

Title: Why price is headed to \$40 before SHFs capitulate

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Disclaimer: This is not an investment or financial advice, and I'm not an advisor of any sort.

****TL;DR****

- * Only ETF and institutional are having significant impact on price now
- * SHFs are taking advantage of general market downtrend to push GME price further down via ETF shorting
- * It's do-or-die situation for SHFs, and gloves came off when Gamestop published directly registered shares
- * Price is irrelevant, however will hit resistance where institutions have accumulated it the most (around \$40)
- * Float will be locked sooner or later, there is no exit strategy for SHFs. But they will continue emotional tactics (hyping, shilling, call-for-action etc. etc.) till their game is over

****Possible current sentiment****

- * You may be wondering why the market is red, and GME is redder than the market
- * You may be thinking why aren't institutional buyers not stepping in to buy now
- * You may also be wondering what happened to all the hypes that never materialized so far
- * You may worry how long will it be before the pressure of DRS/DSP forces close of short position
- * You may doubt what if SHFs can get away with crime, like they have in the past.

****Gloves came off when Gamestop announced shares directly registered****

- * When Gamestop included the number of shares DRS-ed, the gloves came off. It was the clearest indication yet that the company is taking a direct shot at short sellers
- * The system is so compromised that the companies issuing securities are prohibited from even share raw proxy-vote count to investors'; nor inform `beneficial owners` (share holders through stock market), that their shares are safer with transfer agent
- * The realization that DRS/DSP of GME will secure it outside of DTCC is a major blow to everyone running the casino to their advantage (SHFs, market makers, broker-dealers, investment banks, DTCC and other SROs)
- * There are only two outcomes from this: a) pull off the biggest heist ever, or b) go down with least implication to avoid investigation and criminal prosecution
- * For a) they want to price drop like no one has seen, and scare the beejeezus of every investor to shed their last share
- * For b) they want to make it appear like a general market condition, and `meme stock` phenomena — not specific to GME where they've naked shorted beyond recovery
- * To play safe, they (SHFs) are employing tactics to achieve both a) and b)

****Why GME is redder?****

- * As liquidity get thin with DRS drying up real shares in DTCC, even small buy/sell pressures amplify the

price many-folds

- * Retail do not move the price much as most of retail orders are `internalized` by market makers
- * Broader market moves (ETFs like XRT, IWB, etc.) are mostly driving GME price down
- * When direct short positions became harder, shorting indices are favored by SHFs to drop price. This accomplishes both a) and b)
- * The big players accumulated assets just as Feds announced bond buying during pandemic low; so they don't worry about general market redness, but in fact are waiting for the bottom to accumulate assets again after taking profit (rinse and repeat)

****Why institutional buyers are not taking advantage of discount now****

- * In the below chart, the teal graph on the right is the volume accumulated at that price point
- * As you can see most of the accumulation has been at around \$40
- * This is where there will be greater resistance by institutional investors to sell, and will form support
- * There will be green days and red days, but the overall trend will be down till hard resistance is hit
- * Most institutional buyers will time better than retail on when price bottoms (advantage of data and advanced analytics)

[Teal graph on the right is the volume accumulated at that price point](<https://preview.redd.it/r8o1d73ejod81.png?width=2037&format=png&auto=webp&s=ff7faecf0d84bf85bf61a6881ce5e530ddd13dba>)

****Why didn't the hypes materialize****

- * Most hypes are instigated by SHFs, it's easier to demoralize if one is hyped. The ones that are not hyped are the hardest to demoralize
- * No one, absolutely not one entity (Market participants, SROs, Government agencies, nor Gamestop) want to take ownership of exposing market manipulation
- * This is because, exposing market manipulation is a bigger risk to the whole system than most realize. It tells everyone that the biggest market in the world is rigged. Congress will have to act
- * The only thing that matters now, is taking ownership of ones own shares (DRS or, DSP i.e. purchase directly from Computershare)
- * There will be more hypes, as SHFs get desperate to emotionally manipulate investors (like someone said, *'it takes money to buy whiskey'*)

****When will DRS matter i.e. SHFs are forced to close short positions****

- * Simple answer is once the float is locked; could be sooner, but surely when 1x float is directly registered
- * Price now is irrelevant. The current price is the reflection of last price (technically NBBO) when ETFs is redeemed; or market maker is selling short to buyers on lit exchanges – in no way does it reflect the value of the company nor the blackhole SHFs have created for themselves
- * Once the float is locked, investors ***may have to*** intervene to ask Gamestop to withdraw from DTCC, as DTCCs shares no longer represent Global securities (common stock) issued by Gamestop
- * Most likely, the proverbial sheet would have hit the fan before that

****Can SHFs get away with this crime****

- * SHFs may have wiggle room if float is not locked with transfer agent
- * This is what they are hoping, praying, and aiming for
- * In this *worst case scenario*, high conviction investors (likes of DFV) will keep buying till float is locked,

and they will be rewarded beyond their wildest dreams

- * This, in short (pun intended), is a no-win situation for SHFs

- * The best outcome for SHFs is to cloak everything that happened as a `general market` or `meme stock` event, and avoid investigation/prosecution