

Title: Whatever Kenny Boy touches turns to dust

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Forwarded from Anna

Blackrock and Citadel borrowed 100K BTC from Gemini (it appears in their loan book). They swapped 25K of that BTC into UST; this was all done quietly in anticipation of the attack.

When the time was right, they called up Do Kwon at Terra Foundation and said they wanted to sell a lot of BTC for UST. As it was a large trade they told him they didn't want to move the market and asked if he would like to buy their large block of BTC at a discount for UST. Do Kwan took the bait. He gave them a huge chunk of UST, thus lowering the UST liquidity significantly. At that point, Blackrock/Citadel dumped all of the BTC and UST causing massive slippage and triggering a cascade of forced selling in both assets. The real problem was Blackrock/Citadel knew that Anchor, which holds a lot of LUNA, was a Ponzi scheme (they offer 20% staking APY for Christsake) and this crash would trigger more withdrawals than Anchor can repay. These forced withdrawals and selling would trigger a massive selloff in Luna, thus further breaking the \$1 peg and wrecking the market further.

Blackrock and Citadel can now buy the BTC back cheaply to repay the loan and pocket the difference. Meanwhile, billions of longs and Bitcoin VaR were wiped out.

This was pure market manipulation.

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