

THE NEXT GME OPTION CLEARING CYCLE & BULL RUN

FEBRUARY 22

BY U/LEENIXUS

February 22 - The next GME option clearing cycle & GME bull run

Due Diligence

This is not financial advice. I am not a financial advisor. This is my own research on GME and is how I invest. It's risky and may not be suited for others.

In This DD

I'm going to explain why GME goes up & down every few months, when it goes up & why.

I observed, tested, verified & peer reviewed this content with a dozen DD writers from this sub.

What you're going to learn in this DD

1. The exact dates/weeks where GME goes up
2. What happened on January 28
3. What happened on February 24

Solid Evidence of Predictable Cycles

I solidified my findings during the August GME cycle and verified that it's truly possible to know when GME will do it's usual runup.

I have 2 pieces of evidence

- [August Run - Predicted 2 days before it happened](#)
- [November Run - Predicted 1 week before it happened](#)

It's not magic nor shooting in the dark hoping to hit the correct dates. You too can "predict" when GME will do it's bull run next.

Next Month's Run

- [February Run - 1 Month Before it Happened](#)

I reiterate that it's not magic and that you can figure these dates out yourself. One CANNOT edit the above links once they're posted. They are permanent.

[Let's go | Section #1]

Finding a GME Cycle/Runup - The Mega TLDR

It's so easy it's dumb that it's so easy to figure out. I'm going to spoon feed you how to know the exact date of every future GME cycle/runup/green candle in this section.

Which months

1. February
2. May
3. August
4. November

Which days

1. Runups start around the 3rd Friday of the months mentioned above.
2. The Tuesday that comes right after the 3rd Friday is usually a mega-run up day.

The rest of the days are usually dull, but not always.

How high or low the price runs depends on how much option volume there is to be cleared & netted. ther factors related to options also affect this.

If the price runs beyond the Tuesday I mentioned, then it means there's been high option volume / I / exercises in the previous month e.g like what happened in Jan & Feb 221.

[Finding a GME Cycle | Section #2]

Finding the Month of a GME cycle

So once every month all option trades are cleared. This happens every month & it has a big effect on every stock's price. [See ption Clearing](#).

There are three option cycles that a listed option can be assigned to on the public markets:

1. JAJ0 - January, April, July, and October
2. FMAN - February, May, August, and November
3. MJSD - March, June, September, and December

GME's option clearing schedule is based on **FMAN or February, May, August, November.**

These are the months GME's price starts to ramp up. In this current post, the month we're going to run up is **February**.

Conclusion

Different stocks clear on different monthly cycles [See Option Cycles](#) . What is interesting for you to know & to check is that the vast majority of stocks on the FMAN option clearing cycle follow GME's runups.

A very decent amount of these FMAN stocks are speculated to be part of the "meme basket".

Finding the EACT Days of a GME runup Cycle

Source <https://www.sec.gov/rules/sro/nsc/2021/34-2213.pdf>

The next GME cycle dates are as follows

- **February 16 - 18**
 - Top 3 NSCC Members must deposit money to the NSCC/DTCC for option clearing. The NSCC, DTCC and CC will take care of the rest for them.
- **February 18 - 22**
 - NSCC/ CC/DTCC communicate with each other electronically & do option trades verification & some option netting/CNS.
- **February 22 - March 2**
 - Real option netting/CNS & clearing starts happening. Usually if there wasn't a lot of options cleared, netting can end as early as by the 23'd or 24'th & the rest of the days are dull downer dates.

These are the official days where clearing/CNS for options is done & thus T-2 volume is seen for GME. Cleared option volume causes the runup. People start selling covered calls into high IV, make big bucks & drive the price down, rinse and repeat.

Ever since I've started doing these write-ups & people have figured this thing out, the early few days of the runup month have started becoming bullish & this has resulted in the option clearing runup to be less bullish.

I'm speculating that my write ups have caused these people to somehow split their risk as to avoid creating additional volatility when it does not suit them. But this paragraph right here is just tinfoil.

How/Why do memestonks runup every 2 days

The people who clear options are, well, the NSCC/DTCC. Depository Trust & Clearing Corporation, National Securities Clearing Corporation . The CC Options Clearing Corporation which is also part of the DTCC umbrella is also part of this loop.

They're all the same company/corporation/umbrella.

How it works:

1. The CC transmits T the NSCC that month's estimated option clearing volume e.g how much people bought, sold, exercised options.
2. The NSCC then asks the 3 top largest NSCC participants which are mostly the big banks and some others to give them money vaguely enough to clear / net Really it's called Netting those option trades. Netting is ust a fancy word for doing basic math to bring their books to zero. It ust means 1 Sell - 1 Buy .
3. The timeframe in which the top 3 largest NSCC participants have to deposit that money to clear those trades is the **3rd Friday of every month** & the 2 days preceeding/before it.

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 prior to the start of the options expiry period, which NSCC will return seven business days after the end of that period.¹⁹

¹⁶

See Rule 4(A), supra note 8. NSCC defines the duration of the options expiry periods in its Rules, which typically runs from the third Friday of the month to the following Tuesday. See *id.*

Sources: Here's the source of the above 3 informationseses.

- <https://www.sec.gov/rules/sro/nscd-an/221/34-1.pdf>, read page 3, 4, AND the friggin footnotes of those pages.
- SR-NSCC-81 making this SLD clearing DAILY IF Required <https://www.dtcc.com/-/media/Files/pdf/221/21/a18.pdf>

Whilst SR-NSCC-81 allows “them” to perform options clearing daily if they want to, they seem to be following the old schedule of monthly options clearing except perhaps where i mentioned before on how they might be splitting their risk at the start of the options clearing month & during the old/traditional clearing cycle days.

So! Thus far

So so far we know that

1. The top 3 big bank boys need to give money to the NSCC/DTCC once a month to clear/net the CC's option trades that people buy, sell, exercise, expire worthless etc.
2. The effect of this clearing is bullish or bearish depending on the amount of options cleared, the amount exercised, the trade direction long, short, share availability, strike, etc etc.
3. If there's money leftover after clearing which there usually is it's returned 2 weeks later.

November's Cycle was interesting because it was the first time the cycle was a bit unruly. There was action both at the start of the month & during the expected cycle dates. I expect them to follow suit & duplicate the November cycle in February. It's in their psychology & how they do things in my opinion and i say this based on past observations.

Example - What an SLD Cycle Looks Like

****The SLD in SLD cycle means: Supplemental Liquidity Deposit****

Now, let's see what happens to the market during the week leading up to the Friday NSCC deposit deadline. The SLD requirement is MARKET-WIDE and affects ALL stocks/equities and it affects every equity differently.

SPY (SP500) SLD Cycle Example

Within the red square is the week where in the last 3 days of the week the Top 3 NSCC members which are mostly ALL the big banks need to deposit their Supplemental Liquidity Deposit or SLD with NSCC/DTCC.

Again, the deposit days are always **the third Friday of every month and the 2 days before it.**

- Dotted Line Wednesday NSCC Deposit line is open

Solid Bright Thick Green Line Friday The deposit deadline



Look at this friggin chart for a bit.

Do you notice that the days preceding the 3rd Friday every month, the SP index dumps Consistently too It then proceeds to recover on the next Tuesday I don't understand exactly why this happens and can only make assumptions.

The only assumption i can make as to WHY is that by lowering the price or performing some sell-offs, the market and some equities can trade lower & so when it comes to clearing those trades, less money is used from the SLD & the banks save money.

GME Example

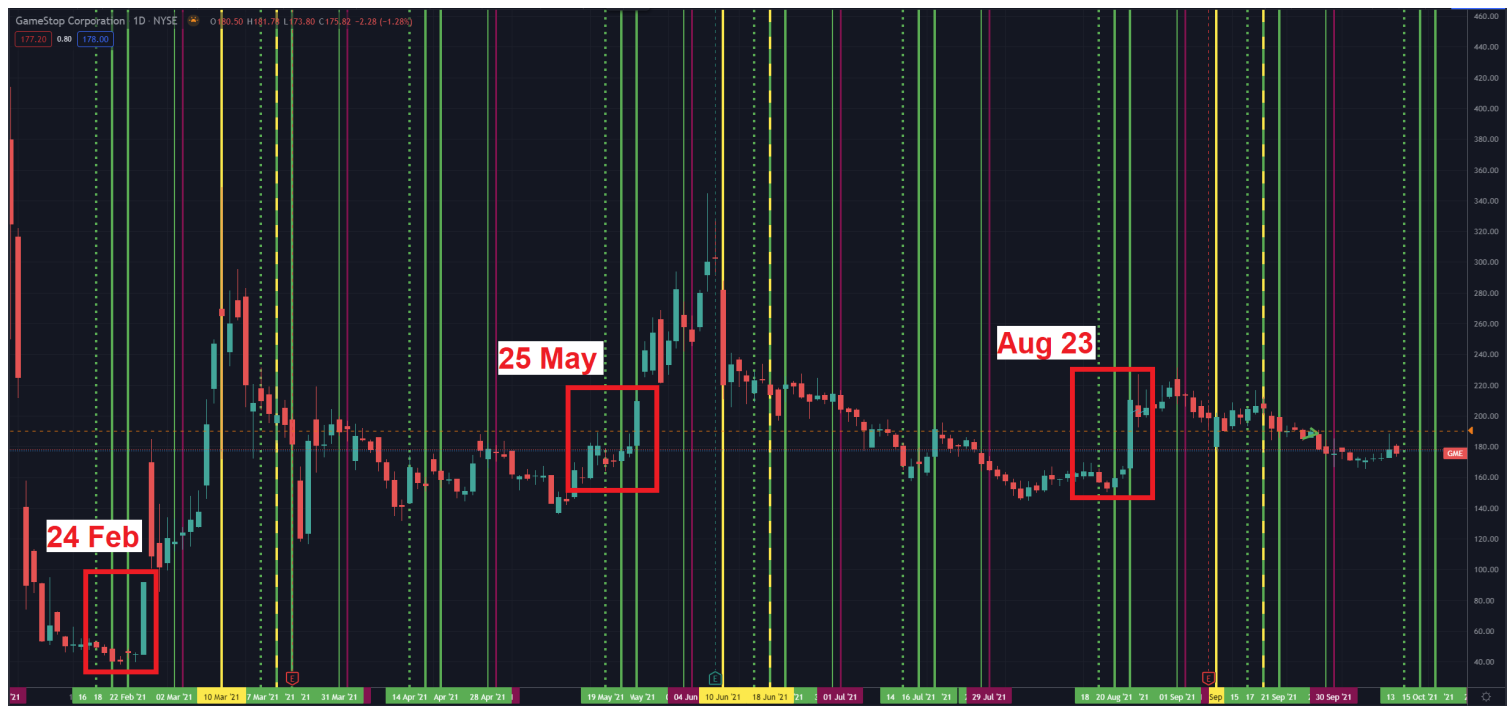
In this example, you're seeing the day on which the GME dong appears. The progression is Feb 24, May 2 and Aug 23.

Legend:

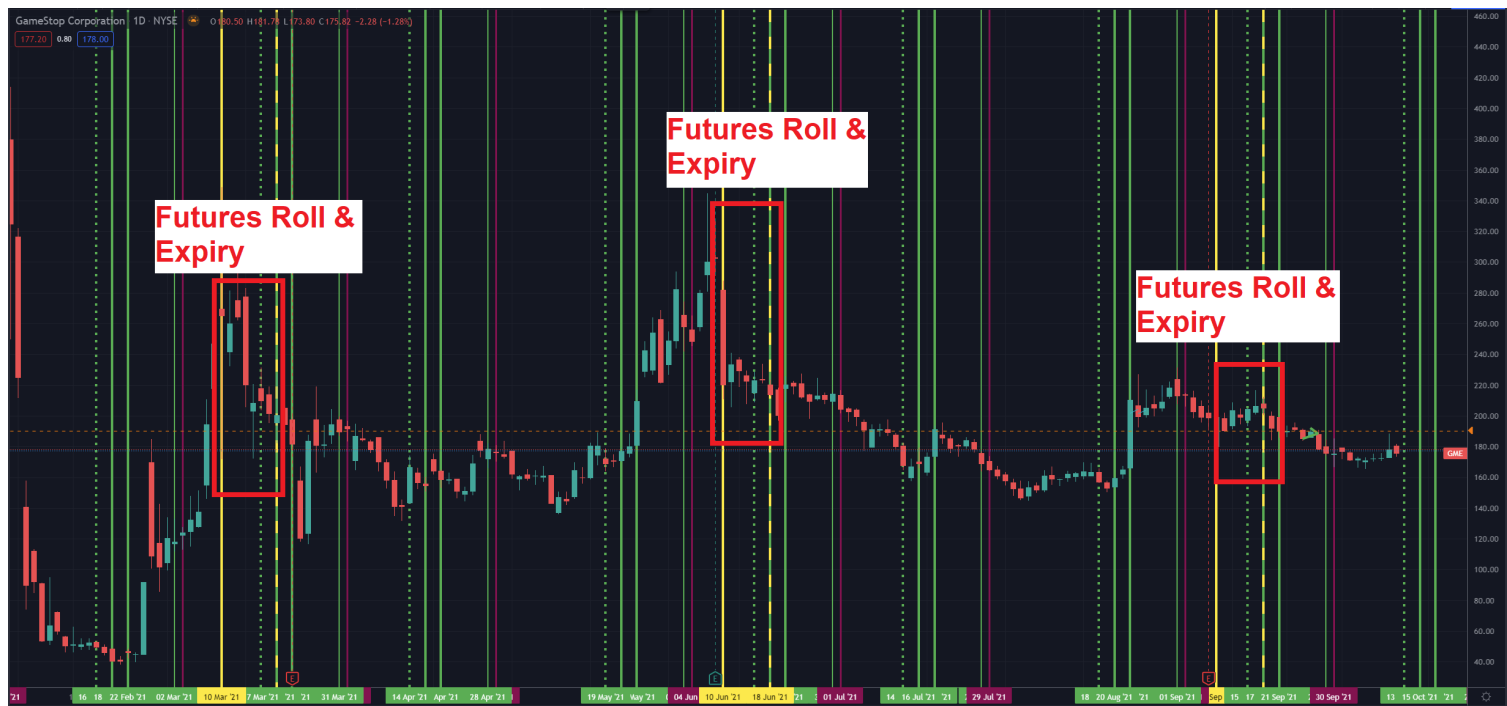
1. Dotted Green Line **NSCC SLD Deposit Period Opens**
2. Bright Fat Green Line **3'd Friday of the Month / SLD Deposit Deadline**
3. Second Bright Fat Green Line **Tuesday next Week**
4. Thin Pale Green Line 'th and last to final day of CNS/Netting
- . Red Line Last day of option netting & return of remaining SLD to banks.
- . Yellow Line **Futures Roll Date**
- . Dotted Yellow Line **Futures Expiry**

You'll notice that as i previously said that the month where GME moons is ALWAYS the month before the futures roll

month First Yellow Line Roll Date and that it's almost always the Tuesday after the 3rd Friday of every month every 90 days.



Some extra information here, any time between the date that futures will be rolled forward & futures expiry in the next month, GME takes a dump. Incidentally, this is also ALWAYS when GME earnings are scheduled. Make your own conclusion as to why this happens, i have mine.



Further Breakdown of the NSCC ption SLD Cycle

The NSCC SLD deposit cycle consists of multiple phases and they are as follows in top to bottom order.

1. Deposit the SLD Cycle '3rd Friday of every month & the 2 days before
2. If this SLD cycle is the one before the swaps and futures roll month, then the first big GME green mega-dong-candle on the chart appears exactly on the following Tuesday. Some rare exceptions apply due to holidays that can shift this day by -1day.
3. ptions Netting/CNS period Tuesday AFTER the 3'rd Friday of the month business days that follow
4. Returning the remaining unused SLD cash back to sender Point #2 above, but it's the 'th business day after that Tuesday

Let me make it simpler and add pictographs using the next November GME cycle below.

0) Find the 3'rd Friday of the cycle month

2022 FEBRUARY						
SUN	MON	TUE	WED	THU	FRI	SAT
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28					

1) NSCC SLD Deposit Cycle

2022 FEBRUARY						
SUN	MON	TUE	WED	THU	FRI	SAT
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16 Money Please	17 Money Please	18 Money Please	19
20	21	22	23	24	25	26
27	28					

2) Options CNS Netting Period & The SLD Return Period

2022 FEBRUARY						
SUN	MON	TUE	WED	THU	FRI	SAT
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18 AH Trade Validations	19
20	21 CNS Trade Validations	22	23	24	25	26
27	28					

2022 FEBRUARY						
SUN	MON	TUE	WED	THU	FRI	SAT
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22 Netting Vol Hits GME	23 Netting Vol Hits GME	24 Netting Vol Hits GME	25 Netting Vol Hits GME	26
27	28 Netting Vol Hits GME					

2022 MARCH						
SUN	MON	TUE	WED	THU	FRI	SAT
	Netting Vol Hits GME	1 Netting Vol Hits GME	2 Leftover Deposit Returned	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

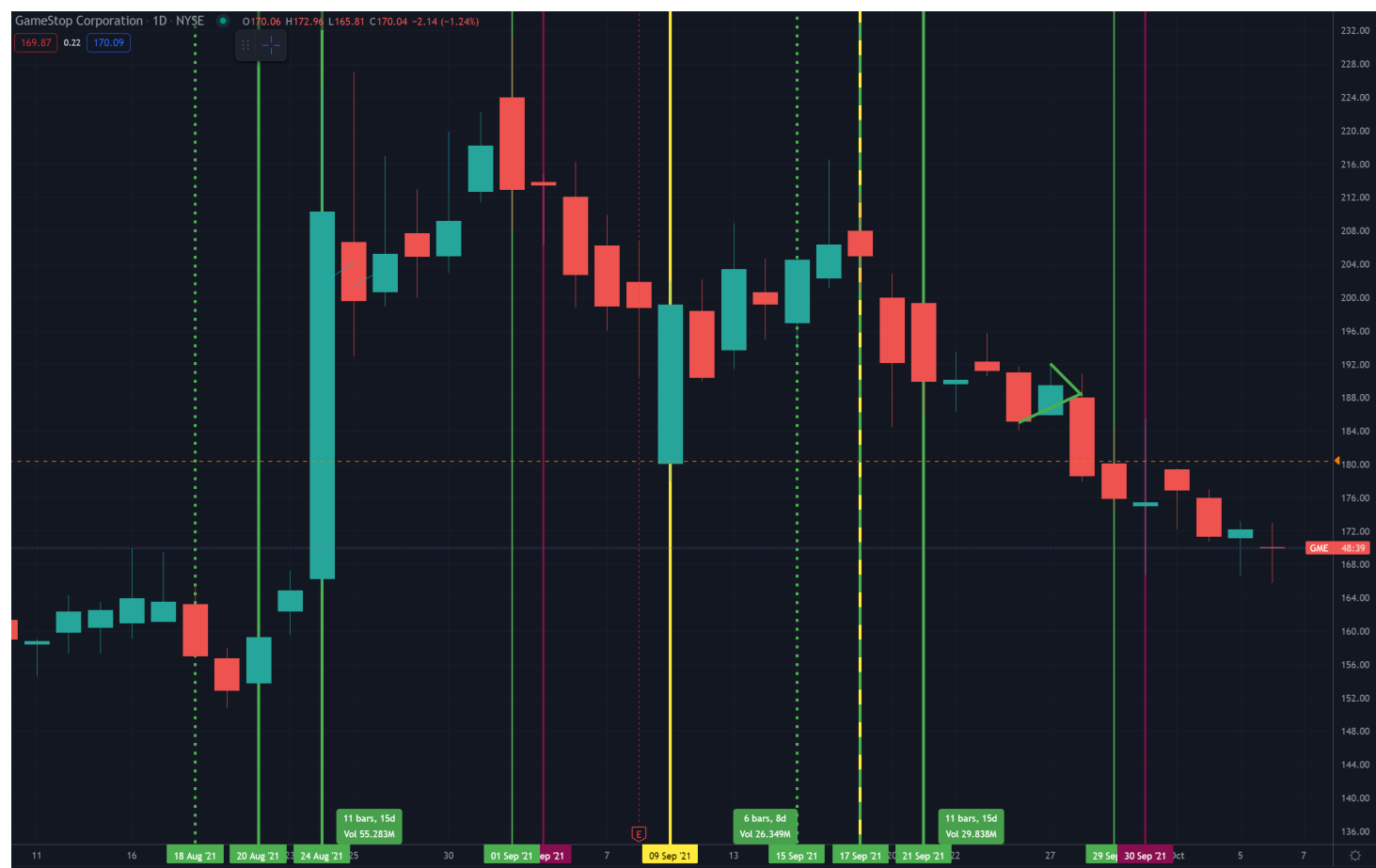
Whatever SLD Deposit remains in the NSCC account after the 3rd day is returned to the 3 NSCC largest members/participants. Remember this because this is crucial to understand the 28th of January Margin Call

Lets visualize the August GME Cycle SLD Style

This is the anatomy of a GME cycle, specifically the August cycle

1. Dotted Green Line **NSCC SLD Deposit Period Opens**
2. Bright Fat Green Line **SLD Deposit Deadline**
3. Second bright Fat Green Line **Tuesday next week**
4. Thin Pale Green Line **6th and last to final day of CNS/Netting**
 - . Red Line **Last day of CNS & SLD remains returned to banks.**
 - . Yellow Line **Futures Roll Date**
 - . Dotted Yellow Line **Futures Expiry**

GME August Cycle Chart



- Tuesday after the 3rd Friday of August had the mega green candle.
- This continues until the last couple of days where the SLD is returned to banks.
- Then it's back to shorting the underlying for 8 days until the next day cycle.

January 28 Explained | Section #3

Visualising the January 28 21 SLD Cycle

To clarify,

January was NOT part of the quarterly / day / 3 month cycle. January was something else. FEBRUARY was a GME day cycle.

First let's overlay the SLD period on top of the January Calendar & then show it visually on a chart. I bet you will stuff your pants and suddenly everything will make so much sense and all the fud in the world will be dispelled. You're welcome.

Mentioning the 3 months or parts of the SLD cycle as a reminder of what they are

1. Deposit the SLD Cycle 3rd Friday of every month & the 2 days before
2. If this SLD cycle is the one before the swaps and futures roll month, then the first big GME green mega-dong-candle on the chart appears exactly on the following Tuesday. Some rare exceptions apply due to holidays that can shift this day by -1day.
3. Options Netting/CNS period Tuesday AFTER the 3rd Friday of the month business days that follow
4. Returning the remaining unused SLD cash back to sender Point #2 above, but it's the 1st business day after that Tuesday

0) 3rd Friday of the Month

2021 JANUARY						
SUN	MON	TUE	WED	THU	FRI	SAT
					1 1st Friday	2
3	4	5	6	7	8 2nd Friday	9
10	11	12	13	14	15 3rd Friday	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

1) NSCC Deposit Cycle

2021 JANUARY						
SUN	MON	TUE	WED	THU	FRI	SAT
					1	2
3	4	5	6	7	8	9
10	11	12	13 Deposit Line Opens	14	15 Deposit Deadline	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

2) Netting / CNS Period

2021 JANUARY						
SUN	MON	TUE	WED	THU	FRI	SAT
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19 Normally this is the Green Dong Day	20 1st CNS Day	21 2nd CNS Day	22 3rd CNS Day	23
24	25 4th CNS Day	26 5th CNS Day	27 6th CNS Day	28	29	30
31						

The Monday before the green day was actually a bank holiday where no CNS happens according to the DTCC's documentation. Go figure.

The Monday before the green day was actually a bank holiday where no CNS happens according to the DTCC's documentation. Go figure.

Here's an actual chart with all the above mapped on it. If you understood everything so far, this chart will suddenly make a lot of sense to you.

And again, this is all just market mechanics. Whether the people who restricted trading truly understood this stuff is debatable lol. Notice January 28, the day where trading got restricted and how it's the **SLD Return Day**.

2021 JANUARY						
SUN	MON	TUE	WED	THU	FRI	SAT
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28 SLD Return Day	29	30
31						

Also the day trading was halted. I wonder why :)

28'th of January, the SLD Return Day

January 28 is the SLD return date. So what happens on the SLD return day where the SLD/Deposit gets returned to the top 3 largest NSCC members e.g mostly big banks is that the DTCC automatically looks at the their CNS Continuous Netting System that's been running for the past - days and looks at the account balance.

- Looks at account balance
- Oh no, it's negative
- Panik

The thing is that the CNS system of the DTCC HAS to clear/net these option trades. It's their job. They clear trades and credit/debit each DTCC/NSCC member's account with the DTCC/NSCC. Whether this account has enough money or not, it'll still go negative & the bank counterparty has to pay up any negatives.

Do you remember when i told you how the CC has to communicate T the DTCC/NSCC the size of this month's option trades that are clearing The amount of trades communicated is communicated only once and that's at the start of the SLD deposit period.

The CC-to-NSCC option trades amount is an estimate

So the DTCC/NSCC will net everything and IF the CC has miscalculated that month's expected average option trading volume and / or communicated the wrong numbers to the NSCC, the NSCC has ust told all the banks to give them less money than they need to clear this month's option trades, but they don't know this yet.

When the CC communicates this data to the DTCC/NSCC, the DTCC automatically ust knows that THIS is what the NSCC top 3 largest members need to pay for that month. All amounts are for the most part automatically sent/received/requested via Fed-Ach & Fed-Wire systems.

The juicy part that explains January & January 28

- In January, GME was being pushed on another subreddit i cannot mention here
- This certain subreddit full of degeneratesmyself included are degenerates that gamble by buying TM days to expiry risky options.
- January WAS a Gamma Squeeze - Into a Short Squeeze. This is FACT. Everyone knows this. The gamma squeeze was induced by retail & that certain other reddit yolos money on FDs, people who had bought GME shares & options from before & during the squeeze.

We've established that GME's January runup was a combination of a Gamma Squeeze into a Short Squeeze & people yoloing money on short and long term options which further exacerbates the effect of GME volatility & the SLD required to clear all those trades.

Speculative Conclusion

January 28, the NSCC member that handles Robinhood's clearing money/SLD stuff got contacted by the DTCC/NSCC either Automatically via Fed-Ach as is how these things work R / AND there was a call between them to communicate that the CNS clearing that happened from 1-2 Jan was complete and the regular provided monthly SLD was NT enough to clear their stuffy trades.

To be margin called, you need to have posted margin to begin with. What the NSCC did to RH's bank was NT a margin call. It was a request for an additional Supplemental Liquidity Deposit either automatically via FED-ACH or other communication method.

Note multiple things here

1. The DTCC man in congress said there were N margin calls on that day.
2. That is true, because this thing is characterized as a Supplementary Liquidity Deposit.
3. It's not clearly classified as Margin.

And that's why the DTCC mandid not lie to congress.

RH's sponsoring DTCC/NSCC member communicated to RH that THEY are "margin calling" them for 3 billion because the DTCC/NSCC requested more margin from RH's bank / DTCC/NSCC member and not directly to RH themselves.

The NSCC/DTCC does not talk to sponsored members like RH directly. They talk directly to the bank that is sponsoring the lesser non brokers like RH since that main bank who IS a member of the NSCC/DTCC is the one sponsoring RH to have the same NSCC/DTCC membership as the main bank.

Basically they're lending out their NSCC/DTCC membership to RH. This means that the member who will get the request for more SLD is the bank and NOT RH themselves. The BANK will then ask RH for the extra SLD of 3 Billion

Clarification & Reminder

I said before somewhere in this DD that it's the CC / Options Clearing Corporation that communicates that month's average expected volume to be cleared to the NSCC.

This is not a 100% accurate number they give to the NSCC, it's a vague estimate based on some averaging formula I'm not aware of. I do know it's an estimate. It sounds a lot like the CC estimated WRONG meaning that their formula on calculating the estimated charge amount is just totally dogpoo.

In normal circumstances this formula is fine but for the insane conditions that lead up to the January SLD period of a Gamma Squeeze into a Short Squeeze, you can't use averages to estimate the charge for this.

Dates when GME's price declines

1) Go to your local CME Group equity bar

- <https://www.cmegroup.com/trading/equity-index/rolldates.html>

2) Find the S Indexes Expiration & Roll Dates

3) The week before the roll date all the way to the week AFTER the expiration dates tend to be bearish & is where GME declines the most in this entire day cycle.

the users who discovered the cycles

[u/PWNWTFBBQ](#)

on top of all this, I would like to point out to everyone that [u/PWNWTFBBQ](#) figured the same thing out. When each GME cycle will occur within a day/days of myself but by reverse engineering it using **pure math** without knowing anything about market mechanics.

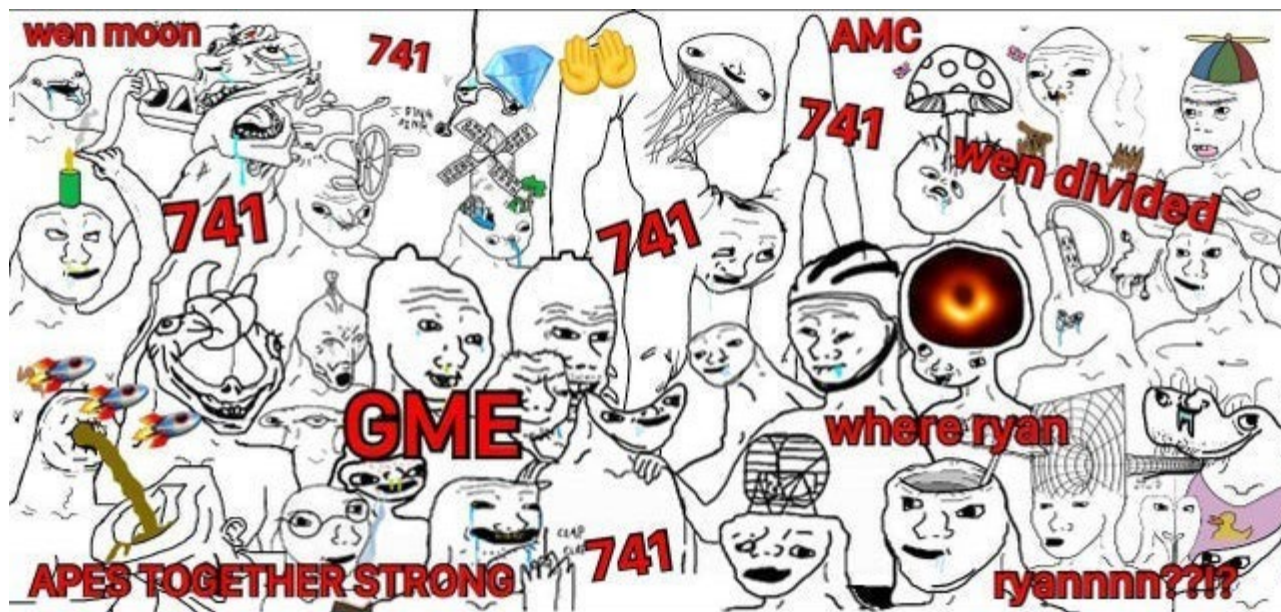
Her DD is named the "**algorithm has been doing this stuff for years**". It might be hard to follow, but it's all there. She also figured out how the dividends were being used to drive the price down, it's all in her DD.

[u/gherkinit](#)

The Gherkin! He seems to be quite aware of the cycles but also in a slightly different way than myself & PWNWTFBBQ. In addition to the regular cycles, he talks about the GME ETF Leap expiries & GME Leap Expiries that occur in December and January and how these could be big price drivers.

It's best you check out his posts & DD for a more clear picture of what he brings to the table.

Here's how i feel scrolling through this sub sometimes...



6:57

🔔 📶 4G LTE 📶 44% 🔋



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ts **72** Quote Tweets **4,162**

dobakk

Jazz
is
my
life

This is my music





I've seen that too many people don't like options discussed on this sub, so i'm going to make a full series of non stop DD's talking about options from top to bottom. This is ust one of many DD's i've written. Prepare yourselves.

I won't be participating in the comments section of this post, i've also disabled the ability for anyone to PM me. I'll turn those all back on once this sub has it's head on straight regarding options discussions.

Thanks.

I can neither confirm nor deny whether [u/criand](#) is in my basement.

