

Title: Why is Citadel Limiting Withdrawals Now - Investors Fleeing Citadel?

Author: JLPicard511

Created 2021-12-07 16:54:31 UTC

Permalink: /r/DDintoGME/comments/rb37x3/why_is_citadel_limiting_withdrawals_now_investors/

Url: https://www.reddit.com/r/DDintoGME/comments/rb37x3/why_is_citadel_limiting_withdrawals_now_investors/

As we all know Citadel is limiting the amount of money investors can withdraw (--> source: <https://www.bloomberg.com/news/articles/2021-12-06/millennium-citadel-winning-the-war-to-keep-client-cash-longer>)

They did this in 2008 as well (--> source: <https://dealbook.nytimes.com/2008/12/12/citadel-halts-withdrawals-from-2-biggest-funds/>) but what bothered me is that back then they didn't do this until the market has already dropped very significantly:

Dow Jones peak in: 2008 ~13,000

When they limit withdrawals December 2008: ~8,500

So why limit withdrawals now when the market has not really dropped significantly yet? Limiting withdrawals is one of the last things you want to do as it looks bad and freaks people out.

Most probable the reason they had to limit withdrawals in December of 2008 is that too many investors took their money out and I think the same is happening now and that's why they are limiting withdrawals again. Not because they expect a big drop in the market but because **investors are already taking money out of Citadel.**