Title: ■■Siggymandering■■ Explaining how this week only 26.7% of GME's order were lit orders that wasn't short volume and why it's bullish for us■■■
Author: [deleted]
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>**TLDR?**
>
>If their short positions were fully unwound, then why the continued level of manipulation?
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>EDIT 1- Someone raised a good point that I'm expanding on.
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>To combat Siggymandering you can do two things. (You can guess where this is going)
>
>For the off-exchange side of things, routing through lit exchange where possible and slapping that ask is the way to combat it.
>
>For the shorting side, DRSing your shares removes them from the shorting pool and keeps the onus on you, not a broker on whether you allow them to be shorted.
>
>EDIT 2- Someone suggested posting to these subs, so I am. If this breaks any rules let me know and I'll edit and/or remove.

Hey Everyone,

[Video Version.](https://www.youtube.com/watch?v=bzskkyUVXF0)

So you may have seen my posts this week on what percentage of GME trades this week were on the lit exchanges and wasn't short volume.

Now, that's a mouthful, so I coined a term for it. Siggymandering. Partly because Siggy sounds cool, and partly because the concept is similar to Gerrymandering.

>Totally random fact, did you know Susquehanna's full name is Susquehanna International Group, and is sometimes initialised as SIG... anyway.

This is my second attempt at explaining this, so hopefully I do a better job this time round. As it didn't really stick the first time.

So first, the full table for the week.

https://preview.redd.it/ude5rspu7z081.png?width=1612&format;=png&auto;=webp&s;=00a530ff7647b4550b17c1ae74c8eb6b1835827d

As you can see, this week we averaged 39.6% or 636k off-exchange vol, and 528k daily lit short vol, with 1.6 million ave daily volume.

This means only 26.7% of this week's volume wasn't traded off-exchange or short volume.

So why does this matter?

Well, in very basic terms, a stock's price can be imagined as a set of three scales.

On all scales one side is sell orders, on the other is buy orders.

On the first scale when a buy and sell order have the same price (bid/ask) and it's the same price as the current price they are removed from the scales and becomes volume (this could be because they are market orders, it could be because they are limit orders that happen to be at market price). At this point this scale should always either be evenly matched or empty.

This leaves us the two scales that can affect the price.

The second scale is orders that are matched with the same price (bid/ask) but that price is different from the stock price, if it's higher the stock moves higher. If it's lower the stock moves lower. After this happens we can then remove these orders from the scale (as they have been meet, and now become volume). Again this scale should always be evenly matched or empty, but it affects price.

The next type of orders that are limit orders that are near enough to the price that they have a reasonable chance to be filled, but as of yet are unfilled. If the net of these orders is sell orders then the price moves down, is the net of these orders is buy orders the price moves up. As the price moves on this scales orders new orders will be added and old orders removed as their chances to be filled becomes less likely.

Also as price moves, orders will be moved from one set of scales to another as it's conditions change.

>This is a super simplistic explanation of price movement, and isn't 100% accurate but it's like when your chemistry teacher tells you 0c is the triple point of water. It's close enough for our purposes.

So how does Siggymandering affect this?

Off Exchange Trading.

First is off-exchange trading.

If we look at the orders on the 2nd & 3rd set of scales we can see how placing a curtain over either would affect your ability to accurately predict the price movement of the stock.

And how clever use of partially place a curtain over part of a scale, could really affect the price.

This is what off-exchange trading does.

Off-exchange trading does not tell you the price the stock traded at, nor does it tell you the size of the order (which may still only be partially filled).

>Two side notes.
>
>I use the term off-exchange rather than darkpools, because Darkpools isn't formally defined anywhere 90% of the time when FINRA, SEC, FINTEL use it they mean ATS trading. When most retail use it they mean ATS and NON-ATS OTC trading, which is also referred to as off-exchange. This eliminates all confusion... hopefully.
>
>Secondly, for those unaware, it's not just shares that can be traded off-exchanges option contracts, swaps, bonds etc. can all be traded in various off exchange venues.

Now depending what gets blocked, you can artificially move the price in the direction you want.

Met prices that are lower than the current price and net sell orders hidden off-exchange will artificially increase the price.

Conversely met prices that are higher than the current price and net buy orders hidden off-exchange will artificially deflate the price.

Short Volume

Then there is short volume.

Short volume derives from one of two places. Someone short selling a share, as part of a bearish outlook on the stock.

Or from a market maker naked shorting to meet liquidity obligations.

The issue with this is, it's creates a temporary sell order which can be placed on any of the scales, and may or may not be shown behind that curtain I mentioned earlier.

The thing with short volume is that eventually it will be met with a return buy order.

If both the initial short and return buy are routed through off-exchange or both routed through lit-exchanges what happens is the price movements can neutralised.

>either two no movements, or one price negative then one price positive movement.

However if one is routed through lit-exchange and the other off-exchange you get artificial movement in one direction.

A short that goes through off-exchange but the return buy is on the lit exchange inflates the price.

Conversely a short that goes through the lit-exchange but the return buy is off-exchange deflates the price.

An example.

So let's make a super basic example, as I always feel they help me.

Stock ABC is trading at $10. It has 50 buy orders at $10, and 50 sell orders at $10. These are placed on the first scale, matched off and noted as 50 volume without moving the price.

Then it has 50 buy orders at $9.50 and 50 sell orders at $9.50. These orders are placed on the second scale, marched off and noted as another 50 volume, but moved the price down to $9.50.

The final scale has 50 buy orders at $9.25 and 75 sell orders at $9.75. Counterintuitively this decreased the price as we are net 25 sell orders, we'll say down to $9.25 where the buy orders are. At this point, the $9.75 orders are considered to far away to be reasonably filled, and taken off the scale. The price then begins to move back up, because we are now net 50 buy orders, which when it gets to about $9.50 the sell orders appear again, so it pushes the price down and so forth. Until another order comes in. This time for a sell order for 50 shares at $9.50. Now the price bands between $9.25 and $9.50 (rather than $9.25 and $9.50). Until eventually another order, this time a buy for 50 shares at $9.50 is entered, met off with the sell order and we go back to the $9.25 and $9.75, until they are meet or moved.

But when we intro off-exchange trading, if I took my orders on the second scale and hide them, well the price never moves down to $9.50. Conversely if the orders had been placed for $10.50 it wouldn't have risen to $10.50, it would stay at $10.

Which then affects scale three, as the order for 75 sells would likely be placed higher at say $10.25, and the buy order would be higher at say $9.75, causing the banding to be between $9.75 and $10.25 (rather than $9.25 and $9.75).

And once shorting is introduced, if the buy order on 50 shares at $9.50 was meeting by a sell of $9.50 (rather than by the new legit order being placed) it takes those orders matches them off, and then the legit order for to sell 50 at $9.50 giving us a net of 75 (75 sell at $9.75, and 50 at $9.50 versus a buy of 50 at $9.25) pushing the price down further and more quickly.

However if the buy order on the return side is linked through off-exchange venues it never nets off a sell order on the lit, or sits as positive buying power.

So how do I derive my numbers.

I use www.chartexchange.com, they explain all the sources their numbers come from, breaking stuff down by lit exchange.

I first take the volume, subtract the off-exchange venue to leave me the remaining lit volume.

I then subtract the off-exchange short volume from the FINRA total volume (this is always lower than total volume as not everyone reports their volume to FINRA). This gives me short volume on lit exchanges. I subtract this from my lit exchange volume and it gives me volume that wasn't off-exchange and wasn't short volume.

I then divide this by the total volume for my percentage.

Why I think it's bullish.

The reason for this manipulation can be deduced as one of two reasons.

1. To reduce/increase the price to favour your position (short or long). For GME we know this use to be a short position and is my belief that this is how they (among other tactics, abusive option plays for example) to help reduce the price.
2. To keep a price suppressed when the natural movement would make you liable for more than you can afford to lose if the price went against. I fully believe this is the pattern we are in.

Now, it's not enough to just explain it. So I have some controls for comparison.

The popcorn stock and SOS, both stocks known to be heavily manipulated and both show similar levels of manipulation for the week (with popcorn being 27.3% and SOS 21%).

Then GPRO and SPCE, two stock with less retail interest, having both of their numbers higher for the week (GPRO being 46.7% and SPCE being 44.8%).

This also ties in with my divorced put theory, where higher divorced put usage ties into higher levels of manipulation. (and therefore lower lit-non shorted volume percentages).

Plan going forward.

My plan going forward is to automate this.

I've already got a great bunch of apes knowledgeable in coding (shout out to /u/Childishforlife u/PilesOfSnow, u/stevetheimpact, u/peanutinthebutter u/KleptoBrain, u/KnownAsPeter) who helped my automate the divorced puts process (the an updated version of that DD will be coming out soon) and I'm hoping they will be kind enough to help me automate this.

After that I want to look at a way to track synthetic long puts, and then automate it.

And finally take all three automated processes and use a formula to derive a score to measure the amount of fuckery there is in a given stock.

Parting Words

Hope you enjoyed that.

I post here, my profile, [my twitter](https://twitter.com/TheKiltedTrader) and [my YouTube,](https://www.youtube.com/channel/UCpSlTZQYldI_jRGTCdzCatg) consider following for more.

Peace out!