

Title: The OTC Conspiracy - The Ultimate OTC (and ATS) Data Dive. Includes a full breakdown of OTC totals (2.275 billion shares traded!) a pre-split, post-split comparison, and some interesting observations for future research (what's up with UBS and Comhar Capital?)

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**\*\*I'm not much for long intros or shout outs to all the OG bros\*\***

**\*\*Just a simple ape who likes to rhyme, and keep tabs on all the financial crime\*\***

**\*\*Shitadel, Virtu, and G1, gonna send this rocket into the Sun\*\***

**\*\*So without further ado, here's some data, swing back through and thank me later!\*\***

# OTC and ATS data

\* OTC trades are internalized retail trades, payment for order flow, odd lots (i.e. I purchase 10 shares through "Insert retail broker", which gets routed to Citadel, Virtu, G1 Execution (Sus), Jane Street, and doesn't impact the NBBO.

\* ATS trades are dark pool trades

# Why should we care about the OTC?

Let me borrow a paragraph from one of my previous posts, discussing an article that made waves in June 2021.

\*(Then) NYSE President Stacey Cunningham, confirmed in an interview that the prices of "meme stocks" may be distorted because the majority of trades in those names are executed away from public exchanges where share price formation occurs.\*

\*\*In some of the meme stocks that we've seen, or stocks that have a high level of retail participation, the vast majority of order flow can trade off of exchanges, which is problematic.\*\*

\*\*That price formation is not really reflective of what supply and demand is.\*\*

\*\*Individual traders contribute as much as 70% of the volume (in these stocks)\*\*

\*The majority of retail orders bypass exchanges because of Payment for Order Flow arrangements, in which retail brokerages sell their customers' marketable orders to wholesale brokers. The wholesalers match the orders internally, trying to profit off of the bid-ask spread, while offering retail traders the 'best market price or better' (lol).

\*But the practice raises conflict of interest questions, including whether off-exchange trading - which is about 50% of the market when institutional block trades are included - distorts the price discovery mechanism for stocks.\*

\*\*Stacey Cunningham "surprisingly" left her post as NYSE President in December 2021, without much explanation. Whoopsies... \*\*

## # The Data:

All information is taken directly from [FINRA OTC Transparency website](https://otctransparency.finra.org/otctransparency/OtcIssueData):

[https://otctransparency.finra.org/otctransparency/OtcIssueData](https://otctransparency.finra.org/otctransparency/OtcIssueData)

Please refer to The Cooks Keep Cooking the Books series for additional information and details on Robinhood and Drivewealth LLC 'adjusting' their reported OTC trades 8-12 months after they supposedly occurred:

[Volume 1 - Robinhood](https://www.reddit.com/r/Superstonk/comments/p4w9hq/january\_gme\_otc\_trades\_increased\_by\_32\_last\_week/)

[Volume 2 - Robinhood does it again](https://www.reddit.com/r/Superstonk/comments/pbhj00/the\_crooks\_keep\_cookin\_like\_nobody\_is\_lookin/)

[Volume 3 - Robinhood and Drivewealth](https://www.reddit.com/r/Superstonk/comments/tdw59e/the\_crooks\_keep\_cookin\_like\_nobody\_is\_lookin/)

[Volume 4 - Featuring Drivewealth LLC adding 3 million OTC trades](https://www.reddit.com/r/Superstonk/comments/ulbfkx/the\_crooks\_keep\_cookin\_the\_books\_volume\_4/)

[100 Week OTC Update](https://www.reddit.com/r/Superstonk/comments/w5ht5k/100\_week\_gme\_otc\_data\_update\_almost\_2\_years\_worth/)

[21 Month OTC Update](https://www.reddit.com/r/Superstonk/comments/utdn0v/the\_otc\_conspiracy\_a\_timeline\_of\_gme\_data\_in/)

[69 Week OTC Update](https://www.reddit.com/r/Superstonk/comments/sruz7l/in\_honor\_of\_our\_beloved\_chairman\_i\_present\_69/)

This data represents 119 weeks (almost 2.3 years). I started with August 2020, which is when RC bought in, but as we've all learned, the story starts even earlier.

## # Weekly GME OTC Shares traded

This shows the total weekly shares traded OTC by Citadel, Virtu, G1 Execution, Two Sigma, UBS, Drivewealth, and Robinhood (and others) over the counter (as internalized trades from retail)

<https://preview.redd.it/ofe9kzhhdq2a1.png?width=3734&format=png&auto=webp&s=15d117b368e5490b36b61fff580dfc3b5b37612e>

## # Weekly OTC Trades

<https://preview.redd.it/1lrns2xjdq2a1.png?width=3545&format=png&auto=webp&s=fa4ebf59f46d47dc66ee9da7df0e5640194a9d17>

## # Weekly OTC Shares/Trade

<https://preview.redd.it/a6emcxxldq2a1.png?width=3314&format=png&auto=webp&s=ce69558350a3ae85e87ab59c2ebff99fd458df31>

## # What about the Monthly Data?

The October 2022 data is calculated from the weekly data (10/3 - 10/28/22). It does not include Monday, 10/31, so the shares and trades for October 2022 is a slight underestimate, especially considering the daily volume for 10/31/22 was 24,027,609.

Conservatively, if we say that ~40% of that volume was traded off-exchange, we get an additional 9.6 million to the total, bringing it closer to September's total. The total OTC trading for the week of 10/31 was 16.5 million. We should get finalized October 2022 OTC data in the next week or two.

## \*\*Monthly OTC Shares\*\*

<https://preview.redd.it/z9mfkeaodq2a1.png?width=2651&format=png&auto=webp&s=4705237727aa749264a159091de50f8dde1cda1a>

## \*\*Monthly OTC Trades\*\*

<https://preview.redd.it/s8ro8sdq2a1.png?width=2641&format=png&auto=webp&s=ccb8e1a73f5cd671cc27da19f7c5b0ff076f1b00>

## \*\*Monthly OTC Shares/Trade\*\*

<https://preview.redd.it/kqp5qq9sdq2a1.png?width=2615&format=png&auto=webp&s=140c20aefd0405903d9ad99e52151d0746520060>

## # Who is responsible for all these shares?

Let's compare pre-split distribution to post-split distribution for shares:

[OTC shares traded, pre-split \8/3/2020 - 7/22/2022\ vs. post-split \7/25/2022 - 11/11/2022\)](<https://preview.redd.it/46s2iep0cy2a1.png?width=2375&format=png&auto=webp&s=8cbbfe2959453e31df223f49e183a7a22a4f0fe3>)

And the pre-split and post-split distribution for trades:

<https://preview.redd.it/6d8orgh8cy2a1.png?width=2468&format=png&auto=webp&s=8d4d3bd1ebd293faa95b27885a2fdb549c6cdacf>

If we multiply total shares by total trades, we basically capture OTC 'trading activity'. When we compare pre-split and post split, you'll see that G1 Execution and Jane Street have increased their trading activity (3% increase for G1 and 5% increase for Jane Street).

<https://preview.redd.it/9tk9jghccy2a1.png?width=2377&format=png&auto=webp&s=182a49855f19da61f4891b627b898ff45c81e871>

You can see this in the 2 tables below, with Virtu and Citadel slowing offloading some of their OTC market share to G1 Execution and Jane Street.

I highlighted %Shares \*\*> 15%\*\* and %Trades \*\*> 10%\*\* for G1 Execution.

I highlighted %Shares \*\*> 10%\*\* and %Trades \*\*> 10%\*\* for Jane Street.

<https://preview.redd.it/optud9yecy2a1.png?width=2506&format=png&auto=webp&s=340e0a445be0bd01db524d5cb8b7846847439a3a>

<https://preview.redd.it/wv19ykqfcy2a1.png?width=2513&format=png&auto=webp&s=381e0169a4548170871009a7981b3439c2b78c2a>

This is reinforced with the raw data below showing Jane Street Increasing their %Shares to over 10%, and their %Trades to over 10%.

- \* Up until the sneeze, they were only accounting for around 2% of the shares traded OTC and making around 2.3% of the OTC trades.

- \* Over the past year, Jane Street has accounted for over 10% of shares over 70% of the time (38 out of 54 weeks).

- \* They've accounted for over 10% of OTC trades in 11 of the last 32 weeks, after previously accounting for well under 10% in the first 78 weeks of data.

#### # What's up with UBS and Comhar Capital?

[Some strange gaps in OTC participation. Also strange is Interactive Brokers coming out of nowhere to fill the gap left by UBS and Comhar in April 2022.](<https://preview.redd.it/203ltsqicy2a1.png?width=2509&format=png&auto=webp&s=1ea7f372e13f363820645a587b8c7fea3416f5ad>)

UBS has been absent from the OTC trading in 8 of the past 9 weeks after previously participating in 82 of 94 of the previous weeks. Their ATS market share has also been dwindling since around August 2021. Their ATS market share has been above 20% in 5 of the last 66 weeks (7.5%) since the week of 8/2/2022 after previously being over 20% in 24 of 29 weeks (82.75% of the time) from 1/19/2021 through 8/2/2022.

Comhar Capital meanwhile has been dipping in and out of the OTC like a Sybian. They show up when liquidity is needed, and are AWOL across the rest of the weeks. They first showed up in my dataset in 8/31/2020 when RC submitted his 8K. They were active during the high volume trading of 10/5 and 10/12/2020, before taking a hiatus until 12/21/2020. From 1/11/2021 - 7/5/2021, they were active in the OTC for 22 of 24 weeks (91.66%). They came back for the rally during the week of August 23, 2021, but were gone until 12/13/2021. They were active on 1/3/2022 and 1/17/2022, before taking another hiatus until they rally in March 2022 (3/21/22 and 3/28/22). They came back again in May 2022 for another rally and were gone again until after the split 8/8/22 and 8/15/22. They came back again for the high volume trading during the week of 10/31/2022.

Interactive Brokers seems to have stepped in for 5 straight weeks from 4/4/2022 through 5/6/2022 after previously being absent since the week of 3/8/2021 (the week of the big dipper). That's also the last week Wolverine participated in the OTC...

## # OTC Grand Totals

[Running total of OTC shares traded across 119 weeks.](https://preview.redd.it/9wrami0wdq2a1.png?width=2752&format;=png&auto;=webp&s;=6fd5e17ec6e4f865ce1773f57a53ba53919b26bf)

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## # What about ATS (Dark Pools)

[Total shares traded ATS was 412,155,140 shares. 376,508,810 shares were traded pre-split and 35,646,330 shares have been traded post-split.](https://preview.redd.it/vd500yf0dy2a1.png?width=4027&format;=png&auto;=webp&s;=fc5dd2f5de88289329834eb74fd308d3f7013817)

## # Which Dark Pools are responsible for all the ATS trading?

[UBS \(\UBSA\), Interactive Brokers \(\IATS\), and JP Morgan \(\JPMX\)] are on top of the ATS leaderboard, followed by Credit Suisse \(\CROS\), and Two Sigma \(\SGMT\).](https://preview.redd.it/6bkrke3u4z2a1.png?width=1677&format;=png&auto;=webp&s;=f1530a6d0e0b3a80057483db35000e3a5e2639f7)

When we compare pre-split and post-split, we can see that USB's market share has declined (less than 20% in 47 of 48 weeks), while CROS's (over 10% in 6 of 16 weeks), and INCR's (over 10% in 5 of 16 weeks since the split) have increased.

## # The Original Sin

Week of January 25, 2021 OTC and ATS data

[Whoah Mama!](https://preview.redd.it/lm42mszldy2a1.png?width=905&format;=png&auto;=webp&s;=6a78e6bf34418d086c3bb007606db8e0a1c030ed)

### \*\*OTC data\*\*

- \* \*\*6,289,486 trades\*\* were made OTC during the week of 1/25/2021
- \* \*\*186,346,005 shares\*\* were traded OTC among 21 participants (\*\*559,240,540 shares\*\* traded overall)
- \* Shares/trade dropped from 167.64 (1/19/21) to \*\*29.63\*\* (1/25/21)
- \* Citadel traded \*\*92,991,756 shares\*\* (\*\*49.90%\*\* of the OTC shares that week) and made \*\*1,983,757 trades\*\* (\*\*31.54%\*\* of the weekly OTC trades)
- \* Virtu made 1,205,460 trades with 43,388,647 shares (35.99 shares/trade)
- \* RH posted 1,665,394 January 2021 trades in [August 2021](https://www.reddit.com/r/Superstonk/comments/p4w9hq/january\_gme\_otc\_trades\_increased\_by\_32\_last\_week/)
- \* Drivewealth posted 348,218 trades in January 2022 (see above)

### \*\*ATS data\*\*

- \* 44,126,023 shares traded ATS during the week of 1/25/2021 (7.89% of total volume)
- \* UBSA dark pool accounted for 10,664,723 shares (24.17% of ATS)
- \* JPMX dark pool accounted for 5,157,965 shares (11.69% of ATS)
- \* 24 dark pools reported trading activity during that week

Below you can see the Put volume for January 20, 2023 Puts. Some big volume came in on 1/27/2021, the same day they turned off the Buy button. These puts are still open.

[January Puts for strikes \$0.50, \$0.75, \$1.25](<https://preview.redd.it/1ppkvubtdy2a1.png?width=1724&format=png&auto;=webp&s;=4742ef1f74e25755b3355bbce1870c5614188129>)

<https://preview.redd.it/xrgcx84afy2a1.png?width=1764&format=png&auto;=webp&s;=f7d7a29c8e972ea39226d3d536db644c5d3ff3fd>

Not shown is the chart for the \$0.25 Puts. OI is 140,393 for these Puts, with the largest spike in volume coming 4/19/2022 (3,473). These didn't exist as a strike during the sneeze, otherwise we would see a similar pattern.

The last image above shows the updated January 20, 2023 Option Chain.

Whether it's a Variance Swap, placeholders for a synthetic short, or some other sort of wizardry, the January 2023 option chain is certainly peculiar.

The Open Interest for January 20, 2023 contracts equal to or less than \$25 is 517,331 contracts (as of this morning). That is equivalent to 51,733,100 shares. These 517,331 contracts are 95.20% of the total Put OI for January 20, 2023 (543,400 total).

These January out of the money Puts (strikes < \$25) represent **71.88%** of all Put OI across all dates.

Meanwhile, we see OI for the \$237.50 Calls is 159,920 as of this morning. We see an increase in these deep OTM call-buying (or selling) during the March 2022 run, and again right after the split (8/1/2022).

This could be just some degenerate call-buying hoping for a spike in volatility (moon soon), or it could be a synthetic long position that is going to expire in less than 40 trading days.

We saw what happened (C+whatever) after the January 2022 Options expired (a large run in March 2022 which began 3/18/22 and peaked on 3/31/22 on no news).

Will history repeat itself again? Only time will tell.

## # Short Volume

Below are 2 graphs showing daily GME reported Short Volume and Long Volume vs. Closing Price and Short Volume vs. Percent Short (8/3/2020 - 11/28/2022). I adjusted the price to reflect pre-split values for better comparison. I did not adjust any of the volume data.

<https://preview.redd.it/4l6x40sdfy2a1.png?width=6491&format=png&auto;=webp&s;=8e900607ebbc2109d3baea03f30473bf6bba3a9c>

<https://preview.redd.it/ondgr2yefy2a1.png?width=4094&format=png&auto;=webp&s;=fb942b968784cdee76d536224ffca66784d1ba07>

Unfortunately, this doesn't account for all daily volume. When we take Daily Volume and subtract the "total volume" reported in this data, we get "missing daily volume". I've plotted that over the same period to see how much Daily Volume is missing from the Short Volume vs. Long Volume analysis. This ranges from a low of around 38% (10/12/2020 and 1/21/2021), to a high of 88.47% (8/3/2021).

# TLDR:

These MFers have traded over 5.764 billion shares overall and 2.275 billion shares OTC (39.46% of total). One day, they'll have to account for all these IOUs. Until then, consider gifting a few shares to family this holiday season, and holiday shop at GameStop!