Title: I have a theory that when Archegos blew up they were long on GME, that they battled with Citadel on March 10th 2021, lost and were consequently destroyed by Goldman Sachs, Morgan Stanley and the rest of the DTCC with them crashing the price of their long positions
Author: disoriented_llama
Created 2022-09-26 18:24:45 UTC
Permalink: /r/TheGloryHodl/comments/xordmi/i_have_a_theory_that_when_archegos_blew_up_they/
Url: /r/Superstonk/comments/xoetf0/i_have_a_theory_that_when_archegos_blew_up_they/

Linked Post Content:
This is very tinfoil, but we love that shit right? The **TLDR is in the title**, the rest of the post is just all my circumstantial evidence backing it up. None of this is concrete because Archegos famously didn't ever report their positions and dealt mainly in swap positions which don't have to be reported so take all of this with a pinch of salt, but please be open minded.

/u/Blanderson_Snooper is one of the best DD writers we have on this sub and they put together this [**Archegos Fact Sheet**](https://reddit.com/r/Superstonk/comments/vhnc86/archegos_fact_sheet_what_we_know_and_how_it/) 3 months ago which goes into great detail about the situation if you have a chance to go through it. There have been tons of posts on Archegos and **I love each ape digging into all of this** because I know how time consuming it is.

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#The basics of the Archegos situation

Most of you will probably know the basics of the Archegos situation by now but for any new apes here's a brief summary:

- It was run by Bill Hwang who was one of the shadiest fuckers to have ever traded. He's been fined by the SEC for insider trading, banned from trading in Hong Kong and was blacklisted by Goldman Sachs until some time around 2018.

- Archegos went from having $1.5 billion in value in March 2020 to $36 billion in value in March 2021 (when it went under). That's a 2400% return in one year, which is unheard of unless you use a lot of crime.

- They mainly operated using swaps ($132 billion out of $160 billion of exposure was due to various swap positions)

- They used multiple different counterparties for these swaps including Credit Suisse, Nomura, UBS, Morgan Stanley, Mitsubishi UFJ Group, Mizuho, Deutsche, Wells Fargo and Goldman Sachs. Apparently Archegos kept each of their counter parties in the dark about the positions held with their other counter parties and lied constantly about the level exposure they had.

- Starting on March 23 2021, Archegos' long positions began losing value; Archegos went from being worth $36.2 billion on March 22 to $9.2 billion on March 25. This triggered a lot of margin calls and consequently Archegos' counterparties liquidated their positions to cover these losses. This was the end for Archegos as all remaining value was wiped out.

- Archegos' counterparties collectively lost over $10 billion from all of this, breakdown shown [**here**](https://i.imgur.com/n4V4B32.png)

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#My theory

Archegos and the people who ran it have been slated for their downfall saying they took excessive risks using too much margin and set themselves up to fail. An article came out called *"The Dumbest Financial

Story of 2021 - Everyone involved in the swift fall of Archegos Capital Management should be embarrassed"*.

But here's my thesis: Archegos wasn't destroyed due to their own incompetence, their long positions were maliciously attacked by the DTCC because Archegos went long on GME and had been trying to fuck up Shitadel's shorting mess with Gamestop.

One thing I want to cover before we look into Archegos in detail is **what the DTCC actually is**.

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#The DTCC Mafia

The DTCC was designed to provide clearing services for the US markets, making sure money gets from buyers to sellers and stocks and other assets get from sellers to buyers. But **the DTCC isn't a government organization**, it's made up of 235 individual US companies and the board is made up of 22 individuals who work for companies like Citadel, Citigroup, J.P. Morgan, Goldman Sachs, Morgan Stanley, Virtu, Merrill Lynch, BNP Paribas etc. You can find the full DTCC members list [**on this directory**](https://www.dtcc.com/client-center/dtc-directories).

The DTCC has [**sets of rules**](https://www.dtcc.com/legal/rules-and-procedures) their members have to follow to be a member, and one important bit for us is [**this bit**](https://i.imgur.com/84xkMFR.png). This basically means that if any DTCC member has an "Event Period" which is a Default Loss Event then all the other members of the DTCC have to cover the losses of the defaulting member. So for example, if Citadel (a DTCC member) created hundreds of millions or even billions of extra GME shares that shouldn't exist and those shares go up in value causing Citadel to be margin called beyond their means, then all of the other 234 DTCC members (including all the major banks) have to cover the cost of buying back all of Citadel's naked shorts. Remember **shorting has potentially unlimited loss**.

So the fuckups of one DTCC member are carried by all members, and that means I don't even see companies like Bank of America, Goldman Sachs, Morgan Stanley, Citadel, Virtu, Robinhood or any DTCC member as separate entities anymore. To me they all make up the single corrupt entity known as the DTCC, who will happily commit international securities fraud to buy themselves one extra day of survival.

Citadel might be the main market maker churning out fake GME tokens everyday, but it's in all of the DTCC member's interests that Citadel doesn't get margin called. It's a fucking mafia, they'll put anyone in the ground that tries to fuck with them, which in my opinion is exactly what they all did to Archegos.

I hope you're ready to come down a pretty fucked up rabbit hole with me.

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#What SPECIFICALLY caused Archegos blow up?

The SEC complaint against Archegos shows that [**these**](https://imgur.com/a/rIFDuJn) were their largest positions (The ones with ADR are Chinese companies traded on US exchanges). Multiple sources say that these positions are what caused Archegos to get margin called when they all started losing value on March 23. On March 26 Goldman Sachs and Morgan Stanley (aka The DTCC) started liquidating Archegos' remaining positions, but that liquidation isn't what caused them to all dramatically lose value, they all spontaneously lost about 30% of value which caused the margin calls.

I'm going to look at 6 of Archegos' largest positions: VIAC, BIDU, TME, GSX, VIPS & DISCA. If we look at a long term view of these 6 stocks [**it looks like this**](https://i.imgur.com/8CndJab.png) and they all show the same trend; they all get inflated in price at the start of 2021 and then have a dramatic drop in March 2021. These almost look like short squeezes, but we know now that Archegos was artificially inflating the prices of these stocks. Let's take a closer look at those drops and how similar they all look.

This is how all of those 6 stocks looked from March 15 to March 30 2021 (excuse my shitty MS Paint skills):

[**BIDU chart**](https://i.imgur.com/0tNb25r.png) | [**BIDU with annotations**](https://i.imgur.com/0UZUmCK.png)

[**DISCA chart**](https://i.imgur.com/Wfhl1dE.png) | [**DISCA with annotations**](https://i.imgur.com/82JprVK.png)

[**GSX chart**](https://i.imgur.com/c9OLquf.png) | [**GSX with annotations**](https://i.imgur.com/t4pZVqr.png)

(This ticker was called **GOTU** back then)

[**TME chart**](https://i.imgur.com/2bp6tWY.png) | [**TME with annotations**](https://i.imgur.com/xfzNE1y.png)

[**VIAC chart**](https://i.imgur.com/GrEWHvD.png) | [**VIAC with annotations**](https://i.imgur.com/TZDaBIs.png)

[**VIPS chart**](https://i.imgur.com/tL2CLHy.png) | [**VIPS with annotations**](https://i.imgur.com/AFs7lAo.png)

Hwang on a minute, so these 6 unrelated stocks all saw at least a 26.3% price drop and a day where at least 21% of total outstanding shares got traded? Those are GME levels of fuckery.

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#Articles explaining the price drops

I'm now gonna utilize my epic google skills to find any publicly available reasons those companies dropped in price between March 22 - March 25.

- **VIAC** and **DISCA** are covered by this [**Motley Fool article**](https://web.archive.org/web/20220421145109/https://www.fool.com/investing/2021/03/26/why-discovery-communications-stock-plunged-today/):

> Trading volume on Discovery stock was extraordinarily high today, approaching 50 million shares before 2 p.m. EDT. This indicates that an institutional investor may have decided to sell some of its stake in the media company.

> **ViacomCBS shares fell, in part because of a downgrade from Wells Fargo**

They're putting a 32% drop in **VIAC**'s price partially down to Wells Fargo (a DTCC member) downgrading their rating of the stock.

> As the chart below shows, Discovery has moved almost perfectly in tandem with ViacomCBS as excitement about the companies' new streaming services fueled a bullish narrative. However, those gains are quickly disappearing as **investors seem to realize that streaming services alone don't justify a tripling of the share price in just a few months.**

Try and get your head around that statement; investors in the stock **DISCA** realized their investment was overpriced so they decided to sell en masse? What? *"Let's just all shoot ourselves in the foot and burn some of our assets"* because that makes perfect sense. Just utter bullshit like we see with GME, I'm honestly surprised they didn't say DISCA fell in sympathy with VIAC.

[**One more article on VIAC**](https://web.archive.org/web/20220324075044/https://www.nytimes.com/2021/03/26/business/media/viacomcbs-stock-price-viac.html) mentions another low stock rating by "one of Wall Street’s most influential research firms", MoffettNathanson, and goes into a stock offering VIAC had just announced.

> Mar. 24, 2021-- ViacomCBS Inc. (NASDAQ: VIAC, VIACA) today announced the pricing of concurrent offerings (the “Offerings”) of 20,000,000 shares of its Class B common stock, par value $0.001 per share (“Class B common stock”), at a price to the public of $85.00 per share

So here's something I didn't know about stock offerings, the company's underwriters decide what price the new stock goes on sale for and in this case the stock went onto the market 14.3% cheaper than its previously traded price. Let's take a look at who VIAC's underwriters are [**here**](https://i.imgur.com/N2FA24u.png). Other than a few smaller firms that's a majority of big DTCC companies. The article above shows that VIAC dipped slightly because the stock offering price suggested it was overvalued, so the DTCC helped cause this dip.

- **BIDU** and **TME** are covered by this [**Motley Fool article released March 25 2021**](https://web.archive.org/web/20220915015245/https://www.fool.com/investing/2021/03/25/why-baidu-stock-fell-today/) says:

> Shares of Baidu Inc. plummeted today as investors feared that the China-based tech giant may receive increased oversight from Chinese regulators, in addition to threats from the U.S. about potential delistings of foreign stocks. The tech stock fell by 13.4% today.

And this [**BBC article**](https://web.archive.org/web/20220720121521/https://www.bbc.co.uk/news/business-56410769) says:

> China's State Administration for Market Regulation (SAMR) on Friday said it had fined 12 companies over 10 deals that violated anti-monopoly rules. The companies included Tencent, Baidu, Didi Chuxing, SoftBank and a ByteDance-backed firm, the SAMR said in a statement. Investors appear to be worried that Tencent could be the next company in the crosshairs of China's regulators, who have taken an increasing interest in how major tech companies operate.

Alright, increased regulation on a stock is bearish but is it enough to warrant a 30% drop in price? I'll let you decide that one.

- **VIPS** and **GSX** are covered in [**this CNBC article**](https://web.archive.org/web/20210728044800/https://www.cnbc.com/2021/03/26/china-listed-stocks-tank-on-fears-of-multiple-disputes-with-us.html) which again goes onto additional regulations on Chinese listed stocks. Bear in mind that these are only potential worries at this point and yet it was enough to drop VIPS 33.7% and GSX 29.5% in 4 days. Over-reaction much?

#Summary

These 6 stocks fell considerably either because they were downgraded by the DTCC, were affected by fears of further regulation for Chinese stocks or everyone just decided to sell at the same time. I'm smelling a lot of BS. All 6 stocks moved in the same pattern, had days of ridiculously high volume and all did so by March 26 where they'd lost considerable value. I'm just gonna say this bluntly: I believe these 6 stocks were shorted to hell during these 4 days just like we've seen with GME.

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#March 26 Margin Calls

[**This article**](https://web.archive.org/web/20220901203344/https://slate.com/business/2021/03/archegos-capital-management-dumbest-financial-story-2021.html) mentions Archegos' margin calls:

> When someone trades on margin—with borrowed money—they may have to maintain a certain amount of collateral to satisfy their lenders. If the value of a stock holding goes down, the investor needs more collateral. Not having it triggers a margin call, where the lender can force a sell-off of the stock to bring the investor back into compliance with margin requirements. The Wall Street Journal reported that Archegos' various banks—including Credit Suisse, Nomura, Goldman Sachs, and Morgan Stanley—had a meeting to discuss how to effectively wind down the family office's positions. **But the two American banks appear to have had little interest in acting slowly. Goldman and Morgan Stanley limited their losses by selling Archegos' shares quickly**, before the size of the sale brought on a larger fall in the stocks' prices.

Does anyone else find it interesting that Goldman & MS didn't want to wait and talk this out with the other banks or with Archegos? They went straight in with the kill and began liquidating Archegos' positions on March 26. Yes their reasoning was fine, that they didn't want to lose more money from Archegos' falling stocks, but as you saw in the previous section I believe these central DTCC banks could have been partially responsible for the drop in those stocks in the first place.

If you're not a DTCC member and the DTCC margin calls you it'll happen faster than it should happen, which is a bit different from what happens [**when you're a DTCC member and get margin called by the DTCC**](https://i.imgur.com/NH3fIGb.png). Remember the DTCC waived $9.7B spread out among 6 firms on Jan 28, 2021 ([**exposed on PG.101 Maxine's Report**](https://i.imgur.com/SAySuOT.png)), Robinhood's waiver was $2.2B of the $9.7B.

So why would 2 DTCC banks who were members of the board want to destroy Archegos? Let's go deeper down the rabbit hole.

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#March 10 2021

For many apes this will be remembered as one of the craziest days of the whole GME saga. GME dropped from $340 to $180 in a flash crash, there were allegations of MarketWatch releasing news of a price drop before it happened and strangest of all [**this battle took place between 2 high frequency trading algorithms**](https://i.imgur.com/gfSO618.jpg) (sorry for the blurry pic, I don't have a clearer one). That bar coding constantly changing the price from $240 to $340 is not fucking normal, stock prices aren't supposed to move that dramatically in single minute bars like that. Clearly 2 very powerful companies had a disagreement on where the price should be, I think we all know Citadel & their pals at the DTCC were the shorts and I believe now that Archegos was the "good whale" who tried to keep the price up at $340.

March 10 was a significant day for GME shorts because [**March 11**](https://i.imgur.com/sd7CYjh.png) was the roll date for swaps. Whatever price securities closed at on March 10 would determine how much SHFs would have to pay to keep their swap positions open, and considering Jan 21 saw 1 billion more GME shares traded than normal (pre split), that's a lot of swaps they had to roll. If the price closed at $340 on March 10 instead of the $265 it did close at then it could have cost Citadel hundreds of billions more to roll the swaps.

Do I have any evidence that was Archegos? Nope, none at all, but I find it oddly fitting that just 2 weeks later DTCC members seemed to collude to put Archegos into the ground on March 26.

[**This comment screenshot**](https://i.redd.it/jzz8fzxp3xp91.jpg) goes into how lawyers were present on all calls between Archegos' brokers and everyone was told not to disclose Archegos' positions. Maybe that's standard procedure or maybe it was extra protection to hide the fact they had been involved with GME? News of Archegos' demise made the main shill news outlets within days of their blow up and the only thing blamed were those 8 largest positions linked before, but as Blanderson_Snooper pointed out their total exposure was like this:

- $86 billion in long TRS positions referencing single securities

- $32 billion in custom basket swaps

- $14 billion in ETF swaps

- $20 billion in long cash securities

- $8 billion in short swaps referencing single securities

It was all clearly more than just 8 positions, and yet MSM shills controlled the narrative to make it just about those 8. And yes that was what caused the margin calls, but it seems like great effort was made to not release *all* of the positions. I would bet $1 million (aka 0.01 of a GME share) that Archegos was long on GME by the time they went under.

Archegos did apparently lose $800M on Jan 28 and Blanderson_snooper said that might suggest they were short on meme stocks, but the SP500 took a battering that day (likely Ken liquidating long positions to pay for GME naked shorting) so even if you were long on a lot of blue chip stocks you would have been burned. It was said that Archegos was long on some index swaps like the SP500, so this could still add up.

I think Hwang would have known what was going on during the Jan sneeze, that Citadel was printing hundreds of millions of GME shares to give to Melvin & other SHFs so they could close their shorts and in doing so Citadel took on the short positions which they shoved into swaps. Hwang played with all these same instruments and would have seen the insane activity in ETFs containing GME and all the DOOMPs and other derivatives used to pull GME shares out of think air. I think he could have seen an opportunity during Feb 21 when the price was low again to go long on GME and make a fortune squeezing Citadel. If so, he took the gamble and lost and was burned to ashes. I hope this is all true and he comes out and says it one day, because that would irrefutably prove Citadel & the DTCC are guilty of exactly what Bill Hwang is on trial for now.

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#Fallout

Bill Hwang was arrested this year and is facing up to 380 years in prison, but in my opinion this isn't only justice being served, it's a warning from the DTCC for everyone else to stay in line. Trillions of dollars were lost in 2008 from agencies rigging mortgage ratings and no one was blamed, and yet Hwang cost a small number of banks $10B and he's made out to be the worst villain ever? It's like DFV said about Gamestop, *"The negative sentiment is just too high"*. But if this is a message to tell others not to go long on GME using dirty swap plays, then I understand them going so hard on Hwang.

And to me that's why RC is playing 5D chess doing this slow and steady without directly provoking the mafia. Citadel is destroying themselves by delaying this each day. Whether it's DRS that finally triggers the MOASS or an epic market crash, MOASS is inevitable however you look at it. Swaps hide the crime but don't make institutions immune to standard market movements like we saw with Archegos. So there's no way out for Ken. Is he going to suppress Gamestop for another decade? What if they eventually get to $100b profit in a quarter, will BoA up their price target from $20 to $25? It's over mayoman and we all want to see you go down for 380 years too.

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Let me know your thoughts on Archegos being long GME, I know it's tinfoil but if there are other places to try and back up the theory I'll definitely do more digging.

#Thanks for reading