

Title: The biggest secret Wall Street did not want you to know: Archegos was in fact the long GME whale.
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Linked Post Content:
Just to give some backstory:

Archegos is a family fund formerly known as Tiger Asia. There are other funds like Archegos that came out as offsprings for one of the most prestigious hedgefunds in the world - Tiger Management. The guys who made these funds are known as Tiger Cubs.

The reason I'm making this thread is to take a look at the actual reason the short squeeze was kicked off in January and the actual reason why GME and other stocks go up, especially in a similar pattern.

We know that Archegos took upon a massive leverage, but why exactly? Most of the reddit community thinks they were shorting GME and were shorting more and more during the runup. What if I told you they were the cause of the GME started short squeeze and it was never in fact reddit? Reddit simply added the fuel to the rocket that was GME.

The reason Archegos was able to take such a big leverage from all these banks is because of their reputation. Imagine a Tiger Cub, coming from one of the most prestigious hedgefunds ever, and a friendly Cub hedgefund that [made the most money last year](<https://www.institutionalinvestor.com/article/b1q8fxt5bh8wd6/This-Hedge-Fund-Made-the-Most-Money-for-Investors-Last-Year>). That's the safest money you could ever give out, right?

Now, we know that Archegos main positions were in Discovery, GSX and ViacomCBS. However another one of their positions not talked about was in AMCX.

[GSX Chart](<https://i.imgur.com/0Fa3Og1.png>) \- Keep in mind the Jan 27 spike.

[ViacomCBS Chart](<https://i.imgur.com/ss9cUEg.png>)

[Discovery Chart](<https://i.imgur.com/uz4wwZh.png>)

[AMCX Chart](<https://i.imgur.com/xycKm5Z.png>)

[All 4 charts combined](<https://i.imgur.com/hGCwM6Y.png>)

Now why would they all of a sudden start pumping all these stocks in January for no reason? Because Melvin Capital was shorting them all. Archegos was squeezing Melvin Capital out of all of them.

How do we know this?

[Melvin Capital - 3,260,000 shares in puts on ViacomCBS.](<https://i.imgur.com/Hm8c4w9.png>) \+ Likely a short position.

[Melvin Capital - 600,000 shares in puts on AMCX](<https://i.imgur.com/vJlw0wg.png>). + Likely a short position.

[Melvin Capital - 750,000 shares in puts on GSX.](<https://i.imgur.com/4eq1YDg.png>) \+ Confirmed? Short position

>One of them was Melvin Capital short GSX, which Brown said was "unfortunately a favorite short of ours as well."

>

>[\[https://www.institutionalinvestor.com/article/b1qgyly1fwpbfs/Not-Everyone-Thinks-Short-Selling-is-Dead\]](https://www.institutionalinvestor.com/article/b1qgyly1fwpbfs/Not-Everyone-Thinks-Short-Selling-is-Dead)
(<https://www.institutionalinvestor.com/article/b1qgyly1fwpbfs/Not-Everyone-Thinks-Short-Selling-is-Dead>)

No public position on Discovery. Most likely only shorted with no puts.

Now where does GameStop come into all of this? It's ****The biggest prize**** with over 140% of the float shorted. The grand prize for Archegos to walk away with potentially a 100+ billion return.

Now let's look at the Archegos leverage/portfolio:

[\[https://www.ft.com/content/c319839d-d185-4e8a-bbc7-659bebe58031\]](https://www.ft.com/content/c319839d-d185-4e8a-bbc7-659bebe58031)(<https://www.ft.com/content/c319839d-d185-4e8a-bbc7-659bebe58031>)

[\[https://i.imgur.com/HhEIII0.png\]](https://i.imgur.com/HhEIII0.png)(<https://i.imgur.com/HhEIII0.png>)

Now let's look at that spike and runup on January 27th which also conveniently lines up with the biggest GME's closing day at 347.

Here's more of Melvin Capital's public put positions:

[\[https://i.imgur.com/HmdrPrb.png\]](https://i.imgur.com/HmdrPrb.png)(<https://i.imgur.com/HmdrPrb.png>)

[\[https://i.imgur.com/6i2ejwg.png\]](https://i.imgur.com/6i2ejwg.png)(<https://i.imgur.com/6i2ejwg.png>)

What happened to them?

[They.](<https://i.imgur.com/A2b5wNo.png>)

[All.](<https://i.imgur.com/XvgynCI.png>)

[Spike.](<https://i.imgur.com/SuqfOXm.png>)

[On.](<https://i.imgur.com/XPOGyir.png>)

[January 27.](<https://i.imgur.com/RqXL5G8.png>)

And this was while the rest of the market was taking a huge hit.

[GME Jan 27th.](<https://i.imgur.com/Hd0lxTJ.png>)

[Archegos portfolio compared to the spike](<https://i.imgur.com/fZTitpx.png>) iRobot has 500k volume on average so we can easily see when a stock is being moved by a certain group.

****Archegos was squeezing out Melvin down to their last cents so they could not meet the margin call for their short positions, especially GME. January 27th was some of the biggest money injection ever done by a single group.****

Now let's look at the GME's On Balance Volume and Archegos leverage/portfolio:

[\[https://i.imgur.com/hQgH1Ze.png\]](https://i.imgur.com/hQgH1Ze.png)(<https://i.imgur.com/hQgH1Ze.png>)

https://imgur.com/ZV7zXXJ (Ignore debt as it's their portfolio not debt).

Credits to this person who made the thread here:

https://www.reddit.com/r/GME/comments/mjnjyp/correlation_between_gmes_on_balance_volume_and/

From the correlation above we can make a connection to Archegos pumping up GME on the exact dates as their portfolio started rising.

Now how and why did this happen? It's likely that Melvin's and Citadel's short positions were leaked to Archegos and potentially **other** Tiger Cubs.

After the January run up and the broker shutdown, the Archegos fund went dark until their leverage/portfolio started picking up again at the end of February:

https://i.imgur.com/hQgH1Ze.png

Now we know that GME and other 'meme stocks'/shorted stocks spiked again on Feb 24th and onwards and then dropped after the Archegos losses/banks selling off their portfolio.

Here's the GME March 23 earnings crash compared to GSX and Discovery which luckily also lined up with the Archegos portfolio being sold off:

https://i.imgur.com/CcoaTUm.png

Here's another image of GSX and GME lining up perfectly on Jan 27 and March drop, credits to the mod of the subreddit:

https://i.redd.it/g8t4c3rche671.jpg

Now....let's get back to the other Tiger Cubs and Tiger Management.

Back in 2018, Tiger Global Management sends a letter to the GameStop board asking to turn the company around:

https://www.cnbc.com/2018/05/16/hedge-fund-tiger-sends-letter-to-gamestop-urging-retailer-to-adopt-a-turnaround-plan.html

Tiger Cubs move in masses:

https://www.institutionalinvestor.com/article/b1kbrryv2kyw84/Hedge-Fund-Cubs-Share-Information-And-Alpha

Here's a quote:

>Research shows that hedge fund “families” — like Tiger Management and its offshoots — make overlapping trades that result in excess returns.

Tiger Cubs love short squeezes:

https://masonstevens.com.au/the-big-squeeze/

Quote:

> **Short squeezes are not as uncommon in the market as you would think – the group of hedge funds colloquially known as “The Tiger Cubs” used to ‘hunt shorts’ together to make quick profits habitually in the early 2000s. **

Now who are the other Tiger Cubs potentially involved with Archegos?

Maverick Capital, a Tiger Cub hedgefund who [publicly held 4,658,607 shares of GameStop](https://i.imgur.com/aApjus5.png) as of end of 2020. A near 2 million increase since the first half of the year.

They also held small positions in [AMCX](https://i.imgur.com/ifoEJCd.png), [EXPR](https://i.imgur.com/KoHvi0f.png) and [Blackberry](https://i.imgur.com/7I1NUgS.png).

Now, these 3 are very small positions and they did not exist in the first half of 2020, only in the second, apart from AMCX which was an even smaller position. With GME's beginning to rise in December, was Maverick Capital made aware that Archegos was going after these? Or they did help them squeeze out all the meme/shorted stocks? Hard to tell.

What are their positions now?

In their latest 13F the positions on all these stocks are now gone. They either sold them for profit, or hid them away from the public eye by requesting confidentiality on their SEC filing:

https://i.imgur.com/1SK4r5s.png

My guess is that Maverick Capital may be holding 10-15 million shares of GME as of now and do not want to reveal this.

Tao Li of Teng Yue Partners - former partner of Hwang

> Teng Yue also had sizeable, but fewer, losses than Hwang, according to an investor.

>

> Li opened Teng Yue in 2011 and is registered with the SEC. But the fund is exceedingly discreet, even by hedge fund standards. “I’ve never seen anything written from them about any individual stock. They will only speak off the record orally,” said the investor.

>

> One stock Li has talked about that was involved in Friday's rout is GSX, according to an individual familiar with the discussions.

>

> “He wasn’t the only one. Teng Yue, owned by his former Tiger Asia analyst, Tao Li, was in GSX. So was Tiger Global (disclosed). Between the swaps and the disclosed TG position, ~75% float choked. There was no fundamental case to be long. So draw your own conclusions,” Block tweeted.

>

> “I don’t believe they had any fundamental basis for going long,” Block told *Institutional Investor*. “They went long because they thought it could squeeze.”

https://www.institutionalinvestor.com/article/b1r550gj7lbfmt/The-Two-Tiger-Cubs-at-the-Center-of-Friday-s-35-Billion-Meltdown

Note: GSX had a short interest of ~20% with 250mil outstanding shares so there wasn't a massive short squeeze potential. It was most likely an attempt to go after Melvin as we could see [GSX peaked on Jan 27th also.](<https://i.imgur.com/0Fa3Og1.png>)

So back to present....what's happening now?

Is Archegos still going at it after their bank meltdown, perhaps with new capital? or is it somebody else continuing on with the short squeeze? With rebounds in all the meme stocks such as GME, AMC, EXPR, BBBY, KOSS, BB, AMCX and other Melvin's put positions since the end of May this seems to be the case. **Tiger Cubs may have prolonged the short squeeze by avoiding massive volatility and approaching stock increases in a technical manner.** With low volume they can easily raise the price by hitting upper end asks and the lower the volume gets, the easier the price will boost.

Why aren't Viacom and Discovery and GSX back on the rise?

Potentially there was too many eyes on these stocks and if they started rising again it would be suspicious. AMCX is the only one rising after the drop, but it was not mentioned in the public. There's also a possibility that Melvin closed their puts/shorts on these positions. BUT, if you look at this [chart](<https://i.imgur.com/hGCwM6Y.png>) again, we can see Discovery and Viacom are starting to slowly get back on track with AMCX.

Update: Discovery and VIAC see too much resistance when the stock is trying to rise - looks like the banks are still trying to unload at more favorable prices.

How are other 'meme stocks' involved?

Well, Citadel has:

[5.7 million shares in puts on AMC](<https://i.imgur.com/AS9pK9C.jpg>)

[290k shares in puts on EXPR](<https://i.imgur.com/fKpyivi.jpg>)

[1.1 million shares in puts on BBBY](<https://i.imgur.com/eIOIRLX.jpg>) and also [Melvin's puts](<https://i.imgur.com/WClO9Dn.png>)

[3 million shares in puts on Blackberry](<https://i.imgur.com/DbgxusL.jpg>)

[7.4 million shares in puts on Nokia](<https://i.imgur.com/N1uvRFq.png>)

These likely come with some short positions. Do they all still exist today? Are they actually profiting from any of them with their hedged calls/shares? Hard to tell.

Now if you need anymore proof, here's Marc Cohodes, one of the famous short-sellers on Wall Street confirming that it's the Tiger Cubs vs the SAC Crowd (Steve Cohen, Gabriel Plotkin). He's been shitting on the shorts but he's not a fan of Hwang either:

[<https://twitter.com/AlderLaneeggs/status/1376011174278426628?s=20>](<https://twitter.com/AlderLaneegg/status/1376011174278426628?s=20>)

>That is my bet.. He lit the fuse on GME to get the squeeze going in the Fraud [\$GSX](https://twitter.com/search?q=%24GSX&src=cashtag_click) which he owned buckets of.. In a weird way its the Tiger Cub Mafia vs The SAC Mafia both lost key lieutenants . Lets see if my hunch is

correct.

<https://twitter.com/AlderLaneeggs/status/1376343704626065409?s=20>

>The Mafia turf war between the Tiger Cubs and the SAC Inside Traders has claimed some bodies, something tells me it aint over.

<https://twitter.com/AlderLaneeggs/status/1377262062565388293?s=20>

>Today is the End of the First Quarter, be sure and mark up your positions as much as you can.This applies to The Tiger Cubs and others

<https://mobile.twitter.com/AlderLaneeggs/status/1378436052105392129>

>For all if you enterprising MSM participants, Why was Crouching Tiger Long and Squeezing what Melvin was Short? The fact that the Primes were all part of the Collusion is an issue at least to me. I am also curious how this criminal amassed his wealth.

<https://twitter.com/AlderLaneeggs/status/1379892041899929600?s=20>

>What are the Odds that the Prime Brokers of Sophos & Melvin had their Shorts leaked to Hwang et al? I would bet the over here BIG.It may take time but it will come out. Too many people are "out of business" due to Hwang's dirty deeds.

<https://twitter.com/AlderLaneeggs/status/1398423979338211328?s=20>

>Where are all the Ghosts who defended Bill Hwang over the past 6 weeks and why are the Tiger Cubs so silent? You know who you are and I have the receipts saved. Keep telling lies about me and I will come with the truth on you clowns

<https://twitter.com/AlderLaneeggs/status/1375806249262931981?s=20>

>Just wait till people figure out who was behind the
[\$GME](https://twitter.com/search?q=%24GME&src=cashtag_click) squeeze.. Free Hint, IT WAS NOT THE REDDIT CROWD

Some more tweets:

<https://twitter.com/AlderLaneeggs/status/1377030504545886208?s=20>

s/status/1377030504545886208?s=20)

<https://twitter.com/AlderLaneeggs/status/1377302508414984193?s=20>

<https://twitter.com/AlderLaneeggs/status/1395351882718072836?s=20>

<https://twitter.com/AlderLaneeggs/status/1376142161213681665?s=20>

<https://twitter.com/AlderLaneeggs/status/1362577087375179776>

Articles about Hwang squeezing out shorts and them freaking out, not knowing what's happening:

>It thrills me with joy when the carcass of big funds that try to squeeze shorts wind up swinging, maggot infested in the breeze.

>

>— John Hempton, Bronte Capital co-founder

<https://web.archive.org/web/20210329054620/https://www.afr.com/chanticleer/the-lesson-in-block-trades-that-shook-wall-street-20210329-p57evf>

<https://www.institutionalinvestor.com/article/b1rgry7qgc7t9f/The-Rage-of-Carson-Block>

>More recently there have been suggestions Hwang might have been involved in trying to orchestrate a short squeeze in GSX, a Chinese education group that has become a battleground stock for bulls and short sellers, including Muddy Waters, which has alleged that the company's students are electronics bots.

>

>On Sunday, Australian short seller John Hempton, of Bronte Capital, accused Hwang of being behind a short squeeze in GSX that saw its stock surge 175 per cent between January 1 and January 27.

<https://www.institutionalinvestor.com/article/b1qgyly1fwpbfs/Not-Everyone-Thinks-Short-Selling-is-Dead>

****Epilogue:****

Fun fact: Bill Hwang's Tiger Asia was short on VW during 2008 and lost out on the short squeeze.

Check out this video to learn more about the Archegos fund and Bill Hwang's risky bets:

<https://youtu.be/NtP3xT53dkU>

Just to clear up some questions:

>Why was Archegos margin called then?

The official reason for Archegos margin call was that ViacomCBS did a share offering, causing the price to tank. The banks then margin called Hwang and requested more funds to support his position, but he refused.

<https://www.cnbc.com/2021/04/01/viacomcbs-stock-sales-amid-archegos-debacle-raise-questions-for-banks.html>

>Archegos must have been rich with all their stocks at all time high. How could they get margin called?

Archegos pushes up stock prices by hitting upper end asks. This is like an average Joe constantly buying stocks at highest prices when you could get a much better deal. Also Archegos was buying up GME all the way up to 500 and then most likely selling at unfavorable prices. Their main profits were to come from a squeeze, not from a stock that they themselves pumped up. + This was all done with leverage so their returns were not as high as people think.

"But if the reports that Viacom's wobbles last week caused Hwang to be hit with margin calls are correct, then whatever gains Hwang might have enjoyed in Viacom and Discovery must have been limited by his use of leverage."

<https://web.archive.org/web/20210329054620/https://www.afr.com/chanticleer/the-lesson-in-block-trades-that-shook-wall-street-20210329-p57evf>

Just to add + the margin call from Credit Suisse alone was worth 2.8 billion. Archegos had several margin calls in the past, like 100 mil range and always paid them. This is way too insane of an amount.

>We already know **all** of the long positions that Archegos had, why is GME not in the list?

We do not have access to this information. For example - [Archegos portfolio matches exactly with iRobot on exact dates](<https://i.imgur.com/fZTtjpx.png>) but this position was never revealed....same for other Melvin put positions, AMCX and other meme stocks. They dropped in a similar fashion when VIAC and DISCA collapsed.

[AMC vs VIAC sell off](<https://i.imgur.com/oU7WxD3.png>)

Archegos also never filed a 13F in it's 8 years of history. This is very uncommon for a fund dealing with such a high amount of money. This was likely done through a loophole. Their GME and other positions could have been held directly and not through banks.

<https://web.archive.org/web/20210413004809/https://www.nytimes.com/2021/04/12/business/archegos-capital-management-sec.html>

>This is a bullshit theory with no proof and is completely FUD.

The reason for this post/subreddit is to look into Archegos being the cause for GME's and other shorted stock rises. Archegos and Hwang are insanely secretive and we can only work with limited information that we have. My goal was to open up the community's mind to another perspective of the whole fiasco, and I'd be happy if others started researching information to prove/disprove this theory.

EDIT:

With new information from the Credit Suisse report we are getting closer and closer to the truth.

>Mounting Red Flags (2020) 73

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>Archegos's Portfolio Becomes Significantly Long-Biased 74

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>On February 26, 2020, the Weekly Client Update reported that the long-bias had increased substantially with 68.85% long positions and 31.15% short positions across Prime Services, and Archegos's Severe Equity #

>Archegos's small number of large, concentrated long positions in a small number of industry sectors.

>both the Head of Equities and IB CRO were members of CPOC (indeed the IB CRO was its Co-Chair) and both had attended the September and March discussions of Archegos, and understood by March 8, 2021, that Archegos's extremely concentrated and long-biased portfolio had massively appreciated, such that its gross exposures had grown to over \$21 billion, and Archegos's gross exposure and long bias was out of all proportion to—indeed four times higher than—the next largest client on the Delta One desk.

>You'll recall they took an \$800mm+ PnL hit in CS portfolio during "Gamestop short squeeze" week \[at the end of January\]. We were fortunate that we happened to be holding more than \$900mm in margin excess on that day, so no resulting margin call. Since then, they've pretty much swept all of their excess, so think the prospect of a \$700-\$800mm margin call is very real if we see similar moves (also why \$500mm severe stress shortfall limit not only reasonable, but also plausible with more extreme moves)."

**Referring to the end of January when GameStop crashed, causing the Archegos exposure to skyrocket because of too many long positions? Nearly margin called for trying to squeeze GME and failing?*

>Archegos did add some index shorts, but the long-bias in its swaps portfolio persisted. Archegos's portfolio fluctuated between 63% and 95% long nearly every single week until its eventual default in March 2021.

Archegos positions mirrored Melvin's in several cases and if they were somehow short GME, it wouldn't make sense to pump stocks Melvin was short on, especially exactly on the dates GME and other stocks started popping off.