

Title: The recipe of the MO-ASS

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Created 2022-02-20 10:19:06 UTC

Permalink: /r/GME/comments/swy90i/the_recipe_of_the_moass/

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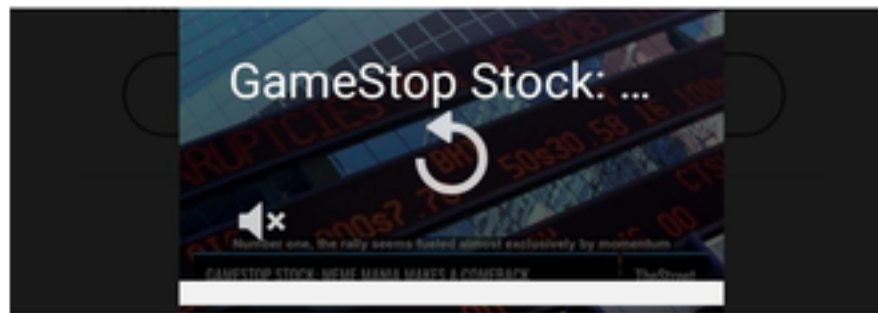
In pre-market activity on January 7, GameStop shares reached a peak of more than 32%. Even for a volatile stock like GME, such a move is noteworthy. It suggests that "meme mania" is still alive – and the MOASS, a plausible event.



Figure 1: GME stock on January 7 pre-market.



This practice, deemed illegal after the subprime crisis in 2008, consists of borrowing stocks to sell short, but without those stocks existing. This is only possible in the very short term and due to technical gaps in trading, as transactions take days to clear the system.



While the SEC reported that short sellers were not the main cause of GME's spike last year, the mere perception that a short squeeze is imminent could be enough to rally the troops. If the community of GME shareholders are motivated to buy more shares with the aim of squeezing short sellers, enough demand for the stock could be created to "fulfill the prophecy".

High volume changes, still pending

A catalyst driving bullish momentum, which in turn creates FOMO amid an environment of elevated short interest, is only the



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GAMESTOP CORP. CLASS A

GameStop Stock: Bracing For The Mother Of All Short Squeezes

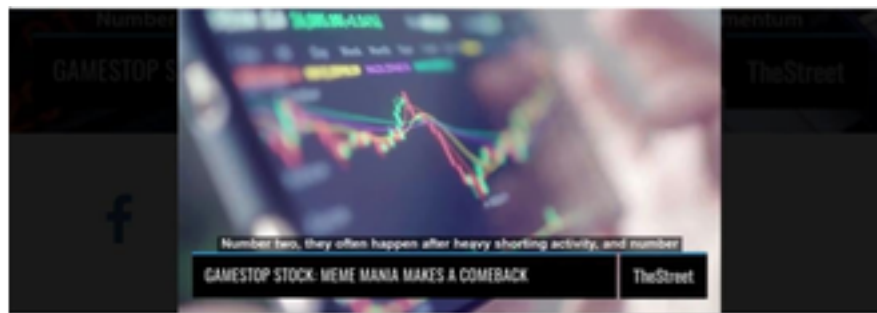
The new year brings new hopes for GME stock bulls that “the mother of all short squeezes” might be lurking around the corner. Here is what could make it happen.

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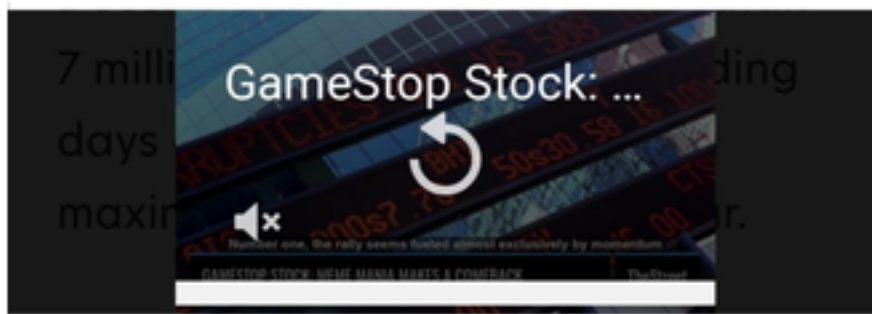
In the case of GameStop, an SEC report concluded that the main factors leading to the January 2021 "flash rally" were primarily (1) frequent Reddit mentions, (2) significant coverage by the mainstream media, (3) large volume changes and, to a lesser extent, (4) elevated short interest.

A few days ago, I wrote an article questioning whether GameStop would be able to repeat last year's January performance. For such a move higher to occur again, a series of catalysts not seen since mid-last year would need to take place to shift momentum towards positive.



January 2021 was historic for GameStop stock (**GME**) - Get GameStop Corp. Class A Report and some of its peers. In one of the biggest “bullish attacks” seen in history, GME stock jumped more than 1,600% late that month.

However, GameStop shareholders remain confident that a massive short squeeze could happen – only this time, it may be the mother of all short squeezes (or MOASS). For GME, a stock that does not always trade in line with its business fundamentals, I think that this is a possibility.

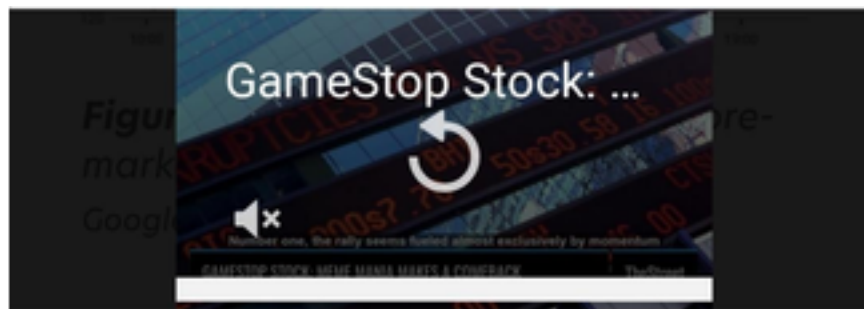


Could January 7 mark a turning point in trading volume, enough to support the next leg higher in GameStop stock price? Only time will tell, but confident GME bulls certainly hope so.

(Read more from Wall Street Memes: Could These 3 Meme Stocks Work As a Hedge Strategy?)

Twitter speaks

GameStop is making moves to enter the NFT and crypto spaces, according to the Wall Street Journal. Will this be a catalyst that reignites meme mania in 2022, or just noise



Popularity and FOMO, check

With an overwhelming 102,000-plus upvotes and almost 3,000 mentions on Reddit in the last 24 hours alone, GME is by far the most discussed ticker at the moment. Keep in mind that frequent mentions on social media and heavy media coverage were two of the biggest catalysts for GME's dizzying rally this time last year.

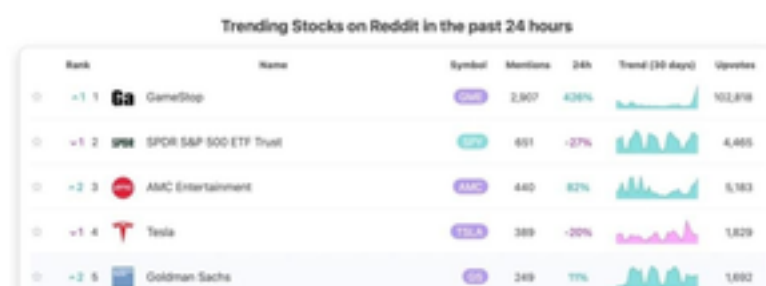
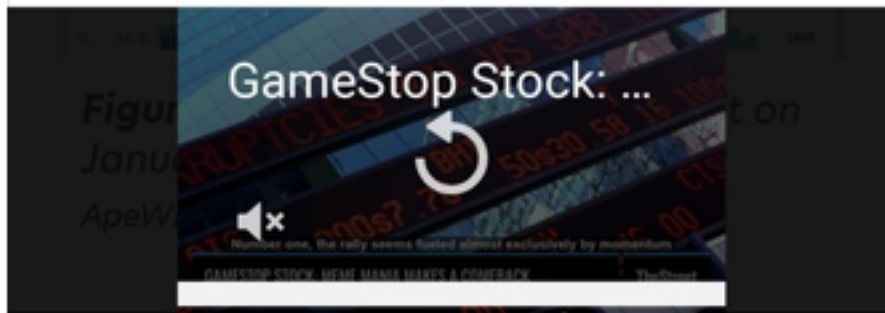


Figure 2: Trending Stocks on Reddit on January 7 pre-market



The psychological factor is crucial in the GameStop bull thesis. Buzz on Reddit and other discussion boards incentivizes investors, driven by FOMO (fear of missing out), to jump into GME. New investors in particular, who have been waiting for the perfect opportunity to dive in, could see an initial jolt in share price as the right moment to act.

Short interest, check

GameStop stock's current short interest is 18.5%, according to Yahoo Finance, as 8.6 million shares are currently used by bears to express their pessimistic views. This