Title: A different take on options
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TL;DR – Ape options worked well in the sneeze, but I question their effectiveness going forward.

We keep doing this Goldie Locks thing with options – "They're all bad", "They're all good", "Well, a happy medium is best". If it's close to ITM they are supposed to hedge. That hedging (buying up shares) creates boom-boom ramps.

Was there some boom-boom ramping in the past? Absolutely! Their text book hedging strategy was from a time when they assumed call buying was from non-crayon eaters. Retail, let alone apes, buying options (and in huge numbers) is very new to the market. The question is "Did they change their strategy or risk models since then?".

The aspect I think we're overlooking is that they are learning from Ape behavior. The dark side probably has enough data from previous ramp ups as well as everything they combed over in Rob'in da Hood to figure out that most of us don't have the cash flow to actually execute our calls.

Going forward, I think that makes them less likely to purchase 100% of the required shares for hedging, thus less likely to cause any ramping. Remember they sold the calls. They really don't want to cause that ramp up.

As they read posts on various subs, they even see people's strategies. i.e. "Buy 4 calls, then sell 3 to execute 1 of them". Well, if that's the ape playbook, then they realistically only need to hedge 25% of the calls. This is especially true if they have a clearer picture on who is purchasing/owns these options - retail vs. bigger fish.

Conclusion (to ease the downvotes): I completely agree that options were a huge factor in prior big run ups, no question in my mind. My smooth brain thought is that this lever may not be as effective going forward because they may have accounted for ape behavior.