

Title: Question about reverse repo

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I've a simple understanding about reverse repo, also trying to ELI5 to family.

So reverse repo is primarily used by money market funds and not banks. But it does signify that there is a ton of money in money market funds, showing that investors are choosing to stash a ton of money (that the Fed printed happily) in safer money market funds, instead of startups, stocks etc. Hence reverse repo is a downstream symptom of investors believing a market crash is coming, am i right?

And market crash means GME goes up, as other collateral loses value and shorts are margin called.