

Title: RegSho Threshold and the potential of it.

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I know everyone is excited about BBBY being added to the threshold list, and yes, it's still on there - but that doesn't mean it'll stay, and it doesn't mean shit can go boom. Remain positive, yes, but I think it's important to temper your expectations because there is a possibility it gets removed. This is not FUD.

People need to realise that RegSho doesn't automatically result in a squeeze and forced closing. The mechanics and loopholes available to skirt this process is worth knowing about, and stocks get added and taken off all the time.

GME was a VERY special case because it was producing FTD's at a faster rate than what could be cleared. This meant that FTD's were being produced as they were clearing other ones. The ratio of failed volume to traded volume relative to its float size was ridiculous. This resulted in a continuous perpetual FTD cycle that compounded over weeks and months. The only way to end this process and the FTD storm itself is to force liquidity and cause a squeeze. The compounding of these FTD's coupled with a gamma ramp is what caused GME to go parabolic. The GME sneeze was not the closure of short positions.

This needs to be recognised: One of the reasons GME entered this FTD snowball was because for nearly 10 YEARS prior to October 2020, GME was trading at sub \$10 and sub \$6, and thus nearly all the short positions were priced in at sub \$4/5. The moment it started consistently trading over \$10 in an intense period of time, the FTD's were staking up quicker than fat kid running to cake.

BBBY has shorts opened all over different price points. It's only been trading at sub \$30 for 3 years. Do they have shorts at sub \$5? Absolutely, but not to the extent GME did.

We do not know if BBBY is in this perpetual FTD cycle yet. Has it entered one? Perhaps, but right now it's impossible to truly know.

One way MM's are able to avoid the forced closure of FTD's is to siphon them off through multiple ETF CNS streams, and cover them indefinitely through what is essentially an infinite pool of liquidity. They utilise a tool within the CNS system called Security Financial Transactions (SFT's) to enable this process, and it's a very shady and dark aspect to the market that requires no reporting. But there is a limit to this method and FTD's can bleed out of the capacity of the CNS system. This is what happened to GME.

BBBY is unfortunately contained in a lot of ETF's - over 70 of them. Which means it's very likely this method is being used right now.

Furthermore, despite the T+13 rule, MM's are able to can-kick their forced obligations to T+35 and they'll 100% do this.

If they are able to clear out all the FTD's by this time, it's unlikely a violent parabolic squeeze will occur, and BBBY could be removed from the threshold list.

We may see tasty price action and juicy prices on T+13 and the first week of September, but we will not see a GME-style parabolic squeeze.

Now, BBBY's traded volume last week was IMMENSE. Over 12x the entire OUTSTANDING shares were traded, over 1 billion. Have there been a fuck-tonne of FTD's generated? Absolutely. Are they clearing them out as we speak? Absolutely. They smashed the price and killed the gamma ramp for a number of obvious reasons. One being they were about to blow up, and secondly they needed to halt the generation of all these FTD's.

We haven't got the most recent FTD report yet, so we don't know the true extent of the issue, and we don't

know the percentage of the traded volume that's being failed. Right now it's safe to say they are fucked - but not completely fucked just yet.

If BBBY maintains sustained buying pressure; continued upwards ITM call chain movement; massive traded volume relative to its float size; continuous generation of FTD's and increasing short interest - then BBBY could well be on its way to a perpetual FTD cycle whereby the only release is an immense FTD squeeze.

With OPEX this week; a crucial announcement; continued interest; T+13 volatility, and upwards price movements - BBBY is looking very spicy. If more FTD's are generated from now till October quicker than the rate of clearing, and through the closure of the current FTD's in September....well....let's just say October could be biblical.

BUT....

They are on borrowed time and they'll do everything they can to clear these FTD's before the music stops. So don't get disappointed if they manage to kill this. It happens, and it happens a lot. GME was a unicorn and it's naive to compare the two.

I'm positive, and the outlook is very exciting, but I'm also remaining tempered with my expectations.

Let's have a good week ■■

Edit: Witness this! https://www.reddit.com/r/BBBY/comments/wveir2/ftd_through_the_roof/?utm_source=s hare&utm_medium=ios_app&utm_name=iossmf