Title: Selling OTM puts is just like getting paid to put in a limit order.
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Created 2022-07-27 18:59:13 UTC
Permalink: /r/DDintoGME/comments/w9mwiu/selling_otm_puts_is_just_like_getting_paid_to_put/
Url: https://www.reddit.com/r/DDintoGME/comments/w9mwiu/selling_otm_puts_is_just_like_getting_paid_to_put/

So there was a post yesterday by katerinawinemixer on the timing of share/option trading and routing titled “proof of buy/sell exchange routing being used to manipulate GME for illicit gains today” (can’t link to it, cuz automod)

Given the information provided, looks to me like the post provides even more evidence of price manipulation (still a crime, right @DOJ???).

But since continued manipulation is still apparently the game, and it seems that SHFs need to use options to accomplish this, I started rethinking the through the debate on options in this whole fiasco.

At various points in this saga I have been variably options -positive, -phobic, and -agnostic.

I understand, on one hand, how with a decent amount of analysis you can have a strong thesis for trading options on specific dates —- based upon swap data, options settlement dates, and ETF rebalancing (thank you DD writers). Some of the guys at FWFB have done some impressive and quite rigorous analysis in this area recently, and they seem to be (justifiably) mad at the way they have been dismissed on SS, and seem to think that most apes are too smooth to understand their analyses,(although I tend to suspect that the division is intentional and comes from the SHFs/parties that have the most to lose)

On the other hand, given the ample evidence of price manipulation available, (particularly with respect to the above posts’ documentation of the routing/timing of trades for manipulation shares/contracts), It is quite reasonable suspect that if SHFs can sucker retail into buying enough junk options, they might be able to wriggle out of their pickle given enough time or at least offset the costs of continued can-kicking. You can bet if human-embarrassments, and technocratic-Caligulas: BofA/Griffin/S.Cohen/AHoleManSachs, are all eligible to sign up for an “extended payment plan” they will —- paying off their market-crashing-sized-bag of criminal liabilities as they go, using options premiums they collect from retail (kicking the can this way as long as possible, being an existential threat to their survival). I tend to agree with this as well.

To me, what seems to be missing from the buy/hodl/DRS crowd’s assessment of the options debate is the understanding of potential benefits of *selling* options.

If they believe that:

(a) buying options is risky and gives free cash to SHFs because they usually expire worthless or theta sucks all the value out,

and

(b) the algo is controlling/manipulating the price through a variety of mechanisms to kick the can, ensuring it stays below certain thresholds and doesn’t run,

then it should follow that,

(c) selling (writing) options (cash secured puts/covered calls) effectively results in the SHFs paying retail for their continued can kicking.

I don’t think the SS crowd realizes that they can actually sell cash secured puts, and get *paid* premiums to set their limit orders below market price as the *buy* component of their preferred buy/hodl/drs strategy

If the algo drops the price below the strike of the put and the contract is exercised, then retail is forced to buy in at the strike price *just like they were going to anyways with a limit order, but at a discount based upon the premium*. If the algo is feeling generous and pumps it up then the contract expires worthless but retail can use the premium they collected to scoop up some effectively free shares at market price and drs them anyway.

Let me put it another way: If you were gonna place a good till canceled bid to buy 100 shares at $30 anyways, why not just put up that same $3000 as collateral, write a 30.00 strike put a month or two out and use the premium you received to buy a few additional shares??? You end up with either your “limit buy” being filled like you wanted, or price goes up and you got a few more moon tickets for free.

Same thing goes for covered calls, retail has a lot more xxxx holders now after the split. If the belief is that the algo will not let the price run beyond a certain amount (absent a MOASS catalyst) then selling OTM calls in the SHF-danger zone, against, say a fraction of their total shares allows them to collect premiums from SHFs and use it to scoop up a handful of free shares - later either the contract expires worthless, or worst case scenario *the price runs to the danger zone for SHFs and call gets exercised* but the retail guy has only sold a fraction of their position based upon the number of contracts they wrote, they haven’t lost any money and can buy back in if they want, or they can just turn around and write a new put contract against the cash they got from the exercised call- again getting paid to put in a limit order.

Thoughts?