Title: XRT short interest ratio being absurdly high, is not anything to get excited about, and has been like this for over a decade.
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Created 2022-04-16 14:39:02 UTC
Permalink: /r/GME/comments/u4z6a4/xrt_short_interest_ratio_being_absurdly_high_is/
Url: https://www.reddit.com/r/GME/comments/u4z6a4/xrt_short_interest_ratio_being_absurdly_high_is/

TL:DR - ETF's can be used to make fake shares. Data isn't reliable. High SI is nothing new. Keep buying the float and locking it into DRS.

I thought'd I do a bit of digging into XRT, as we know that MM's can potentially use XRT to short, and I feel that people put too much focus on it and pin too many hopes on it.

This isn't fud, but just an education that this is nothing normal and unique to GME. There's no doubt that it is used to short Gamestop, but having a high SI is not representative of any specific fuckery.

XRT current SI is 488% with Fintel showing 450,000 shares ready for shorting as of 3:25pm yesterday (yeah the markets were closed but data still updates). Iborrow shows the same number.

Now, here's we we can prove the fuckery isn't just a new GME based think.

ETF.com did a short report all the way back in June 2011. I'll take this excerpt straight from it;

The real lightning rod in terms of short positions is the SPDR S&P; Retail ETF (NYSEArca: XRT). The number of XRT shares short rose last month by more than 6 percent, and the amount of XRT that’s short stood at more than 625 percent the amount of its outstanding float.

So we can see that 11 years ago, XRT was still running at 625% shorted, which is higher than it is at the current moment.

On top of that, a question to ask is if an ETF so heavily shorted can actually collapse under its own weight of short cunt fuckery, and the answer is no.

Back in September 2010, XRT was 500% short, raising a concern that the ETF could reduce in value to zero, and therefore collapse.

There's a full piece on XRT written in 2010 by Bogan Associates, a financial consultion firm in the US. It's here;

http://boganassociates.com/whitepapers.html

The XRT prospectus deals with this specifically, by stating;

“An Authorized Participant submitting a redemption request is deemed to represent to the Trust that it (or its client) (i) owns outright or has full legal authority and legal beneficial right to tender for redemption the requisite number of Shares to be redeemed and can receive the entire proceeds of the redemption, and (ii) the Shares to be redeemed have not been loaned or pledged to another party nor are they the subject of a repurchase agreement, securities lending agreement or such other arrangement which would preclude the delivery of such Shares to the Trust. The Trust reserves the right to verify these representations at its discretion, but will typically require verification with respect to a redemption request from a Fund in connection with higher levels of redemption activity and/or short interest in the Fund. If the Authorized Participant, upon receipt of a verification request, does not provide sufficient verification of its representations as determined by the Trust, the redemption request will not be considered to have been received in proper form and may be rejected by the Trust.”

So basically, redemption can be rejected and the ETF can't break.

Anyway, fuck that, lets talk about how and why the IS can be absurdly (and legally) so high.

So, if an MM sells 5 million shares of XRT it doesn’t even own, it doesn’t have to actually do the XRT creation to make good on that delivery for five days. Five fucking days. And when you consider that reported SI on an ETF is updated every 2 weeks, you can see how the numbers get fucked up.

On top of that, XRT isn't even the ETF with the most GME exposure. IJH, MDY, IJK, VTI and VB all have greater % exposure of GME. In fact, IJH has $280 million worth of GME exposure, but the size of the ETF gives it a low % allocation, being about 0.50%

Now, I cant be arsed typing it all out, but a link in the next line will explain how the ETF's are used to create shares out of thin air and how it keeps the machine running. It's not fair, but it's legal and has happened for decades.

https://www.justetf.com/uk/news/etf/creation-redemption-the-secret-sauce-of-etfs.html

Simple fact is, XRT has been the highest shorted ETF for over a decade, well before GME came to attention, when it was trading for years at a very normal $23 per share.

Now, I'm under no illusion, that some form of fuckery will take place using ETF's, because they allow you to create shares out of nowhere under the redemption and creation scheme, however what I am saying is that just because someone posts about an obscene high SI on an etf, it's nothing to get too jacked about, because it's been like this for decades.

The only question I cant answer (because it's never been done before), is what happens when all shares are locked via DRS. Can an MM continue to make shares for the purpose of ETF balancing? I would assume so, but there has to be some sort of counter from the GME board or some sort of regulation (lol) that prevents more shares being made for the ETF to keep it balanced, when everything else is locked up. I'd argue that an entire float has never been locked before by retail investors, and any floats that may have come close in the past have been subject to dilution by the company board to keep the stock liquid. We know Gamestop won't dilute, so we're in truly uncharted territory.