

Title: It Takes Money to Buy Options: Distilling GME's Whisky

Author: disoriented_llama

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Hello Superstonk,

A few weeks back I [wrote a post](https://www.reddit.com/r/Superstonk/comments/snzn04/it_takes_money_to_buy_whisky_distilling_gmes/) about historical options chain data for GME, specifically looking at the total amount of delta present each day. The data presented and the arguments laid out led to some very controversial conclusions, namely that: 1) options were largely being hedged between July-Dec 2021, 2) during that time period a significant portion of the daily volume could be attributed to market makers hedging options, and 3) there was a strong correlation between the amount of call options on the chain and the price of the stock. I want to quickly address a few key areas of discussion that the post generated before moving into new information.

1) "You are pushing options, therefore you are a shill."

Options carry significant risk. Do not purchase them if you do not understand the Black-Scholes model or cannot risk losing the entire price of the contract. Although I do trade options, I have never attempted to somehow financially benefit from an ape buying or selling options contracts. I am simply sharing the analyses I have done that have led me to believe that options can be a powerful tool to blow up the margin of a heavy put position, which we know is being used to suppress the price today.

2) "You are posting with u/gherkinit **to brigade your work and get more upvotes"**

Most people know that I have been working with u/gherkinit for about 10 months now trying to understand where the shorts are hiding. We believe that, while there are no data that provide a smoking gun (by design unfortunately), there are certain signatures in the available data that point to what may be going on. For example, see the great work by u/mauerastronaut and u/zinko83 on variance swaps, which is the most likely explanation for the deep out of the money puts (DOOMPS) that have been growing in popularity again on the sub. The work that I do is never just my work. Pickle man has put together a group of about 15 or so people that all bring various skills in data access, data mining, numerical methods, market knowledge, etc that all get mixed together to turn a sea of random data into a theory. I asked him to post the last one because frankly I was tired after putting my pieces together and needed the rest of the team to clean it up and get it live. I don't really care about reddit karma, so I don't really care who posts our work.

3) "You are skeptical of DRS, therefore you are a dumb dumb and a shill trying to destroy the sub."

That's fine. DRS --> ?? --> MOASS is a compelling theory. I like jumping on Computershared and watching the numbers go up. I'm impressed by the sub's ability to data mine the DRS activity. Lots of cool things going on with the DRS effort. What I am *not* fine with is the DRS mob insisting that DRS is the only way to cause MOASS and that DRS is guaranteed to cause MOASS. Locking the float in DRS to initiate a short squeeze may work, but it is unproven. I've been around long enough to remember Ape Vote. I am disturbed by the misinformation being spread about DRS and the arrogance with which DRS is discussed, not DRS itself. Full disclosure: I'm not convinced DRS will do what is being claimed, I have not DRSeD, and I likely won't unless new evidence is presented. That being said, **THIS POST IS NOT ABOUT DRS**. You are free to post DRS spam in the comments as many are wont to do. I will not be responding to any discussion of DRS, as it is off topic.

Okay, onto the good stuff!

Historical Options Data

In [my last post](https://www.reddit.com/r/Superstonk/comments/snzn04/it_takes_money_to_buy_whisky_distilling_gmes/) about options with u/gherkinit, we developed a methodology to study the impact of the

A number of people asked about the data in the first half of 2021. I initially chose to discard this data as it seems to mostly follow the trend we found with some noise during the runs. Motivated by questions about it, I decided to take a closer look at the entire GME saga to see if any interesting behavior emerged.

[Daily High Price of GME vs. the RDS of the GME options chain. The data is colored based on each significant stock run.](<https://i.redd.it/hc6o0hib57k81.gif>)

[Illustration of the fully hedged options window.](<https://preview.redd.it/fgwwwv8d87k81.jpg?width=840&format=pjpg&auto=webp&s=9e3f637150dea87d74c0e24bee043db0bb4ca165>)

Anyway, that's it. Just some options data I thought was interesting and my interpretation of it. I hope the community finds some interest in it too.

[I'm fine everyone!](<https://preview.redd.it/boj9673qh8k81.png?width=526&format=png&auto=webp&s=f9f94711ce86a48437aa146421447fd674c1e427>)