Author: karasuuchiha

Created 2022-07-10 22:39:47 UTC

Permalink: /r/GME/comments/vw34k8/dip_incoming_guess_im_gonna_have_to_drs_harder/

Url: https://i.redd.it/84bn4f3z0va91.jpg

Will Etoro cause a significant drop in price during or right after the splidividend?

Discussion / Question

Etoro won't give the shares to its GME holder. As stated in its T&C, Etoro pays dividend in cash only. But where Etoro would take all that money? When a user open a BUY position, Etoro's regulator purchase the asset on the market in behalf of the user in a so-called Omnibus portfolio where all the position of each user are stored. This Omnibus Account would receive the 3x shares of all Etoro users holding GME and then It would sell them at market price to have the cash to distribute among Etoro users. Do you Remember that infamous day when Etoro was setting Sell-limit order by default, and triggering them caused a brutal drop in price? That's the same principle and i think this selling pressure would cause a significant drop in price on 22th July or T+2.

Hopefully each Etoro user would use that cash to repurchase GME. Just a moron that likes the stock, nothing of this is financial advice.

12 comments











