

Title: DD - The anchor. The stock that can predict the future price of GME

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For tonight's DD, I want to talk about October 13, 2021 and the days surrounding it, as well as what happened since. On or around this day was the day that broke the meme basket and sent 2022 into a heavy downwards spiral for most of the meme stocks, but surprisingly enough, not GME

<https://preview.redd.it/ajmbxb5b5hs91.png?width=1009&format=png&auto=webp&s=983ea5a62f85a1221600c20870c3f02553318961>

Pretty normal enough, right? This doesn't have any significance whatsoever... right?

Wrong.

Up until 10/13/2021, if you asked me at 9:31est each morning what direction and magnitude GME would move for the day, I would be able to accurately tell you 90% of the time.

I am not a visionary and do not have access to any of the information you don't have, but there is a silly thing in the stock market that appears to be in these types of 'swap baskets' that I will call an anchor. This anchor is a stock with very low liquidity, which can be easily manipulated in Pre-market and throughout the day to give tells on what the other similar stocks will do for that given day.

Let me show you an example of our anchor...

<https://preview.redd.it/8fh3ggxj6hs91.png?width=1239&format=png&auto=webp&s=d137342ae344c86fa59d98861a58e4a64a46e182>

This stock is extremely illiquid and has been a part of the 'meme' basket since the beginning, even though there is almost 0 trading on it. Up until the Jan 2021 sneeze, I would have been able to estimate the closing price each in the morning relatively confidently. The overall correlation in price between these two stocks from 2015 through Jan 2021 was .947. This is incredibly high correlation and has been going on for years. Know what the correlation factor is from the sneeze through today??? .947.

This doesn't let me know the closing price at 9:31am though...

The method on how I could do this is by looking at the difference between open and close from the previous day. If the stock opens at a higher price than it closed the previous day, the closing price would be less than the opening price. If the opening price is lower than the previous close, the price would close higher than open. This also kept a similar magnitude of movement. If the price was something like +10% at

open, you would know that it would be a blood red day for the meme basket.

Let me show you an example of the day vs night trends for this stock.

<https://preview.redd.it/w2x0910v7hs91.png?width=1284&format;=png&auto;=webp&s;=4737708c65ca9729b5fb8969241e8ee9ba54c0f9>

As you can see, the nighttime and daytime movements for this stock very closely mirror each other. The two prices have a correlation of -.7 (strong negative correlation)

Here is the day/night trends since the sneeze:

<https://preview.redd.it/u5h84yejahs91.png?width=1285&format;=png&auto;=webp&s;=2721a2edee118d45bf5f109236a0de299bbec915>

As you can see, the jan 2021 sneeze broke the trend for this stock

Next chart:

<https://preview.redd.it/u2qrq5elbhs91.png?width=1291&format;=png&auto;=webp&s;=8e78880b965ce4eafdadc441edc67f18239e7f67>

Here is the price of this stock vs the towel stock. As you can see, something weird happens around that timeframe. There is an insane volume spike of roughly 3x the entire 4.2 million share float, and towel stock makes a very strange dip straddling that insane volume spike.

Let's see what happens to the other meme stock in the basket?

<https://preview.redd.it/9h1nqra1chs91.png?width=1341&format;=png&auto;=webp&s;=dbc44520815ad89e1acce58604551c617ec712d6>

Last night, I did the math on what a dilution trendline would look for this stock if the dilution was done in the form of naked shorts. You can check my post history to look at that if you want... but I basically said that in Jan 2021, the 400 million share offering completely closed all naked shorts in the system, then the stock was steadily diluted at a rate of 7.5% until october/november of last year. After that point, BAM! 30%-50% of every single share traded is a naked short to the tune of 5 billion naked shorts in less than a year. This inversion happens exactly when the headphone and towel stock make their extremely weird spike and valley.

Now what happened to GME?

<https://preview.redd.it/b9fe6aiedhs91.png?width=1099&format;=png&auto;=webp&s;=510f9f4cf262eec8197b6a50b80607ec5d193f0a>

The wedge broke.

We have since been looking at "critical margin lines" and other technical data, but it looks like the towel and headphone stock incident broke whatever trends that were going on and caused the entire basket to start falling within days. I believe the reason GME is falling less is because DRS is propping the hell out of the price, while all dark pool shares are being diluted to a tune of 30%-50% total volume just like the other stocks.

My question to the sub is: wtf happened here?? Do we have some fundamental event that would cause this?

I do have one more interesting point to leave off with:

<https://preview.redd.it/7f75be5aehs91.png?width=1279&format;=png&auto;=webp&s;=efbf7d6c0f39a7ea144e750e208ebf51a8b1a71e>

Starting somewhere in Late May 2022, headphones stock RESTORED the inverted night/day relationship! I have recently been tracking the relationship and it seems to be fully restored. Better yet, the two stocks still track each other to a correlation of $>.90$!

The price spike in June only happened with GME and that was the same date that the inversion link with headphones was restored.

<https://preview.redd.it/vmw11kn9ghs91.png?width=1201&format;=png&auto;=webp&s;=45226d980c81fdbbe6ec4cfa306578fd1974e554>

I tracked the price this week on towel stock and it went 5 for 5 on guessing the closing price of itself and GME. Obviously the sample size was not large enough to be significant, but it is definitely something I will continue to track.

As always, please tear apart my theory and let me know your thoughts.

TL;DRS - Headphone stock appears to be an anchor for GME and can potentially be used to predict future price movements.

Edit: I really want to know what the overnight futures contracts look like among all the basket stocks. When futures for one stock go wild, the entire basket responds as well. If this stock is linked to the collective futures contracts, it is likely a leading indicator.

Edit 2: I do not believe this stock controls gme. Since it has no options, we can get a window into the overnight futures movements since it shares the same basket with gme.

Edit 3: Eratic_Knight247 solved this RC tweet

<https://imgur.com/a/MKEfFgd>