Title: Elon Musk, Twitter, and A Decade-Long Short Battle Featuring: ETF siphoning and SPY depletion
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Created 2022-04-15 17:55:53 UTC
Permalink: /r/GME/comments/u4drdf/elon_musk_twitter_and_a_decadelong_short_battle/
Url: https://www.reddit.com/r/GME/comments/u4drdf/elon_musk_twitter_and_a_decadelong_short_battle/

Good Morning Everyone, though I guess it's afternoon now that I'm done writing and am posting

I'd like to take a moment to try and explain why this Elon Musk Twitter situation is bigger than it seems, how it ties in with my last DD, and especially with mainstream media riling up emotions surrounding the centralization of what we see as shared infrastructure. There's a lot of precursor information so… buckle up

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Now in the DD I wrote last night, https://old.reddit.com/r/GME/comments/u3w6ng/etfs_ft ds_and_invisible_printer/ (fix the space, GME rules lol)

>**This post ended up being longer but has a lot more preliminary information that can be skipped.** I didn't touch on options and how they can play into the whole mechanics of the ETFs F To Ds. I figured it would be too much for one post, as what I had was already exceedingly verbose. So, like Netflix, if it's chunked up into mini-series it may be easier to read. I hope my chapters here allow the same digestibility.

Today we have: Philosophizing, Billionaires, Tesla, Twitter, Options I, Greeks, Options II, and ETFunds

Skip to Options I if you only want technical, skip to Options II if you don't need precursor knowledge of the Greeks, if you just want juicy stuff skip to ETFunds

>TLDR; Elon may actually be cool, and by utilizing market mechanics meant to punish long bets, funds can pay almost nothing to insert shares into the market, including F To D'd shares. With F To D shares it's essentially free

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PHILOSOPHIZING

Before I get into anything else I want you to take a minute and think about not the consequences of necessity surrounding Elon's actions, or their media sentiment, and the intention behind all the actions he has taken. I'm not a big fan of him, but recently I've been questioning why and where my zealous dislike of the man came from. His actions don't correspond with media sentiment in my opinion.

I have a sincere distaste for billionaires and so I've been questioning a few things recently. In order to understand where my distaste is founded, I need to attempt to realize what personal qualities those individuals possess that make them encapsulate a form that I personally never want to take. Distinguishing these qualities will also allow me to be able to notice them on a smaller scale, and deal with those type of people in my life. I also took time to question why I hold this person in higher regard than regular people. He has a lot of money, yes, but even rich individuals can make mistakes or say stupid things in emotional moments.

>Hypothesis: I believe this to be a tactic, and my experiences only support this hypothesis, but that the wealthy purposefully attempts to hold the progressives/upstarts/innovators to higher standards, not only for individuals but for persons and groups of distinguishment. This focused malfeasant double-standard allows a focusing of attention of the easily manipulated to deconstruct and dismantle those who are a threat to the current power dynamics, as well as internal confusion for organizations attempting to gain traction (BLM, Green Peace, Etc.). Many people have made mistakes and learned from them, in fact it results in a more present and educated person. Installing only those without personal experience making mistakes, and taking responsibility only serves to discourage anyone from reporting mistakes as a whole.

It also fosters an environment of secrecy and distrust, rather that encouraging correction and accountability.

In my opinion the qualities I cannot stand are extreme greed and wealth hoarding, taking credit for others' work, dismantling of working processes, destroying the environment, including investing in fossil fuels with disregard for future damages, manipulation of politicians, and altogether sending humanity down a worse path. None of which Elon has fundamentally adopted, beyond expressing his frustrations and attempting to bring to light shady tactics used every day by others, but by doing them publicly.

BILLIONAIRES

Now, we must understand how billionaires attain their wealth. There seems to be a common misconception that a billionaire may only be sourced from stealing wages. This is true in almost every case, and I'm sure you're acquainted with wage theft, time theft, theft, more theft, and grifting. But I would direct you to the case of Ryan Cohen. https://en.wikipedia.org/wiki/Ryan_Cohen

After two years of attempting to secure capital from venture capital firms for his company, MrChewy, he was able to secure funding from Volition Capital. By the end of the next year with 2 more funding sources, his company was the #1 online pet retailer.

In April 2017 PetSmart purchased Chewy for $3.35 billion. RC stayed on as CEO until the end of 2018 where he grew revenue to $3.5 billion/yr.

He has also made considerable gains on his Gamestop investment since becoming the chairman and transitioning the entire company, who is about to release an NFT marketplace, exchange, and wallet.

That all is to say that not every billionaire sources their wealth on the backs of workers and siphons it away for themselves.

TESLA

Elon joined the Board of Tesla in 2004, and IPO'd in late June 2010, gaining 40.5% on it's first day.

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

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

https://www.thestreet.com/investing/stocks/tesla-ipo-tesla-stock-soars-40-10794964

In his recent TED interview, he stated that he was positioned by the banks to either concede to the SEC or be completely cut of from bank capital for Tesla. (https://youtu.be/cdZZpaB2kDM?t=1628 onward, earlier is Twitter discussion) They took his company hostage like the US does with sanctions by denying access to secured funding. He also talks about living in the factory for years trying to fix everything. He states he thinks he knows more than anyone alive about manufacturing after fixing the factory. I assume he's talking about the logistic processes of giga-factories lmao, though I do think he's a bit narcissistic, I don't think he's malicious in saying so. He could certainly learn things from other people, but his collection of knowledge if he did spend that long in the factories must be intense. It would make sense why/that his knowledge of scalability is so well established.

He also states that he was under attack and was the most shorted stock in the history of the market. You can see the beginning volume when his stock was starting to be shorted https://i.imgur.com/TnNWEOZ.png It picks up the end of 2012-start of 2013 and really ramps up in April 2013.

In 2020 Elon took his salary in stock options. He was supposed to get California minimum wage but denied the salary. https://i.imgur.com/hzbjspC.png

In the case of Elon, I can find no proof of the Emerald Mine claims beyond a business insider article from 2018, and no inheritance at all. He seems to have gone into debt after leaving South Africa with just his bags. His mom divorced his father, who now has a kid with his stepdaughter. His dad doesn't seem right in the head, which is par for the course for regular wealthy, let alone apartheid wealthy. Elon is estranged from the man, and I don't believe his funding was sourced from him. Regardless without insight Elon wouldn't have been able to do any of what he's done; you have to be at least so capable to be able to do what he has.

A Founder..?

TWITTER

Now there's been a lot of back-lash about Elon buying Twitter, and at first, I was on-board. I don't often engage such conversations, but free speech is something I believe paramount to the security of ever nation.

I shared my views, as unfounded as they were a couple times, and all of the responses I got were with negativity surrounding his past actions. And I realized that I just don't see it.

Sure, he can be an emotion moron, we all can. He called someone a pedophile in an emotional frenzy. But it was a problem he over-thought, he applied engineering to a situation where they just needed the proper supplies and not some metal coffin-submarine for the kids to get out of the cave. But he did what he knew and was attacked for it being too convoluted/over-engineered and he got emotional.

The media was amazing and whipping up emotions over centralization of Twitter but seem to be pretty quite about a lot of other stuff. So why would we care to value their opinion when they're clearly voicing a perspective that benefits both the currently centralized banks and auto companies? In fact, auto companies strangle-hold on the American economy is why we're in such a disconnected mess as it is. Imagine railways supplying goods instead of trucks; it would save gas, concrete, rubber, parts, and labour. So many jobs are focused on keeping as many people busy as possible, and that's it.

Regardless, I believe an open-source social media platform as large as twitter would be highly beneficial. (TED talk) Especially if anyone can GitHub the code.

Minor thought - I was considering him selling the shares on blockchain after privatization, and I'm even more interested in such since he mentioned having a Plan/Part B in his TED talk yesterday.

Now, I want to focus in on Twitter's stock price and volume movement for a minute.

https://i.imgur.com/uEMMgQ1.png

https://i.imgur.com/0Xi9LaA.png

We can see that there was a medium-long term downtrend established in the company before Elon decided to make a move. The orange bars represent the time in which Elon was buying his shares, the downward line is the trend started in July 2021, and the upward the new trend after Elon files/tweets https://i.imgur.com/n0SPJuC.png

And we can see that as soon as the HFs knew they would have to deliver on the shares he purchased, the volume shot up as they had to unwind contracts. This started a new uptrend that they're now fighting probably internally but also with mainstream media backlash. Here's the outstanding shares https://i.imgur.com/Gu2F8nD.png

And here's the volumes from the 4th-14th https://i.imgur.com/mDAxUzy.mp4 where way more shares changed hands than was necessary, and I'm sure there was a lot of profit-taking.

Also compare Twitter's volume and price movement to Tesla's before its run https://i.imgur.com/TnNWEOZ.png. Not quite the same but similar.

OPTIONS I
Now I also need to talk about market mechanics a little bit for those of you unable to decipher the parallel-to-English bullshit they put into governance documents.

Options are a mechanic/contract type in the market that you buy. They are warrants to purchase or sell a security. https://i.imgur.com/619v4Bh.png

With Calls and Puts, you can call a security to you at a later date, but the (strike) price that you set the contract for, or where you can put a security on someone else at the price you set the contract at.

So, with Calls you want the price to go up to buy in at the lower price stated by the contract, and with Puts you want the price to go down so you can put the security on someone else and take the price that it was stated at.

With both positions you have multiple factors to consider, mostly pertaining to the Greeks. These are numerical representations of how the option's price moves, or risk associated with the underlying asset.

GREEKS and IV – all of this is summarised, I hope well

Implied Volatility (IV) is the numerical representation of the likelihood of the option's price moving, based on the underlying's movements, or how quickly the price of the security moves up and down. This affects the cost (premiums) of the contracts as they will have high recycle rate for invests to attempt to make as much off the ups and downs as possible. Some will win, some will lose.

Delta is the correlated rate-of-change in the option's price compared to the movement of the underlying asset's movement in price. In calls it is a 0 to (1.0) representation of the chances, and in Puts it is 0 to -1. If the underlying asset moves $1, and the delta of a call is 0.1, then the price of the option theoretically will move 10c. This is also used as the reference through which you may maintain a delta-neutral position – 0.4 needs 40 shares, as one contract is 100 – to cover the contract's remaining delta risk.

Theta is basically the chances that you will exercise/use the contract. Say, if you hold a long position with a Theta of -0.5, the option's contract price will decrease by 50c per day until expiry. So, options traders will often sell contracts that don't look like they're going to play out this week and buy them back next week so as to not have to lose that money through decay. Long positions tend to have negative, short positions tends to have positive.

Gamma is a second-order price sensitivity because its rate is based on Delta to underlying price. If a long call has a Delta of 0.5 and a Gamma of 0.1 then what is indicated is that for every $1 the underlying increases, the Gamma shows the Delta change (+/-0.1). It's used to determine an option's delta stability as higher gamma indicates larger delta changes in response to smaller movements. They're generally smaller in options further from their date of expiry and ramps up as it approaches.

Vega indicates how much change in the options price will occur for each percentage change in IV. If an option has a Vega of 0.1, the option's value will change 10c for each 1% the IV changes. This means that during extreme situations of volatility, the risk and reward are both higher.

Rho is the indicator for change between value and 1% interest rate change. With a rho of 0.1 and price of $2.50, interest rising 1% would increase option price to $2.60, everything else being equal.

There are more minor Greeks that are second- and third-order like delta to change in volatility, and they're increasingly used in strategies, but are unnecessary for the purpose of this outline.

OPTIONS II

Again, Options are warrants to purchase or sell a security at a later date and price, which is reflected through the price/premiums on the contract which are determined by the Greeks and IV(essentially). https://i.imgur.com/619v4Bh.png

I'm only going to talk about Long Puts and Shorts here

In the above we talk about how you have losses like Theta decay as long as you're holding the contracts and not exercising them. This applies to both long and short positions. In short positions you mark your book short shares (up to 100 based on the delta-neutral level) of the stock. You then sell those into the market at market price in order to bet against the stock, as well as flood shares into the market to aid in your bet. You have to buy these back later on the market or supply them. (F To D'd shares?)

Now you have Long Puts. https://i.imgur.com/1vp6oxp.png Just like with Shorting, if someone opens a put, they are establishing a bearish position on the stock. They believe the stock will go down and would like to be able to 'put' the security onto a seller at a later date but whatever price the contract states. And they want to have the option to do so for a long time. The further out you buy them the less their premiums, though you have to service these contracts when they decay.

https://i.imgur.com/UXLcPgg.png In Long Puts the Gamma hasn't ramped up yet, so if they are able to be exercised immediately, the owner simply needs 100 shares of the stock to put into the market, and to pay for the contract.

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

Say a stock has a share price of 0.05, they can use puts at 0.055 to keep the price at 0.05, and profit from them when it hits 0.045. This all depends on premiums vs decay vs. time held to make profit, remember. It can be expensive to do so when having to purchase real shares.

So, Long Puts thus are the ability top supply the market with shares at a strike price so long as you can provide the shares to do so and the premiums to but and exercise your contract. Indefinitely.

These could then be routed through dark pools in order to hide where they're coming from. But if they're F To D'd you never have to actually purchase them? Dark pools aid in the washing of these synthetic securities. Much like Bitcoin washing, if you're old enough to remember needing to do that.

But what if you have Long Puts that are exercised with F To D shares from ETFs, or from simple F To Ds between co-interested partiers? Say we have options exercised on the Hedge Fund's side, with F To D shares used to cover the contract, or the contract itself simply F To Ds between the HFs/ MMs. They can then use those synthetic shares to exchange in baskets for more ETFs.

This is why I think options FUD/anti-FUD was so fragmenting. It might literally be the lynchpin to keeping the whole market afloat. Dark pools account for 99% of US market orders? Is this why, since options have much more pressure than individual buys? Is this how the sell walls are being created? ETF F To Ds into options?

Another possibility: What about F To Ds on SWAPs? Similar concept to my ETF F To D proposal, where they both have the underlying afterwards, flooding the market with shares that are redeemable but not proportionate to the assets underlying the entire market. As a little kid would say: "Bubbbbbleess!!!"

ETFUNDS

Last night I lightly touched on the XRT Fund Level Flow and how it’s been being drained for quite some time through the ETF F To D process. In my posting last night, I realized how much bigger of a problem this may be. I think I was right.

#I found this
https://alphaarchitect.com/wp-content/uploads/2018/03/3.ETF-and-FTDs-Alpha-Present.pptx

So, someone else was onto what we were long before. The authors of that Power point may be apes or new allies if we approach them correctly. They made me realize how fucking bad this is. This was 4 years ago, before the regulatory exemptions that I listed in my last post were enacted.

How many ETFs could they duplicate in one F To D? I guess that would depend on the size of the trade.

I’d also like to draw attention to the price action of the Short ETFs, especially the 20 Year Treasury Bears TBT https://i.imgur.com/WnOkgaO.png and its flow (treasuries being F To D’d?)
https://i.imgur.com/lp0mn3V.png

And TMV https://i.imgur.com/lc9Yo1B.png - and its outflow https://i.imgur.com/SEhlTR9.png

I didn’t look much further into other Short ETFs as most of them have net negative outflow over a year, 3, or 6 months.

SDY had an inflow/outflow anomaly- https://i.imgur.com/jtRP0sL.png Yes, that is someone depositing 1.58B on Jan 28th and removed it Feb 1st.

So this got me interested in State Street ETFs

Interestingly XLF has had a lot of recent outflow volume – https://i.imgur.com/ND9Np46.png Holdings - https://i.imgur.com/xJx3lVY.png

XLE is down 1B in both 1 month https://etfdb.com/etf/XLE/#fund-flows

MDY is down 788M in 3 months https://etfdb.com/etf/MDY/#fund-flows

XLY is down 1.6B in 3 months https://etfdb.com/etf/XLY/#fund-flows

XLI is down 2.5B in 3 months https://etfdb.com/etf/XLI/#fund-flows

Some are up but most are down, and its net negative. Extremely so for the last 3 months.

And here are VCR and FDIS Fid and Vanguard’s highest Tesla holding ETFs (https://etfdb.com)
3-month VCR- https://i.imgur.com/ts5vLJ2.png

FDIS 3-month - https://i.imgur.com/VW6iItF.png

These don’t necessarily all come from ETF F To Ds, but they certainly aid in it.

And then…

#**SPY - https://i.imgur.com/3bfn866.png compared to its price action https://i.imgur.com/kvrESpy.png**

#**Negative 21.55B in 3 months? Uhhhhh. Guys this is fucking big**

>TLDR; open that second last link, read the bottom, and tell me what it says. SPY is fucked, Apes.

ETA: Originally the point of this was going to be to tie in Elon to opening up the internet, focusing on how all of his goals have been towards making sure humanity either survives or lives for efficiently. Once I found the SPY depletion I knew this was going to be bad. I started looking through tons of ETFs without taking photos, but we need to stop looking at just Short Interest on these ETFs. Because if we're buying synthetic ETFs and not exchanging them, but funds are exchanging them and siphoning out the underlying assets then they're leaving ETF holders, and options holders with a huge fucking bag. Now add in PFOF? Lol

I appreciate any review and corrections anyone can provide. Thanks.

Now, I need a weighted blanket

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And those University Authors of that amazing paper I only found after doing all this work KLMAO