC, let's finally look at GME and the current cycle going on. The ETF FTDs from May 12th line up T+28 (100% Net Capital Threshold) on June 22nd. Again, **if** the Net Capital loop initiated upon that FTD spike, then things could get absolutely wild on or just before June 22nd. Otherwise, it might just be the standard T+21 Net Capital loop, which has that extra pressure from the ETF FTDs, where the Net Capital loop initiated on May 25th, and ends on June 24th.

GME Behavior from May 12th to June 24th

By the time of T+7 (25% Threshold), it appears that they really needed to apply some buy-ins, and the price started to rise quite significantly. Just like AMC, but not as extreme, because they want to put all of their energy into keeping this bad boy from popping off.

Once again... take a look when T+14 (50% Threshold) will hit. June 15th. From the above analysis, the buy-ins would occur on or before this threshold date, typically right before. Know where that lands? Next Monday. June 14th.

It's possible that they won't be able to sustain to the 75% threshold any more, but now must sustain the 50% threshold of T+14 where they need to resolve their unresolved shorts by.

Maybe there will be a big price spike next Monday. Otherwise, keep an eye out for the T+28 date of the ETF FTDs, landing June 22nd, or the original T+21 date, landing June 24th.

I believe we're also waiting for the Russell 1000 change the week of June 24th. ;)

Back to Table of Contents

Infinity War: The Final Exit DD Compilation

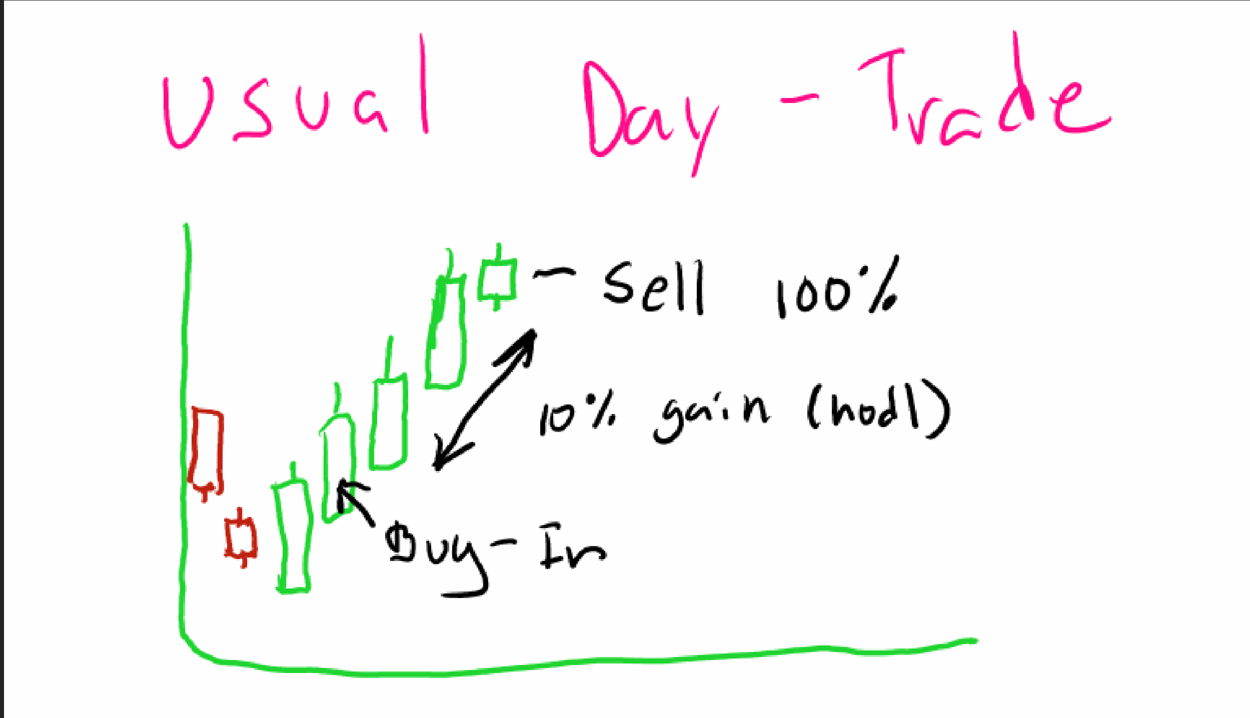
DD 👨‍🔬
Hello Superstonk!
I am just compiling this for those of you that might be interested in the more juicy non-TA parts of my weekly DD's. Since a lot of this was written over several weeks, I wanted to get it all into one place for ease of reference. Any additional exit strategies or information will be added to this post in the future.
For those of you that prefer the Video DD's they can still be found over on my YouTube.
I know many of you have already read this but there is some new information here.

PART I: Where the hell is the Sell Button? or How to time Exits.

Well, I guess I'll begin by going over some things about me I am generally a day and on occasion a swing trader. Timing exits is a very important part of what I do everyday.

GME is nothing like those positions...

Normally if I hit 10% profit on a regular trade I'm out unless I have some previous reason to believe It will run further.



Usual Day Trade (Buy low, sell high)

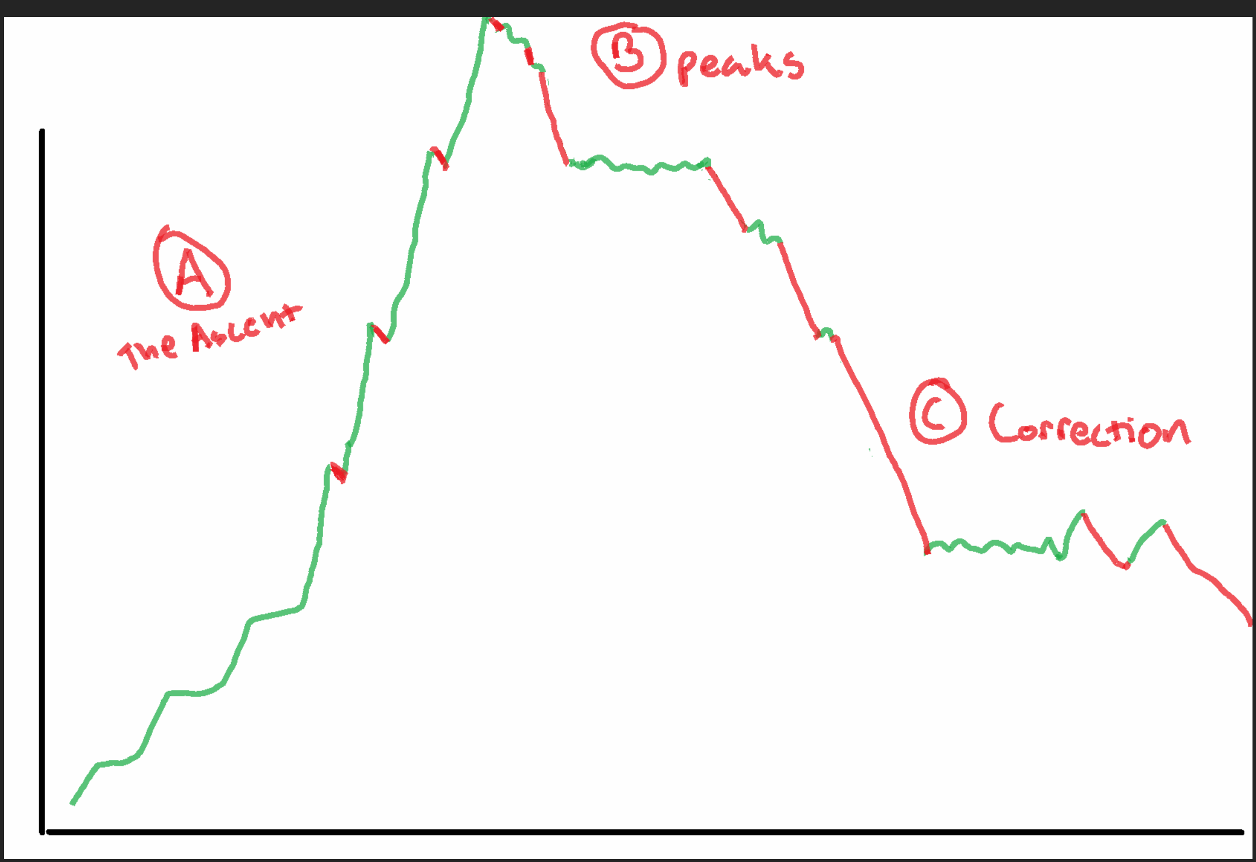
GME WILL RUN FURTHER, MUCH FURTHER

Well, how do you handle stocks when you expect the realized profits to be much higher?
The answer to this is I usually don't. Day-trading should be defined by risk, My risk on this trade is 2% and my upside is cut at 10%. I'm not going to risk higher profits. I am simply going to take my money and walk away. If the stock goes up another 10% I don't care, as the trade is pre-defined.

This makes talking about GME and exits a difficult discussion. As we expect GME to be a Black Swan type event there is no way to determine expected profits and the risk for most of us is the amount we put in.
I believe most positions in GME, mine included, are a YOLO (a stock trade defined by maximum risk and maximum profit potential) . The mentality behind this is that by risking everything the reward should be much greater than that. We have seen a lot of numbers float around on GME over the last months on the expected price targets. It started at $1000 a share in January, then the unexpected halt of trading occurred during the initial squeeze, that number has since increased. Partly based on information that came to light on the short positions involved and partly on wild speculation we have seen price targets of $10,000, $69,420, $100,000, $420,069, $10,000,000, and more recently $100,000,000.
While I like a lot of these numbers, the reality of the situation is...WE HAVE NO IDEA
This would be an event not only unprecedented in the stock market but of such impact and volatility that it would be impossible to accurately predict any absolute price target.
Sounds like FUD...
No, to say X is a the absolute price target is silly and shows a lack of understanding how markets work. Will this stock be worth $10M ? Possibly? It could peak at $9,989,000 or $69,420,000.
The point is this: **WE HAVE NO IDEA, THIS HAS NEVER HAPPENED BEFORE!**
So this week between streaming and Live charting everyday I tried to think how can I help my fellow apes, no matter the smoothness of their brains, navigate such a tumultuous event. I had to ask myself Two questions.

1. How do you discuss exit strategy with no known price targets?
2. How do you make it simple enough to understand?

I asked these two questions a lot and most of my answers fell short. I do believe I have finally settled on the easiest way to explain it and hopefully make it easier to understand. For this I'm going dig a little into the magical world of candlestick reading and pattern recognition.
First thing all this will be defined at the 1-min timescale on the charts. I believe this timing will be most relevant in defining peaks. I will break this into sections and address each one.

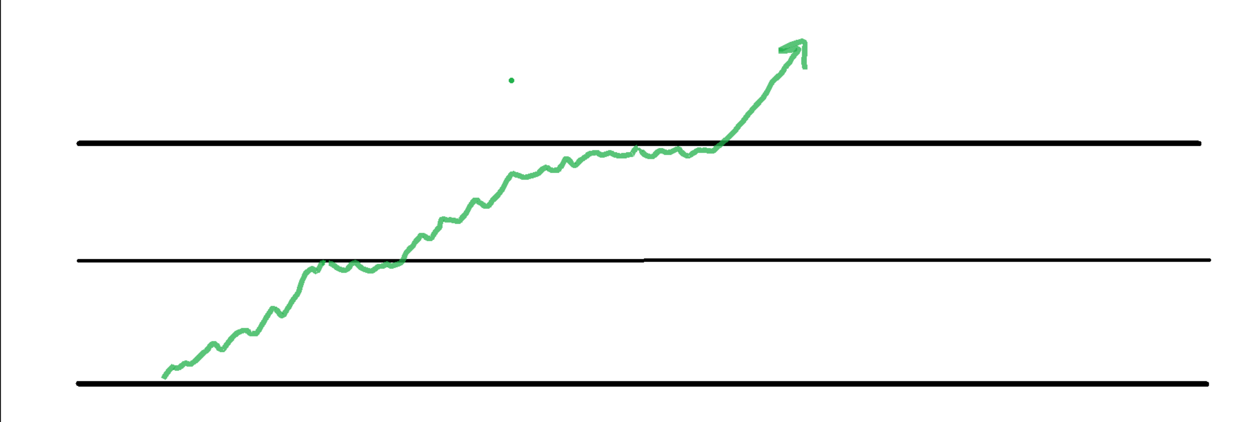


3 Pillars of the Squeeze

PART A: THE ASCENT

Part I: Upwards Price Movement (We are here)

This period will be marked by increasing upwards price movement, channel to channel, then periods of consolidation. This is normal price movement not necessarily volatile but it can be at times. This will be the movement as GME ascend upwards in the early stages.



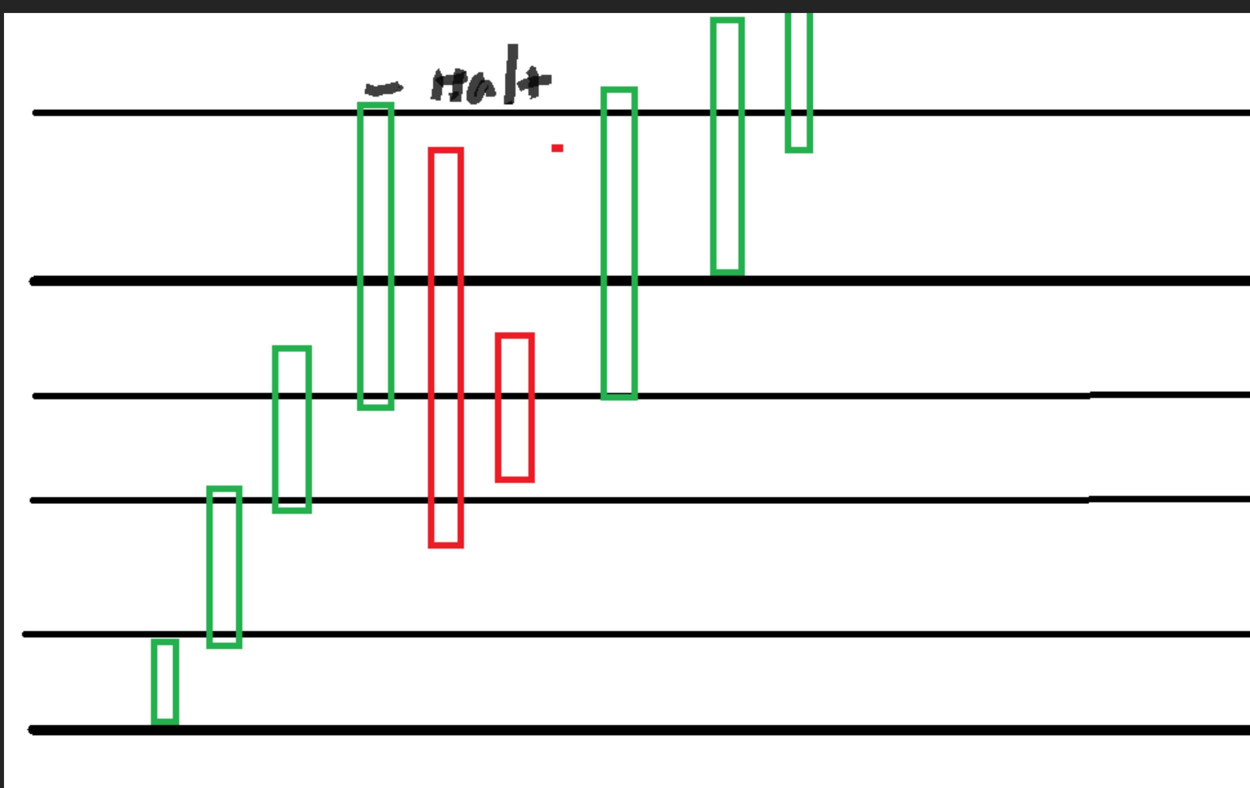
Resistance-Test-Break-Repeat

This period can take weeks, months, or minutes. We have seen in the past the price can jump very rapidly in some cases. The end of this stage will most likely be marked by faster and faster moves through these resistance levels. Bringing us to our next step in the ascent.

Current GME Chat on the 4HR Timescale

Part II: FOMO (Buckle up T - 10, 9, 8...)

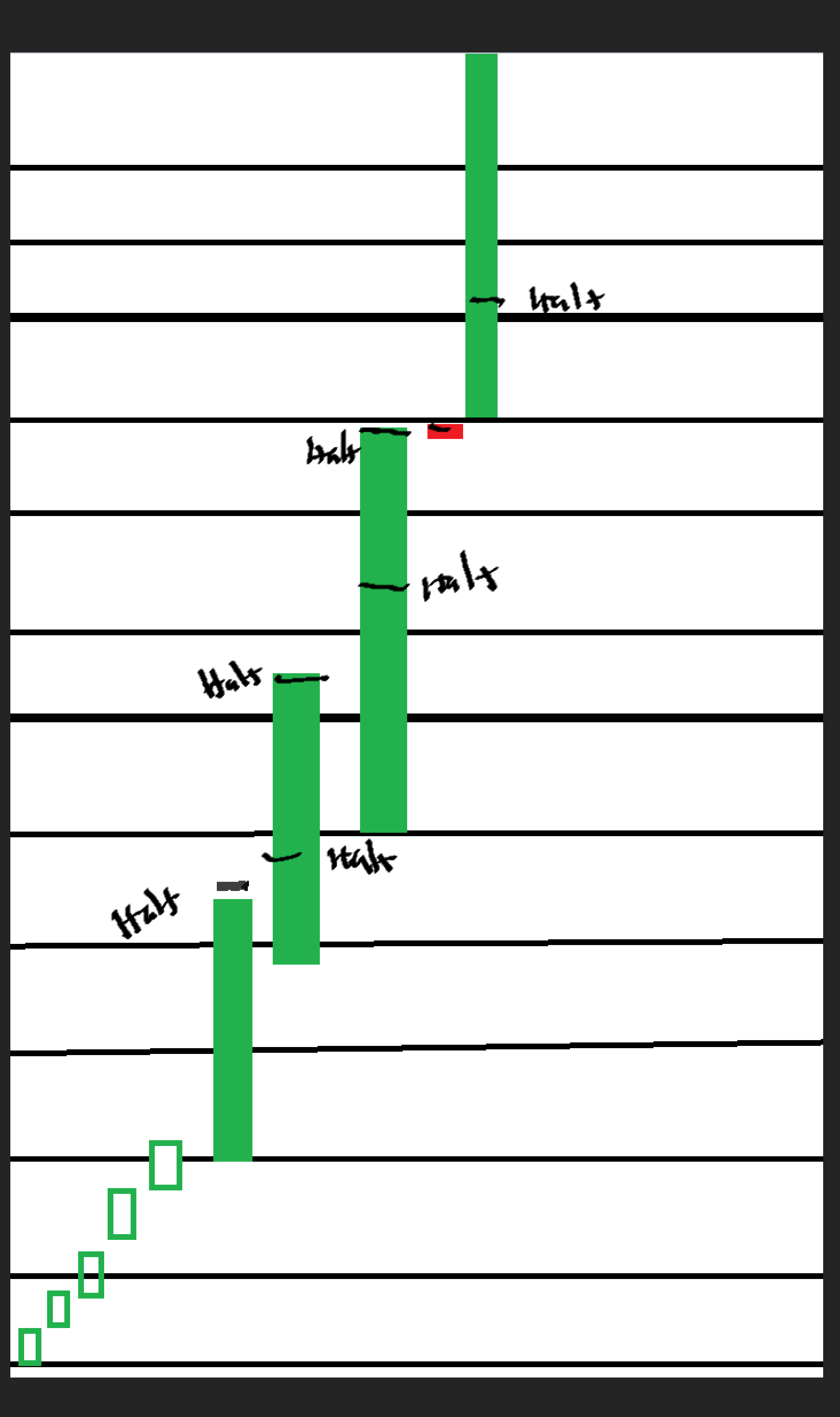
The faster and faster breaks in upper resistance levels are going to ignite interest in the stock, as large and small buyers rush in to capitalize on the squeeze. This is where **fear** begins to take affect as the price start moving quickly upwards some will be afraid of becoming a bag holder. **Don't worry this is just the beginning**. This Period will be marked by exponentially larger candles as volume rushes in and more price movement occurs in shorter and shorter time frames. There will be halts, there will be dips after those halts, as paper-hands, day-traders, and institutions cannibalize each other for small profits. **Breath here, stay CALM.** This period will mark the wildest price swings as volatility picks up. This will be the first pressure test of those Diamond Hands you've been bragging about.



Price rises into a Halt, then dips, quickly recovering to the upside

Part III: The Margin Calls (Lift Off)

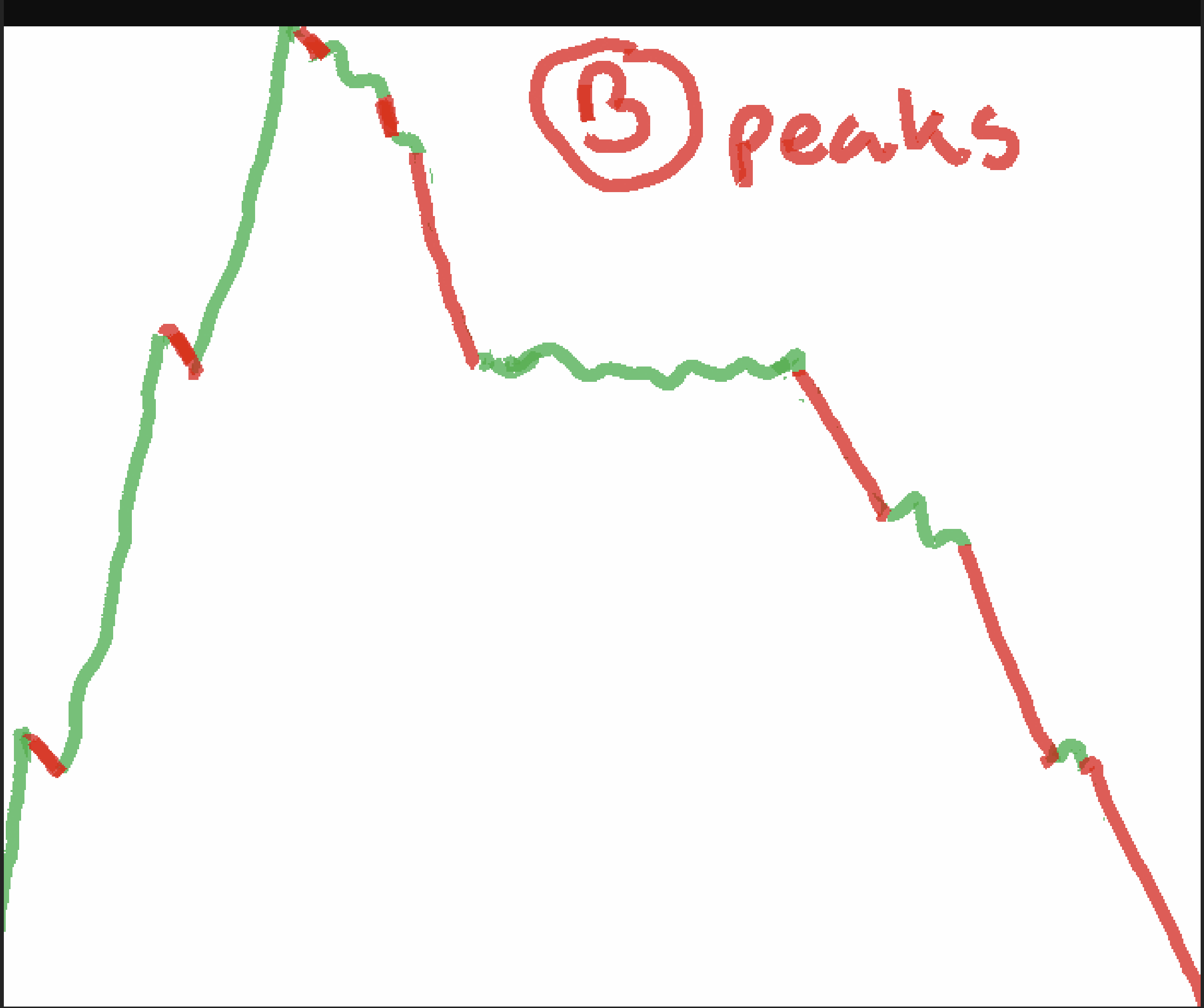
This is the moment everyone has been waiting the flight path to the moon! At some point we will hit a price, nobody knows what that price is, I estimate somewhere between 250 and 600, but may begin on some positions at a lower price. Whatever the price is, here is the moment that shorts must concede their position. The Margin Call will be marked by a significant number of halts and large green candles. The volume and range of these candles will increase dramatically from the previous stage. There will be many more halts, possibly on each candlestick, as the open market orders go un-filled the bid will continue to increase. So expect a pattern, of **unhalt -rapid rise- halt**. We will probably have more time halted than actual trading as the price explodes. Additionally, there should be very little red after the halts as upward pressure would be to great. Psychologically, this part will be easier as there is nothing to do but watch the brief periods of active trading closely. I expect this to go on for awhile, possibly days.



Halt
Halt
Halt
Halt
Halt
Halt

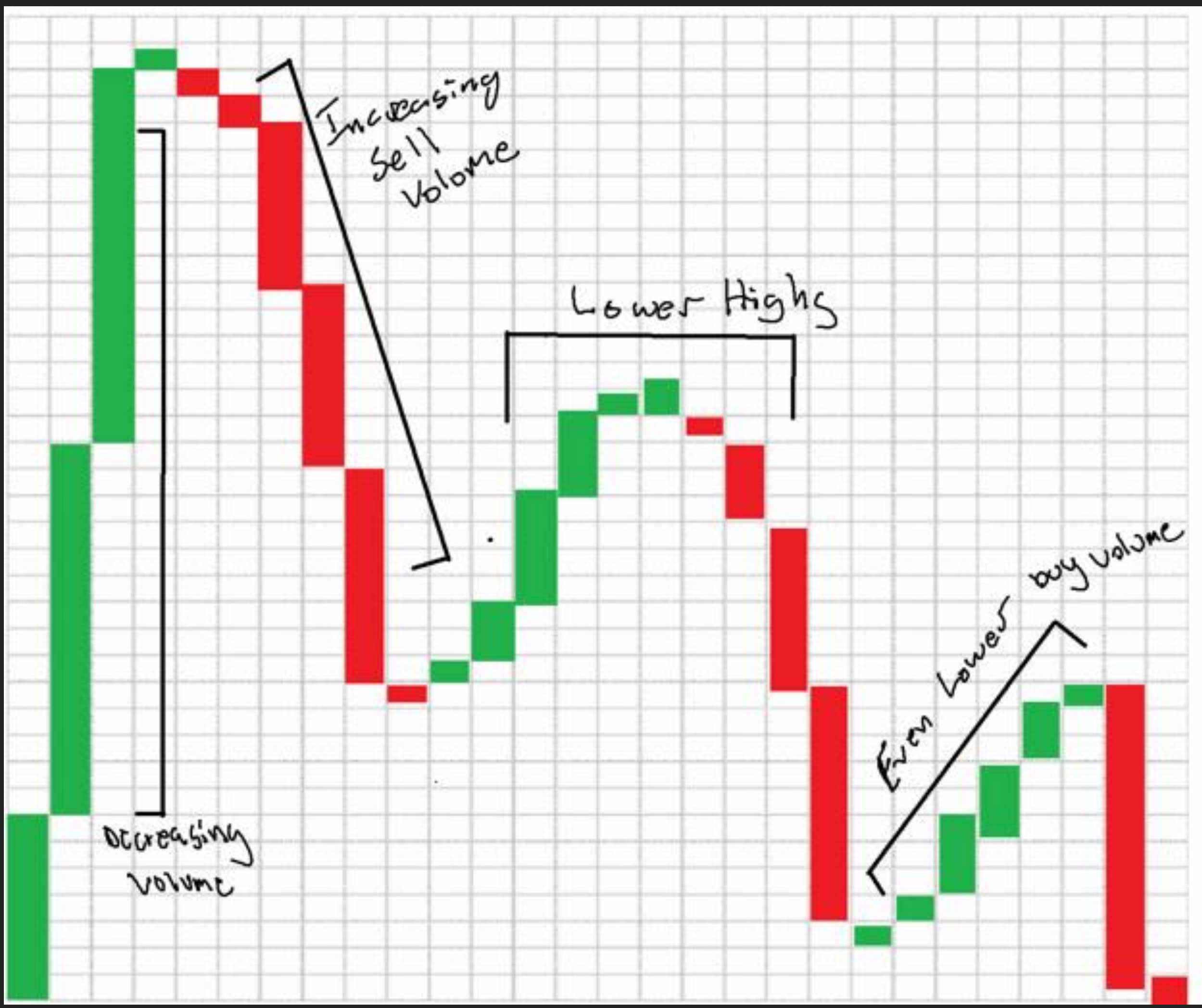
Expect many halts during this period these are absolutely normal and expected

PART B: THE PEAK



The Peaks

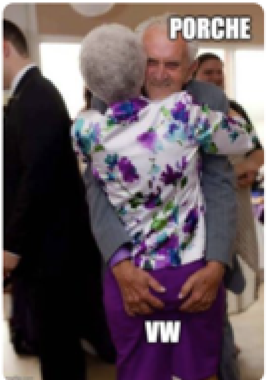
As all good things, even the Margin Call must come to an end at some point. So, how can this be identified? The first thing we will see is fewer halts and decreasing volume as we approach the peak. Some selling should be seen in here as holders attempt to time the peak. Large upwards movement, some selling, another upwards movement. After looking at VW (2008) and GME's small squeeze in January, I feel the breaking of the peak will be marked by a series of descending dogi's. Think of this as little booster rockets easing our descent onto the moon. decreasing in volume as apes finally begin their moon landing. Then patterns of large sells and smaller ascending candles. Lower highs, and lower lows. **This is when an exit can start to be planned**.



A period marked by decreasing volume, lower highs and lower lows. You will have time to confirm this, This is not the time to be impatient.

Given new information that has come to light since I wrote the original DD. I do believe that this stage will begin after the SI% has dropped to near 100%. So at this point I think that SHFs or their Insurers(DTCC, FED, etc...) will have covered via institutions and other holders all but the remaining retail positions. This entire stage is defined by apes negotiating power as we should be able to choose the price from here on out. This is where the all that hodl'ing pays off. Furthermore the length of time we stay in these peaks should be defined by the retail ownership, the longer we hodl the longer it lasts.

VW Short Squeeze Timeline



Rewind to 2006 when Porsche made a surprise announcement that they wanted to increase their position in VW. To do so, they invested and invested heavily, purchasing VW's shares by the boatload. Predictably, the stock price started to rise steadily over the years.

What does one do in this scenario? You short the heck out of it, and that's exactly what the hedge funds did. Hedge funds were watching and felt the stock was majorly overvalued and began shorting the stock, betting that it would go down eventually.

By late 2008, short positions ballooned. The kicker was that Porsche owned 43% of VW shares, 32% in options, and the government owned 20.2%. As you can see, this left very little that could be purchased by anybody else.

In plain terms, it meant that the actual available float went down from 45% of outstanding shares to around just 1% of outstanding shares. Furthermore, the seemingly "low" short interest of 12.8% turned into a massive supply and demand imbalance. Thus, millions of shares needed to be bought immediately even though there were simply no shares available to be sold.

Apes are the Porsche/Government in the GME squeeze except we own more of the float and the SI is way, way higher...read this twice

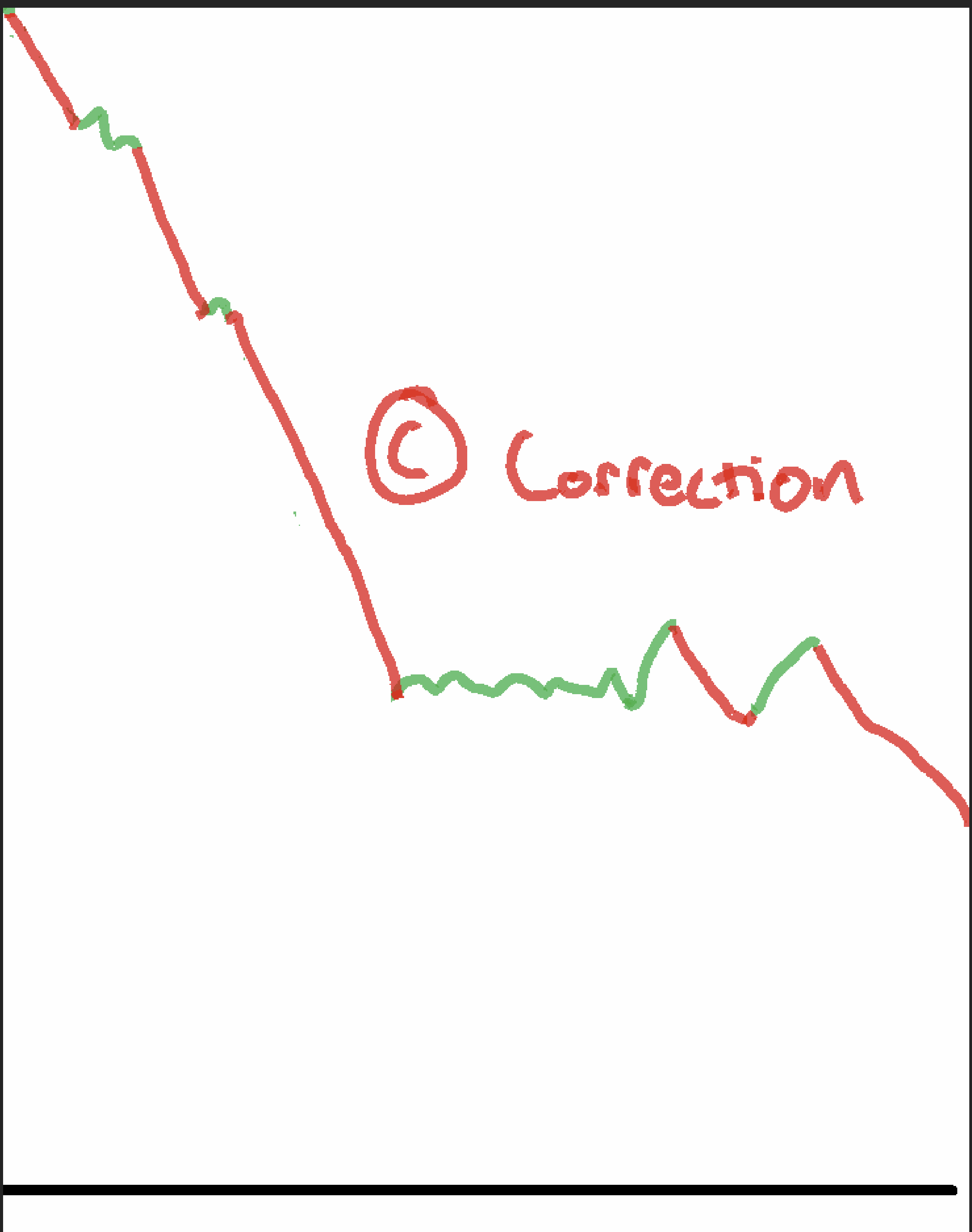
This is the first verifiable exit point at the apex of this wedge confirming a downtrend on the next candlestick. This is only the first of these patterns to play out.

Several of these patterns should form as we remain in the peaks **BE VERY CAREFUL HERE** as selling all of a position at the first sign of a wedge forming can reduce potential profits. Why? Well because this wedge that formed above **could break up**.

Notice how after Exit 1 the price broke upwards. This is why it is less profitable to exit an entire position all at once. It's much more beneficial to slowly back out of a position at several points so as to maximize profit.

As this pattern continues eventually we will see larger and larger price decreases as each wedge breaks down and shorts are covered. This action will mark the beginning of the next phase.

PART C: CORRECTION



This stage will be easily verifiable as massive decreases in price will occur between halts very similar to the Margin Call stage but in reverse this is the last opportunity to exit remaining positions at high amounts.

As the larger and larger price drops pick up steam, there will be more halts. Once these large sell offs are confirmed this is the point at which you hope all your positions are closed (I will be holding 10% forever so the x and xx apes can maximize returns, and morbid curiosity). We are returning to earth so we can spend all the tendies we picked-up on that moon landing. The price will begin it's descent back to levels previously traded at and possibly lower. This could be the last dip-buy in GME's history. If you are long GME as I am, this will present an opportunity to get back in on a company that I believe has a bright and profitable future.

Part II: Execution During High Volatility

First I would like to address the issues that can arise during a squeeze, some of these may have a greater effect on retail investors.

- **Delays -** volatile markets are generally associated with high volume an this can cause delays in execution. As online traders expect to sell at near the price listed on the screen, remember this isn't always the case.
- **System Issues -** Everyone is familiar with this, as many online investors had issues in January. Sometimes the system is overloaded. Investors may have difficulty accessing their accounts as traffic ramps up. **Remember that if you experience these issues many brokers offer alternatives such as phone trades or live brokers to help facilitate order execution. I urge people to investigate your brokers options now, to best prepare for this.**
- **Incorrect Quotes -** Even the best real-time quoting systems fall prey to this. I like to think of it as lag in video game. The size of the quote (#of shares at a certain price) can change rapidly, affecting the likelihood of quote availability.
- **Algorithms -** Algorithmic trading can actually exacerbate volatility. There is a nice article on it here for further reading.

So, how do we navigate this?

I don't think there is a perfect answer.

If any human could time and predict volatility perfectly they would be exceedingly wealthy, we wouldn't have automated almost all of the financial markets, and I wouldn't be having this conversation.

Like most things, the answer lies in learning.

I truly believe that the best way to understand something is to turn information into knowledge. When you have knowledge of a thing, it is harder to be surprised, as it will already tie into knowledge you have, giving you a basis for understanding.

The system for this type of learning is called the Feynman Learning Technique. I have attempted to use this in all my DD up till this point, and will continue to do so.

The best way to address most of these tense questions is to give people knowledge and understanding. That way, when faced with the actual issue, they will be able to address it with confidence that comes only from understanding.

So here are the order types and their pros and cons.

- Limit Order **-** A limit order is an order to sell a security at a specified price or "**better"**
- Market Order - An order to buy or sell stock at the "**best available**" price

- Stop-Limit Order - A conditional trade that combines features of a Limit Order with the **risk mitigation** of a stop-loss
- Stop-Loss Order - An order placed that converts to a "**market order**" when a set price is reached

I suggest that everyone read these links this is important information to understand. Also this one.

Pros and Cons of Each Order type. This does not reflect best use during MOASS.

This is simply to illuminate a confusing topic. Hoping that the knowledge of the order types will best prepare people for using them appropriately.

As each one has their place.

Part III: Position Breakdown (New)

How does one break down a position instead of exiting all at once.

This is a question I get asked a lot and the answer is pretty straight forward. I think it applies to every position size whether your x or xxxx it's irrelevant.

You want to maximize your number of available exits above your personal floor.

So here is an example an ape. The ape has 11 shares and a personal floor of $12M

The best breakdown is highlighted as it creates the highest possible number of exit points, This same strategy applies no matter the size of your position. You can break it down by whole numbers percentages whatever you want.

Everyone should practice breaking down their own positions. Take some time to figure out how to break down your own position most effectively.
My breakdown is:
5% - 10% - 15% - 15% - 20% - 15% -10%
and then holding 10% forever

Part IV: Conclusion

I hope this helps everyone get all the information I've put out in one place. If I add any addition exit information it will be posted here as well and I will keep this post pinned to my Profile until after MOASS. If you guys have any questions feel free to post below as always I will try to get to all of them.
If you want to see more information on this subject matter feel free to join me in the :
Daily Live charting on r/Superstonk from 9am - 4pm EST on trading days
On YouTube Live Streams from 9am - 4pm on trading days
Or over on the Discord
or for memes and other fun stuff on r/dillionaires
As always thank you for the support
♡
- Gherkinit
* For those that only read the first paragraph. I in no way endorse day-trading of GME not only does it present significant risk, it can delay the squeeze.
**This is not Financial advice. The ideas and opinions expressed here are for educational and entertainment purposes only.*

No position is worth your life and debt can always be repaid. Please if you need help reach out this community is here for you. Also the NSPL Phone: 800-273-8255 Hours: Available 24 hours. Languages: English, Spanish. Learn more

Back to Table of Contents

AndrewMoMoney Used My DD In A Live Stream Ft. Shill Sniffing Dog And Deleted My Comment, So I Analyzed His Channel

DD 👨‍🔬

Edit: I can't believe...I spent all weekend writing this... only for you guys... to react... the way I expected you to! How exciting!! *pulls up soap box* So alright y'all, now that you're all here, let me make a brief comment before I go to bed and I'll see you later if the mods allow it. I see red flag, I investigate, I report my findings. You can agree, disagree, or anything in between and I will not lose a wink of sleep. What I DO care about is some sweet little chimp has more resources to make their own decisions regarding the media they buy into during arguably the most important event in their life via a case study. If you think this is just about Andrew, you're missing the point but I still love you very much. Sound fair?
Edit2: oops; sorry guys. Had to come back and ask y'all to try to keep your comments fairly respectful. At the end of the day, he's just a content creator. Like me. Like you. In this post I give him credit where credit is due and I don't hate him whatsoever, I talk about things that are trendy OUTSIDE of him, and I also make some suggestions on how he can remedy most of your concerns! Also if you think I'm losing sleep over a comment... have you ever...had a toddler? Anywho.Happy reading. This goes without saying, but y'all really need to do your own research and take everything you read, watch, or listen to with a grain of salt. I don't care who the source is and how much you trust them. So, let me give you some friendly advice using my research to back me up: **Stay away from AndrewMoMoney during the squeeze.**
Edit3: you ask for an alternative, here it is.
Andrewmomoney has been trying to leave a comment, but can't because of karma. You can find a response copy pastes below. I'll be in contact later.
Disclaimer: I've mentioned before, I've been working in the design and marketing field for many years. As such, there are often things I'll talk about as if they're common knowledge or I'll explain them as if we were good ol' friends sitting around the campfire. That said, I'll do my best to provide every single resource. If I'm missing something critical for your understanding, just let me know and I'll do my best to provide. Moving on.

https://www.noxinfluencer.com/youtube/channel/UC23emuGbNM7twofQIrEgPBQ
Have you tried to start a youtube channel? Or a business? Yeah? Almost everyone I know has too. A majority of the people I know have gotten as far as making a cover photo, a banner, the about, and maybe ONE video. Then poof. It's gone. They lose motivation. **This tends to be the case for a lot of people and the easiest way to combat this is by having a plan**. You sit down and figure out who you are and what you look like, what you do, who your audience is, why you're better than everyone else, and how you're going to deliver the goods.
You'll create some things like a business canvas, a marketing strategy (which will include your voice and tone), and a content calendar among many other things. Here are some quick reads before I dive deeper:

- Creating a business plan
- Creating a business canvas
- Content calendar
- General tools
- Tone and Voice

Got some knowledge under your belt? Great. Too busy eating crayons, **great.** I'll explain in layman's terms anyways.
I like to check out some analytics and watch content periodically throughout the channel's history so I have a better understanding of the initial strategy, how its evolved, as well as if there are any catalysts, etc, etc.
Andrew's channel was created April 7th, 2020 and formerly titled Data Leap. His bio:
"As a 26-year-old cryptocurrency **data scientist** in Silicon Valley that built **9 streams of passive income in 2020**, I want to **help you** find your own path to **6 figures in 6 months**. Subscribe to keep up with weekly uploads, cool kids are all doing it. Let's leap together."
Since it's important enough to be in his bio, **I think it's critical for me to understand what a data scientist is**. I did some research, I liked these videos (Joma Tech and Ken Jee. Check out the description box of the latter for some key points), but I still found it to be unclear. However, I think it's fair to say that there will be a lot of **CODING** on this channel.
This is obvious in his earlier videos. I'll give you a few examples.

https://preview.redd.it/3ai6k3t5dgv61.png?width=1094&format=png&auto=webp&s=666c9695a160e60744c33c886ad9e5a2fccd06ab
Pretty on point with what we can deduce from the bio. His tone is pretty casual, yet sophisticated. He wants to entertain you while putting some wrinkles on that brain. I'd say I nailed this because Andrew says the same thing in a later video.
Now I take a look at how often he posts. Here are the dates from his first couple months:

- June 22
- June 26
- June 29
- July 7
- July 13

- July 16
- July 22
- Aug 3
- Aug 8
- Aug 10
- Aug 14
- Aug 17
- Aug 24

Now, this might be my low blood sugar talking, but man, this tight production schedule is making me queasy. That's a lot of videos in a short amount of time and you'll notice they're often just a few days apart.

One of the most common questions someone will ask is what they can do to grow their channel. Usually you turn to them and ask how much they're posting, what they're posting, and when. **Rule of thumb, quality over quantity**, but **consistency is key**. You put out one really awesome video every other 6 months, you get buried by the algorithm. You put out 20 videos of garbage and you get buried by the algorithm. Most end up putting out 1-2 videos a week, but that won't guarantee a bunch of subscribers or a ton of views. **Generally, you give them something of value and consistently provide that same value to incentivize them to come back to your channel.**

For example, I'd like a new kitchen table and the current trend is just my type, but I'm unwilling or unable to pay such a high price for someone to build it for me. **I'm willing to learn how to DIY and can buy entry level tools to do the job myself**. I turn to youtube and find a channel dedicated to simple DIY builds with minimal tools. They explain the process start to finish very well and my table turns out awesome. **Turns out they have more videos!** I decide to stick around and subscribe. Thousands of people out there end up subscribing for the same reason..

https://preview.redd.it/2v41gaf2egv61.png?width=1148&format=png&auto=webp&s=a0f614c1423c947ea04e152ba82fe4fa9ab74ed5

It's not always like that though. You ever seen the video of the lady making nachos with her bare hands? What about the potato chip mashed potatoes? That person who thought they were a chicken nugget? Some things are so silly or stupid you HAVE to watch it and tell your friends or leave a comment letting everyone know how stupid they are. You may or may not subscribe, but you still hang around to see what other silly thing they're up to. Some people become successful by being controversial.

https://preview.redd.it/k9895hr9egv61.png?width=576&format=png&auto=webp&s=d73baaaf2391894a3e2088b57f48bc3064da2637

And even then, it's not always like that! What about the videos about stray puppies and kittens that find their forever home? Military coming home videos? Helping the homeless? Y'know, the things that pull at your heart strings?

https://preview.redd.it/i8c3bcpgegv61.png?width=986&format=png&auto=webp&s=d30dd5ee969b4c9e607ee2e395fcf7eba92e47bd
See what I'm saying? Multiple ways to skin a cat. Just be consistent.
Andrew uploaded fairly consistently and did the usual tips and tricks with thumbnail art, titles, etc (being click baity, but hey, I think everyone does that from time to time), but I noticed **he still had very low viewership and engagemen**t. Why is that? Ultimately, a combination of things. Check out his bio again, check out all the banners and video descriptions (I have to speculate just a LITTLE here and assume he didn't change anything recently), what do you see mentioned everywhere?
"Your guide to 6 figures in 6 months"
https://preview.redd.it/re52l6hnegv61.png?width=950&format=png&auto=webp&s=7842232cdd95f185672ccafa3b7bc29e2b97d975
Rapid fire answer. Do you think his channel matches that sentiment?
Here's mine: **not really**. I'll give you an example of a channel I found from searching "6 figures in 6 months" :

https://preview.redd.it/ugflhivregv61.png?width=1202&format=png&auto=webp&s=2d44bdea196301e0e124735c70d3ddf4af46da9a
Seems to mesh better with that idea, doesn't it? One thing Andrew mentions in this video is that starting a business can help you make 6 figures, but doesn't provide resources for running that business on his channel. Sure, Andrew has more subscribers. I'll give you that for now (come see me later though. We'll talk).
So then you start looking at the content and figuring out what it's actually about. Andrew starts making videos centered around **Python**. There's a few random videos in there, but he sticks to the code in the beginning and I applaud him for not jumping with random videos when his channel didn't pop off immediately (and that production schedule is just crazy). Some hit better than others--it's fairly obvious when an influencer has found something that hit right because they'll keep doing it. Then bang. The channel evolves and we start hitting the clickbait.

https://preview.redd.it/k4q34ff7ggv61.png?width=992&format=png&auto=webp&s=9aad68c5749f871c307416f355b2c693b6f0bcb0
3.9k views on this video. Pretty damn solid. Then you'll notice we start sliding back down to 100-500 views per video immediately after until we hit another (what I like to call) viral video and that's where you'll see a key difference between Andrew's channel and Nate's. Nate's lowest viewership is 4k. Nate generally has more substantial comments on his videos. Do you see where I'm going with this? More subscribers isn't always the best indication of success. Thanks Nate, you can go now.

https://preview.redd.it/ly4vl8bofgv61.png?width=1189&format=png&auto=webp&s=40c74ce394d2570b3e47da6524e1181855fac0c9
So it seems like Andrew's channel is more so centered around how you could land a 6 figure job or increase your income to 6 figures… but likely not in 6 months and maybe not 6 figures. The content just isn't there... there isn't a clear set of reasonable directions for the audience regarding how they can do

that in SIX months in his channel.. Consistently. Yes, emphasis on consistently. I'll give you credit for some of these earlier "on-target" videos although I CANNOT confirm how filling they are in relation to the channel proposition:

- How to be a Millionaire by 30: Build one of THESE in 2021
- My Very First Job Offer was $100K+ (and so can yours)
- How I Built 9 Income Sources at Age 25 (and you can too)
- $100K in Passive Income in 2021 - Making Six Figures on Autopilot

By the way, y'all ever heard of Dr. Quarters?

https://preview.redd.it/5pmtr2p8hgv61.jpg?width=480&format=pjpg&auto=webp&s=97aa58581b681e022d0e9065ffe87c042fef8ddb
I'll keep it simple. This episode of King of The Hill is based on a real guy and a real trend that was more popular (or perhaps, just popular in a different form) when I was kid. These people sold the idea you could get rich quick with minimal effort (essentially click bait). Needless to say, it backfires and Kahn is stuck in a bad situation, still working at a job he hates. He got off pretty easy in the show. People in real life? Eh.
I'm not calling Andrew a get-rich-quick scam artist. I think he has some interesting videos of value, but I do think his content is a little off kilter and **he's not delivering what he claims he can do for you**. Normally, a channel will fall off the radar because of this..
But then, there was a **catalyst**: Gamestop.
Remember how I mentioned you can see his videos hang out around relatively low views and once he creates something people like, he keeps doing it? This is a fairly common practice so don't come with your pitchforks ready. Think about it like this:
Miley Cyrus has pivoted multiple times throughout her career. Madonna. Gwen Stefani. Taylor Swift. Katy Perry. Kanye West. Pink. Y'all know 'Hot in here' by Nelly? What about his other hit 'Over and Over' with Tim McGraw?
Nothing new here. This has been happening since before you were born.

never forgetti mom's spaghetti
There are a few problems with this pivot though. Andrew was missing his proposition value to his viewers **already** and he's further pivoting from it--this can affect how **trustworthy** and consistent he seems. I'd say this is relatively minor and easy to fix.
This becomes a much larger problem when you examine how the content has evolved from the first GME post. I have a specific word I'd like to use, but I'm going to abstain. Let me just talk about the video and see if you see what I see.
https://preview.redd.it/5op9u4l6jgv61.png?width=946&format=png&auto=webp&s=25ecb51fbc276664fee6f7a3cd9bad3bbfaafbba
The first video was published **February 1st, 2021**. This is post January baby squeeze. It gives you a nice, simple explanation of the Reddit vs. Wall Street situation, and basic trading concepts. This is an entry level video. This is not for the folks already in the game. In my expert opinion, I'd describe **this video as**

targeting the FOMO crowd who saw the news, said "fuck, I want in" and searched for a video from a trusted source (and the use of his job title in the video is very intentional. His channel name has changed by now too) who could explain in 10 minutes or less.
Good results. Can he do it again?

https://preview.redd.it/4fecb7nfjgv61.png?width=958&format=png&auto=webp&s=5cf9ab03d65312c4f4d2cb566b7afe01e05c25c9
Yes. He goes deeper into his explanation of the situation and the market as a whole and drops more resources for beginners like links to trading apps like **Webull** or **Robinhood**. Yes, Robinhood. Even after it had been put out there they had halted trading. **He removes this in later videos but it can still be found in the description and pinned comments of older videos. Do you think he isn't getting something from that?**

https://www.youtube.com/watch?v=a8AJNOYKkqc

https://preview.redd.it/0cptbbozsgv61.png?width=887&format=png&auto=webp&s=770a20bc41a180446ff4ca024c143ecbd7506753
Within a week or so of posting, he hits 5k subscribers. By March, he hits 20k. By April, 70k. That's some aggressive growth. **Of the 100+ videos that have come out since the OG video, I've counted ONE that caters to his original audience**. That's fine, people are allowed to change, but you **have** to update your brand. He hasn't though. Nothing besides *looks at notecard* editing his original video descriptions and pinned comments to include affiliate links to anything pertaining to GME, language such "tendies", "apes", "moon", "moon platoon", and "space upgrades". Even his first video that came out a year ago.
So pretty much everything to make money.
(And I have to throw in another **disclaimer**, I don't know Andrew personally and he seems like a pretty cool dude. This isn't an attack on him for playing the marketing game. This post is just for you guys to remember there are good shills and bad shills and everything in between. The human brain is more fragile than you think and very susceptible to manipulation especially when emotions are running high. I remember when I started investing I listened to every account out there instead of doing my research. Within 5 minutes I bought a stock, read something, sold that stock, and bought another like a true crayon muncher.)
The videos become more click baity as time goes on. Remember that one video I mentioned in the last paragraph? You'll notice a significant dip in viewership. When I talk to my friends about being an influencer, I tell them that **while it might seem like a great idea to hop on a hype train to collect some followers, it winds up being very difficult to keep those followers**. Why? Because they followed you for x, not y and you can see that here. Increase in views. Increase in engagement. Increase in subscribers. Nice. Back to business. Uh oh. Didn't do so well. Back to Gamestop.

https://preview.redd.it/aj5hjntltgv61.png?width=1120&format=png&auto=webp&s=fd646e4fceb2d3a3747a57f17e725ab30315d7aa

So now you're stuck in a cycle of HAVING to keep making videos about this topic if you want to maintain.
That's how we wind up with videos like "Should I sell Gamestop?" (**multiple times**), thumbnails with words like "crash", "you lose", or "game over".
Again, I stress that the target was the FOMO crowd, the baby chimps. They don't know any better. They need someone who doesn't hurt their brain, keeps it short, and funny. **Do you see how all the above is dangerous for them as we move forward?**
Put it this way.
Using a recent video at 68k views (and every single one of them is a new viewer).
If all of those people are holding 100 shares that's 6,800,000 shares total.
Imagine he uploads a video mid squeeze with a title of "**$GME PEAKS AT $5,000??**" with a thumbnail with something like "highest it can go?" or "game over?"
Everyone is emotional, they've never seen this much money before. They freak the hell out. They don't want to lose that money. **They paperhand at $5k**. $GME briefly dips before skyrocketing to $20k.
Dangerous for stockholders. Dangerous for him and the future of his channel.
Let's go back to **trust**. He's not currently fulfilling his value proposition. He creates click bait videos. Doesn't give credit to the folks who provide him video content (links to atobitt's biz, but not the artist of this or Pixel's Endgame DD). Half-rebranding to make it **seem** like he's a fellow ape...

https://preview.redd.it/ed7d604xtgv61.png?width=1440&format=png&auto=webp&s=25fee894f682a7b8565a49536cb90b5f78f8585c
Honestly, he **might** be an ape.. The problem is **he doesn't come across genuine** because of the above--what are you willing to compromise for views and $$? Quite a few people have made comments mentioning he doesn't appear genuine. Some people have jumped to his defense that he's accepted feedback and is changing some things because of it (no idea what though, but then again I don't watch his channel regularly... then again... I'm a pretty good guesser) which brings me to my next point.
He's not changing.
The clickbait is still there. I mean, how long have we known options were a no no? Recent video with a title that suggests options are some secret ticket to tendies (because options traders know something we don't?). He is still missing his value proposition. He is not giving written credit to folks providing him with information.

https://preview.redd.it/4a1hno7augv61.png?width=217&format=png&auto=webp&s=16117ccbe99d565bfaf35668d757850aef2eb8d9
I also found out he used my DD in a video, which was pretty cool. I didn't know a lot about him besides watching people bicker about him on the sub, but I never personally watched. Decided to check it out.

that me
Honestly, **I was so disappointed**. **Not only in him, but shill dog as well**. What I emphasize to EVERYONE is that we better be about our shit. You know you're doing an interview? **Brush up on your public speaking skills. You are making history** and you never know when the camera is rolling. If you

ho-hum, seem unsure, or lie, the audience will know. The media will eat you alive and you destroy the credibility of the sub. You never know what opportunities will come from this either. **Be like DFV. No excuses**. My inbox is always open if you need help preparing for these things. Anyways.
It bothers me how big of a joke this came off. It bothers me how suspicious I was of Shill dog because of how they handled the interview--what a massive platform to be on and...woof. **It bothered me when I read a comment that said NEITHER of the people talking in this video seemed genuine.**My name is attached to this. That's my research. My integrity is everything so **I felt a need to reach out to Andrew**. Maybe I could come on and discuss in a way that would make people feel more at ease. I messaged on twitter, radio silence. I expected that though, no big deal. Next step, bring out my old youtube channel. Check privacy settings. I leave a comment and go to bed.
I wake up the next day expecting a comment or a like based upon how recently he interacted with other commenters.
My comment is gone. I wondered if I just hadn't actually submitted it, but I was so sure I had. Immediately became sus, but I don't make claims without proof. I painstakingly type up the same comment. Gone within 10 minutes.

go see if it's there
I log onto another channel. I leave a comment praising him. Still up to this moment. I won't screenshot that one. Just take a guess.
That tells me everything I need to know.
Bonus: I found the reveal of his offer to shill odd. Many people were skeptical as well, asking why he blurred the information out the way he did, why talk so briefly about it, why not put the company out there, etc. **So I'm gonna pull a Warden on you guys: It's either fake, it's real and he didn't take an offer, or it's real and he took an offer.**
It was a live video. Often you don't have yourself as put together as a scripted video you can reshoot and watch and edit and tweak and so on, but I want you to notice **he never said he wouldn't take an offer**. **There was just a funky transition that he would have shill dog in the live stream to keep him straight.** If I'm just being a skeptic and he gets upset by this because it's not true, that's on him for allowing his viewers to doubt how honest of a content creator he is.
TLDR: A majority of you will say you don't care about Andrew and never have and this is all stuff you already figured out, but there are some apes out there who still view him as their first source of information and **you are only as strong as your weakest link**. Through a brief analysis, I've shown the foundation or lack thereof behind this channel and how **AndrewMoMoney's channel is positioned for maximizing earnings through sensationalism. Sensationalism is a cheap way to grow your channel, but you will lose it all unless you adjust your marketing strategy and value proposition. This type of channel is potentially damaging for the squeeze. I strongly urge you to consider what media you will surround yourself with when this lifts off.**
While I have you here Andrew, might I make some suggestions? I don't like plain criticism. We do constructive feedback around here:

- Interview the people who write the DD you discuss. All of them. Not just the "celebrities".

    - Use these interviews to supplement what you don't know instead of reading straight DD.
- Make a video for your OG subscribers on how they can use GME as a catalyst for their careers--even if that's just having the extra tendies to go back to school or coast while they figure out their life.
    - Make a video that helps apes manage their tendies--like "how to find a CPA", "how to pick a lawyer". You don't even need to pitch it as original. Give credit to the person who posted first, say it's a video adaptation, boom.
- Stop deleting negative comments and use them to your advantage.
- Cut back on the click bait titles. You can optimize your title for the algorithm AND give your viewers a clear understanding of what the video is about.
    - Write what the video is about in the description.
- Get back to engaging with your subscribers like you did in the beginning.
- Think about the social and economic repercussions of the content you're publishing.
- Wait don't take these, they're actually pretty good I might use them

Please excuse typos or grammar as my eyes are burning

Back to Table of Contents

OBV and Beta definitively show that the price is heavily suppressed and that GME is the ultimate hedge against market volatility

DD 👨‍🔬

Hey there, dildos and dildettes. I normally keep my DD to myself and my friends, but if I can convince my cautious anchor to reality that GME is going to the moon, maybe I can help you do the same.

If you don't have someone keeping you grounded and real, you should. Fiery passion only beats cold hard facts in Julie Garwood novels and succubus hentai.

OBV

OBV = On Balance Volume and typically it follows the price movement closer than Citadel interns follow this sub for the latest image of Kenneth as an alien covered in nipples. (You fuckin weirdos)

Here's the OBV on some stocks that mean something to normal bipedal hominids:

FB

NIO

AAPL

SPY

Very clearly you can see that the price movement and the OBV need to get a room. Now let's look at the OBV of GME. It should have the same line as the one on your RH homepage right?

DatBoi OBV

Fuckin WRONG. Now I know what you're thinking:

But u/OverlordHippo how can you call us dildos when you didn't even crop your screenshots.

Blow me, I just realized it and I'm not redoing it.

So, what's the formula that turns numbers into lines here? Come on now, let's not pretend you'd understand it. Think of it like this though; There are daily posts showing the buy/sell ratio being a win for the Apes. The OBV confirms that.

What does this mean? Look at the GME picture again and imagine the price movement continuing the way it should have without the good old fashioned HF fuckery. It looks like it should be sitting around $550.

That's $550 without any shorts covering. Shorts covering equals = buying. Buying = price goes up. OBV shows buying is dominant, yet price goes down = shorting enough not to just stop it from going up, but to push it down significantly. Tits = Jacked.

Beta

We're not talking about your personality here. We're talking about a stocks relationship with the rest of the market. The market beta value is hard set at a value of 1.

If a stock has a Beta value greater than 1, it's price will move in relation to the market's movement, but to a greater degree. If a stock has a Beta value lesser than 1, it's price will still move in relation to the market's, but to a lesser degree. It's rare, but a stock can have a negative beta, which means that it has an inverse relationship with the market.

Most stocks hover around the market value. Best buy is 0.82, Amazon is at 1.11, that sort of thing. The stocks within the market as a whole typically move together. You see those posts with all the red squares when the nasdaq has a shit day. Good days and bad days evened out and extraneous events aside (like some CEO gets caught on a zoom conference with a fleshlight/nipple clamp combo in his desk drawer shaped like a scorpion) the market moves in tandem to the stocks that comprise it.

Here's some boomer piece talking about how stocks with low Beta are a great way to hedge your portfolio against market volatility.

Lowest 5 Beta stocks of the S&P 500

In there you'll find such classics as *Johnson and Johnson* and *Proctor and Gamble* the kind of stocks that are less exciting than re-uploading screenshots that you forgot to crop. The point being that the lowest Beta of the SPY is Walmart at 0.36.

That's the extreme outlier of stocks considered relevant.

Here's GME

-5.62... Not just 0.069, not -4.20, but -5.62.

Basically the market could implode and GME is going surfing the waves of the tears of everyone who doesn't have some. Someone should buy an ad on NPR or a commercial during MASH reruns about hedging your portfolio with GME against market volatility. Our granpappy's will be burying shares of GME in the woods behind their houses and shit.

Are we the boomers now? I fuckin guess so. It's going to be hilarious saying:
You should've hedged properly against this volatile market by buying something safe like GME.
So there it is. Data driven proof of price suppression and certified boomer approval of portfolio hedging strategies against market volatility all wrapped into one tasty package.

Summary/TLDR

OBV and Beta definitively show that the price is both heavily suppressed and that GME is a safe haven in a volatile market. Not only are we correct in our reasoning, we're in a financial lifeboat rowing away from the sinking Titanic that is the market.
If that doesn't convince the skeptics in your life, then name your yachts after them or something.

TLDR for those who can't read

Edit: Lots of dildapes out there twiddling their neckbeards and saying things like
OBV and Beta can't be used to predict price movement, they're made up of data from previous price movements.
Congratulations, you just described literally all of technical analysis. *No shit* it's made of data from the past and present. It's not like it's made up of data from the future, McFly. MACD, RSI, Stochastics, candlestick patterns, and the skidmarks in your briefs are all entirely comprised of prior movements and used to predict future movements. Even the skidmarks. **HELLO** you already almost shit yourself... Are you going to try and sneak out another one?
Edit Part Deux: I see a lot of different Beta values being posted from different sources. Yahoo Finance shows -1.94 and the Bloomberg terminal shows -bazillion. *Which is it?* As some have said, some sources don't include AH trading, so who knows. It's probably something closer to zero than the overpriced boomer machine that runs Windows '69. But, with information as it is for us lowly peons of the financial world, who tf knows. You can bet your Shrek box set on the fact that if even Yahoo Finance says it's *pretty* bad, it is really fuckin bad.

Back to Table of Contents

Over 30% of GME bananas are missing from Bloomberg Terminal. Over 69% of GME is

trading off exchanges or in an unreported Dark Pool? It's National Banana Day - Do you know where your GME bananas are?

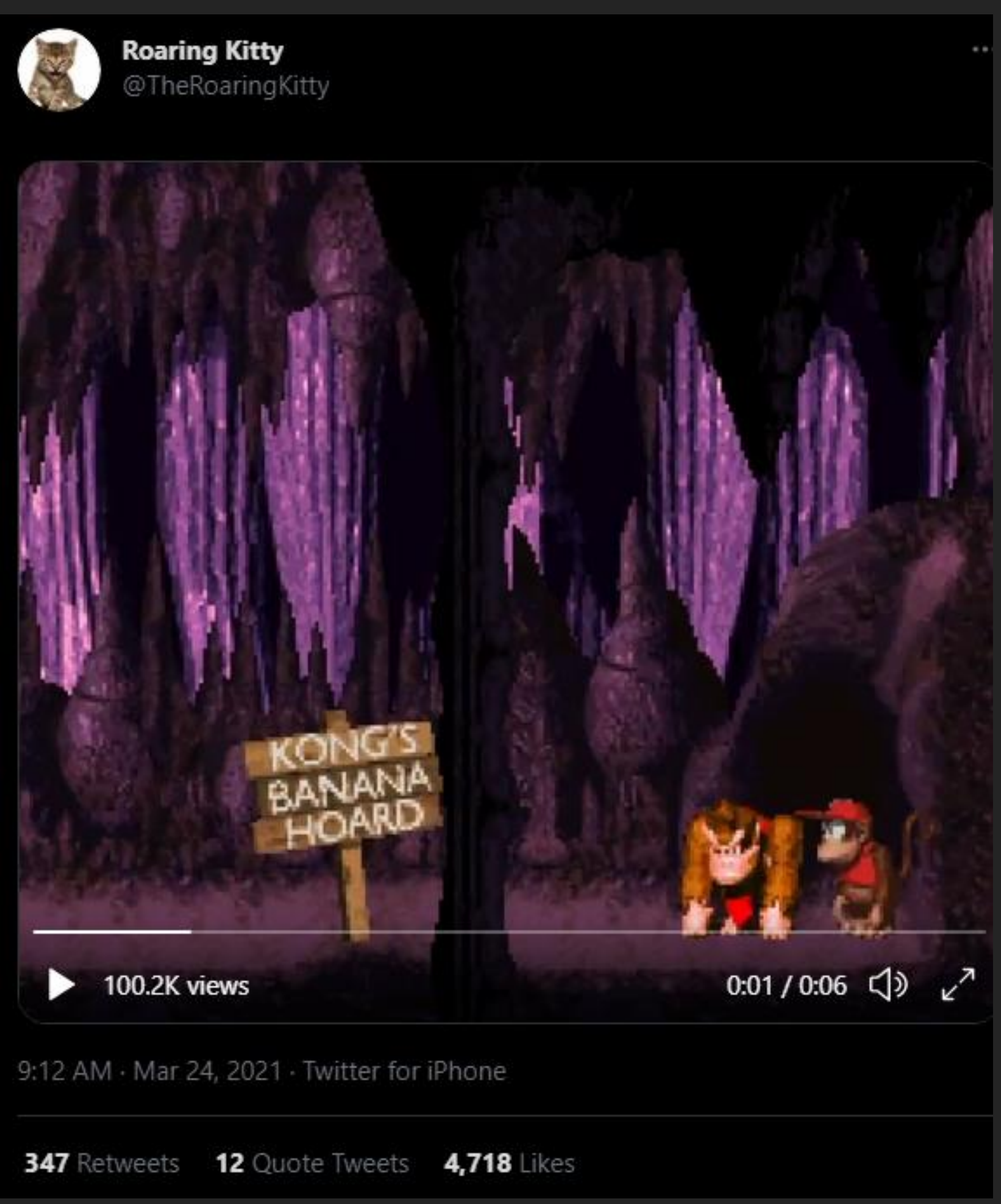
DD 👨‍🔬

So yesterday I posted about **FINRA ADF** showing up as the primary exchange for GME trades over the past 6 trading days (and likely much longer). The thing is, FINRA ADF is not currently in operation...
https://www.reddit.com/r/Superstonk/comments/muzj4o/finra_webmaster_no_brokerdealers_currently_using/
u/koreanjc had a great post about this a little over a week ago FADF - A Dark Pool
While looking into this, I realized that the GME Bloomberg Terminal data is missing between 31.4% and 38.9% of GME daily trading volume from 4/13 - 4/20.
That's **19,411,389 missing bananas** over just 6 trading days. Only 70 million GME-issued bananas are supposed to exist...
If you add up the **total missing volume** + **ADF volume**, you will see that **over 69%** of GME bananas are being reported as trading off exchange (FINRA ADF, which is reportedly not in operation - again see my post from yesterday), or completely missing (a deeper, darker pool that even Bloomberg can't see?).
40,126,778 GME bananas were traded over 6 days, and even Bloomberg, which costs $24,000/year, has no idea where they are.
I'm not a finance guy, or a stock guy - I'm an ape. I can't really do math, but luckily Excel does the math for me.
I don't play options, but if I had call options for 4/16 or 4/23, which are each worth thousands and thousands of dollars, I would certainly want to know what unknown entity is keeping the price of GME at this $160 threshold by hiding **40,126,778 bananas** from making their way to the exchanges.

TLDR - each day, over **69%** of GME bananas are either missing, or being routed through "**FINRA ADF**", which is not currently operating. Someone is hiding your GME bananas to artificially manipulate the GME stock price from mooning. The rocket is fueled for take-off. Can anyone find out what is going on with the missing bananas?

	Bloomberg Terminal Reported Volume	Actual Daily Volume	Missing Daily Volume	% of Total Volume that is Missing	FINRA ADF Reported Volume	Next Highest Exchange Volume	ADF / Next highest Exchange	Missing Volume + ADF Volume	% of Missing Volume + ADF
13-Apr	4,411,128	6,806,868	2,395,740	35.196	2,346,871	487,963	4.81	4,742,611	69.67
14-Apr	14,496,938	21,138,140	6,641,202	31.418	8,792,903	1,542,459	5.70	15,434,105	73.02
15-Apr	5,216,229	7,856,780	2,640,551	33.609	2,935,255	579,494	5.07	5,575,806	70.97
16-Apr	3,183,471	5,214,710	2,031,239	38.952	1,783,408	334,991	5.32	3,814,647	73.15
19-Apr	6,619,680	10,520,210	3,900,530	37.077	3,425,731	777,735	4.40	7,326,261	69.64
20-Apr	2,856,481	4,658,608	1,802,127	38.684	1,431,221	417,648	3.43	3,233,348	69.41
Total			19,411,389					40,126,778	

Data from Bloomberg vs Actual Daily Volume. So many missing bananas...



Missing bananas? 3/24 Tweet from DFV (sorry for the Play icon)

DFV Tweet from 3/24

4/22 will be Wild after green reversal?? Had to include it...

DFV Tweet from 4/9

Thanks again to u/Ravada for the daily Bloomberg Terminal drops. All Bloomberg images were taken from his posts.

Bloomberg Data (just look at the middle of the screen for FINRA ADF and Total Volume):

GME US $ ↑ 158.19 -6.18 T158.00/158.19P 3x1
At 15:57 d Vol 4,431,025 O 164.14T H 164.89D L 153.36P Val 700.563

GME US Equity | UN | Actions | Export | Settings | Price and Volume Dashboard

04:00 04/20/21 - Price Filter - Calculation Bloomberg Definition
15:57 04/20/21 Vol Filter - Amount @ Part%

Calculation		VWAP	Volume	Value Trad...	Trades	Avg Size	Std Dev
Bloomberg	d	158.1702	2,856,481	451.81MLN	14,351	199	2.470770
Custom	d	158.1702	2,856,481	451.81MLN	14,351	199	2.470770

1) Summary | 2) Top Trades (AQR) | 3) Volume at Price (VAP) | 4) Trade Summary Matrix (TSM)
10) Market Overview | 11) By Trade Side | 12) By Exchange
21) Charts

Breakdown		VWAP	Volume	Value Trad...	Trades	Avg Size	Std Dev
UD: FINRA ADF	d	158.1110	1,431,221	226.292MLN	5,860	244	2.399516
VK: EDGX	d	158.1403	417,648	66.047MLN	1,768	236	2.269588
UN: New York	d	158.5472	307,055	48.683MLN	1,674	183	2.926926
UP: NYSE Arca	d	158.4508	218,466	34.616MLN	1,183	185	2.591466
UT: NASDAQ InterM...	d	158.1911	206,777	32.71MLN	1,502	138	2.742673
UF: Cboe BZX Excha...	d	157.8769	82,403	13.01MLN	653	126	2.418805
VF: Investors Exch...	d	157.8302	70,851	11.182MLN	583	122	2.000703
VJ: EDGA	d	157.7642	36,935	5.827MLN	359	103	2.016869
VY: Cboe BYX Excha...	d	157.8420	24,350	3.843MLN	218	112	2.159525
UB: NASDAQ OMX BX	d	157.7760	17,049	2.69MLN	143	119	1.844255
VG: Members Excha...	d	157.9720	16,150	2.551MLN	154	105	2.038632
UX: NASDAQ OMX PSX	d	158.1005	12,106	1.914MLN	103	118	2.463812
UC: NYSE National	d	158.2473	8,170	1.293MLN	78	105	2.114103

4/20 - 1,802,127 missing bananas + 1,431,221 through ADF = 69.4% of daily volume

GME US $ ↓ 165.3038 +10.61 Z165.10/165.30K 1×3
At 15:48 d Vol 10,047,914 O 171.80T H 175.20N L 162.33K Val 1.692B
GME US Equity UN Actions Export Settings Price and Volume Dashboard
04:00 04/19/21 - Price Filter - Calculation Bloomberg Definition
15:48 04/19/21 Vol Filter - Amount @ Part%

Calculation		VWAP	Volume	Value Trad...	Trades	Avg Size	Std Dev
Bloomberg	d	168.2552	6,619,680	1.114BLN	35,624	186	3.027548
Custom	d	168.2552	6,619,680	1.114BLN	35,624	186	3.027548

1) Summary 2) Top Trades (AQR) 3) Volume at Price (VAP) 4) Trade Summary Matrix (TSM)
10) Market Overview 11) By Trade Side 12) By Exchange
21) Charts

Breakdown		VWAP	Volume	Value Trad...	Trades	Avg Size	Std Dev
UD: FINRA ADF	d	168.0075	3,425,731	575.549MLN	14,769	232	3.003998
VK: EDGX	d	168.2407	777,735	130.847MLN	4,105	189	2.879813
UN: New York	d	168.7249	617,637	104.211MLN	3,250	190	3.173523
UT: NASDAQ InterM...	d	168.4366	585,164	98.563MLN	4,271	137	3.202552
UP: NYSE Arca	d	169.0231	527,920	89.231MLN	3,422	154	2.955359
UF: Cboe BZX Excha...	d	168.2271	201,980	33.979MLN	1,494	135	3.013384
VJ: EDGA	d	168.4148	130,451	21.97MLN	1,221	107	2.661144
UB: NASDAQ OMX BX	d	168.6232	92,231	15.552MLN	722	128	3.048616
VY: Cboe BYX Excha...	d	168.0147	86,285	14.497MLN	801	108	2.729663
VF: Investors Exch...	d	168.0905	85,849	14.43MLN	808	106	2.862550
VG: Members Excha...	d	167.6905	27,394	4.594MLN	268	102	2.802318
UX: NASDAQ OMX PSX	d	169.1411	24,931	4.217MLN	206	121	3.340245
UA: NYSE American	d	170.8891	15,331	2.62MLN	77	199	0.984079

4/19 - 3,900,530 missing bananas + 3,425,731 through ADF = 69.6% of daily volume

GME US $ ↑ 154.69 -1.75 N154.50/154.68N 2×3
At 16:15 d Vol 4,991,254 O 156.00P H 160.1969D L 151.25B Val 773.334
GME US Equity UN Actions Export Settings Price and Volume Dashboard
04:00 04/16/21 - Price Filter - Calculation Bloomberg Definition
16:27 04/16/21 Vol Filter - Amount @ Part%

Calculation		VWAP	Volume	Value Trad...	Trades	Avg Size	Std Dev
Bloomberg	d	154.9714	3,183,471	493.347MLN	16,047	198	1.738655
Custom	d	154.9714	3,183,471	493.347MLN	16,047	198	1.738655

1) Summary 2) Top Trades (AQR) 3) Volume at Price (VAP) 4) Trade Summary Matrix (TSM)
10) Market Overview 11) By Trade Side 12) By Exchange
21) Charts

Breakdown		VWAP	Volume	Value Trad...	Trades	Avg Size	Std Dev
UD: FINRA ADF	d	155.0861	1,783,408	276.582MLN	7,666	233	1.789148
UN: New York	d	154.9109	334,991	51.894MLN	1,536	218	1.573713
VK: EDGX	d	154.7704	327,630	50.707MLN	1,664	197	1.624615
UT: NASDAQ InterM...	d	154.7674	243,279	37.652MLN	1,603	152	1.709320
UP: NYSE Arca	d	154.8429	219,549	33.996MLN	1,269	173	1.774945
UF: Cboe BZX Excha...	d	154.6962	87,613	13.553MLN	588	149	1.608374
VF: Investors Exch...	d	155.0986	54,354	8.43MLN	530	103	1.779542
VJ: EDGA	d	154.8781	38,772	6.005MLN	351	110	1.758133
VY: Cboe BYX Excha...	d	154.9215	23,221	3.597MLN	216	108	1.603028
VG: Members Excha...	d	154.7879	20,468	3.168MLN	198	103	1.750667
UB: NASDAQ OMX BX	d	154.7909	19,605	3.035MLN	128	153	1.464292
VP: MIAX Pearl	d	154.7029	12,000	1.856MLN	120	100	1.563623
UX: NASDAQ OMX PSX	d	154.5604	8,253	1.276MLN	75	110	1.435091

4/16 - 2,031,239 missing bananas + 1,783,408 through ADF = 73.1% daily volume

GME US $ ↑ 156.44 -10.09 N156.24/156.32N 8×28
At 16:15 d Vol 7,785,822 O 163.00N H 166.2546D L 152.80N Val 1.234B

GME US Equity | UN | Actions | Export | Settings | Price and Volume Dashboard

04:03 04/15/21 - Price Filter - Calculation Bloomberg Definition
16:30 04/15/21 Vol Filter Amount @ Part%

Calculation		VWAP	Volume	Value Trad...	Trades	Avg Size	Std Dev
Bloomberg	d	158.5497	5,216,229	827.032MLN	25,476	205	3.371339
Custom	d	158.5497	5,216,229	827.032MLN	25,476	205	3.371339

1) Summary | 2) Top Trades (AQR) | 3) Volume at Price (VAP) | 4) Trade Summary Matrix (TSM)
10) Market Overview | 11) By Trade Side | 12) By Exchange
21) Charts

Breakdown		VWAP	Volume	Value Trad...	Trades	Avg Size	Std Dev
UD: FINRA ADF	d	158.6790	2,935,255	465.763MLN	11,750	250	3.348745
VK: EDGX	d	158.3248	579,494	91.748MLN	2,745	211	3.370878
UN: New York	d	158.1353	567,099	89.678MLN	2,788	203	3.359600
UT: NASDAQ InterM...	d	158.8496	369,208	58.649MLN	2,532	146	3.471102
UP: NYSE Arca	d	158.7440	347,129	55.105MLN	2,216	157	3.525507
UF: Cboe BZX Excha...	d	157.9856	127,771	20.186MLN	975	131	3.108116
VF: Investors Exch...	d	157.6794	89,436	14.102MLN	747	120	3.216313
VY: Cboe BYX Excha...	d	159.2479	51,650	8.225MLN	439	118	3.444404
VJ: EDGA	d	157.7611	45,964	7.251MLN	422	109	3.151439
UB: NASDAQ OMX BX	d	158.3769	40,882	6.475MLN	262	156	2.964781
VG: Members Excha...	d	157.6887	31,571	4.978MLN	300	105	2.948504
UX: NASDAQ OMX PSX	d	158.3250	12,400	1.963MLN	123	101	3.478703
VP: MIAX Pearl	d	158.0499	11,010	1.74MLN	110	100	3.406397

4/15 - 2,640,551 missing bananas + 2,935,255 through ADF = 70.9% daily volume

GME US $ ↓ 166.53 +25.54 N166.99/167.00N 45×85
At 16:15 d Vol 21,073,708 O 143.57N H 174.09D L 143.00N Val 3.404B

GME US Equity | UN | Actions | Export | Settings | Price and Volume Dashboard

04:00 04/14/21 - Price Filter - Calculation Bloomberg Definition
16:51 04/14/21 Vol Filter Amount @ Part%

Calculation		VWAP	Volume	Value Trad...	Trades	Avg Size	Std Dev
Bloomberg	d	161.5399	14,496,938	2.342BLN	69,023	210	7.258488
Custom	d	161.5399	14,496,938	2.342BLN	69,023	210	7.258488

1) Summary | 2) Top Trades (AQR) | 3) Volume at Price (VAP) | 4) Trade Summary Matrix (TSM)
10) Market Overview | 11) By Trade Side | 12) By Exchange
21) Charts

Breakdown		VWAP	Volume	Value Trad...	Trades	Avg Size	Std Dev
UD: FINRA ADF	d	161.9656	8,792,903	1.424BLN	35,264	249	6.929850
VK: EDGX	d	161.2918	1,542,459	248.786MLN	7,912	195	7.501778
UN: New York	d	160.2206	1,291,465	206.919MLN	6,536	198	8.086807
UT: NASDAQ InterM...	d	161.4494	1,038,828	167.718MLN	6,490	160	7.466290
UP: NYSE Arca	d	160.1591	956,284	153.158MLN	5,813	165	7.929944
UF: Cboe BZX Excha...	d	160.8954	296,670	47.733MLN	2,126	140	7.291959
VF: Investors Exch...	d	161.4965	145,891	23.561MLN	1,316	111	6.952539
VJ: EDGA	d	160.9239	95,900	15.433MLN	727	132	8.101535
VY: Cboe BYX Excha...	d	160.6597	88,283	14.184MLN	723	122	7.509889
UB: NASDAQ OMX BX	d	161.1067	76,565	12.335MLN	557	137	7.103830
VG: Members Excha...	d	160.9370	70,502	11.346MLN	634	111	7.326821
UX: NASDAQ OMX PSX	d	163.2057	43,100	7.034MLN	428	101	5.875394
VP: MIAX Pearl	d	162.7673	33,272	5.416MLN	332	100	6.702450

4/14 - 6,641,202 missing bananas + 8,792,903 through ADF = 73.0% daily volume

GME US $ S ↑ 140.99 -0.10 N140.71/140.72N 4x1
At 17:05 d Vol 6,748,930 O 141.88N H 145.3771D L 132.00K Val 941.156
GME US Equity UN Actions Export Settings Price and Volume Dashboard
04:00 04/13/21 - Price Filter - Calculation Bloomberg Definition
17:31 04/13/21 Vol Filter - Amount @ Part%

Calculation		VWAP	Volume	Value Trad...	Trades	Avg Size	Std Dev
Bloomberg	d	139.4957	4,411,128	615.333MLN	22,521	196	2.823982
Custom	d	139.4957	4,411,128	615.333MLN	22,521	196	2.823982

1) Summary 2) Top Trades (AQR) 3) Volume at Price (VAP) 4) Trade Summary Matrix (TSM)
10) Market Overview 11) By Trade Side 12) By Exchange
21) Charts

Breakdown		VWAP	Volume	Value Trad...	Trades	Avg Size	Std Dev
UD: FINRA ADF	d	139.4291	2,346,871	327.222MLN	9,887	237	2.805756
VK: EDGX	d	139.5029	487,963	68.072MLN	2,386	205	2.732021
UN: New York	d	139.5217	470,975	65.711MLN	2,532	186	2.713685
UT: NASDAQ InterM...	d	139.6698	357,009	49.863MLN	2,432	147	2.918539
UP: NYSE Arca	d	139.8658	335,350	46.904MLN	1,928	174	3.074954
UF: Cboe BZX Excha...	d	139.2230	112,782	15.702MLN	875	129	3.029366
VJ: EDGA	d	139.7910	69,502	9.716MLN	545	128	2.975211
VF: Investors Exch...	d	139.5799	66,814	9.326MLN	607	110	2.751619
UB: NASDAQ OMX BX	d	138.6968	50,034	6.94MLN	302	166	2.736772
VY: Cboe BYX Excha...	d	139.7470	49,145	6.868MLN	451	109	2.449380
UC: NYSE National	d	139.1477	25,236	3.512MLN	200	126	2.430177
VG: Members Excha...	d	139.0890	20,863	2.902MLN	198	105	2.684400
VP: MIAX Pearl	d	139.0980	7,600	1.057MLN	76	100	3.024121

4/13 - 2,395,740 missing bananas + 2,346,871 through ADF = 69.6% daily volume

Edit 1: Daily GME Volume

GME Historical Data

1M 6M YTD 1Y 5Y MAX DOWNLOAD DA

Date	Close/Last	Volume	Open	High	Low
04/20/2021	$158.53	4,658,608	$164.14	$164.89	$153.36
04/19/2021	$164.37	10,520,210	$171.8	$175.2	$162.33
04/16/2021	$154.69	5,214,710	$156	$160.1969	$151.25
04/15/2021	$156.44	7,856,780	$163	$166.2546	$152.8
04/14/2021	$166.53	21,138,140	$143.57	$174.09	$143
04/13/2021	$140.99	6,806,868	$141.88	$145.3771	$132

Source: nasdaq.com. Why is the actual daily volume so much different than reported Bloomberg volume? Where are the missing bananas?

Edit 2: Edited the Excel sheet to reflect the Nasdaq daily volume (I had used a different source, which had slightly different Total Volume data).
The total missing bananas **increased** from 19,285,389 to **19,411,389**. Also edited the missing banana data for each Bloomberg terminal to reflect Nasdaq. Thanks u/2008UniGrad

Edit 3: Added Bloomberg Terminal from 4/21 (below) and added updated Excel sheet to reflect 4/21 data (also below). Updated total missing bananas to reflect 4/21 data.

Total missing bananas for last 7 trading days = **20,798,855 bananas**

Total missing bananas + **ADF** for last 7 trading days = **42,644,089 bananas**

GME US $ ↑158.51 -0.02 N158.41/158.42N 1x9

At 16:00 d Vol 3,773,029 O 158.40N H 162.98K L 155.92Y Val 597.824

GME US Equity UN Actions Settings Price and Volume Dashboard

04:00 04/21/21 Price Filter Calculation Bloomberg Definition

16:00 04/21/21 Vol Filter Amount @ Part%

Calculation	VWAP	Volume	Value Trad...	Trades	Avg Size	Std Dev
Bloomberg	158.5281	2,396,201	379.865MLN	12,403	193	1.352586
Custom	158.5281	2,396,201	379.865MLN	12,403	193	1.352586

1) Summary 2) Top Trades (AQR) 3) Volume at Price (VAP) 4) Trade Summary Matrix (TSM)

10) Market Overview 11) By Trade Side 12) By Exchange

21) Charts

Breakdown	VWAP	Volume	Value Trad...	Trades	Avg Size	Std Dev
UD: FINRA ADF	158.6196	1,129,845	179.216MLN	5,094	222	1.401674
VK: EDGX	158.3842	325,943	51.624MLN	1,563	209	1.329298
UN: New York	158.5597	313,066	49.64MLN	1,505	208	1.380923
UP: NYSE Arca	158.3672	188,286	29.818MLN	942	200	1.298603
UT: NASDAQ InterM...	158.5737	184,079	29.19MLN	1,166	158	1.165418
VF: Investors Exch...	158.3568	79,713	12.623MLN	636	125	1.259414
UF: Cboe BZX Excha...	158.3874	66,629	10.553MLN	499	134	1.241365
VJ: EDGA	158.3383	33,935	5.373MLN	312	109	1.276640
VY: Cboe BYX Excha...	158.4394	26,786	4.244MLN	245	109	1.345487
UB: NASDAQ OMX BX	158.2034	16,112	2.549MLN	134	120	1.078744
VG: Members Excha...	158.3174	12,421	1.966MLN	115	108	0.986242
VP: MIAX Pearl	158.4470	6,700	1.062MLN	67	100	1.521483
UC: NYSE National	158.1317	6,600	1.044MLN	66	100	0.977837

4/21 - 1,387,466 missing bananas + 1,129,845 through ADF = 66.5% daily volume

	Bloomberg Terminal Reported Volume	Actual Daily Volume	Missing Daily Volume	% of Total Volume that is Missing	FINRA ADF Reported Volume	Next Highest Exchange Volume	ADF / Next highest Exchange	Missing Volume + ADF Volume	% of Missing Volume + ADF
13-Apr	4,411,128	6,806,868	2,395,740	35.196	2,346,871	487,963	4.81	4,742,611	69.67
14-Apr	14,496,938	21,138,140	6,641,202	31.418	8,792,903	1,542,459	5.70	15,434,105	73.02
15-Apr	5,216,229	7,856,780	2,640,551	33.609	2,935,255	579,494	5.07	5,575,806	70.97
16-Apr	3,183,471	5,214,710	2,031,239	38.952	1,783,408	334,991	5.32	3,814,647	73.15
19-Apr	6,619,680	10,520,210	3,900,530	37.077	3,425,731	777,735	4.40	7,326,261	69.64
20-Apr	2,856,481	4,658,608	1,802,127	38.684	1,431,221	417,648	3.43	3,233,348	69.41
21-Apr	2,396,201	3,783,667	1,387,466	36.670	1,129,845	325,943	3.47	2,517,311	66.53
Total			20,798,855					42,644,089	

Data from Bloomberg vs Actual Daily Volume. Added 4/21 data to running total from last 7 trading days.

Back to Table of Contents

Citadel has hostages: explaining why the MOASS is taking so long, how the January spike was stopped, Robinhood's motives for the trading halt, and the mysterious silence of the SEC

DD

TA;DR: The January MOASS is delayed because Citadel took hostages. They figured out how to ensure that others would be squeezed before they were. January 28th is the day Robinhood was required to deliver some of the GME shares Citadel owed to its customers, so they halted trading. They halted trading because their relationship with Citadel turned them into a hostage. The MOASS waits until new regulations ensure the hostages are safe...

TL;DR: Citadel wasn't going to be squeezed in January, Robinhood was. Citadel took hostages and figured out how to ensure that others were squeezed before they were. Robinhood halted trading after GME was on the threshold list for 35 days. After 35 days of failures to deliver, a broker becomes responsible for delivering the security to their customer. The MOASS is taking so long because Citadel managed to figure out how to make their short position other people's problem. This is why Citadel seems to have so many people protecting it and willing to lie for it: they've spent six months figuring out how to ensure it's actually Citadel that gets squeezed. This is why there is an unusual cooperation between parties we wouldn't expect to be able to keep this secret for this long. Not even the SEC can address this directly, Citadel figured out how to take everyone hostage. The past six months have been a negotiation to figure out how to deliver our tendies.

Theory: Robinhood halted trading the day they became liable for delivery of the GME shares Citadel sold to their customers

I think Robinhood halted trading because they were required to purchase GME shares to deliver their customers' past orders. Look at this requirement from SHO § 242.203 (b2):

(ii) Any sale of a security that a person is deemed to own pursuant to § 242.200, provided that the broker or dealer has been reasonably informed that the person intends to deliver such security as soon as all restrictions on delivery have been removed. If the person has not delivered such security within 35 days after the trade date, the broker-dealer that effected the sale must borrow securities or close out the short position by purchasing securities of like kind and quantity;

If a Robinhood customer buys shares that are cleared by Citadel Securities, their delivery is not a problem for Robinhood *unless it takes longer than 35 days*. Once a security has taken longer than 35 days

to be delivered, Robinhood is responsible for delivering it to their customer. Citadel still has to deliver the security too, but they deliver to Robinhood. So, the chain of obligation goes like this:

1. Your broker/dealer owes you the security they sold you
2. The market maker owes your broker the security they sold to the broker
3. The seller of the security owes the market maker the security they sold to the market maker

The key point is that *your broker is the one who owes you the shares you buy.* If someone else fails to deliver those shares, it's your broker's problem (although they have some ability to make this into your problem, there were too many GME shares owed to avoid their SHO obligations).

(Expanded explanation, boring - you should skip)

So, if I want to sell a share on the market (strictly hypothetical, I've never actually tried selling), then I do not owe the sold share directly to the buyer of that share. I send my sell order into the market via my broker and they send that off to the market center where the order is executed by a market maker. I sell my share to the market maker executing the trade. The market maker then sells that share to the broker of whichever ape has brought it and the broker then sells that share to the buyer. Assuming this goes smoothly, my share ends up in the account of the buyer. However, technically speaking, I do not owe the security to the buyer. I owe the security to the market maker, who owes it to the broker, who owes it to the buyer. So, if something goes wrong, and I fail to deliver that share, I have not defaulted on my sale to the buyer, I have defaulted on my sale to the market maker executing the trade. That market maker still owes the share to the buyer's broker, regardless of my failure.

(End of skippable content)

I suspect that Citadel had been failing to deliver GME shares to Robinhood for an extended period, which is why Robinhood halted buying. Their primary motive was not to help Citadel, but to protect themselves *from* Citadel. After 35 days of failure, Robinhood has to buy the shares they expected Citadel to deliver for their customers. Effectively, due to Citadel's failures to deliver, Robinhood had inherited Citadel's short position. Citadel owed Robinhood and Robinhood owed their customers. I should clarify that, in this scenario, Citadel still owes Robinhood the shares at some point, but Robinhood has to deliver them to their customers *now*. At first, Robinhood didn't care that Citadel owed shares to their customers, until it went on for too long and Robinhood was on the hook to deliver.

Proof: the timing lines up

For this to be true, you would expect there to be a relationship between when Robinhood halted trading and the 35 day threshold. If you look at my recent post on the relationship between the threshold security list and the January price spike you'll see that GME was on the threshold list for 39 consecutive settlement days, from early December to early February. Robinhood halted trading on January 28, which is ***day 35*** of this 39 day streak. The trading halt aligns with when the obligation for Robinhood to deliver kicks in. As soon as the undelivered shares became Robinhood's problem, trading was halted. Frankly, I would have expected them to halt trading earlier than the final moment, day 35, but perhaps waiting until the last moment will allow them some legal defense in the court cases to come?

Proof: the weird cost basis after transfer

A number of users pointed out that their purchase prices and dates were incorrectly reported when transferring from Robinhood to other brokers. I suspect this is because Robinhood initially sold their

users the shares based on delivery promises made by Citadel that Citadel then failed to fulfil. So, after 35 days, Robinhood had to fulfil them instead. My guess is that this process was an absolute mess because it required Robinhood to at least appear to be purchasing GME shares from someone *other*than Citadel, which is rather awkward when Citadel is a designated market maker for GME on all major exchanges. The transaction dates and prices are wrong because the trade that was eventually settled for your GME shares *was not the same trade you sent to your broker* - that trade failed and Robinhood had to redo it after 35+ days.

This might help explain why my analysis of the 605 data found that the proportion of GME order executions done through NASDAQ spikes in February, despite being almost non-existent prior to Feb 2021. If Robinhood needs to buy-up GME without going *directly* through Citadel, they'll need to get inventive and perhaps even use over the counter purchases. So, go to a market center that has very little history of executing GME orders - NASDAQ. It's possible that Robinhood borrowed/brought GME from a variety of places to cover for the clusterfuck Citadel dumped them with, and then allocated those GME shares that actually got delivered to customers that transferred. If you had a massive shambles of shares like this, it might manifest in an inaccurate and messy purchase history for your customers.

Proof: others halted trading too

Robinhood wasn't the only one that halted trading. It's difficult, but not impossible, for Citadel to have orchestrated this behind the scenes. It's much easier to explain this seemingly organized trading halt by pointing out that the brokers who halted trading *only halted trading when they themselves became obligated to deliver the shares in question.* This is why they halted trading *after* the price had already been spiking - my guess is that Citadel was putting on pressure behind the scenes too, but I don't think it's a coincidence that trading didn't actually halt until the time arrived that the brokers themselves were threatened with delivery obligations.

Context and discussion: saving Citadel

Notice that my theory does not do Robinhood any favors - this is not a defense of them or their actions. I suspect, as was claimed during the congressional hearings, the trading halt was the main reason the January spike ended. If my theory is correct, it's likely that the ending of the January spike saved Citadel. This claim is nothing new. What I think my theory adds to the discussion is a better explanation of why Robinhood and others did this. Remember, the buying halt was a disaster for Robinhood! They were dragged in front of congress, their reputation is in tatters, and they're bleeding customers. Halting buying was *not* a good play. My guess is that they knew it would be a disaster and did it anyway. I think that this is why they waited right up until day 35 of GME's run on the threshold list - they didn't help Citadel until the only other option was delivering the undeliverable. In January, those who halted trading were slated to be the first victims of the MOASS.

Further implications: MOASS is so slow because Citadel has hostages

I suspect that the implications of what almost happened to Robinhood in January are why we're seeing some of the recent regulation changes ('clarifications'). I think that it was *Robinhood and not Citadel that was squeezed in the January spike*. Citadel is a market maker with its own market center, it has privileges and exemptions that make it quite resilient (as we've found out over the past six months). Robinhood does not have the same level of protection from its exposures, once the 35 day settlement mark passed, they had to deliver shares. It was the brokers that needed to buy shares from the 28th onwards:

Citadel’s failures to deliver were, in the short term at least, the brokers' problem. For all we know, Citadel didn’t cover any of the deliveries that finally got GME off the threshold list at the beginning of February and managed to force the brokers to do it for them. If they were willing to abuse the market enough, perhaps via abuse of NASDAQ in February as my previously linked post discusses, Citadel might have even used the brokers need to deliver as a way of *expanding* their short position substantially while ‘technically’ resolving the failures to deliver (kicking the can down the road to another day). I guess there is no better ally than one who has to pay your debt if you go under…

So, if my theory is correct, January almost saw Citadel’s failures result in *someone else* getting squeezed! Perhaps this is why the trading halt became the focus of the congressional hearings. Maybe this is why the DTCC has focused so many of their new regulations on clarifying what happens if positions need to be forcibly closed. January might have demonstrated that a market center, such as Citadel Securities, could contrive a scenario where they force *someone else to be squeezed by their short position!*

In my post examining the February gamma, I argue that the bizarre market activity near the end of February was a failed attempt to begin the MOASS. If my theory that Robinhood, not Citadel, was being forced to deliver in January is correct, I don’t think it’s any surprise that attempts to begin the MOASS have been prevented since January. The regulations required updating to prevent Citadel from forcing others to be squeezed before they were. If I am correct, Citadel was holding everyone hostage. The embodiment of too big to fail: not just because of the havoc their sudden demise would cause, but because *they wouldn’t be squeezed until after the squeezing of all the smaller parties caught in the impossibly convoluted web of failures to deliver and rehypothecation that Citadel shat into the market.* Lots of entities were exposed to the squeeze, and Citadel was setup to be hit last.

The MOASS can’t launch until the hostages are safe. It needs to be Citadel that’s squeezed. Otherwise, the squeeze might wreak havoc on the market with no guarantee that the one responsible dies too. There was no choice but to wait. Meanwhile, Citadel is a huge market center with substantial political clout and presence in the regulators themselves. So, setting up the regulations for the MOASS took time. It was urgent, but those involved were regulating against one of their own.

I think this offers a compelling explanation for what we’ve been living through over the last six months because it attributes a strong motive to the parties involved to remain silent. Explaining why this debacle has lasted six months is very difficult. It’s an absolute disaster and we haven't even heard anything from the SEC. What could justify this level of cooperation to keep lips tight, just to delay the inevitable? Why such slow action as the problem gets bigger? My guess is that Citadel has hostages and it’s taking a lot of careful work behind the scenes to figure out how to be sure that Citadel is the one that takes the fall. With everyone's hands tied and the need for secrecy so high, the job takes time.

As a disgusting parting thought, I should mention that, if I’m right, my theory predicts that those responsible will suffer only minimal punishment. I suspect it’s taken six months because they’ve needed at least some cooperation from Citadel to sort this out. If this is true, my guess is that Citadel spent February trying to get out of their predicament and refused to cooperate with attempts to arrange the MOASS that will kill them. The February gamma might have been other parties preventing Citadel’s efforts to make the situation worse and forcing Citadel to come to the negotiating table. During the early months we saw market activity that indicated whales were fighting each other. I think this was Citadel trying to escape their own trap and whales preventing them, knowing it was too dangerous to let Citadel

make things worse while it held the system hostage. Notice that this explains why, relatively speaking, the GME activity calmed slightly as this dragged on: Citadel was forced to the negotiating table and has been helping plan and regulate its own destruction. I suspect the payment for this cooperation will be those involved getting off lightly, because the alternative would be to have the MOASS without them releasing the hostages. Unfortunately, if I'm right, we'll see those responsible living in Florida after this is over. Bankrupt and embarrassed, but more comfortable than the plebs.

Obvious but crucial disclaimer: I am a random on the internet spinning yarns about a conspiracy theory. As I was posting this thread, I decided to literally wear a tinfoil hat. Anyone reading this should understand my tinfoil attire to mean that I am not competent enough to be offering any advice or taken seriously. Readers must carefully examine any claims made here independently and not regard my words as authoritative.

Thank you to u/RoutineYesterday267 for a post that led to me writing this

Back to Table of Contents