

Title: COULD REALLY BE CITADEL LIQUIDITY LOW? A Closer Look to shit H00D

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Hi Fellow Apes,

BTW I am excited for reducing my GME cost basis to 137\$ yesterday and DRSing 100 shares more.... So take my TLDR

****TL;DR**** \-> RH Receivables keep rising in 2021!

WARNING! I overcomplicated this so feel free to escape!

I've read numerous DDs about why Citadel took this injection of cash. So, I thought to look if Citadel (main MM of RH) continues to pay RH. Apologies if this is already covered...

LESSSSSSSSSSSSSSSSSSSS GOOOOoooooooooooooooooooo

****RH Revenues**** [10-Q](<https://investors.robinhood.com/financials/sec-filings/default.aspx>)

>*For the year ended December 31, 2020, revenue derived from PFOF and Transaction Rebates represented 75% of our total revenues, with 72% of total revenues derived from PFOF and 3% of total revenues derived from Transaction Rebates, and for the nine months ended September 30, 2021, represented 78% of our total revenues, with 52% of total revenues derived from PFOF and 26% of total revenues derived from Transaction Rebates.*

Revenue stream from Payment-For-Order-Flow down from 72% to 52%. Probably it means nothing however the reduced volume in RH does not justify that, or does it? Please help...

RH uses 4 market makers for PFOF (don't trust me lol, [verify](<https://cdn.robinhood.com/assets/robinhood/legal/RHS%20SEC%20Rule%20606%20and%20607%20Disclosure%20Q2%202021.pdf>))

- * Virtu Americas, LLC
- * CITADEL SECURITIES LLC
- * G1X Execution Services, LLC
- * Two Sigma Securities, LLC

Crunched numbers in my head I can see that

* Virtu Americas is the highest % receiver for Stock Orders (S&P; 500 & Non S&P;) with second CITADEL for about ~5-10% less flow (remember these calculations come from my HEAD!) ****HOW THE FUCK CITADEL PAYS MORE \$\$ TO THAN Virtu Americas is beyond my ape cognitive capacity. PLEASE comment to educate me :)****

* CITADEL is the highest % receiver for Option Orders, paying double than the second MM

My point to this is that if somehow RH has continues to have trading volume and in the same time liquidity issues then its a (wild speculation) possibility that ****CITADEL**** does have \$\$ to pay the bill (F*ck u Pay ME!)

Well the Revenues look veryyyyyy goood

[RH Revenue 2021](<https://preview.redd.it/rft6mhwaylc81.png?width=880&format;=png&auto;=webp&s;=90a91ec05c9623d41b9c8740ea4694d23e80e0b0>)

Now let's look how is the [Balance Sheet](<https://www.barchart.com/stocks/quotes/HOOD/balance-sheet/quarterly>)

[RH Receivables 2021](<https://preview.redd.it/aqnww91gylc81.png?width=880&format;=png&auto;=webp&s;=5f34fbeb9ce347facda2fbf1546920afa9d2633f>)

Hmm tasty their ****RECEIVABLES**** almost doubled (3.7B\$ -> 6.1B\$). Notice that says **users** this is not you... you are a customer.

Could be CITADEL spending their \$\$ somewhere else? Wild speculation here...

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TRULY DEGENERATE BONUS PART (Skip I said I overcomplicated this)

Did someone told you that the IPO helped RH them repay 5B\$ in debt, because MSM didn't...

How bad was RH during first half of 2021? I believe they really needed the IPO despite all this negative outlook.

Look at this from their 10Q

>In February 2021, we issued two tranches of convertible notes, consisting of \$2.53 billion aggregate principal amount of Tranche I convertible notes and \$1.02 billion aggregate principal amount of Tranche II convertible notes. Interest on the convertible notes accrued at 6% per annum, compounding semi-annually in arrears, and was payable in kind. The convertible notes did not have a maturity date.

The IPO proceeds were 2B\$, the convertible notes were 5.2B\$ and the Additional Paid Capital was 10B\$ (basically free money, I think lol). I doubt that these convertible notes were bought by CITADEL... interested in opinions here :)

[RH 5B is Convertible Notes](<https://preview.redd.it/0xcbicl4zlc81.jpg?width=864&format;=jpg&auto;=webp&s;=530711240b206f3f97ad7edb65b20a2f894e2f1f>)

So YES these guys are not YOURS or your WIFE's BOYFRIEND!

This is not a financial advice,

This view is of my own

Thank you