

Title: AnnihilationGod DD: Looking into patterns - Possible Correlation between Short Volume, FTDs and Darkpool Volume

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Created 2021-10-17 10:57:50 UTC

Permalink: /r/DDintoGME/comments/q9wj17/annihilationgod_dd_looking_into_patterns_possible/

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After thinking a lot about about FTDs and Darkpools I got curious about the Spike in FTDs on 05. August 2021. After looking through data provided by [\[https://chartexchange.com/symbol/nyse-gme/stats/\]](https://chartexchange.com/symbol/nyse-gme/stats/)(<https://chartexchange.com/symbol/nyse-gme/stats/>) I got an idea what they are doing. And the exemple below illustrates my thoughts and I hope you help me to confirm or reject this theory.

My Theory:

1. All Shares sold short (t0) Fail to Deliver (t 1&2) aka - naked shorting.
2. After 3 (t0 to t2) days it is an FTD
3. Because of this - they cover the shorts/FTDs starting t1 through darkpool.
4. If they are not able to cover - a large amount of FTDs appears.

Explanenation to 3:

<https://preview.redd.it/ixp4r53hrzt71.png?width=775&format;=png&auto;=webp&s;=e2ea8d7f3660b7d45dc5a0271b67605865c04976>

<https://preview.redd.it/gmtrkfjhrzt71.png?width=809&format;=png&auto;=webp&s;=6f3f27ee59af97c2e585b96ea9ad1140ce183927>

[\[https://reuters.com/article/us-sec-shortselling-idUSN167830620080716\]\(https://t.co/ZPYyCltnR1?amp=1\)](https://reuters.com/article/us-sec-shortselling-idUSN167830620080716](https://t.co/ZPYyCltnR1?amp=1))

Let me try to illustrate this for the Timeframe starting on 03. August 2021

The Numbers we need for the calculation are:

\-Short Volume

\-FTDs

\-Darkpool

<https://preview.redd.it/xxucd0cirzt71.png?width=1010&format;=png&auto;=webp&s;=cb64f784bf1431406d92c668fc9f5299bae7b2d4>

T0

Let us start 3 days before 1.3 Million FTDs appeared on 05. August 2021 (t0).

The Short Volume was +3.2 Mio.

Darkpool: 1084479 + 1061576

FTD: 1316894

Now you have to clear the FTDs. And this will happen over the next days.

<https://preview.redd.it/bvakjz9jrzt71.png?width=1052&format;=png&auto;=webp&s;=266133b8995d48c0b0c7593a5a936177390e458e>

T+1

Over the next day, the number of FTDs will decrease while the darkpool volume further decreases.

<https://preview.redd.it/3in3xadkrzt71.png?width=1042&format;=png&auto;=webp&s;=615973f413d3644b1337edbab483a8940cdd896b>

T+2

FTD and Darkpool Decreases

<https://preview.redd.it/4z74z2elrzt71.png?width=1052&format;=png&auto;=webp&s;=61381b5bbdfd56d3f5ec3d43d2b99144cd19005d>

T+3

Difference between shorts and FTD/Darkpool increases to -500k

<https://preview.redd.it/a5auufgmrzt71.png?width=1116&format;=png&auto;=webp&s;=d270328f47dc6ddc0360707ab62b31cf414c392c>

T+4

After 5 days, nearly all FTDs aka Share sold short on the 03. August 2021 were covered.

<https://preview.redd.it/xezddlrrzt71.png?width=1116&format;=png&auto;=webp&s;=55cd85ffc81020324658eb0ccbed9299f9a3d75d>

T+5

After six days, the number of ftds was reduced to 125.

<https://preview.redd.it/byalfyxorz71.png?width=1116&format;=png&auto;=webp&s;=073828f7d62a7d019c777e0326f71dd3eafdde8d>

T+6

<https://preview.redd.it/a3p15nqrzt71.png?width=1180&format;=png&auto;=webp&s;=bbddba44fe033fc6d060b2c892ee9470c01a772b>

T+18

Now lets jump to the next moment we had 0 FTDs.

As you can see, the difference between Shares Sold Short and Darkpool+FTD is just 17,985 Shares to FTD Darkpool Side.

<https://preview.redd.it/vyiw9djqrzt71.png?width=1308&format;=png&auto;=webp&s;=5f7180ac0fcf511510f7243a08787df256a2b79f>

I know this calculation needs to be discussed - f.e. you should not add up FTDs. BUT If we assume that every shares sold short FAILS and is cleared on the next day the number would match up magically. Lets assume we own the float and the float is more than 100% of shares outstanding. Everytime they lend a share to sell it short it fails to delivered. Because they can not lend enough real shares.

I hope to get more eyes on this and more people looking into it.