

Title: What is different in this GME Cycle? and WHY? Option Series and Options Cycles and Expiration Cycles. THE KEY

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I will admit I'm very excited, so I apologize if this information has been shared before.

Let's Dive into it.

****The setup****

On November 8 2021 Larry Cheng (board member of Gamestop) sent out [this tweet](<https://twitter.com/larryvc/status/1457851393822371843>) he says "It's insufficient to just learn - you have to unlearn as well. What made one successful in a past cycle is not the same formula that feeds success in the next cycle. Hanging onto the past is usually a liability - willingness to reinvent is usually a harbinger of success."

This language seems like it has much overlap with our situation. In retrospect perhaps we should have listened more.

So I decided to look more at these "cycles" and what may be different. It certainly seems we were close. Many DDers (myself included) ASSUMED this cycle would be the same and an options play, it now seems more than likely we were incorrect.

So let's unlearn the cycles we thought we knew. BAM! Luckily that was little effort for us smooth brains.

****EXPIRATION Cycles****

The exchange lists options on a given security according to one of the following expiration cycles. It looks complicated on the surface but [this site](<https://www.optionseducation.org/referencelibrary/faq/leaps-and-expiration-cycles>) tries to break it down for us.

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||Q-1|Q-2|Q-3|Q-4|
|:-|:-|:-|:-|:-|
|Cycle 1|Jan|April|July|October|
|Cycle 2|February|May|August|November|
|**Cycle 3**|**March**|**June**|**September**|**December**|
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It appears we are in Cycle 3 (**MJSD**).

Now you may be wondering "Sure we had March and June spikes, well what about January and February spikes?!"

In 1984 regulatory authorities decided listed options should have the two front months available to investors and the next two months within the cycle. That would mean we'd see Jan, Feb then the **MJSD cycle.** , if the correct cycle.

Generally, all options will expire at 4:00 pm Eastern time on the third friday of their expiration month. [Investopedia Link on Option Cycle Assignments](<https://www.investopedia.com/terms/o/optioncycle.asp>) I'm proposing we've all been looking at the wrong expiration month.

****Option Series****

Wanna see a better example? Let series [Investopedia Options Series](<https://www.investopedia.com/terms/o/optionseries.asp>) take it away.

"Exchange-traded options follow their designated cycle, with listings available for the first two months followed by the next two months for their cycle. If the GME \$110 call is a cycle three, then in January it would have the following listings: GME 110 Jan, GME 110 Feb, GME 110 March, GME 110 June. Each listing would be considered an individual option series with the four option offerings representing the option cycle. Most exchange-traded option series listings will expire on the third Friday of their listed expiration month.

****So what?****

I'm proposing whatever option expiry mechanism of cycle 3 ****MJSD**** is what we are seeing reflected in the pricing of the cycles. When citadel had to buy in to suppress the price that is running, they only had a select number of options to choose from and are locked within that particular cycle in an attempt to unwind their position. November was never a play, it was always December.

****TLDR:****

We may be in a March, June, September, December expiring options series.

Edit : However /u/GillanAlaf pointed out cycle 1 is Jan, April, July, October (1,4,7,10)

Edit: I want to clarify, I'm not saying the swaps DD's are wrong, but if it was an extreme situation in January, the hedgies would have implemented every single possible strategy in concurrence to try to limit the damage and unwind it over time.