

Title: 380 Million USD Swaps in BBBY were terminated this month

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**\*\*TLDR.** BBBY had in total 380 million USD basket portfolio swaps - and they were closed within the last two weeks. In comparison, GME has a similar massive open position with 211 million USD.\*\*

In July, BBBY had in sum 380 million USD open basket portfolio swap positions, that is larger than the basket portfolio swap position in GME. On 2022-08-02, a 180 million USD swap was closed. A 200 million USD swap position was first reduced on 2022-08-08, then terminated on 2022-08-16. At the time those swaps were reported, they summed up to 84% of the market cap of BBBY!

[The BBBY swap report entries with IDs.](<https://preview.redd.it/u6nlb4b69ti91.png?width=2344&format;=png&auto;=webp&s;=4fce853bdc5b0768fb74995b6ed72765accafbfc>)

The swaps can be identified by their execution timestamp. The 200 mil USD swap is from 2019-06-26, while the 180 mil USD swap is from 2020-02-24. On a side note, that day 2020-02-24 was the start of the 2020 crash due to COVID.

[And here in crayon. On the left side \"Notional Amount\", 1e8 means hundreds of millions USD. Look at those sexy spikes! The spikes from the basket portfolio swaps let the other swaps appear very small.](<https://preview.redd.it/fqaxmbb99ti91.png?width=3510&format;=png&auto;=webp&s;=cbf035cc408294c6ad713d80cfe37240bceebe84>)

The particular swap product in this post is a basket portfolio swap. These are interesting because GME, AMC, BBBY, XRT, KOSS and other meme stocks have this swap product in common. Due to simultaneous trades in the report data, we can say the these swaps are probably connected to a single institution. My thesis is that basket portfolio swaps are short positions towards the market, as I explained in a previous DD [1].

When we only look at the basket portfolio swaps within that cluster, the top positions are taken by these tickers:

- \* XRT has two basket portfolio swaps with each more than 250 mil USD,
- \* GME has two of those swaps, a 200 million USD swap and a smaller 11 million USD swap, expiring in March / July 2023.
- \* KOSS has one swap of about 70 million USD, expiring in Dec 2022.

Meanwhile, swaps in AMC.N seems to have been increased, new swaps of about 125 million USD appeared on 2022-08-08:

[Table of recent AMC.N trades, sorted by recent report entries.](<https://preview.redd.it/gutwaa5aati91.png?width=2205&format;=png&auto;=webp&s;=cd57b36d63ecdb99219604f9c6f3fe146245c65a>)

This can be seen as a spike in the recent timeline:

[Recent basket swap activity in AMC](<https://preview.redd.it/9idcwz9dati91.png?width=3510&format;=png&auto;=webp&s;=06972b83d7ce9e8a666e913cfa6c933c24152c2>)

Different stocks of the basket may be used as collateral, and this event might indicate a portfolio regrouping.

Swaps do not have direct impact on stock price - it depends on how they are hedged. Leenix recently described how these swaps can influence the price of the underlying \[2\]. Other than I would have expected, the days with large swap termination should have made an impact on the price? We can only speculate whether these were strategically failed to deliver - if they were, their T+35 would be on 2022-09-06 and on 2022-09-20, respectively.

\[1\] "Follow the baskets: How a special type of swap connects GME, BBBY, XRT and many other equities" by u/MyFirstBanana

\[2\] "Alert: NEW \$250,000,000.00+ Mil XRT swap today July 13 2022" by u/L33n1xu5