

FROM THE SUPERSTONK BEST SELLER LIST

THE SUN NEVER SETS ON CITADEL PART:IV



APES WILL GET
THEIR REVENGE ...



by u/swede_child_of_mine

The Sun Never Sets on Citadel -- Part 4

Due Diligence

[\(New Zealand does not fuck around telling you to buckle up\)](#)



[Part 1](#) | [Part 2](#) | [Part 3](#)

Well hellooooooo, Apes.

This is a series that focuses on Citadel's market strategy. (I recommend reading 1, 2, & 3 but hey, that's just me.) It started off with the perhaps naive question "*Why would Blackrock give Citadel the most epic smackdown in financial history?*"

It's time to start tying it all together. It's time to discover **WILD SHIT**. And it's time to find out the real infinity pool is the friends we made along the way. (Goodnight, sweet [u/bluprince](#))

Oh yes, and time to discover that Citadel is *FUUUUUUUUKT*

Okay, first. I need to get you to a conclusion that sounds like it's crazy.

- Why is it crazy? Because it's obvious. We all know it.
- **And still sounds like something a hobo would shout on a street corner.**

After that is when the real shit begins.

And I mean **REAL SHIT**

Nobody has put this together on Superstonk.

You ready, buttercup?

It's time to **buckle up**.

(This post will only refer to Citadel Securities – the Market Maker – unless noted.)

4.1 A Summary Review of the Empire

To bring us up to speed:

Citadel Securities has 25% of all US securities trade volume - [sauce](#)



- This means Citadel is buyer or seller on 1 of every 4 stock trades in the US
- If true, this is close to [monopoly territory](#).
- Citadel got here by several fronts: superior risk assessment, emphasis on technology, breadth of foothold, range of product offering, and more.
- Citadel also avoided regulations. They closed Apogee (regulated dark pool) and remained a Market Maker (MM) to forego Investment Banking and Prime Broker restrictions.
- It choked out the competition with purchases of competing MM assets, and by securing key roles at the most powerful exchanges (DMM at NYSE, largest MM at Nasdaq, CBOE). It even chartered its own exchange, MEMX, in a bid to lower trade and data costs while strengthening PFOF capabilities.
- This led to Citadel being a securities “wholesaler”, having enough supply or access to meet any order.
- *This* allowed them to become the US’s largest internalizer and conduct exchange activities inside its own walls.
- They offer access to their “liquidity” via Citadel Connect, which has grown to become one of, if not the, largest dark pool – without ever being classified as such. It leverages Citadel’s massive wholesaler inventory and extensive supply reach but without requiring exchange features or oversight.
- Citadel also captured 35%-45%+ share of retail orders through Payment For Order Flow (PFOF), a practice which avoids competition while providing leverage over dependent brokers.

“[Ken Griffin has] built an extraordinarily diverse organization... something with franchise value.” – [Institutional Investor, 2001](#)

- “Franchise value” means it is **replicable**. Citadel has copied their MM systems to nearly every market in the world.
- Their footprint is unequalled. Citadel has Market Making access or internalizing responsibilities in nearly all of the world’s wealth centers across Asia, Europe, the Middle East, Oceania, as well as North America. They are likely the world’s largest MM and internalizer, either by unit volume, \$ volume, or revenue.
- Further, Citadel’s size, position, and competencies make them a material competitor to almost any player in the financial world. Even major, multinational Investment Banks and Prime Brokers consider them a serious threat.

In short, Citadel has positioned itself at the heart of markets worldwide. This position is not an exaggeration.

4.2 The Court Record

I can't find where I read it now, but evidently Citadel rents out co-location space in its servers.

Remember this.

But first, some backstory & context:

- See how I just mentioned Investment Banks?
 - Kenny has always wanted to be a special type of Investment Bank – a Systematically Important Financial Institution (SIFI) Prime Broker (PB) Investment Bank (IB) – (more on this later). Altogether, let's call it a... S I F I P B I B, or a **Sifipbib**. (Stop laughing, Ken is really, really serious, guys.)
 - Kenny really wanted Citadel to become a Sifipbib in the mid 2010's, but didn't get the right assets and people, and his plans fell apart. He resigned to being a MM, hoping it might give him some other advantages.
 - (Though, he **did** succeed in beating out those other Sifipbibs in the MM space, which I'm sure really floated his boat)
-

4.3 Royal Charters

What's that? You don't know what an **Investment Bank** or a **Prime Brokerage** is? You just thought it's just another sleazy financial institution? Okay, here's a...

Dumbed Down Definition

(you can skip to 4.4 if you know this already)

Let's start with **Prime Brokerages**.

- If you run, say, a hedge fund, you will want to buy stonks and bernds.
- BUT, rather than do boring things like acquiring access to exchange floors, setting up trading desks, establishing regulatory processes, yadda yadda yadda....
- ...you decide to go to a Prime Brokerage, who has all that already. They'll do it better for less.
- "For you."

But, I like, have all that, like, through eTrade, or whatever.

Timmy, you have a browser with jumbo fonts. Your “broker” is Choice grade meat you got on special in the back at the dollar store. I’m talking about *Prime*.

- Remember the saying: *"If you owe the bank ten thousand dollars YOU have a problem, but if you owe the bank ten billion dollars THE BANK has a problem?"*
- A Prime Brokerage is a brokerage, but for LARGE positions. (i.e. whatever you make at your “job” behind Subway is not going to cut it.)
- The biggest Prime Brokerages are the “big boy” brokerages. They don’t have a problem. They have huge balance sheets that can absorb the riskiest, most complex positions from the largest hedge funds (*cough, Archegos, cough*).
- Because they’re so big and so good at managing risk (hah...), they also offer customized “exotic financial vehicles” which have other features.
- Exotic products like: SWAPS (which hides client positions), DARK POOLS (taking positions in securities without affecting their price), CUSTOM BUNDLES (“tranches” of MBS, for example), and so on.
- (*Tell me where the “SWAPS” tab is on your eTrade account when you’re done napping at that bus stop*)
- The hedge funds you read about **actually don’t own a single security** – they have a contract with the Prime Broker who holds and does all the transactions on their behalf.
- And Prime Brokers have Dave-Lauer-type smart people working for their assets, representing them in the marketplace (i.e. **street cred**) instead of your dumb ass.
- All this for a price.

In short, a Prime Broker is a big, impressive bank that offers custom flavors of investment products. They’re the “big boy club”, able to handle larger transactions that specialized firms can’t do themselves.

- It’s how “Real Money” invests – hedge funds, giant pension funds, etc. Everyone else eats at the kid table.

But what about Investment Banks?

Speaking of the kid table, Timmy, why don’t you head back there pats you on the head patronizingly, while you wipe drool and go look up “patronizingly”

If Prime Brokers serve people, then Investment Banks serve **companies**.

- Since you’re really good at pretending you have a job when your parents ask, how about you pretend you run a large company.
- Rather than ride your bike to the NYSE to try and sell your inkjet-printed “stock certificates,” you go to an Investment Bank, who promises you actual money in exchange for your non-imaginary stock offering.
- They handle all aspects of the issuance, regulatory, collateral, and technical process of raising funds, taking on debt, whatever your company needs – and they make their money with the difference between what they deliver you and what they receive from the market.
- (They handle these deals because of their market relationships and their familiarity with the exchanges and trading framework.)

Gotcha. Investment Banks for companies and Prime Brokers for people. So why do we care about these prime brokers that are investment banks?

Wow this is a lot of questions from someone missing so many teeth.

- Like all of finance, it's made-up bullshit. Which Ken Griffin cares about.
- The biggest Prime Brokerage Investment Banks are the hubs of the investing infrastructure, and as such, they are regulated more than others.
- They are called "Systematically Important Financial Institutions" (SIFI) – that's an official term – and **these are the real big boys**.
- There are only a handful of them. They don't fuck around.
- Ha ha, okay, they do, but in a waaaay different league than you.
- They are the biggest banks you've heard of – they even extend their services to countries and international trade organizations. Some are responsible for various aspects of US bonds, for example.
- Entire economies, even the world economy, relies on each of them to a degree.

In other words, **Real Money** clients come to them for **Real Money** needs.

Sifipbibs.

4.4 Crusades

Suddenly, you are magically placed back at Citadel's trading desk – all their tools at your disposal. *What do?*

- Your goal is to minimize risk better than these competitors can, specifically in securities.
- (Fortunately, Citadel enjoys some specialized tools that not even they have...)

And by the way, do you know what the opposite of risk is?

Control.

So your goal is: to control the price of securities. That's right: control the price of securities.

You start looking around and seeing, well, regulation is slow and lax. Which isn't to say that there aren't consequences, it's just that they aren't very... *prohibitive*.

Sooooooo.... want to really [minimize risk?](#)



- Why not “stuff the order book” so that competitors’ quotes aren’t seen? – [1](#), [2](#)



- Or use specific order types to jump the order queue? – [1](#)
- You can shift the NBBO – national price goalposts – to your favor – [1](#)

would be readily available on the exchanges in a market structure that prohibited PFOF and limited internalization). The NBBO is disseminated through a public data feed that consolidates executable orders across the U.S. stock exchanges. However, these exchanges facilitate only about 53 percent of the trading volume across the markets, which means that the trading interest leading to transactions in 47 percent of the market is excluded from the NBBO. For the remaining trading that does occur on-exchange, an estimated 20 percent is executed against hidden orders, which are also excluded from the NBBO.³⁵ And trading interest in the form of “odd-lot” orders (*i.e.*, in general, orders for less than 100 shares) is **excluded** from the NBBO as well, despite being *regularly* displayed at *better prices than the NBBO* in certain categories of securities.

Figure 4. Breakdown of Dark Non-Public Trading and “Lit” Public Trading, Impacts on the NBBO



³⁵ The hidden volume rate, as we mentioned above, generally ranges from ten to thirty percent, depending on the exchange and measurement period. See fn. 33 above.

³⁶ See CBOE, *U.S. Equities Market Volume Summary* (accessed March 15, 2021), available at https://www.cboe.com/us/equities/market_statistics/.

2 (s/o Better Markets!)

- (in addition to adding price pressure through your MM activities – [1](#) [2](#) [3](#))
- Or you could front-run transactions [1](#) [2](#)

Since you want to avoid getting caught, you should...

- Under-invest in reporting structures (after all, finance is self-reporting!) - [there’s a dlauer quote on this I couldn’t find again lol]
- Paint the tape (obfuscate your actual actions with dubious reporting) – [1](#), [2](#)
- Delay reporting as much as possible – [1](#)
- “Mis-mark” trades (*i.e.* falsify records to your benefit) – [1](#), [2](#), [3](#)

Or ignore reporting requirements altogether – 1

- (This is by no means an exhaustive list – the criminal [possibilities](#) are nearly limitless!)

Ape [u/JG-at-Prime](#) said it best, starting with ONE [example of abuse:]

(https://www.reddit.com/r/Superstonk/comments/v1rqdz/no_shares_available_100_utilization_for_70_days/iaosryq/):

If you think about Darkpools [...] **It's brilliant, from a fuckery standpoint.** If you redirect 50% buys and 50% sells, you can dynamically adjust the ratios to make the price increase or decrease.

Buys Lit 60/40 Dark sells = price goes up.

Buys Lit 40/60 Dark sells = price goes down.

You don't even have to take 50% of the volume. Just that lesser percentage = lesser effect.

Add in; Wash sales, order spoofing, odd & mixed lot trades, block trades, broker internalization, Market makers exemption, Market Makers internalizing, Naked Shorting, Payment for Difference, PFOF, Market Makers codes, coded orders, Market halts, volatility halts, pumps & dumps, poops & scoops, short & distort, complete corporate MSM media control, massive social media shilling campaigns & more.

The Market as we see it today is a criminal masterpiece. They collectively control the prices. It's almost completely fake.

"Free market."

4.5 Sheriff of Nottingham

Woah, you can't go around assuming Citadel is intentionally doing bad things! Maybe... maybe they made mistakes, or had some bad actors that they fired...

- Well, champ, too bad the data does NOT support your presumption of innocence:
- Citadel had 15 different "regulatory events" for 2021... or roughly 2% of all of FINRA regulatory events (based on estimated 800 events). That number is *high*.
- Some of those were redundant though: Citadel's most recent regulation event was a price-affecting activity that went on **over 6 years with 14 different exchanges**
- They were also fined for misreporting internal trades – oh yeah [u/atobitt wrote about that](#)
- And this number only reflects the crimes Citadel was *caught* for. (Relevant: FINRA seems to be [less and less effective these days](#))

Illegal activities are widespread. It could even be said it's the "Industry standard."

- Citadel Securities reported \$7bn profits for 2021 (btw, this number is [self-reported](#))
- It paid a maximum \$3.04m in [fines](#), total, for 15 "regulation events" (\$3m is extremely conservative – high – because Citadel doesn't report its annual fines so I added up all dollar amounts for 2021, lol. It's probably far less

but I wanted to max out the number)

- That's a **0.0434%** "crime tax" – part of the cost of doing unlawful and illegal business.
- (0.0% if we're rounding)
- (Notably, some fines were for illicit activities from *years* ago. This year's illegal activities won't be "crime taxed" for a few years down the road.)

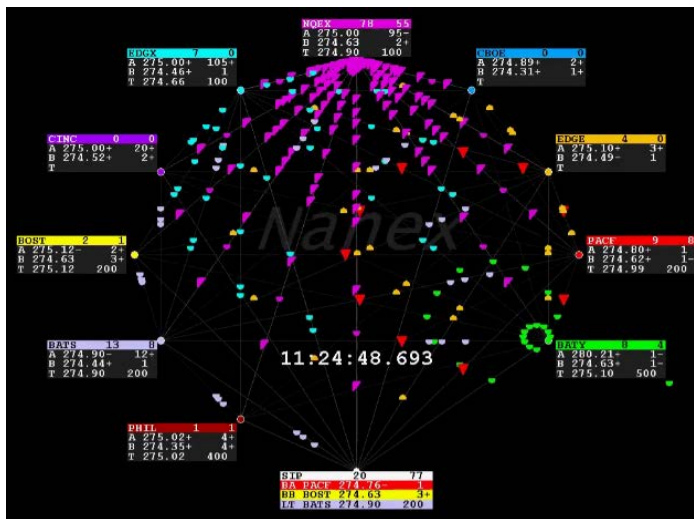
So, seriously, why should Citadel worry about laws?

- (...and if they don't need to worry about laws, why should you presume they keep them?)

(...back at the desk...)

No, really. Why should you worry about laws?

- Remember [this?](#)



- This is less than one hundredth of a second, for a single ticker (AMZN), slowed down.
- Citadel moves at this speed *for every ticker, in every asset, in every country, in every time zone it operates in, while trading at industrial volumes.*
- Now remember [this interview.](#)



where Gary Gensler said the SEC can't afford coffee? (wow there is a suspicious lack of google results for this, btw)

- Let's take the SEC's posture at face value.
- The SEC (FINRA by proxy) issued 73 fines to Citadel, but over *years* of transactions. How many transactions do you think occurred versus those the SEC examined by a human? What percentage of Citadel's trades were affected by a human regulator?
- To be cynical – do you think that Gary “can't buy coffee” Gensler and the SEC can afford to keep up with Citadel's nanosecond industrial volumes of trades? For every ticker? Every exchange, ATS, SDP, and broker they interface with? Let alone Citadel's *international* operations? Over *years*?
- (Each new flavor of high-frequency fuckery will be baked in to trading algorithms, all while either observing regulations or “unintentionally circumventing proper reporting”)

And so, we arrive at a cold reality:

Citadel and other MMs likely operate outside of the law because they operate in “bullet time”, while the regulators operate in “past tense”

Citadel's trading speed and volume effectively exceed the limit and capacity of regulation.

(This, of course, is taking the SEC's – at large – posture at face value)

0.0% crime tax, dude.

4.6 A Royal Union

But... but – what about other players? They are competing with Citadel across the board! Competition keeps Citadel in check, right?

- As referenced in previous posts: Citadel's dominance discourages new challengers – [the industry is consolidating.](#)



- While Virtu (Citadel's main MM competitor) and other larger firms might “micro-grapple” in the HFT space, the losses would only represent a small cost in a profitable business.
- Weak enforcement, plus Citadel's dominance, incentivizes the opposite of competition: **collaboration.**

Collaboration?! But how could the firms work together? It's broad daylight – public data! And it's illegal to collude!

- It's illegal to get caught, Timmy.
- The small group of market makers have all the ingredients to not only *outpace* the regulators, but can *avoid detection altogether*.
- extremely fast technology, exclusive knowledge of complicated systems, brilliantly talented “quants”...
- ...and the reward is essentially risk-free profits, so...

“Hypothetically”

- If several market makers wanted to collaborate and minimize risk (i.e. **price fixing**) in a given security...
- ...they would need to send and receive patterns which act as hidden signals in plain view (*check check*)
- ...and they would need a mutual understanding of techniques, as well as a common goal: shared profits (*check check*)

[No, please don't say it.](#)



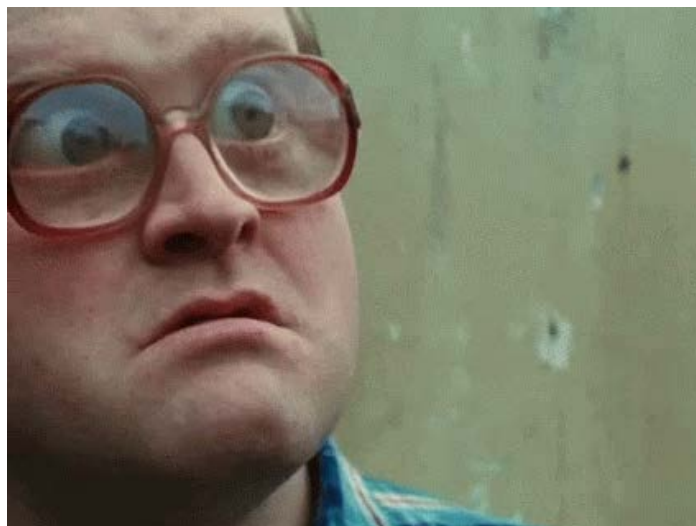
[Apes have noticed patterns in the bids for years.](#)

[Oh, you want evidence to show that prices are being signaled? and buy/sell prices are being coordinated?](#)

[How about a site that compiles these signals on a daily basis?](#)

[code sheet](#)

[WHAT IN THE DUMP TRUCK FUCK.](#)



4.7 All the Sun Touches, I

So, we arrive at the crazy conclusion, the one that's obvious.

Because between their market position and marketplace incentives, joint activities, and an environment with weak enforcement, we can start to put together a scenario where...

Citadel likely has a claim on controlling the prices of securities

...a legitimate claim, in conjunction with other market makers, exchanges, and key parties.

- FYI, "Price control" doesn't need to be 100% of securities 100% of the time.
- If Citadel can be the "margin of victory", just in the securities they care about, then that's the difference between a successful trade and an unsuccessful one – decisive direction.
- (Note that Casinos operate profitably with 51%+ odds.) ([relevant](#))



- The dominance of the top MM's also means there are no alternatives – it's either price arranging via Citadel, or the naked uncertainty of the market (and oh, yeah, we just said it's not so uncertain, didn't we?)

Because, after all, your goal is to control the price of securities.

4.8 The Round Table

Now, think on this for a second.

If you influence prices, you could make a KILLING by renting it out.

I can't find where I read it now, but evidently Citadel rents out co-location space in its servers.

Turns out, SELLING PRICE CONTROL as a service (directly or indirectly) – and being an EXCLUSIVE PROVIDER – is a great way to profit

- No brainer – it is almost always profitable to work with the firm that controls prices.
- As an added benefit: any firm positioned against Citadel should also expect to be competing with *all of Citadel's aligned parties* (i.e. **street cred**).
- **Citadel won't ever advertise this, because publicity is a risk to illegal activities.**
- But there will be signs:
 "Citadel Securities made [...] **\$4.1m** per [employee] in 2020. This compares to **\$275k** per [employee] at Goldman Sachs last year." [emphasis mine] - [sauce](#)

Huh, interesting - seems that Point 72, Melvin, Sequoia, and several other firms are all so closely linked with Citadel. Strange. Must be coincidence.

Wonder why?

4.9 All the Sun Touches, II

Now, let's roll this up into some key points that this fantastic community has uncovered the past year-plus:

1. [u/Criand](#) showed out how Citadel [leverages swaps](#)
 - And [u/con101smd](#) pointed to how Citadel likely employs **krypto** (before deleting "The Long Con")
 - It's also important to note that Citadel has an **adjacent hedge fund**. *Extremely* important.
 - Because remember how [u/atobitt](#) caught Citadel **shifting funds between different Citadel companies, partners, and subsidiaries**, such as Palafox? (in the "Everything Short" in another sub)
 - And [u/thabat](#) theorized how Citadel might be **shifting assets between countries without disclosure?** (and [u/P_mage](#) did some [work here also](#), not to mention that one flight to "[Russia-not-Russia](#)" right before war & sanctions)
 - And we already covered Citadel's **extensive international operations** and impressive **spread of products**.

...all this plus Citadel's **unequaled MM responsibilities in stocks and options and immense internal inventory**.

Now, let's add a *VERY* interesting quote from [u/Super_Share_8721](#)'s [excellent find](#) (and I see you [u/JustBeingPunny !](#) - BTW it was only a partial quote earlier):

- [key quote](#)

"[Ken Griffin has] built an extraordinarily diverse organization, **horizontally and vertically integrated**. It's something with franchise value, which makes him different from 95 percent of the companies **classified** as hedge funds."
 [emphasis mine]

Now put it all together:

So, Citadel is at the heart of markets worldwide with unparalleled price influence, shifting assets between partner companies and subsidiaries, bundling stocks, bonds, options, other securities, commodities, krypto, real estate, ETFs, access to SDPs, ATs, nearly unlimited inventory, PFOF, international asset holdings and distributions, swaps (bundled because Citadel is “horizontally and vertically integrated”)...

...into EXOTIC products...

...pass them through their [international connections](#)...

...and offer them to “Real Money” clients?

Citadel is likely acting as an unregulated, backchannel *de facto* Prime Brokerage Investment Bank

They are likely bundling their offerings and services – including price influence – into exotic financial products...

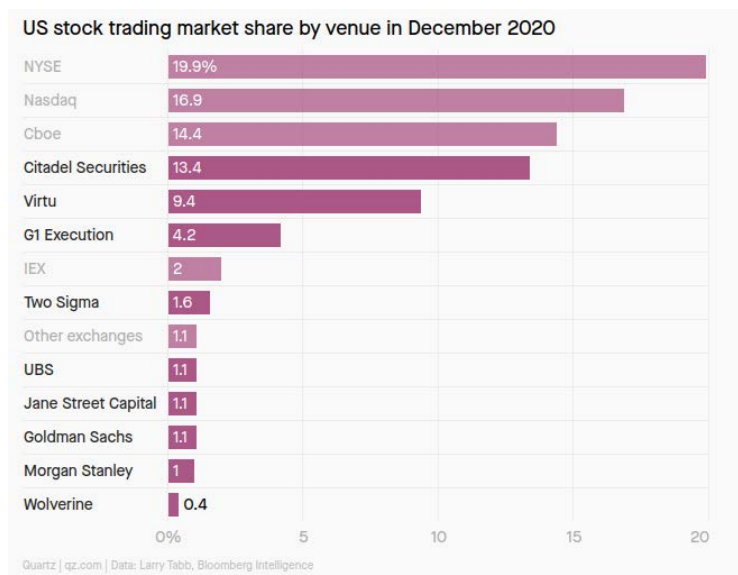
...and selling these to clients. Brokers like Charles Schwab and Robinhood. Hedge funds like Melvin and Sequoia. [Running IPOs for companies](#). Likely funneling the business through their [adjacent hedge fund](#)

4.10 For King

And you know what’s crazy?

- In addition to taking the other side of the position – either for hedging or to make a play –
- ...or even going un-hedged altogether (flexibility is a feature of their unaccountability, after all)
- **Citadel can also double down**, taking the same position as their client,
- ...doubling their exposure and **doubling the risk**.

Now, remember [this image?](#)



How Citadel and Virtu combine for more transactions than the biggest exchanges?

- And how Citadel alone represents 25% of trades in the market, 35%+ of retail orders, 99% of volume in 3,000 listed options...

- ...and for more and more of that volume, they are taking **one side of the trade?**
"It's as if the entire market is concentrating its risk on a single firm."

One more thing:

Here's the list of [Systematically Important Financial Institutions](#).

Former D-SIB

List of all domestic systemically important banks in the US⁽²⁴⁾

| Entity | Region | HQ country | Reporting currency | FSB-G-SIB | USA-ST | HQ regulator | Major exchange(s) | IR | Notes |
|------------------------------|----------|------------|--------------------|-----------|---------|--------------|-------------------|----|---|
| Ally Financial | Americas | US | \$, USD | | 2009- | FSOC | NYSE | IR | Formerly GMAC Inc. |
| American Express | Americas | US | \$, USD | | 2009- | FSOC | NYSE | IR | |
| Truist Financial | Americas | US | \$, USD | | 2009- | FSOC | NYSE | IR | |
| BMO Financial Corp. | Americas | US | \$, USD | | 2014- | FSOC | | IR | Subsidiary of Bank of Montreal, Formerly Harris Financial Corp. |
| Capital One Financial | Americas | US | \$, USD | | 2009- | FSOC | NYSE | IR | |
| Comerica | Americas | US | \$, USD | | 2014- | FSOC | NYSE | IR | |
| Discover Financial Services | Americas | US | \$, USD | | 2014- | FSOC | NYSE | IR | |
| Fifth Third Bank | Americas | US | \$, USD | | 2009- | FSOC | NASDAQ | IR | |
| HSBC North America Holdings | Americas | US | \$, USD | | 2014- | FSOC | | IR | Subsidiary of HSBC Holdings |
| Huntington Bancshares | Americas | US | \$, USD | | 2014- | FSOC | NASDAQ | IR | |
| KeyCorp | Americas | US | \$, USD | | 2009- | FSOC | NYSE | IR | |
| M&T Bank | Americas | US | \$, USD | | 2014- | FSOC | NYSE | IR | |
| MetLife | Americas | US | \$, USD | | 2009-12 | FSOC | NYSE | IR | Failed the stress test in 2012, and consequently sold its banking unit to GE Capital ⁽²⁵⁾⁽²⁶⁾ and its mortgage servicing business to JPMorgan Chase. ⁽²⁷⁾ |
| Northern Trust | Americas | US | \$, USD | | 2014- | FSOC | NASDAQ | IR | |
| PNC Financial Services | Americas | US | \$, USD | | 2009- | FSOC | NYSE | IR | |
| RBS Citizens Financial Group | Americas | US | \$, USD | | 2014- | FSOC | NYSE | IR | |
| Regions Financial | Americas | US | \$, USD | | 2009- | FSOC | NYSE | IR | |
| Santander Holdings USA | Americas | US | \$, USD | | 2014- | FSOC | NYSE | IR | Subsidiary of Santander Group |
| SunTrust Banks | Americas | US | \$, USD | | 2009- | FSOC | NYSE | IR | New Truist Financial through merger with BBST. |
| U.S. Bancorp | Americas | US | \$, USD | | 2009- | FSOC | NYSE | IR | |
| UnionBank | Americas | US | \$, USD | | 2014- | FSOC | | IR | Subsidiary of Mitsubishi UFJ FG |
| Zions | Americas | US | \$, USD | | 2014- | FSOC | NYSE, NASDAQ | IR | |

[sauce is wikipedia]

- Take a look
- Really.
- Did you notice something?

Citadel isn't there

- Citadel, a firm with one of the largest international footprints who can likely unilaterally sway securities prices, **isn't considered significant enough to regulate.**
- Their positions, capital, and international schemes are nearly completely hidden.
- ***They don't even need to publicly disclose their quarterly US cash flows because they aren't publicly traded.***
- ***They could be exposing the world economy to catastrophic risk, and only a handful of insiders would ever know.***

But since their model is replicable, why not keep on expanding?

[again...](#)

DERIVATIVES

Citadel Securities 'expects' to make US primary dealer bid

Firm has invested to meet Fed's entry criteria, as it seeks bigger say in ongoing UST market reforms

US Treasuries



Duncan Wood
@Duncan_Wood

28 Feb 2022



[\(sauce\)](#)

and [again?](#)

Bloomberg

US Edition

• Live Now Markets Technology Politics **Wealth** Pursuits Opinion Businessweek Equality Green City

Wealth
Crypto

Citadel Securities, Virtu Build Crypto Plan With Brokerages

- Market makers form consortium with Fidelity and Charles Schwab
- Platform could be available by end of year, or early next year

[\(sauce\)](#)

[WHAT. IN. THE. HIGH. FREQUENCY. FUCK.](#)



TL;DR:

- Citadel Securities' influence in securities' markets across the globe is unequalled and likely un-challengeable.
- Data shows that they (ab)use this position to overwhelm regulators with illegal activities, by both speed and volume. These activities further cement Citadel's profit and market share.
- Citadel also likely exploits the environment of high-tech, weak enforcement, and mutual incentives to fix prices for securities by collaborating with other players in a way that avoids detection...
- ...then bundles these price-affecting abilities in with other services to sell across the finance industry, directly or indirectly.
- ("likely" because illegal and other relevant activities are not reported)
- This makes them a *de facto* "Super" Prime Brokerage and Investment Bank. "Super" because they have additional Market Maker powers, but have none of the capital requirements or regulatory oversight required of their competitors (though their asset base is likely much smaller).
- They can exploit this lack of regulation to take on otherwise untouchable clients (sanctioned individuals, money launderers) while also engaging in extremely risky behavior.
- The combination of their powers, activities, and position in the markets, while operating without enough regulation, means Citadel can uniquely create gargantuan, systemically threatening pockets of risk while they perform key functions that underpin the world's financial systems.
- There is no current way to publicly account for the risks Citadel creates in the world markets, or any ready way to replace their function if they fail.
- They have made themselves a necessity, and therefore, a likely singular point-of-failure for the world economy.

So, did you see it? Did you see the setup?

Part 5 is coming...

Edit: Don't despair - be aware! The post isn't meant to make you a doomer, but make you better informed. [GO DO SOMETHING ABOUT IT! THEN WRITE A POST SO APES UNDERSTAND!](#)

