

Title: I think we just entered the 4 Month Algo Cycle, Get your Tits Jacked.

Author: penmaggots

Created 2021-09-28 07:59:20 UTC

Permalink: /r/DDintoGME/comments/px1hsk/i_think_we_just_entered_the_4_month_algo_cycle/

Url: https://www.reddit.com/r/DDintoGME/comments/px1hsk/i_think_we_just_entered_the_4_month_algo_cycle/

First off, I'm fucking retarded, not a Financial Advisor and am not giving Financial Advice. So take this how you will.

I know we've had previous speculated Due Diligence regarding the algorithm cycle being 90 Days. For the most part, it took the January run-up as an outlier and looked at it in terms of a peak 3/10 Date, then 6/10 Date, which should have led to a peak 9/10 Date (which should have followed the Futures Expiration / Roll-Over Theory).

I'm not going to go into the Futures Expiration / Roll-Over because I don't know the specific reasoning for the algorithm cycles; and if it applies. But I am looking at it straight from a data perspective.

Also, I apologize if some of the order is not as clean as it should be. This is my first DD and I don't really have time to write it, so rushing a bit.

\\ \\ \\ \\ \\ \\ \\ \\

So our Due Diligence speculates that the meme stocks are trading in baskets and the meme stocks are correlated to the point that Gamestop and Movie move together. If you look at the minute to minute charts, except for volatility, they pretty much look the same. Meaning, they would all pretty much have the same algorithm cycle.

However, even though they should be the same, if you look at the daily chart, you can see some differences. This is where I think the previous Due Diligence was "wrong". We were only looking at one chart and making assumptions for the full basket.

Now, if we look at all the charts, I've come to a different conclusion than a 90 Day Algorithm cycle. Instead, I think there is a 120 Day cycle and that January is not really an outlier but was pre-algo peak. I think the Algorithm was supposed to create a peak price in early February but due to the volatility and interest in the meme stocks, it created a peak in January and they were thus forced to short / push it down before it ever reached the peak.

Here are some of the daily charts for GME and the meme stocks that Robbinghood limited "Buys" for that I think are most similar.

****AMC****

[AMC](<https://preview.redd.it/s3h1cywko6q71.png?width=1070&format=png&auto=webp&s=f8225c1b41e140a6a65dc1a617dde139f3fcf36a>)

AMC was shorted down in February. But if you noticed, it dipped and shot up on February 1st before continuing its path down. February 1st + 120 Days = June 1st. And it peaked on June 2nd.

****BB****

[BB](https://preview.redd.it/q45n4mk7p6q71.png?width=1070&format;=png&auto;=webp&s;=d0f91cd4b92b1ee3aab72f87795b82f08ae41b0b)

BB was shorted down with GME and AMC in February, so it's not as noticeable. But you won't believe what week that dip / small peak is in February. You guessed it. February 1-5. So...the week that is 120 Days later is May 31 - June 4, and look at that, it shot up that week.

Now...this is similar to Gamestop, in that although it ran up the week of May 31 - June 4th, it didn't peak until June 8th (Gamestop peaked June 9th), which is the following week.

The reason for this isn't that it was supposed to peak on this week but because there can be slight variations due to volatility and max pain. But the overall general direction ends up being the same as soon after it just follows it's normal path down.

****NAKD****

[NAKD](https://preview.redd.it/9qi66y2ip6q71.png?width=1070&format;=png&auto;=webp&s;=5c326e05b03126ba530f9ba164dc125ffeb3b432)

This one has a much more profound peak on February 10th. Now...120 Days later is June 10th. The peak in this case was on June 2nd. I know what you're thinking, this is 112 days, so it's off by a week. Not necessarily, see that dip / peak right between January 28th and February 10th. Yes, that smaller one. That's February 3rd...so same 119 Days.

****KOSS****

[KOSS](https://preview.redd.it/5m2dgbd1q6q71.png?width=1070&format;=png&auto;=webp&s;=611cc84ff3fd7840d886d102703b9834a4da7ce2)

This looks similar to Gamestop right? Peaked on January 29th, then again on March 10th. Then early June. Wait...the dates are a bit off in June. And what's that small peak in February? There's a small spike on February 3...and then the peak in June is June 2nd. That's 119 Days.

****BBBY****

[BBBY](https://preview.redd.it/bhr3vwiky6q71.png?width=1070&format;=png&auto;=webp&s;=c75e381cce9d29da450100da2577ef5d2851d0bd)

Okay, this one you can't really tell there is a February peak. But it did jump on June 2nd; and it's more a general direction than anything.

****TELL****

[TELL](https://preview.redd.it/36gz5f2107q71.png?width=1070&format;=png&auto;=webp&s;=0e25464f68240c3ddb7424f6d482532449d64ca1)

This is not a Meme Stock. But I first heard about it on shill sub (W-S-Bs). This company is an LNG gas company. As far as I know, its not considered a short squeeze play. Though from the 5 year chart, it looks like it was on the downtrend and then diluted in February '20. So perhaps this may have been shorted with an attempt to "cellar box" it eventually?

It also ran up up in January. But instead of running through January 29th before a dip, it only ran up to January 25th before dipping than running up a bit in February.

I think it diverged with the meme stocks because there was less pressure / volatility; and as such, I think shows better of what the path should have been (meaning not quite a peak at the end of January but a peak in February). I put some red lines to show what I think it should have somewhat followed.

****GME****

<https://preview.redd.it/4w8smp4s77q71.png?width=1070&format;=png&auto;=webp&s;=94e0be1eca44fb28e7762b50c77cbf707a180727>

GME

Here's our beloved GME. Obviously, it was shorted down in February, but think of it as it should have followed something like the path laid out in purple. And the Algorithm basically tries to balance everything out so it will eventually bring the price to exactly where it is supposed to be.

Basically, if I am correct regarding the 120 Day Also cycle, get your tits jacked because this week marks the start of the week of the 120th Day (4 Month cycle). And...NAKD just jumped 20+% yesterday; and 10% After Hours. TELL also jumped 11% daily and 7% AH. Again, they don't necessarily jump on the exact same days but they should jump on the same week.

And if we are to follow the same 120 Day peak week cycle. Then we should be running up this week through next (Technically, it would be September 30th start, which is this week. But I think it might just be the beginning / first week of the month).

I know I had some more that I was going to write regarding this but I can't think of it now. I'll add to this if I think of it again.

ALSO, COMPUTERSHARES!!!!!!

Edit: Also just remembered something else I was going to write, as we see GME was shorted in February and then bounced right back up in March. I think overall the algo trend is dynamic. Meaning they can try to suppress it but it will just bounce back. So it should technically start now but if they suppress the price, I think it will bounce greater and higher. This is also the reason I think movie might have sprung up so high in June. It was suppressed and wasn't really allowed to jump back up as high in March.

Edit 2: to go further into the dynamic theory, the algo can change within each 120 day cycle, the peak can sort of be within any month. But there is a peak. If it's suppressed too much then as I stated it will result in what I think happened to movie in that it sort of experienced double peaks.

Think of each 120 day cycle as triangles, and if you put the 3 triangles together if you suppress it, it will look like:

■■■ (3 triangles, the red would be 2 right triangles next to each other).

So there are no specific dates because they can suppress it but if they don't and it follows the same pattern. Then it would basically be:

■■■■■

So no specific dates but a likely outcome because we're entering a new 120 day period.

Edit 3: someone asked me if I knew the reasoning behind it. Like I said I don't but I thought of something and wanted to post it. I'm pulling this out of my ass right now. Thinking further, with setting up specific reasons for each date, we're looking and reasoning that because this expiration or roll over happens on this date then this other thing must happen. So like if x then y.

However, what if it is more like:

If a then y, If b then y, If c then y, If d then y..., If x then y, and so on.

The algorithm knows the outcome (and since Citadel is a market maker and allowed to naked short), it creates various outputs and can just move it within the parameters. But due to trying to hold off as much as possible, it creates the pattern.

That's why they shorted in February and broke the pattern but it just fixed itself by March. So it can be the roll over, futures, etc. It's just everything and the algo uses it all.

I don't know if that makes sense. But it can explain why once we figure out a specific cause, it is able to change because the algo is dynamic within each 120 day cycle. So futures / roll over is likely still one of the reasons.