

Title: GME is a Rocket/Pressure Cooker - Quant Analysis of RSI and Parabolic Activity - Momentum Indicators | HASN'T BEEN INVALIDATED YET

Author: HCMF_MaceFace

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>Not Financial Advice, I am not a financial advisor[.](<https://web.archive.org/web/20210618042013/https://preview.redd.it/emiby2pitw571.png?width=457&format=png&auto=webp&s=3e4afde797086bea502f76ad20a725d6f154a790>)

Preface

Technical Analysis is not my forte, but as I was watching the price action, I realized that the RSI on **daily intervals** had been around 60 (I will explain why this is significant relative to GME). I don't know how many apes are familiar with RSI (Relative Strength Index), but it is basically a momentum indicator commonly used in technical analysis to indicate overbought and oversold conditions. When it is low (~30) it basically means that sell pressure has been very strong, and when it is high (~70), buy pressure is strong. Momentum traders use this indicator to determine good entry and exist points for their trades (for those who trade GME, we only have entry and **exit** entry points).

Traditional interpretations of RSI and many technical indicators are not very easy to apply to GME do the the fact that it is a highly manipulated stock. Back in June, a DD contributor by the name of Hey_Madie created a post covering her Pressure Cooker Theory which has since been deleted (courtesy of the "mod drama saga"), but fortunately was available on the Way Back Machine. This theory relied on a non-traditional interpretation of RSI that factored in the suppression we have seen with GME for months where, somehow, whoever is controlling the price is able to keep RSI below 53. However, occasionally, RSI would break that wall and ascend to a point (60 RSI) that has always pointed to a near-term parabolic event where RSI reaches ~70.

Parabolic Event = GME go brrr

Goal

Full credit for this theory belongs to Hey_Madie. My only real goal here is to bring to light what I think was one of the most valid TA-base theses on gme and provide a refresh on it. As of today, although GME has been following a trend that seems like it will close on the day chart at 60 RSI soon, **this has not happened yet on the most recent run, so don't go full ape just yet.** I have a good feeling we might get there this week (my feelings is generally wrong so don't count on that), and if we do, it goes without saying we should **buckle the fuck up for another rip**.

Theory

To help break down the theory, I am just going to cite Hey_Madie's Conclusion/TL;DR

NOTE: FOR THE MAIN THESIS, IT IS RSI ON **DAILY** INTERVALS

<https://preview.redd.it/sux61ynhr0x71.png?width=470&format=png&auto=webp&s=6667a926df64d1bb6594d393a931ac01c3724485>

>If GME were left to run past RSI 53 and ascend to RSI 60+, the result would be a parabolic event. It's as simple as that. GME is influenced by many factors, but the data in this analysis should conclude that between RSI 53-60, the factor of 7 is what remains between the parabolic and the suppressed state. The fact of the matter is that this method is beginning to show a trend towards a declining slope of effectiveness. Educate yourself and keep your head on a swivel. ■

For visual reference, I am going to rip off a few images from her original post (DAILY INTERVALS).

>The Visual Indicator

>

>Parabolic occurrences are represented using rockets. The size represents the strength of the parabolic event. RSI 53 ascending to RSI 60 = Parabolic Event

[You'll want to open in a bigger window \ (note that when the 53->60 ascension happens, even if RSI starts to decline from 60, a parabolic event above 70 RSI still takes place)](<https://preview.redd.it/nj11jxwir0x71.png?width=3140&format=png&auto=webp&s=afd34daa71e4b53a43a3b7dd13391623b90814da>)

<https://preview.redd.it/kupfxmplr0x71.png?width=437&format=png&auto=webp&s=4d3aa3ff2ded786c65c4762bd7ff3aab583ac50c>

Again, the above images are just for some added clarity on the post, but you can read it here (if you try to read it on mobile, good luck, because it will probably suck to try and read).

Refresh

[Again, open in a bigger tab, or <https://www.tradingview.com/chart/pRetW76hV/>](<https://preview.redd.it/rjbzhnnr0x71.png?width=1856&format=png&auto=webp&s=19f55c98cb64e9f0b2c7f7312a138e6f3dee90e1>)

So here is basically where we are now. At time of writing, GME is green in the middle of the day ~11:15AM ET, and if we close above RSI 60 before we close below 53, a parabolic event should follow soon after :)

If it descends back below 53 without touching 60, then we may not :(

<https://preview.redd.it/97923kbgw0x71.png?width=1000&format=png&auto=webp&s=3a52e8f90c1f9f8b865e27b727eb14eb1291094a>

Conclusion

This post is primarily about Madie's TA that she referred to as the Pressure Cooker which I would encourage you to take a look at. Traditional interpretations of RSI are not really applicable to GME, and Madie basically found another way to interpret it based on the suppression that generally keeps GME's RSI below 53 on DAILY intervals. If RSI reports as below 53 on daily intervals after closing, it can be assumed that we may not see a corresponding parabolic event. If we do happen to hit 60 RSI, you can be sure I will be buying as much GME as I can.

TL;DR (quoted from Madie's post)

>If GME were left to run past RSI 53 and ascend to RSI 60+, the result would be a parabolic event. It's as simple as that. GME is influenced by many factors, but the data in this analysis should conclude that between RSI 53-60, the factor of 7 is what remains between the parabolic and the suppressed state. The fact of the matter is that this method is beginning to show a trend towards a declining slope of effectiveness. Educate yourself and keep your head on a swivel. ■

If there are any TA apes who want to take a closer look at this, I say go for it. TA isn't my area of expertise, but I saw some value in at least refreshing this for the community to continue jacking our tits.

As with everything, think critically, and before going along with any ideas or narratives, try and perform your own due diligence to ensure it is something that is worth going along with. If we happen to reach that 60 RSI, I will probably make another post going into more detail.

Buy and Hodl, and watch out for FUD.

edit: LFG ■

[Tradingview chart from the image under "Refresh"
section](<https://www.tradingview.com/chart/pRetW76h/>)

[https://twitter.com/HCMF_MaceFace/status/1455275298073763841](https://twitter.com/HCMF_MaceFace/status/1455275298073763841)

Made it more clear this is RSI measured on **DAILY** intervals