

Url: /r/Superstonk/comments/tlu4pm/the\_gamma\_squeeze\_part\_ii/

**\*\*TL;DR - The option chain is lining up with massive consequences at / after \$150. I believe the price suppression is being targeted at specific strike prices to avoid another gamma squeeze from happening before Friday 3/25. If you see resistances at those points, it could be because these OTM call sellers got caught with their pants down. #LFG\*\***

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Right now, it's extremely hard to find shares to borrow. This is evidenced by the increase in borrow rate across almost every broker. Unless you've been hiding under a rock for the past week or so, you've probably seen a few posts talking about it.

I've been looking at [https://iborrowdesk.com/report/GME](https://iborrowdesk.com/report/GME) for info on the number of shares available to borrow and the rate to borrow them. If you've been tracking the [Stonk-O-Tracker](https://gme.crazyawesomecompany.com/), you'll see similar reports using IBKR.

The [option chain](https://finance.yahoo.com/quote/GME/options?date=1648166400) for GME is pretty dramatic this week. If you look at the calls through \$140, you'll see what I'm talking about. \*\*Keep in mind this is just for calls expiring on Friday (3/25).\*\*

<https://preview.redd.it/50jpmmysq6p81.png?width=813&format=png&auto=webp&s=cf58d0fd8ed95dcd2606f433b96d458372648957>

For those who don't know what this picture represents, this is what's called an option chain. You can look this up on [Yahoo](https://finance.yahoo.com/quote/GME/options?date=1648166400). The 3rd column from the left represents the \*strike price\*, while the other highlighted columns are \*option volume\* and \*open interest\*, respectively\\*.\*

1. When the dollar amount of a stonk rises to the \*strike price\* of a call option, the option is considered \*In The Money (ITM)\*. Whoever bought the call option can exercise the call and buy the share at the strike price from the seller. The longer you wait to exercise and the higher the price goes, the deeper ITM the option becomes
2. The number of contracts that are traded- usually daily- is the reported option volume. This is Just like the stonk volume. There's really nothing complicated here. If you see a high volume for a given option, it means it's highly liquid and can be traded easily. This number changes often
3. Lastly, the number of ACTIVE options is referred to as the \*option interest.\* When looking at the 120 calls in the screenshot above, there are currently \*\*3,042 active calls\*\* (as of 3/23/2022 @ 2:50pm EDT). Each call option represents 100 shares, so that's a total of \*\*304,200 shares embedded within those options\*\*

As you continue on down the line, you can sum the option interest reported at each strike price and then multiply that total by 100. This gives you the total amount of shares that are eligible to be purchased if the call owners decide to exercise their rights....

...I started counting calls at the \$100 strike because it was the first, big milestone we crossed this week (in terms of option interest). Since yesterday (3/22), we now have \*\*24,189 call options ITM.\*\* That's \*\*2,418,900 shares.\*\* This just represents the calls through the \$140 strike, and the options expiring this Friday..

....let that sink in.....

What's most significant here is that the \*LIKELIHOOD\* of these options being ITM this week was really, REALLY low. Prior to yesterday, everything above \$100 was considered \*Out of The Money (OTM)\*. The financial elites and their media outlets were pushing FUD prior to the earnings report because all of their metrics are based on the most simplistic numbers like EPS and net income. \*\*Any good accountant knows the TRUE details are in the words- not the numbers.\*\* Not one article (that I saw) mentioned any good things about the company, the personnel growth it's had in the past year, or the transformation that's underway. A lack of "direction" is apparent when executives are milking tendies off a dying company and refuse to make ANY changes to better that company's future. This is obviously not the case here and we all know these changes wouldn't be made recklessly. If I was still waiting on GameStop to "be a better brick and mortar", I would have my doubts. Obviously, that's not true.

Regardless, several investors were expecting a big dip, so placing a bet on calls above \$100 was almost a guaranteed waste of cash...

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Now then...

Last week, a \$150 call wasn't even a reasonable choice... You'd have to pump the stock price 50% in a week to even consider those being close to ITM. So if I was selling \$150 calls on a stock with a "negative outlook" and approaching earnings season, which is even more likely to report another loss, I wouldn't be worried about covering those calls...

If I were a SHF and suddenly faced with this harsh reality, I'd be trying to short the absolute f\*ck out of it right about now. The only problem is the availability of shares to borrow is super f\*cking low and even if you can FIND them, you have to pay nearly 10% in interest... Not to mention **\*\*RETAIL OWNS THE FLOAT THIS TIME AND 25% IS DIRECTLY REGISTERED WITH THE COMPANY\*\***

Just compare that to the 1-2% borrow fee you've been paying for the past 10 months and things are starting to look pretty sh\\*tty if you're a SHF. There were literally 0 shares available to borrow yesterday, at least according to the websites we have. At one point I believe there were less than 5k... which is absolutely dry as a desert.

Now...

So here's the price action today broken down by 15 minute candles.

<https://preview.redd.it/78yexmbnf8p81.jpg?width=1281&format=pjpg&auto=webp&s=a7e389cb75d555c332b872f65d84ac4e46165c63>

Pressure to suppress the price below..... what's that?? ....\*\*\$150 you say?\*\*.... Any time the price started to get close, it's met with immense downward pressure, as evidenced by the red pivot-points...

I'm not one to think that coincidences like this are simply coincidence...

I believe the threat of a gamma squeeze is becoming VERY real and they've got until Friday to release some of that pressure.. I believe shorts are being very strategic in where and when they load the extra supply to suppress us from reaching specific price targets. As a short seller, your objective is to sell stock when you think you've reached a high, not when it's building up to that peak. If there's nothing malicious going on, why not let it run?

I believe the act of RC buying another 100k through the lit exchange, on the ABSOLUTE BEST DAY to do it, dealt a HUGE blow to the SHF narrative. There couldn't have been a better time to reignite retail investor sentiment.

But hey... what do I know....

DIAMOND.F\*CKING.HANDS

\#GMEtotheMOON