Title: MOASS the Trilogy: Book Two
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This is where it all starts to get a bit complex, I will do my best to walk you all through every step of this to make it easily understandable.

I held off publishing this, particularly because of this section, for a while due to the complexity of some of the mechanics at play here.

But after a year of hodling and learning I think most will grasp the importance of this...

I truly believe, in no uncertain terms, that the mechanics outlined here present the best chance of a short squeeze on GME occurring.

As do many others u/criand, u/leenixus, u/turdfurg23, u/Zinko83, and the people on my quant team who choose to remain anonymous.

We may not all agree on some minute details. However, I think the past few days have shown that we agree that the fear of options and misinformation about them needs to be laid to rest.

In the next two sections of this DD I will outline the mechanics and reasoning, and provide as much information as I can on the ideal points where retail is capable of applying the most pressure.

As always I will be glad to answer any question on my livestream chat or as I can get to them on reddit.

Edit 1* I already see a false narrative being spun and want to get out ahead of it, I in no way am encouraging apes to buy weeklies, or lose their ass on far OTM the money contracts. This has happened too many times in the past and is the reason for much of the current sentiment around options. There are solid safe strategies and also riskier opportunities available if these cycles outlined in the first part of this DD play out. I intend to highlight some of those in the next part of this DD. If you don't know how to play options...Buy and Hold and now DRS are a large part of why these cycles are even present and can be tracked. But regardless of participation in options this research is meant to inform not instruct.

Continued from Book one...

Part III: If January is so great, why did the price fall, huh pickle?

Well the simple answer is, people sold.

People realized massive gains and then paper-handed like crazy on the upswing, the rest realized massive losses on the downside and sold.

Not HF fuckery, not even the buy button getting turned off, just good old panic selling.

Sure some held, some didn't get out in time, and shit some were still buying on the way down.

I'm not denying the existence of diamond handed apes but they were young, inexperienced, and not

yet prepared for the fuckery that would later reveal itself.

What did they sell?

They sold their options

The SEC gave us the proof

[Call volume significantly higher than put volume](https://preview.redd.it/9kdewsk6la081.png?width=1064&format;=png&auto;=webp&s;=c7c126f8c7be2395ac5596bb09165cc9da15b6ff)

[Median increase in options volume of 437% over the previous quarter](https://preview.redd.it/2kcf1p7bla081.png?width=1148&format;=png&auto;=webp&s;=2cc48cc4ef25b29e73622aadbabe1f37531b2df4)

Every cheap single 3-2-1-0 DTE weekly, they sold their leaps, their monthlies, their quarterlies.

GME holders paper-handed ever single fucking one of them and why?

Cause you don't diamond hand options...

they are meant to capture profits on a move in the underlying equity.

When all those weeklies expired and were sold, what happened?

The price tanked. From $483 to a low of $51 5 days later.

[Hmm...a Friday options expire on Friday.](https://preview.redd.it/eul1afio8h081.png?width=1617&format;=png&auto;=webp&s;=06e65866edf29d64918fdfbc65dd90a8f3cf1cf1)

again, and again...

[June is slightly deviated as the ATM offering of 5m shares provided ample liquidity](https://preview.redd.it/fsqxt7ppth081.png?width=1613&format;=png&auto;=webp&s;=504dcca849a8db46fed356b7c3c5d17f7a1f28d6)

Time after time retail sold their calls and they were able to bring the price down.

Maybe we won't make the same mistake again.

Section 2: Delta Hedging

So to explain what happened here I will lay out delta hedging for you as clearly as I can.

[ ](https://preview.redd.it/noffzc07ta081.png?width=1279&format;=png&auto;=webp&s;=4e5ed8f0362225b59f77fdbc3c57db0bacb0383c)

[ ](https://preview.redd.it/ltf3njnuxa081.png?width=1642&format;=png&auto;=webp&s;=f219f1496d2cca1a7697d98faca872579aaa08c4)

However on GME due to the massive retail ownership (via the options chain) in January, there was no liquidity in the market to hedge with shares, so instead they internalized the losses from the call contracts they wrote. Using their **massive** margin as leverage against, the delta they should have properly hedged.

https://preview.redd.it/qe8ghxf1za081.png?width=1106&format;=png&auto;=webp&s;=aa85f9283ee7e787f1b1988eeceb27591a1fe046

[Staff Report on Equity and Options Market Structure Conditions in Early 2021](https://preview.redd.it/0edlly47za081.png?width=1227&format;=png&auto;=webp&s;=132f6b1467e5bf6ebabe3854a77d84f6ce9bf3d0)

This leads to Gamma Exposure since they did not properly hedge they now have their standard settlement period (T+2) to purchase shares to satisfy any exercised contracts.

Once they are able to become gamma neutral again following the settlement period they can start buying puts with high delta to drive the price down.

Okay, now back to how this dropped the price in January.

Since retail was selling out of their options which were squeezing the MMs Delta hedging, this selling of contracts allowed them to re-position and on January 27th they dumped an absolutely absurd amount of ITM puts onto the market

[not a \\"gamma squeeze\\", retail buying cheap calls and MM buying expensive puts on the 27th](https://preview.redd.it/48tde8rc1b081.png?width=1116&format;=png&auto;=webp&s;=37ee54de25f6b1687aa7ce5055147c031153c763)

This statement from the SEC indicates that they price action we did see was simply the **ramp** since the contracts were sold off on Friday and cash settled there was little exposure to cover.

Hence, no "gamma squeeze"

Thursday, January 28^(th), they shut off the buy button.

Friday, January 29th, The last significant chunk of retail options sold out.

GME options holders allowed them to cash-settle their contracts by selling out of them. ?Meaning, they could just use the losses they had internalized to satisfy their improper hedging.

This allowed them to sell off the massive numbers of shares they actually bought to hedge and simultaneously drive profits into their put contracts.

[The exposure to calls on January 22nd and 29th, hedged at 1.00 delta represents a necessary hedge of 120 million shares.](https://preview.redd.it/z1u2gpn6zh081.png?width=1343&format;=png&auto;=webp&s;=1991eee6f21980fa62062019048e82b84908ec89)

■ let this sink in, and one more time...okay LFG

Why?

Why not hold for the moon?

Most of the contracts people FOMO'd into expired on January 29th, jumping into cheap OTM weeklies meant people weren't exercising them, they were taking their profits. As they have continued to to do on every huge run since.

Well except this guy, apparently knew what he was doing, he sold some, sure...

https://preview.redd.it/xp75u27o2b081.png?width=1215&format;=png&auto;=webp&s;=9448cf367690fb89b2b01dc488ed5eaf504caa3d

https://preview.redd.it/9d5qyigr2b081.png?width=1208&format;=png&auto;=webp&s;=53b6d5fbeb41448a2f830ac6a681954c7df46d88

But he exercised a lot...

Why is this important?

Different time and place, right?

No, same mechanics that were true then are true now.

Sure options are more expensive but so is GME.

After the options expire if the call writers haven't properly hedged the contracts they wrote then, if contracts are exercised they need to go find the remaining shares at market.

They have T+2 or they are forced to buy in.

!Forced!

No FTDs, no marking long, and no can kicking.

A **contractual obligation** to be provided 100 shares, immediately at the strike.

So if they have not hedged, they now need to buy shares at current market price suffering not only the loss on the contract but also the price per share loss if the price is significantly higher by the time they settle.

At this point I think it's pretty common knowledge that we own the float.

So "hypothetically" speaking, if a MM were to need to buy 100 shares to satisfy an exercise they would need to buy them from us, and we are not selling...

https://preview.redd.it/sp3s3uqevh081.jpg?width=620&format;=pjpg&auto;=webp&s;=cfaf560426970a0a30a03b39086e655d234a19a7

So what Daddy Gensler really did in his report is give retail the keys to MOASS...

In the data provided in the SEC report, not only does it tell us exactly how we didn't MOASS, they also give us **the exact mechanism** which we need to assure their destruction... all we ever had to do was get off our asses and

Exercise

That's right just like DFV...

https://preview.redd.it/bkolynem4i081.png?width=708&format;=png&auto;=webp&s;=2b5b54399b1fe2746fc9042796bc64ff9a09496d

Because **leveraged retail is the largest hedge fund in the world**, one contract per Superstonk user would represent 68,900,000 shares

and if we exercised those contracts...

https://preview.redd.it/mevki6qwhi081.png?width=1170&format;=png&auto;=webp&s;=55e9cc885c6c2dc3cca3f30ce3a078d96b14bb8e

STAYED TUNED FOR THE STUNNING CONCLUSION IN BOOK III: COMING SOON!

In the meantime a lot of it is covered here ... [talk with Houston Wade here explaining my current theory](https://www.youtube.com/watch?v=mntHdNqltkw)

For more information on my theory and options please check out the [stream clips on my YouTube channel](https://www.youtube.com/c/PickleFinancial/playlists).

Daily Live charting (always under my profile [u/gherkinit](https://www.reddit.com/u/gherkinit/)) from 8:45am - 4pm EDT on trading days

on my [YouTube Live Stream](https://www.youtube.com/c/PickleFinancial) from 9am - 4pm EDT on trading days

or check out the [Discord](https://discord.gg/BGmjnrvHnw) for more stuff with fellow apes

As always thanks for following along.

■❤■

\- Gherkinit

Disclaimer

** Although my profession is day trading, I in no way endorse day-trading of GME not only does it present significant risk, it can delay the squeeze. If you are one of the people that use this information to day trade this stock, I hope you sell at resistance then it turns around and gaps up to $500.* ■

**Options present a great deal of risk to the experienced and inexperienced investors alike, please understand the risk and mechanics of options before considering them as a way to leverage your position.*

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