

Title: So 4:1 happens on 7th month. Does 4x shorts and 4x long keep things net neutral, or does it make any difference?

Author: zenquest

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TL;DR: Market intermediaries (market makers, broker dealers) in cahoots with SHFs are in trouble for having created counterfeit/IOU shares and hiding them in the closet. The 4x flatulence causes them to pack more odorous gas in the limited hiding space they have. When it erupts, it will be violent and will cause co-conspirators more stinking damage.

As of July 6, computershared indicates 15.3M (45%) of float 33.8M float is locked (trimmed average).

On July 22, the DRS-ed shares will be 4x, float will be 4x, outstanding shares will be 4x, shorted shares will be 4x (likewise for call and put options, but won't consider it to keep things simple)

We'll ignore any retail buying pressure due to 'more affordable' shares. Most here are investors and are perhaps feel happy as they move up the tier (e.g. xx->xxx). We'll also ignore the increase in DRS-ed shares from July 7 through July 22 for simplicity. We'll also assume shorted shares is 4x float (135.2M)

From July 22 on,

1. DRS-ed shares will be 61.2M (4x 15.3, i.e. increase of 45.9M)
2. Float will be 135.2M shares (4x 33.8, i.e. increase of 101.4M)
3. Remaining float will be 74M (Float - DRS-ed shares, i.e. increase of 55.5M)
4. Outstanding (issued) will be 303.6M (4x 70.9M, i.e. increase of 283.6M)
5. Shorted shares will be 540.8M (4x 135.2, i.e. increase of 406.2M)

Here is where it gets interesting, Computershare, Gamestop's transfer agent, will only allocate additional 101.4M shares (2) to DTCC. Now, DTCC officially receives 101.4M additional GME shares, whereas intermediaries hold additional 406.2M counterfeits/IOUs on their books.

Intermediaries involved in fraudulent cover-up, have to rehypothecate DTCC's allotted 101.4M shares 3 times to true-up to their internal accounts. It's unclear whether this rehypothecation exercise will be done in lit market, and thus impacting price, or they can do this with least price impact like they do when tickers are added to Indexes.

Regardless of short term price action, the intermediaries and SHFs, now sit on a bigger powder keg.

When full float is locked and shareholders (majority stakeholders) take action to buy back the institutionally held shares, the price-action will spin out of control. This will start chain reaction that will force short holders to cover their hidden positions and buy-back the counterfeit/IOU shares. Further spiraling things out of control.

Also, it's worth noting that the price swings will be percentage wise wider for lower priced stocks, so it'll keep the shitadel bots a lot more busier trying to control the price pressure coming from institutional and direct purchase from Computershare/IEX.