

Title: June 8th 2022 - *58 Million Dollar* GME Options Bet? 9 DTE 1 Delta Call Options

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Created 2022-06-08 20:28:50 UTC

Permalink: /r/GME/comments/v7z71o/june_8th_2022_58_million_dollar_gme_options_bet_9/

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https://www.reddit.com/r/GME/comments/v7z71o/june_8th_2022_58_million_dollar_gme_options_bet_9/

I made [this](https://www.reddit.com/r/options/comments/v7e4vq/june_7th_2022_16_million_dollar_gme_options_bet/) post yesterday and got some awesome feedback. I wanted to post a follow up with what I saw today.

Unfortunately I have no way of going back and looking at this data historically, so I'm not sure if this is a common occurrence or not.

Today the GME bets were far larger than yesterday. These contract trades alone totaled almost 6% of the market cap of the company. Over **6,500** contracts were traded totaling **\$58,615,900**. If these were exercised immediately the total cost would have been over **\$93,000,000** Here's the data:

<https://preview.redd.it/xma0uqcrig491.png?width=577&format=png&auto=webp&s=3e4d74b5fa217c76c4602a541d6ce1438f37fa52>

<https://preview.redd.it/btfjtlwsig491.png?width=1627&format=png&auto=webp&s=b11cdfccb46af1a2e15eb9fb346a05e25b74210a>

Someone stated yesterday that I was confusing volume for OI, but today showed that the volume is not carrying into the OI, which leads me to believe these orders are being placed and immediately exercised?

<https://preview.redd.it/czohps9uig491.png?width=1187&format=png&auto=webp&s=64cc628cef2b765a4b3a140a85e224e3c8497e63>

u/bimi210 posted the following quote in the other thread:

*"Trader A may enter a buy-write transaction, consisting of selling deep-in-the-money calls and buying shares of stock against the call sale. By doing so, Trader A appears to have purchased shares to meet the broker-dealer's close-out obligation for the fail to deliver that resulted from the reverse conversion. In practice, however, the circumstances suggest that Trader A has no intention of delivering shares, and is instead re-establishing or extending a fail position. These circumstances vary. For example, Trader A may be engaging in buy-writes with a known counterparty, such as another market maker (Trader B) that Trader A pays to take the other side of its reset transactions. In this circumstance, Trader A and Trader B agree on a price at which the buy-write will be transacted. The trade is consummated as a spread, with the stock and option portions executed at the same time. Trader A sells calls to Trader B, and Trader A buys shares from Trader B. The size of the trade is dictated by how many shares Trader A is required to deliver to appear to have closed out the settlement fail arising from his short position and avoid a buy-in or large borrowing fees. Trader A knows or has reason to know that the counterparty to the buy-write will not deliver securities in settlement of the transaction. Rather, on the same day of the buy-write, Trader B will, in almost every case, exercise the deep in-the- money options it bought from Trader A in order to eliminate the short position created by selling shares to Trader A in the buy-write transaction, negating Trader A's

purchase of those shares. The two counterparties trade deep in-the-money calls with little to no open interest, so that Trader A knows that when Trader B exercises its calls, Trader A will be the one assigned³² on the exercised calls. As a result of the assignment on the exercised calls, Trader A has another delivery obligation. Trader A, or its broker-dealer, remains unable (or unwilling) to borrow shares to make delivery, and the reset transaction may result in a fail to deliver position at Trader A's clearing firm. The result may be a persistent fail to deliver position in the security at issue."^{*}

*Source: * [[*https://www.sec.gov/about/offices/ocie/options-trading-risk-alert.pdf*](https://www.sec.gov/about/offices/ocie/options-trading-risk-alert.pdf)](<https://www.sec.gov/about/offices/ocie/options-trading-risk-alert.pdf>)

I think this is probably the most likely reason, but damn this is a lot of money flowing around. Thank you to all of you for your feedback.