

Title: What is about to happen to GME - The next cycle up no short expects

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Introduction

Hi all,

As you know, I pop out of the woodworks every quarter and tell you that GME's gonna go up.

I'm not a nice guy to tell you when to buy GME, you buying calls/selling puts and causing positive net delta in a very specific trade window can cause another sneeze.

* As a positive side-effect of all the above, you make money, shorts lose money, the cycle runs are more intensified.

* As a negative side-effect, you know when the top is in and know when to sell CC's and thus become the shorts yourselves.

This explains the 2 last failed cycle runs for November and February where I over-telegraphed the move to retail and other baddies who could simply cause runs to fail and for people to lose money. As a side-effect of this, the shorts overdid it and are now at a 230% short borrow rate.

There's both goods and bads in all of this and I'm here to cause more chaos for both sides. Posting this provides info to both sides on how to do this. This info will likely benefit the shorts more as retail will only DRS at this point and not counter-attack in any way.

Let's hope no bad hedgies see this post and start fomo covering prematurely before RC can screw them over.

Now let's see the same DD i've been repeatedly posting for the past year and a half. In my opinion it's probably one of the 3 most important things about this whole GME saga/story sitting up there with DRS & Options.

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Section #1

The NSCC (DTCC) & Specific Market Mechanics Imposed On Prime Brokers

Let's get back into it, but before that. I'll need to re-explain the DD that is based on NSCC's rulebooks for people who are hardcoded to think that everyone can just avoid following rules and can create naked shorts just because RegSho is trash (which it is). We are not talking about RegSho and how the SEC is complicit.

We are talking about the NSCC (DTCC Subsidiary for Securities Clearing)

The one thing you need to understand about the NSCC (DTCC) is that their rules and hence rulebooks and manuals do contain guidelines that are up to anyone to follow or not, but the part i'm going to be explaining is not a guideline. It's a hard coded market mechanic that IS followed by ALL DTCC/NSCC members e.g everyone participating in the stock market.

Their manuals explain how automated computerized processes work. To make it simpler, their manuals are akin to a Game Tutorial. The game tutorial teaches you how to aim and shoot and there's nothing

anyone can do about that. To play the game, you must aim and shoot.

Similarly with the NSCC, their rulebooks and manuals explain how their netting systems work, what they do and when they do it. There is very little to no margin for actual “fuckery”. This is the engine on which the entire stock market runs on.

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Market Mechanics

SR-NSCC-2021-002 | SR-NSCC-2021-801 | SR-NSCC-2022-801

These rules are known by a lot of different rule names and have existed for a long time. The above are amendments to the rulebook governing SLD (Supplemental Liquidity Deposits) which is what we’re going to be focusing on.

All 3 of the above rules are basically the same thing with minor amendments here and there over time.

NSCC Rules:

- * <https://www.sec.gov/rules/sro/nscs-an/2021/34-91770.pdf>
- * <https://www.dtcc.com/-/media/Files/pdf/2021/6/21/a9018.pdf>
- * <https://www.sec.gov/rules/sro/nscs/2021/34-92213.pdf>
- * <https://www.sec.gov/rules/sro/nscs/2022/34-95011.pdf>

The part you want to read is from Page 4 onwards and talks about Supplemental Liquidity Deposits or SLD.

There are additional sources, but they cannot be quoted as they require a DTCC Learning Login to view. Instead, I'll be posting screenshots of them.

<https://preview.redd.it/ab09128s87391.png?width=830&format=png&auto=webp&s=315b0a5e4a32632526473c5d8c94534d9befe99d>

<https://preview.redd.it/ciwbcps097391.png?width=755&format=png&auto=webp&s=78356a1dcf66ed4339aa15a19789dca7ab2b2675>

<https://preview.redd.it/d1r56om397391.png?width=852&format=png&auto=webp&s=2b15015652d33c637f1b864400471531e7548d8e>

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Rules for Clearing & Processing TLDR

Here's what it all means in a nutshell.

- * Every 3rd Friday of a Month, Prime Brokers auto-send money to their NSCC Account.
- * NSCC uses that money to net and clear those **monthly expiring options** (OPEX).
- * The deposit to the NSCC by Primes is called an “SLD” Supplement Liquidity Deposit
- * Every Prime MUST do this starting 2 days before the 3rd Friday till Friday of OPEX.
- * NSCC nets (CNS) all trades of every broker on the planet in 1 big basket.
- * NSCC settles those trades by making them hit the tape T+2 next Tuesday and up to 7 days after that Tuesday.

- * On the final day 7 days after Tuesday, if there's remaining SLD in the NSCC member's account, it's returned automatically as credit to the Prime Broker.
- * In the case the SLD was not enough to clear everything by the last day, the NSCC CNS automatically clears everything anyway and makes the NSCC assume the cost and risk.
- * The NSCC debits the Prime Broker's account with the extra SLD amount they need to pay for clearing that month's option trades.

So, using CNS, the NSCC takes away the value of everyone's trade (As Ms Trimbath said, calling the DTCC the black hole in the middle of the market) and reduces it all into 1 net positive or negative delta position.

If the entire world traded 100 million shares of GME during the month of May. The NSCC nets it all, canceling out shorts with longs and vice versa until what they're left with is a tiny net long or short position which is just a fraction of those 100 million shares traded. After all, why should your Call Buy Long trade for which the market maker wrote a Call Sell Short against actually hit the market at all? This is canceled out in CNS.

Whatever isn't canceled out by CNS hits the tape T+2 from Opex (Tuesday). And that gentlemen and gentleladies is how the stock market works and why you can't just buy a stock and force it to go up just like bitcoin did 5 years ago.

It's important to mention that the NSCC will use any means at their disposal to clear shares, this also involves borrowing shares from lenders. This is actually mentioned in [\[**NSCC-2022-003**\]\(https://www.sec.gov/rules/sro/nsc/2022/34-95011.pdf\)](https://www.sec.gov/rules/sro/nsc/2022/34-95011.pdf) that just passed 2-3 days ago.

[Snippet from NSCC-2022-003](https://preview.redd.it/0oqgx5yla7391.png?width=728&format=png&auto;=webp&s=a95b499a991426f2ec455c27066253e2f1aedfbb)

Why is all this important for GME?

I'll explain using a past example everyone here knows. Using January 2021 will help you get more context about these NSCC rules and how ironclad they are.

****Here's January 2021 explain in terms of NSCC's SLD****

- * January 15 2021 is OPEX & SLD Payment Day.
- * January 15 2021 after market close, NSCC begins netting of all broker trades.
- * January 19-27 is where those netted market trades hit the market.
- * The biggest amount always hits on Tuesday T+2 from OPEX, so 20 Jan.
- * On the day the SLD was to be returned, RH's Prime Broker charged them with a 3 Billion extra SLD clearing debit charge.
- * The NSCC was somehow able to waive the Premium for all the option trades and charge RH less than 3 billion which was the minimum charge for the cost of net delta for the options it wrote (through Citadel).
- * The reason why the Premium was able to be waived is because Citadel's Ken Griffin at this point technically owns RH due to the amount of order flow they are sending him.
- * Ken Griffin on a call with the DTCC/RH/Prime Broker waived the Premium from the options RH wrote.
- * The DTCC (NSCC) Director said that the NSCC waived the Premium Charge even though it doesn't have the jurisdiction to do that. They were allowed to waive the option premium component of the SLD charge.

It was this simple.

The January 2021 SLD Cycles have been Repeating

They've been repeating since Jan 2021 every 90 days on the clock. Some people are slowly starting to realize this, but don't know why.

This ruling i've been posting about since 2021 explains it. Thanks to u/dentisftf who mentioned SLD as a theory i've been able to dig deeper.

I've been able to call out several of the cycles months and even days before they happened based on this.

* [August Run - Predicted 2 days before it happened](<https://www.tradingview.com/chart/GME/xBR9KZFz-GME-Next-GME-Bull-Cycle-is-here/>)

* [November Run - Predicted 1 week before it happened](<https://www.tradingview.com/chart/GME/5TUHKREI-The-next-GME-Bull-Run-is-here/>)
(Suppressed Run)

* [February Run - Predicted a week before it happened](<https://www.tradingview.com/chart/GME/0FyPYLkG-GME-February-Run-Final-Update/>)
(Suppressed Run)

* [May Run - Predicted 1 week before it happened](<https://www.tradingview.com/chart/GME/oQg5kYG8-GME-The-Next-Bull-Run-May-24-2022/>)

Here's a few examples of what these OPEX SLD runs look like for GME.

<https://preview.redd.it/vkl3vezp97391.png?width=512&format=png&auto=webp&s=637816a5840f10a26342f33cce3498bdf821db6>

****Also a semi-related article:****

* **[**<https://www.risk.net/risk-quantum/7882876/nsc-caught-5-billion-short-in-june>**](<https://www.risk.net/risk-quantum/7882876/nsc-caught-5-billion-short-in-june>)**

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Using SLD Market Mechanics to Understand RC, The Shorts, Dividends and XRT

A few basic market mechanics you need to understand in order to keep up with what's to be said later in this DD.

****Shorts Pay Your Dividends:**** As most of you know, if you've sold options e.g calls and their expiry falls within a dividend payment of said stock or ETF ticker, you as a short pay the dividend.

****Shorts Must Cover or Suffer:**** If you don't want to pay the dividend, you must close your shorts (or roll them forward which is the same thing) before the ex-dividend date for that ticker which is always 1 day before the dividend record date.

****Stock Splits Create New Option Chains & Ruin the Old One:****

* Upon splitting, either immediately or with a delay of 2 weeks, a new options chain is created with the new adjusted prices for the stock.

* The old option chain becomes illiquid because no one is interested in trading it. Spreads become huge. E.g You have to buy at 100 and sell at 10, that's 90 points of spread.

* In a 7/1 split, longs get 7 times more calls whilst shorts get 7 times more shorts. Longs don't require extra margin. Shorts for GME already require 500% margin to go short and a 238% borrow rate. :)

* Assuming it does take 2 weeks for the new options chain to come up, that means that for 2 weeks, GME won't be tameable. It'll be the wild west for 2 weeks as the price can't be anchored except by using the old illiquid option chain.

"But what about ETF's? Can't they use ETF's like XRT to go short GME?" I dunno, can they? The ETF's haven't rebalanced nor readjusted their GME holdings in any way post split. This is a question for /u/turdfurg23 to research.

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RC's Recent Buy-ins were during SLD Deposit Month

Off the bat, i'm going to tell you that Ryan Cohen bought his GME and BBBY shares during the first few days of the SLD Deposit Week. I hope you can tell where i'm going with this.

If you remember above in the January 2021 example or my previous DDs i spoke about the theory that goes like this:

* If retail bought tons of call options

* And if they sold tons of puts just before the 2 days of the OPEX SLD Payment period

This would cause a sneeze due to that the NSCC's CNS (Continuous Netting System) would basically output a positive net delta position to be settled with a market buy in T+2 Tuesday.

[Come Back To The Chart](<https://preview.redd.it/bb0fipc9c7391.png?width=2100&format=png&auto=webp&s=253c67ce8c9b30b83b4331253f2c70dd90bb5717>)

The price of GME went from

* \$79 on March 18

To the price of

* \$200 dollars on March 29.

[Now Look at the calendar](<https://preview.redd.it/brx2zy8uc7391.png?width=871&format=png&auto=webp&s=f0ad4fc4b69392308cc3f08d6b09fab6553f8bde>)

****So, yes.****

RC knew what he was doing and in this case the entire SLD market settlement lasted the full 7 days which is rare and hasn't happened since Feb-March 2021 indicating someone (NSCC or a Market Maker) is struggling or just doing their best to distribute this volume through all the days of SLD settlement.

If this doesn't make you understand how well these basic NSCC mechanics work, how hardcoded they are

and how no one can just do whatever they want, I don't know what will make you understand that "they" can't just do whatever they want and that there is a way to play their game against them.

This is the only instance in which I've said to myself that the market is truly efficient... lol.

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Previous Cycles Used to be during FMAN(Feb, May, Aug, Nov)

Why did we run in March?

Unknown. All i know is that the game is changing.

My theory is that for whatever reason, we are now running both during FMAN(Feb, May, Aug, Nov) and the next month.

As the game keeps changing cycle by cycle and I continue to keep up with the changes, the latest theory I have is that this dual month run may be temporary or may last for a while.

The only way to know is to observe and learn. As i've been watching the SLD cycles occur and no one knowing what's going on, now that you too are aware of them, you can now watch the next one unfold and "be amazed".

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Section #2

The Next GME Run Ups & Why i believe we're going to run again in June

We already ran in May which is part of the FMAN(Feb, May, Aug, Nov) cycle GME has been following through 2021 and 2022 ish almost perfectly.

It would be unusual for me to say that we're going to run again next month, June which is not part of this cycle, yet here i am saying that there's a decent possibility for a second GME run during June. All below sections will explain the logic behind why i believe we're running again in June.

What does Paying Dividends do to a Company's Stock Price

As a quick intro before I explain more about GME's upcoming split and dividend, I need to mention a few things about dividends and what they do to a company's stock price.

GME used to have a dividend up to 2019 until it was canceled. The plot to bust GME was not only by embedding BCG-like insiders in the board, but was also ever-present in this dividend itself as it was correctly discovered by /u/pwnwtfbqq

If a company wants to thank or keep their shareholders, it pays them a dividend. The dividend amount is critical as if you pay a big dividend, this would cause the stock price to plummet. A smaller dividend would have a smaller but still noticeable effect on the stock price.

This is because the dividend is paid by the company from their balance sheet. Paying a dividend thus lowers the value of the company. Shorts typically will come in and try to short a company to the new "correct" in their opinion price range.

****Here's 3 examples of how dividends affect stock price****

****\$IRM:**** Look at IRM or Iron Mountain who keeps their stock price going sideways forever by paying a variable dividend. They pay a larger dividend if the stock price is at a peak and less if the stock price is low. This way they keep the stock price oscillating within a comfortable for everyone range.

[Ignoring the 2021 all basket Moass spike at the end there.](<https://preview.redd.it/s37taxnpe7391.png?width=1979&format=png&auto=webp&s=e750483fdbca4e4d44ea8716a97951276bdcfa17>)

Other companies like BRK.A pay a "small" enough dividend to keep their company stock price trending up forever.

[Warren Butthead gobbling up everyone's swaps and selling insurance in 2020](<https://preview.redd.it/mr17bj93f7391.png?width=1995&format=png&auto=webp&s=68bb4580c7dec46649d576e21bce57566683080b>)

There are many companies you'll find out there that pay a bigger dividend than what they should be paying. By doing this, they're making their stock price trend downwards over time, look at GME up to the end of 2019.

GameStop stopped paying a dividend which could no longer excuse the constant drop in price due to dividend/stock price adjustment. All shorting beyond that point was the bust-out operation in its final phase.

If you look for companies that are paying dividends but keep trending downwards, you'll have found an obvious bustout operation. Then just google and check when BCG started consulting that company.

[Try and guess when the insiders decided to pay themselves a larger than normal dividend and when RC came in.](<https://preview.redd.it/88rbmk2ff7391.png?width=1989&format=png&auto=webp&s=529b85cc7f3bc38327d78fde653a82a4c4e0d9be>)

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Why are we running again in June?

In 2021 i made a GME Dividend Date Extrapolator because you know, we all used to get hyped on the theory that GME would one day pay out a dividend and destroy the shorts.

Anyway the dividend extrapolator uses GME's dividend history courtesy of Nasdaq [here](<https://www.nasdaq.com/market-activity/stocks/gme/dividend-history>) to calculate when the next dividend date would be (even though GME doesn't pay dividends anymore).

The idea is that using this dividend extrapolator, we could all know when GME might pay their next dividend and "fuk shorts" amirite?

Anyway here's the best extrapolated results i managed to get:

1. Earnings: 6/2/2022
2. Dividend Declaration Date: 6/2/2022

3. Ex Dividend Date: 6/13/2022
4. Dividend Record Date: 6/14/2022
5. Dividend Payment Date: 6/27/2022

Would be interesting to know to some that the extrapolator was able to extrapolate 2022 May's earnings within 1 day accuracy. Anyway... here's the visuals as well.

The highlighted bottom half indicates the real dates on which GME was actually paying out a dividend and the top half indicates the extrapolated dividend dates.

[Come back to your chart](<https://preview.redd.it/wtki4wtrf7391.png?width=1881&format;=png&auto;=webp&s;=d454b75d92652917d57c0925aa3f8aaee1acc4f8>)

Assuming the above dates are 100% correct, I counter checked them vs the unshakeable NSCC CNS & SLD dates for this month and this is what I got.

[Now back to the calendar.](<https://preview.redd.it/y018t7fvf7391.png?width=2221&format;=png&auto;=webp&s;=8cb3f0fe706b126dedea935464bc6d0b3e96804c>)

Do you see any similarities with March?

<https://preview.redd.it/92it4sj3g7391.png?width=2100&format;=png&auto;=webp&s;=ce8305ab3dc32f0eca7d3b5512810ded7bda4fb3>

I hope the obvious reason why we're probably going to run again in June will make you chuckle. I explained it in a previous section, but again it's RC literally shooting the shorts out of the water.

To me it's super obvious. The only thing I have to counter the above logic is that the above extrapolations have been made for a dividend payout and not a SPLIT. I've not done research into how long it takes for a split to happen after a split declaration.

I am assuming the timings are the same here since GME is doing a split as a DIVIDEND and not just a split. A regular split could take longer, but this being a dividend split, it could be possible for it to take place much faster and thus not leaving too much time for shorts to do anything about it based on the SLD timeline RC plans to insert this split into.

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What is the effect of Stock Splits on Companies & What to Expect for GME

Check the two latest and most fresh examples in memory, NVDA and TSLA.

Here's NVDA:

[NVDA took 127 days to peak and doubled in price.](<https://preview.redd.it/3284wiftg7391.png?width=1982&format;=png&auto;=webp&s;=4b80b580d46adacf89d50d6a3d6b28e6068c498c>)

Here's TSLA:

[TSLA took 144 days to peak and almost doubled in price.](<https://preview.redd.it/a0kcgdy8h7391.png?width=1981&format;=png&auto;=webp&s;=803e5c95268d102692c496465b2532ddefe129e6>)

- * None of these companies had a 230% min cost to borrow for shorting.
- * None of these companies had 30% of their float locked by retail.

Debateably TSLA had tons of shorts. Does GME have more?

Tesla's current pre-split price is around \$6000 per share and was the original meme stock. Where is GME going in comparison? Yeah it's going to be nuts.

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The next actual cycle

The next real cycle is in August as per FMAN(Feb, May, Aug, Nov) option clearing cycle/OPEX. Find the 3rd Friday for that month and then the next Tuesday after that.

On that day, GME runs, supposedly. Let's see. There's several indicators i've written about before that indicate whether a run will occur or not and to what price. We'll have to wait till the time is near for me to post whether there will be a run or not and to what price point.

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Amazon is Splitting in a few days 6/5/2022 June

Let me add 1 more thing on top of all of this. Amazon is doing a 20/1 split on the **6th of June**. They are partially in the same sector as GME, Consumer Retail Discretionary and so is BBBY.

What happened the last time a stock in the meme basket (XRT) squeeze? How many stocks reached new all time highs when that happened including GME at \$483 and BBBY at \$60? **A lot.**

I hope you can understand the effect of splitting at the same time as another mega giant Consumer Retail Discretionary and the ripple this will cause in the next 2 quarters from now.

Final Notes

Now you know why RC bought \$BBBY 2023 calls at the \$60 strike price and why he's confident to buy more GME at these prices and why DFV was confident to buy more at \$150.

All of them know what's coming 2 quarters post split.

With GME leap calls are a terrible idea at this point due to that the options chain will become illiquid after the split. And that's why you play the sympathy squeeze play BBBY and hence why RC did what he did. If you weren't reading, it'll take 2 quarters to reach the peak. That's early 2023. The same as RC's BBBY \$60 strike calls expiring in Jan 2023 he bought at a spot price of \$13.

Here's the same DD but in a shorter format and in comic sans, made in mspaint for my fellow discord option shills whom with we all short GME everyday all the time non stop as the horrifically bad hedgies we are:

<https://preview.redd.it/ggkdzirck7391.png?width=2520&format=png&auto=webp&s=2e2c2b7b660d0d282f0901c183315de1b16fdd25>

Remember, GME's the stock with a 238% min borrow rate at a price of \$120 and RC is both in BBBY and GME. He isn't in AMC, nor BB, nor BBY. It's not hard.

<https://preview.redd.it/z2dmjaxam7391.png?width=320&format;=png&auto;=webp&s;=5e9a9927c7fef2c92ed340607108d49f263c66f8>

AMC is trash and a hedge against GME. Don't buy more of that trash. Let the GME hedge die off.

[The dog after getting that supply of dicc](<https://preview.redd.it/061xnrqmj7391.png?width=256&format;=png&auto;=webp&s;=7c85bea9da807ec6e39adfa9b6de3a834ac96d6a>)

^(penis)