MOASS THE TRILOGY

BOOKS I – II – III

by u/gherkinit

MOASS the Trilogy: Book One

Due Diligence

[Book 2](#)

[Book 3](#)

I want to start this with a brief message about myself for those of you that don't follow me.

There is a lot of FUD about me that I would like to dismiss.

I think this is an important step so that my work and the work of many others who have helped me along the way. Is not judged on my personality or profession, but by it's quality and adherence to supporting evidence.

Many of you were likely unaware of my existence or never gave me a glance due to the fact that I did Technical Analysis on a "highly manipulated" stock.

So here is my GME story,

Exactly one year ago, to the day, I entered my first position on GME. It was November 17th,2020 and GME opened at $11.5, after following DFV's posts for a few weeks I decided that his analysis was solid (far better than anything else I had read on that sub in my couple years lurking there), Bought in Feb.19th 20c and 500 shares. I will never forget inputting those orders, it changed my life and many of you probably have that same memory.

I began at first to comment and then get more involved with community as a whole I liked watching the streams but found them to be disingenuous, I never felt that AMC was the play and I still don't. So I settled on warden, he was obviously inexperienced at TA and didn't have a lot of market knowledge, but it was cool to have a place to hang out and talk my favorite stock.

When warden announced he was leaving to handle personal matters I decided that I didn't want the daily posts to end. I thought they helped people hodl and provided a calm grounded narrative of what the stock was doing everyday. With a lot of people returning to work I considered this valuable and tried my hand at it. As it grew keeping up with the barrage of questions became daunting so as per many daily followers request I started a YT stream.

It was fun and small I got to answer questions and help apes better understand the markets, we had fun. many of the people that were with me those first few weeks are still around today.

I never did it to make money, GME had already assured that wouldn't be an issue. But, I had to eventually face the fact that there was a real cost to the time I took away from my job trading, and with most of my holdings still in GME I decided to monetize my stream. The support from the people that choose to support me has been invaluable and also allowed me the time to dig deeper and deeper into GME over the last several months. I promised myself that I would never withhold information behind a paywall and that no ape would ever have to become a member to ask me a question. I've kept that promise.

Then warden blew up his audience on the back of a pretty speculative DD and I got lumped in with the "youtubers are evil" sentiment, which honestly I understand, the vast majority of them are big fucking shills. Regardless of what I had done or service provided, I was so labeled. I've learned to live with it.

But I've continued plugging away over these last 7-months missing 1 stream, 2 Daily DD posts, and 3 weekly DDs as I was moving. I've flown mostly under the radar most people didn't like my opinions and I didn't want to confirm anybody's bias. The speculative stuff is fine it's fun to talk about but it's not my cup of tea.

What I did do was try to leverage my newfound role as an "influencer" and I selected from the people interested in my work, the best and brightest I could and built a team to dig into GME's many mysteries. We have succeed and we have failed, but from our failures we learned and pushed forward.

This DD is the culmination of our efforts. I think over the course of me releasing it, no matter your feelings towards me, that you would be doing your self a disservice by not reading it. I strongly believe this thesis presents the most realistic and evidence based view of the market mechanics that drive GME price action and is the best, to date, predictor of it's potential in the future.

As always I hodl with all of you,

- gherkinit

So the plan for this DD is as follows:

- The events leading up to and causing the gamma ramp/volatility squeeze that occurred in January.
- Tie together the ETF, FTD, Options and Futures cyclical movement that drives GME price action
- Lay out my futures cycle theory and explain the price movements on GME to date
- Explain why January's run did not cause the expected short squeeze on GME
- Take a look forward, using the same unavoidable market mechanics, to determine where SHFs, MMs, and ETFs are most exposed.
- Present a case for retail to in fact be the catalyst for MOASS
- Discuss the how and why , this is possible.
- Dispel the misinformation regarding options and present multiple ways they can be used effectively by those with the requisite knowledge.

I will attempt to make an **evidence backed case** for each of my conclusions and try to tie all of this together in a way people can digest and understand.

Part I: January 2021

In January of last year we witnessed the price of GME rocket 2700%, according to the SEC report written a few weeks ago this was not due to SHF covering and it was not due to a gamma squeeze as was previously thought.

Meaning that based on the SEC report, the price action witnessed in January was due almost entirely to retail buying and options hedging.

While a lot of that conclusion appears to be true from the data presented, January was not likely the result of WSB's largest pump n' dump.

Something else was going on behind the scenes something left out of the report...

The massive short interest not only on GME but the short interest on ETFs that contained GME.

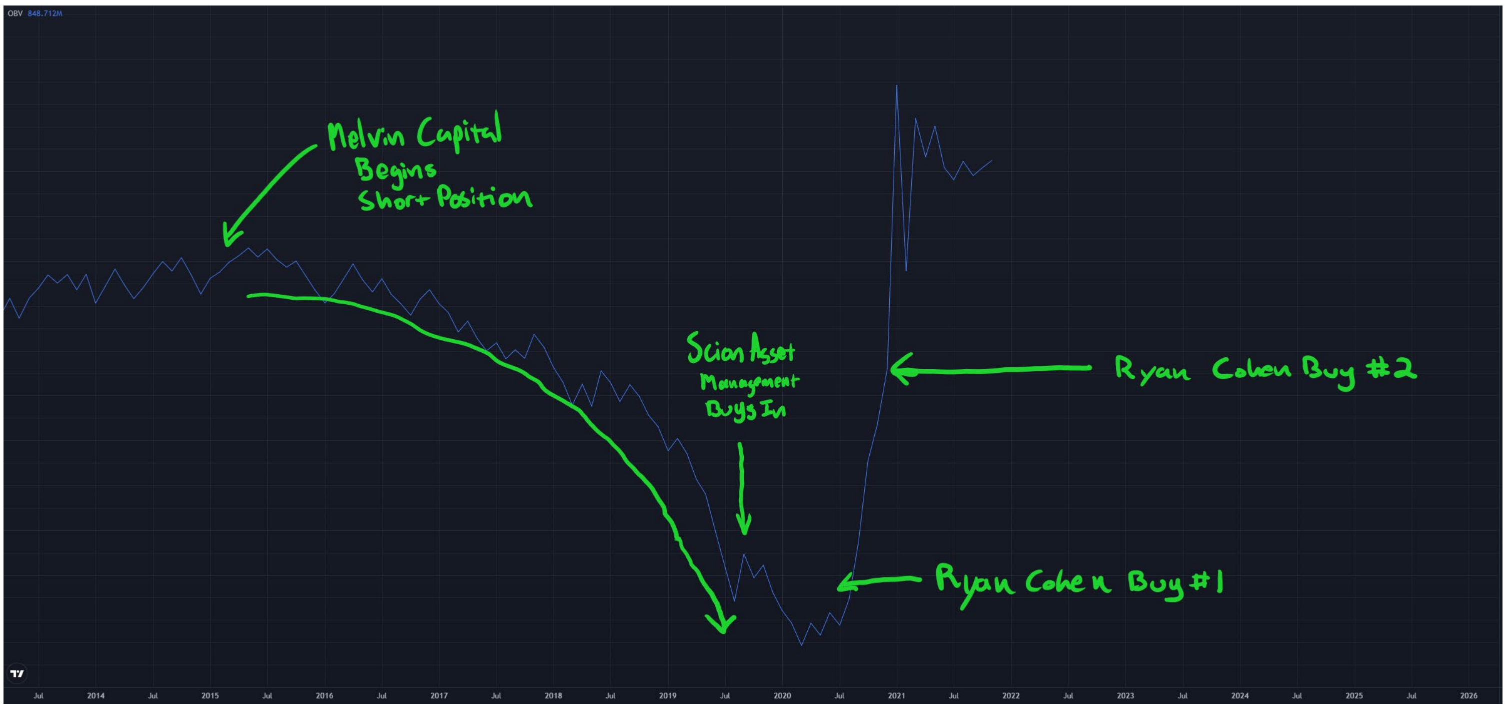
The SEC report touches on this briefly but really limits it's explanation of what was going on, giving an example of XRT, but conveniently not the other 106 (currently) ETFs containing GME.

So what actually happened?

Well I guess the best place to start is Melvin Capital...

Section 1: Melvin Capital

As many of you know Melvin Capital, by their own admission, began their short position on GME in 2014. They built a massive short position over several years likely with the intention of driving GME out of business or deeply into debt.



The bear case for GME was strong, Melvin's position is evidenced here in the weekly OBV for GME indicating strong selling pressure.

Until Michael Burry's purchase in 2019 Melvin was definitely winning the battle. This represented a integral change in the short positions on GME the renewed interest on the stock put a massive number of these short positions underwater.

In August of 2020 and December of 2020 RC Ventures made their purchases of GameStop's stock (catalyzing the cycles I will define later in this DD), further exacerbating the pressure on GME short positions.

By the end of December 2020, the last three years of Melvin Capital's short position was negative 33% to 751%.

Section 2: The Big Boys

How did Citadel, Susquehanna, and Point 72, end up on the wrong side of retail?

We know of their involvement due to the bailout's offered by them to Robinhood and Melvin Capital in January. Bailouts likely designed to prevent margin calls on these much smaller positions which could have had catastrophic effects for Citadel's et al. margin.

Well if we take a look at the broader market during this time frame you will see significant short-interest in retail ETFs pick up after March of 2020. With Coronavirus mounting and no end to the pandemic in sight, there was a strong bear case against traditional retail.

With companies like Amazon realizing all time highs e-commerce was looking better and better. It's not hard to see the justification these guys are likely some of many that went short the entire sector. ETFs presented a great way to short the entire sector in one fell swoop. That combined with less stringent reporting requirements and near infinite ability to create shares, provided the ideal opportunity for the massive funds.

Go into any mall in America throw a rock and you will hit a company that these guys were short on.

AdamMelvinCitadel, BBBY, M, EXPR, JWN, DDS, etc... the list goes on and on

All these stocks move with GameStop because they were short the whole sector/index. They still are.

#1	XRT - SPDR® S&P® Retail	191.71%

XRT current short interest

We can still see evidence of this ETF exposure play out on the charts as well

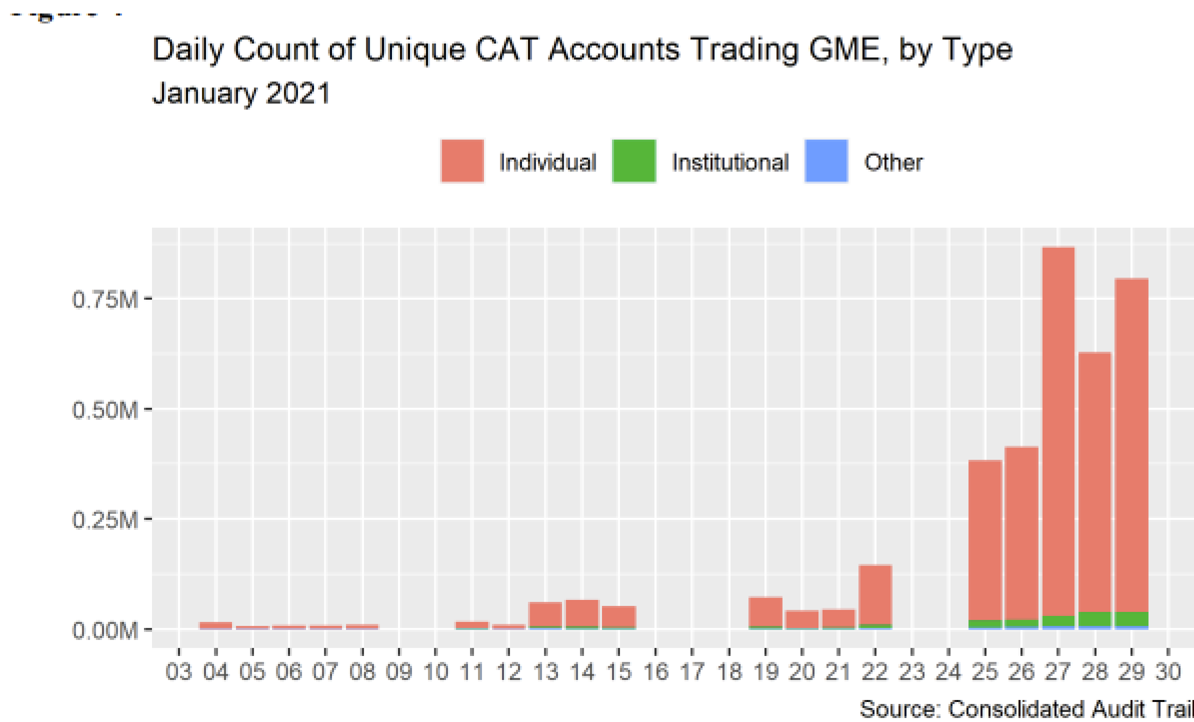
Some ETF basket stocks mimicking GME price action

Section 3: The Clash of the Titans

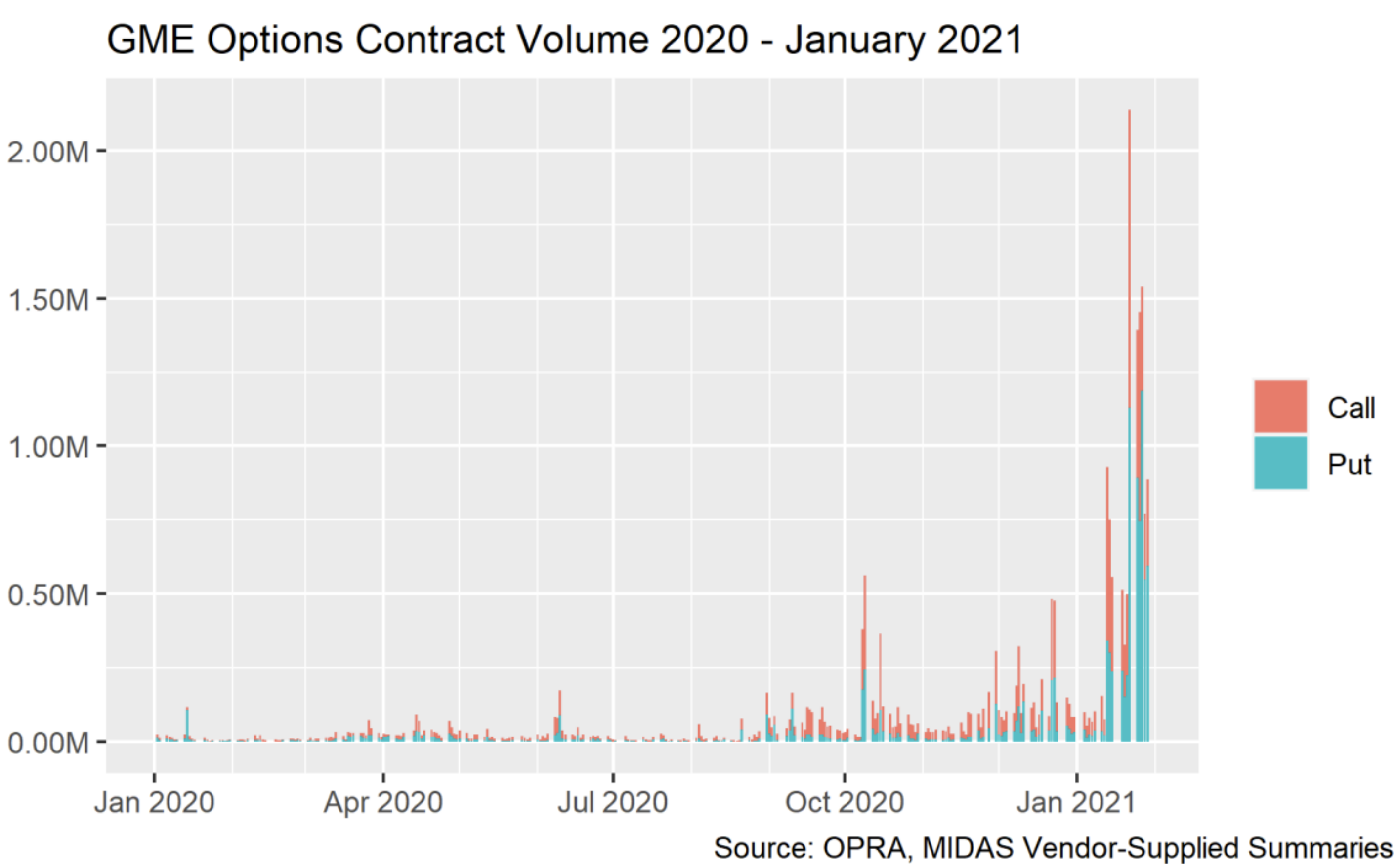
Moving into January GameStop price is improving exponentially. Putting pressure on existing short positions.

From August low to December high it is now up 405.37%

This price increase in the underlying starts to breed FOMO we see retail buying in at ever increasing numbers stock.



and options...



This push combined with delta hedging led to the price increasing another 2400% over the rest of the month.

But on January 29th it all comes crashing down...

But it can't be that simple it wasn't purely FOMO as the SEC would have you believe.

January's price action was kicked off by a series of events that almost a year later we have a much better grasp of.

Part II: Cyclical Market Mechanics

Underlying all of GME's price movement to date are several independent cycles that I have identified over the last few months.

I've outlined these a bunch of times on my stream, but I want to get the information all in one place.

Section 1: Futures Roll Dates

First lets start with the first one I noticed that led me down this rabbit hole.

CME Futures Roll dates strongly corresponded to GME price action So let's look at those.

YEAR	MONTH	U.S. INDEXES		NIKKEI / TOPIX	
		EXPIRATION	ROLL	EXPIRATION	ROLL
2020	3	3/20/20	3/12/20	3/13/20	3/9/20
2020	6	6/19/20	6/11/20	6/12/20	6/8/20
2020	9	9/18/20	9/10/20	9/11/20	*9/8/20
2020	12	12/18/20	12/10/20	12/11/20	12/7/20
2021	3	3/19/21	3/11/21	3/12/21	3/8/21
2021	6	6/18/21	6/10/21	6/11/21	6/7/21
2021	9	9/17/21	9/9/21	9/10/21	*9/7/21
2021	12	12/17/21	12/9/21	12/10/21	12/6/21
2022	3	3/18/22	3/10/22	3/11/22	3/7/22
2022	6	6/17/22	6/9/22	6/10/22	6/6/22
2022	9	9/16/22	9/8/22	9/9/22	*9/6/22
2022	12	12/16/22	12/8/22	12/9/22	12/5/22

This was the first significant indicator of price action on GME. These became very apparent after the July run into earnings and subsequent drop.

Once we stared digging back into previous rolls we realized that there were two variations.

1. The Roll:

This is marked by an increase of volume and price into the roll date, followed by a drop immediately afterwards. (Feb-Mar and Jun - Jul)

2. The Fail:

This is marked by a sharp spike in volume several days prior to the roll date then a decline in volume and volatility until a window of activity appears (anomaly) T+35 days after the roll date. **(t**hese T+35 dates also lined up with spikes in SEC FTD reports)

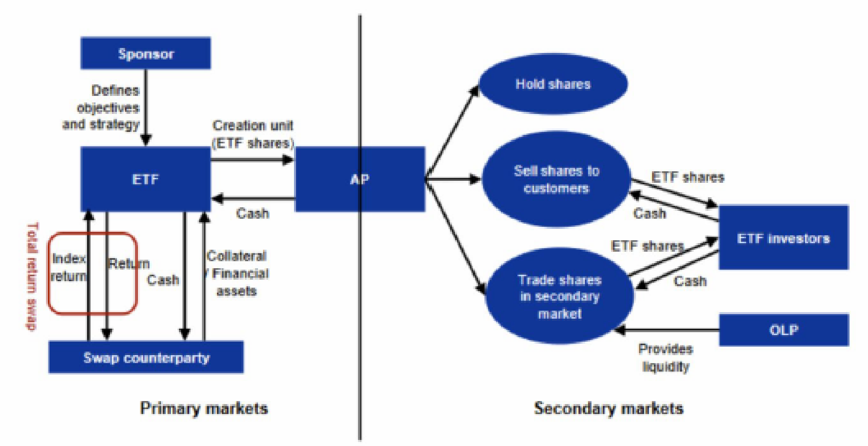
Fails create anomalies, Rolls do not

With these data points locked down the next logical place to look was what was causing these initial spikes.

We currently know of two separate futures position exposure on GME

- Variance Swaps as described by u/Zinko83 in this excellent DD, Volatility, Variance, Dispersion, Oh my! (must got to profile as it cannot be linked here)
- Swaps used to hedge NAV or exposure on creation baskets in ETFs. More on ETF here in u/Turdfurg23's DD The ETF Money Tree (same deal cause auto-mod)

Figure 2
Functioning of a synthetic ETF



Sources: own calculations, based on Kosev and Williams (2011), Autorité des marchés financiers (2017) and Turner and Sushko (2018).
Notes: AP refers to Authorised Participants and OLP to Official Liquidity Providers. Figure 2 shows the case of an unfunded swap agreement, where the synthetic ETF take full ownership of the collateral. In funded swap agreements, which are less frequent than unfunded, the collateral is pledged to a third-party custodian.

Section 2: ETF Exposure

We were fairly confident at this point in our research that ETFs represented a significant part of the short exposure on GME.

The ease of share creation by Authorized Participants and the exceptionally long settlement periods afforded to them, made ETFs the perfect way to not only continually suppress the price but also a great place to hide longer term short exposure, without the reporting requirements of traditional bona-fide market making.

[This process is covered exceptionally in this paper by Richard B. Evans]()

[and this video]()

So where was this exposure we knew that somewhere in these overlapping cycles we were gonna find it and we did.

These options dates that line up perfectly with OpEx, ETF Quarterly Options and GME Monthly Expiration

But it didn't fit until we factor in gamma exposure (GEX) from market makers on T+2/3

Then we start to see a very strong correlation with GME initial pump on these runs and overlapping gamma exposure. Starting after RC's initial buy in, with the magnitude increasing exponentially after his second purchase in December.

These exposure dates have kickstarted the price increases on GME in the last 5 out of 5 futures cycles

So a quick break here to recap...

We know ETF Exposure kickstarts these cycles and that they either roll the futures (causing a run as the cover losses before rolling contracts forward) or fail to roll the contracts (causing FTD pile-ups in the anomaly window)

So this left us asking **why January**?

We had the obvious answer already, the SEC claimed that retail single handedly pulled off one of the largest pump and dumps in history with zero collusion...but did Daddy Gensler tell us the truth?

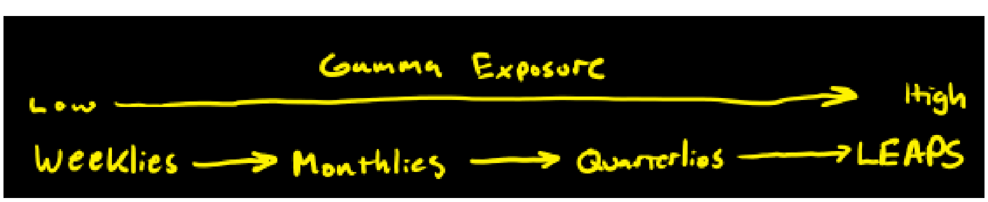
Something had to be different about January's cycle specifically

Then we stumbled across this little tidbit that had been staring us in the face for months.


Standard expiration date for equity, equity index, ETF & ETN Options (Equity LEAPS® expire in December, January, and June)

ETF and Equity Leaps expire not once, but two times in the Dec-Jan Cycle

LEAPS for those of you that are unaware present a far higher amount of gamma exposure than quarterlies.



This is largely due to institutional interest in longer dated options contracts

So let's look at these LEAP exposure dates in relation to the rest of our cycle

The price action and volume from Dec-Jan on these dates speaks for itself but June is the most impressive to me because in a sea of red from the ATM share offering and GME ETF rebalancing resulting in 12m+ shares sold at market, even all that liquidity wasn't enough to suppress the price, the expiration and the following t+2 days were still up.

Section 3: The FTD pileup

This is the last bit of what ties all this together.

Since the futures fail patterns have a unique outcome that causes this anomaly window what exactly drives that anomaly in the areas in between the ETF exposure dates and the the subsequent futures roll.

The answer is FTDs

Now there are 2 types of FTDs

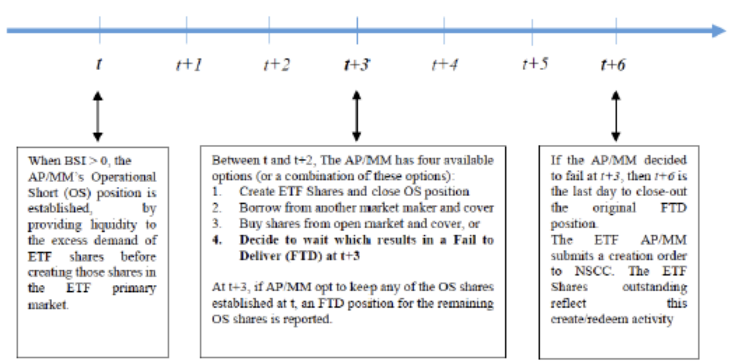
1. **MM and SHF FTDs** - Most people know this on by now but just in case

T+2/3 trading days (locate) + 35 calendar days (REG T)

2. **ETF Authorized Participant (AP)** -

Authorized participants have a bit more flexibility and thus there failures can occur outside of the standard timeline.

Figure 3 – ETF Settlement Failure Timeline: This figure displays the key events during a settlement failure for an ETF. Time *t* represents the time when an operational short is established. Dates *t+i*, where *i* is between 1 and 6, represent *i* days after the operational short position is established.



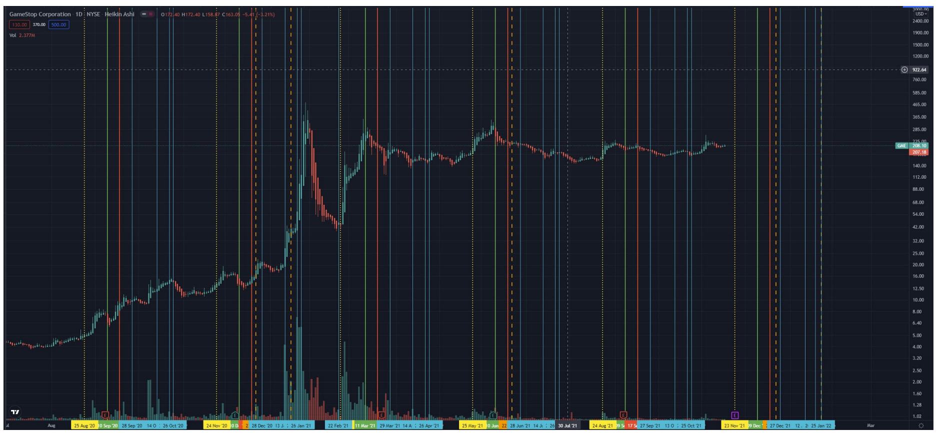
Source: ETF Short Interest and Failures-to-Deliver: Naked Short-selling or Operational Shorting? (accessed 8/1/17)

So AP's have T+3 trading days (locate) & T+6 trading days (settlement) + 35 calendar days (REG T)

In the past you have heard a lot about T+35 and T+21 and this predicted cycles have failed to come to fruition because the anchor points for where the settlement periods end (t+2/t+6) and where the fail must be satisfied (t+35) were misplaced.

Everyday is T+35 from another day, so having these ETF exposure dates and CME Roll and Expiration dates gave us insight into where MMs and APs had to do the most hedging and also where there was the most gamma exposure or deviation from NAV (net asset value, ETF hedging metric).

With these anchor point locked down we started to be able to build out a t+35 timeline

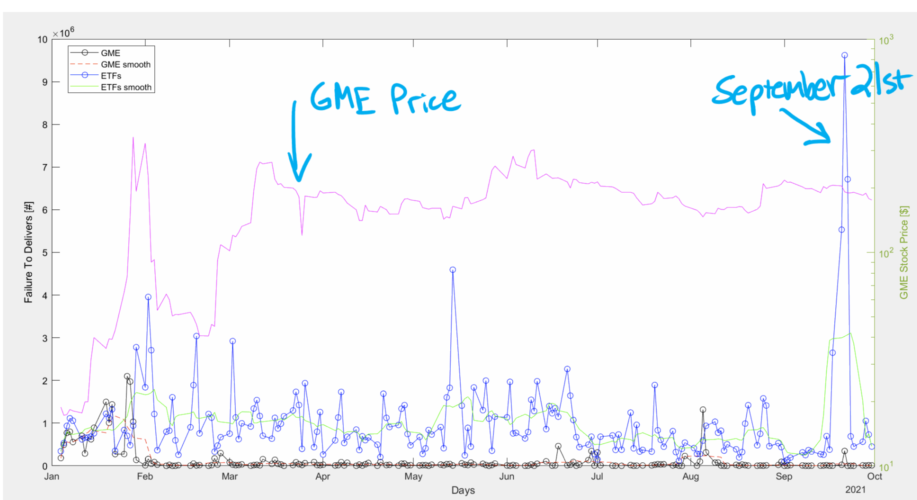


The light-blue vertical lines represent GME FTD Regulation T dates set from the point of failure

and since there are still a couple days around these periods with unexplained movement, such as November 3rd, where we were sideswiped by completely unexpected price action.

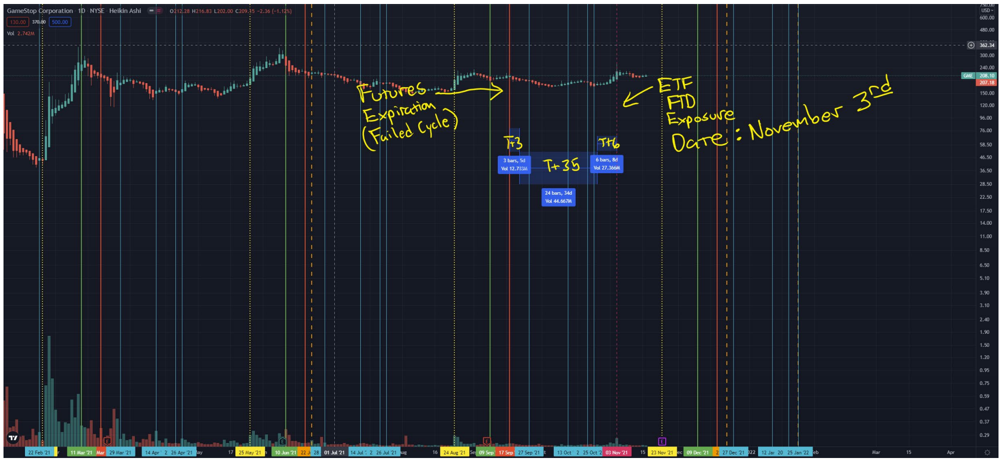
This is due to something we had never initially tracked ETF FTDs, throughout the year FTDs on GME containing ETFs had been fairly minimal with a few spikes here and there. So we sidelined the information and focused on GME.

Well something interesting happened on September 21st., that got attention immediately.



GME Containing ETFs Spiked with the largest numbers of FTDs to Date

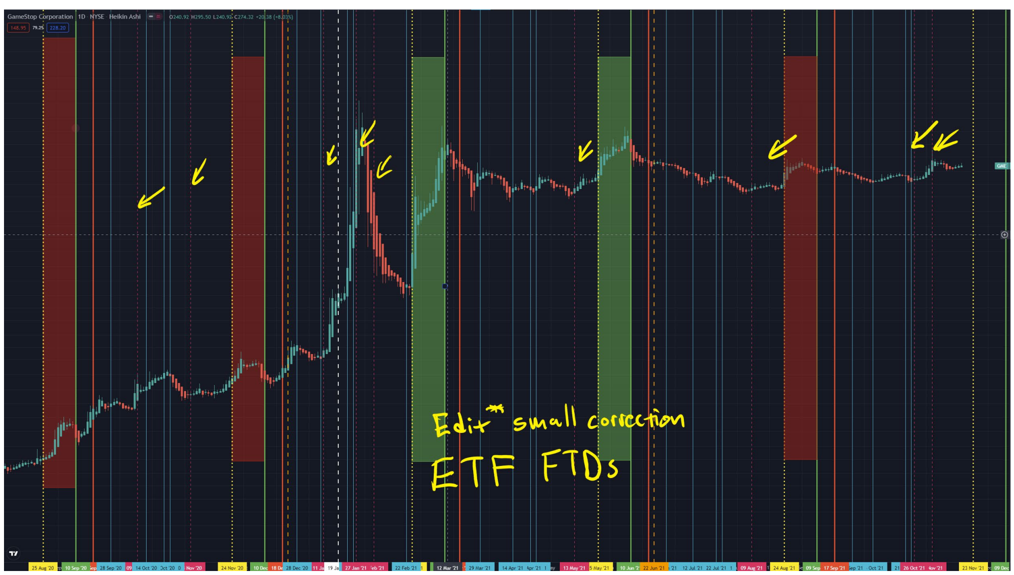
Well guess what happened T+6 (trading) and 35 calendar days after that futures failure, like clockwork on November 3rd...



The final piece of the puzzle

So this at this point we are still unsure if this also occurred in other cycles, the only other large ETF FTD spikes we have this year are far smaller quantity. So now we have to go back and look at the previous cycles.

- For the cycles that fail to roll futures the largest exposure date is the CME rollover(red line)
- For cycles were they roll the greatest amount of exposure is on the first FTD date (blue line)



Historical ETF FTD dates

Section 4: January IS absolutely unique!

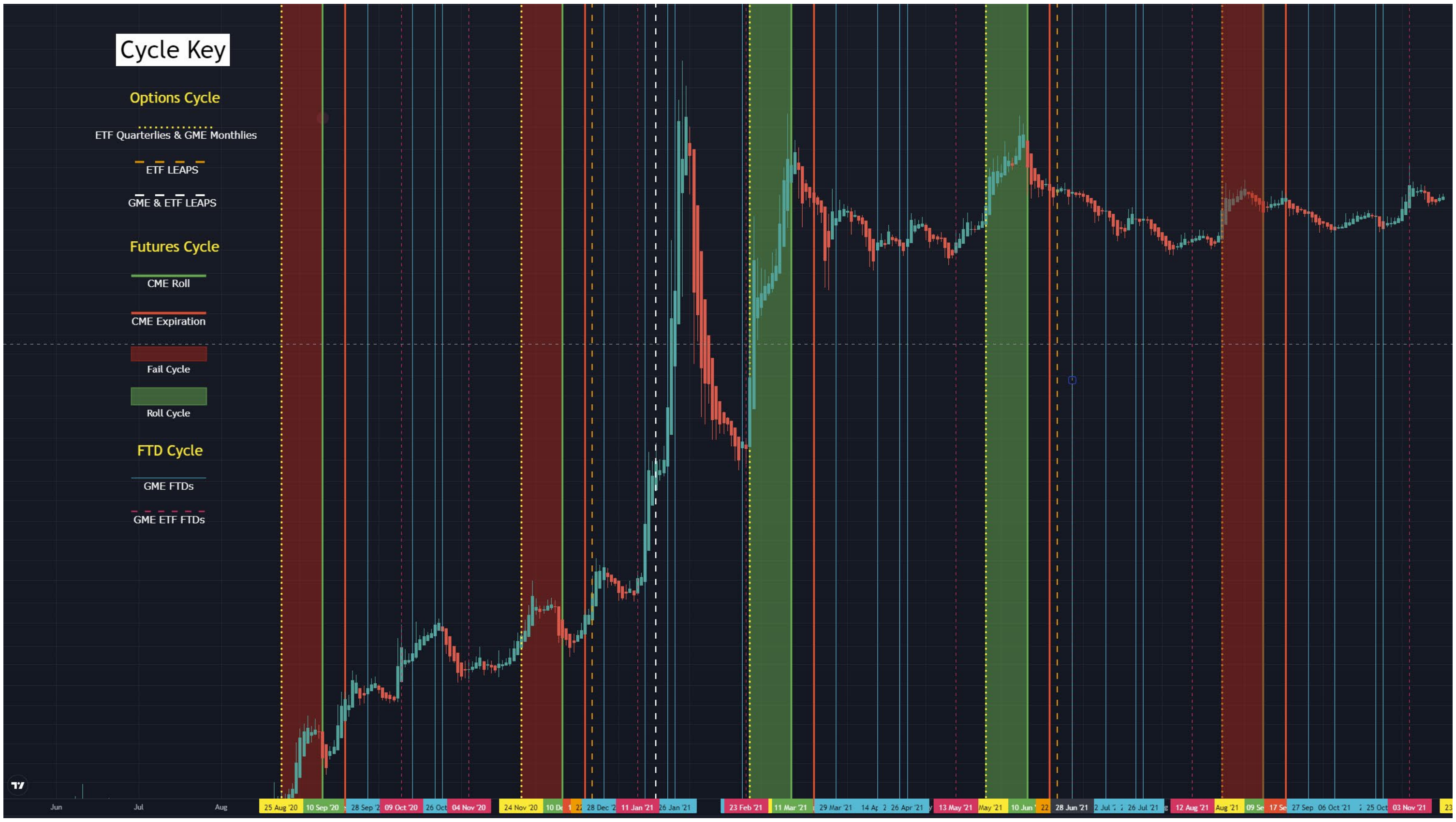
Remember those LEAPS we talked about earlier?

One day a year in January the highest amount of open interest and thus gamma exposure in the options chain occurs...

GME LEAPS and ETF LEAPS expire simultaneously

this moment indicates the largest amount of exposure across the entire year on GME, and and also presents the highest probability for a short squeeze (more on this later)

Without further ado...

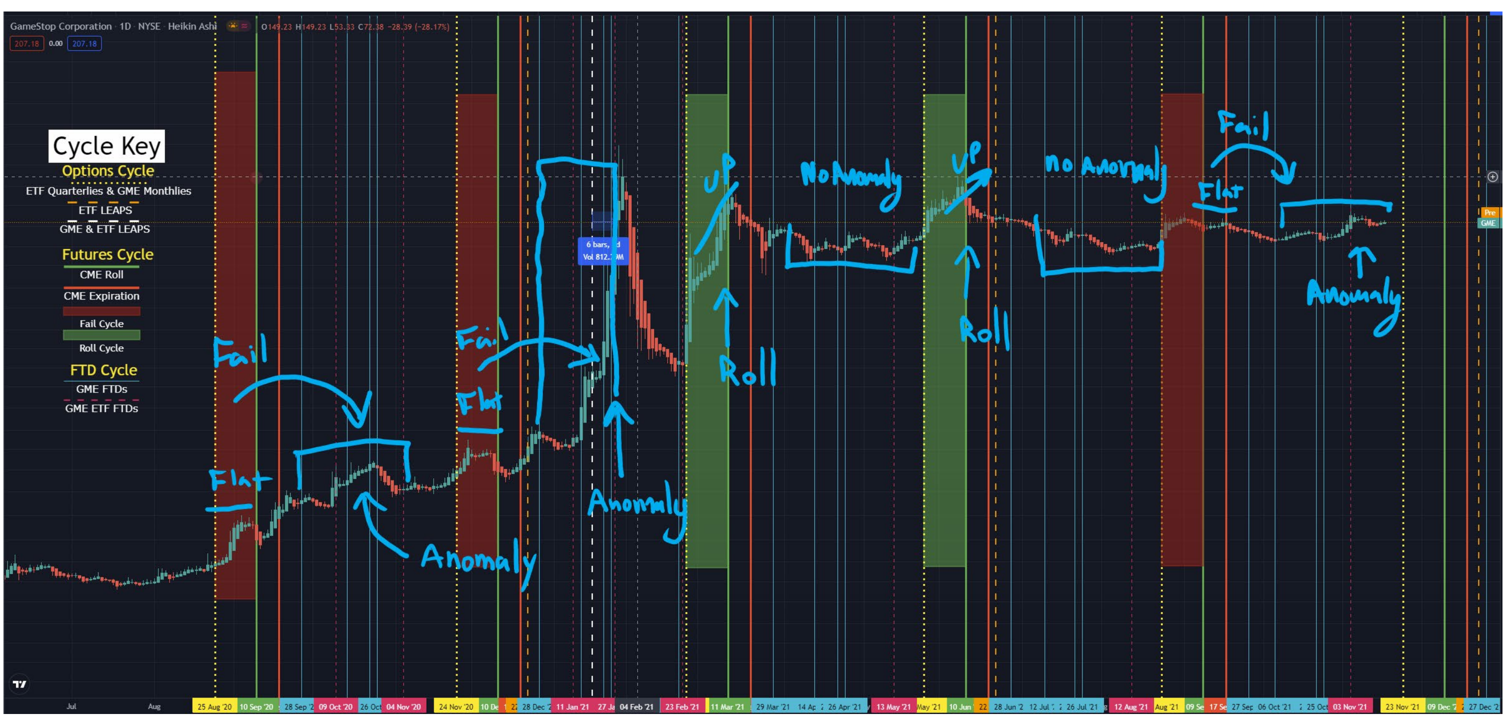


Full futures Cycle breakdown from Sep 2020 to today

Here is the final guide to GME price action and the summation of this part of the thesis

These dates and windows (futures) track almost every single move on GME since September of 2020. If it didn't happen on one of these dates/windows then it happened within their respective settlement periods (T+2/3)

and for the smoother readers...



Basic representation

This concludes this part of the DD, I have been writing non-stop since I ended my stream yesterday and am unlikely to do much today. I have been awake for 24 hours and still have to complete the of the other two parts of this by tonight.

Please avail yourselves of the linked DDs they present evidence necessary to understand the following section of this.

For my Daily DD followers, I'm sure you understand the time sensitivity of this information and will excuse my absence on this likely red day.

In the meantime a lot of it is covered here ... talk with Houston Wade here explaining my current theory

For more information on my futures theory please check out the clips on my YouTube channel.

Daily Live charting (always under my profile u/gherkinit) from 8:45am - 4pm EDT on trading days

on my YouTube Live Stream from 9am - 4pm EDT on trading days

or check out the Discord for more stuff with fellow apes

As always thanks for following along.

- Gherkinit

Disclaimer

** Although my profession is day trading, I in no way endorse day-trading of GME not only does it present significant risk, it can delay the squeeze. If you are one of the people that use this information to day trade this stock, I hope you sell at resistance then it turns around and gaps up to $500.*

**Options present a great deal of risk to the experienced and inexperienced investors alike, please understand the risk and mechanics of options before considering them as a way to leverage your position.*

**My YouTube channel is "monetized" if that is something you are uncomfortable with, I understand, while I wouldn't say I profit greatly from the views, I do suggest you use ad-block when viewing it if you feel so compelled. My intention is simply benefit this community. For those that find value in and want to reward my work, I thank you. For those that do not I encourage you to enjoy the content. As always this information is intended to be free to everyone.*

**This is not Financial advice. The ideas and opinions expressed here are for educational and entertainment purposes only.*

* *No position is worth your life and debt can always be repaid. Please if you need help reach out this community is here for you. Also the NSPL Phone: 800-273-8255 Hours: Available 24 hours. Languages: English, Spanish. Learn more*

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MOASS the Trilogy: Book Three

This is where it all starts to get a bit complex, I will do my best to walk you all through every step of this to make it easily understandable.

I held off publishing this, particularly because of this section, for a while due to the complexity of some of the mechanics at play here.

But after a year of hodling and learning I think most will grasp the importance of this...

I truly believe, in no uncertain terms, that the mechanics outlined here present the best chance of a short squeeze on GME occurring.

As do many others u/criand, u/leenixus, u/turdfurg23, u/Zinko83, and the people on my quant team who choose to remain anonymous.

We may not all agree on some minute details. However, I think the past few days have shown that we agree that the fear of options and misinformation about them needs to be laid to rest.

In the next two sections of this DD I will outline the mechanics and reasoning, and provide as much information as I can on the ideal points where retail is capable of applying the most pressure.

As always I will be glad to answer any question on my livestream chat or as I can get to them on reddit.

Edit 1* I already see a false narrative being spun and want to get out ahead of it, I in no way am encouraging apes to buy weeklies, or lose their ass on far OTM the money contracts. This has happened too many times in the past and is the reason for much of the current sentiment around options. There are solid safe strategies and also riskier opportunities available if these cycles outlined in the first part of this DD play out. I intend to highlight some of those in the next part of this DD. If you don't know how to play options...Buy and Hold and now DRS are a large part of why these cycles are even present and can be tracked. But regardless of participation in options this research is meant to inform not instruct.

Continued from Book one...

Part III: If January is so great, why did the price fall, huh pickle?

Well the simple answer is, people sold.

People realized massive gains and then paper-handed like crazy on the upswing, the rest realized massive losses on the downside and sold.

Not HF fuckery, not even the buy button getting turned off, just good old panic selling.

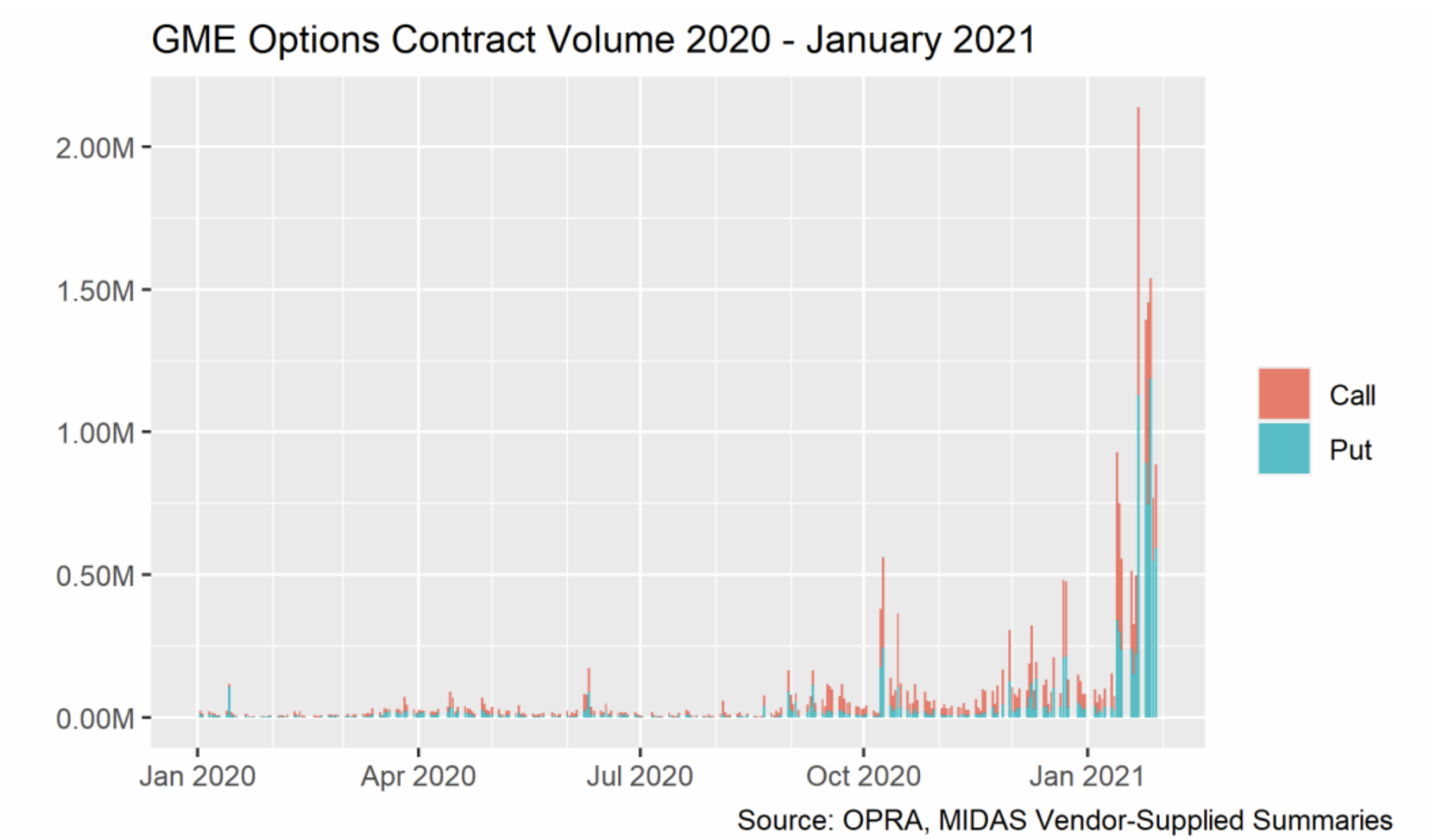
Sure some held, some didn't get out in time, and shit some were still buying on the way down.

I'm not denying the existence of diamond handed apes but they were young, inexperienced, and not yet prepared for the fuckery that would later reveal itself.

What did they sell?

They sold their options

The SEC gave us the proof



Call volume significantly higher than put volume

Consistent with the trading activity in GME stock, trading in GME options increased significantly in January 2021. From the beginning of 2020 through September of that year, GME options traded a median of about 16,000 contracts per day, with a maximum of about 172,000 in one day, with a median dollar volume totaling just over $800,000 per day and a maximum of about $42 million in one day. In the fourth quarter of 2020, GME options traded a median of about 84,000 contracts per day, with a maximum of about 560,000 in one day, with a median dollar volume totaling approximately $10.5 million per day and a maximum of about $120 million in one day. On January 27, 2021, as shown in Figures 10 and 11, below, over 2 million contracts traded, worth over $8 billion.

Median increase in options volume of 437% over the previous quarter

Every cheap single 3-2-1-0 DTE weekly, they sold their leaps, their monthlies, their quarterlies.

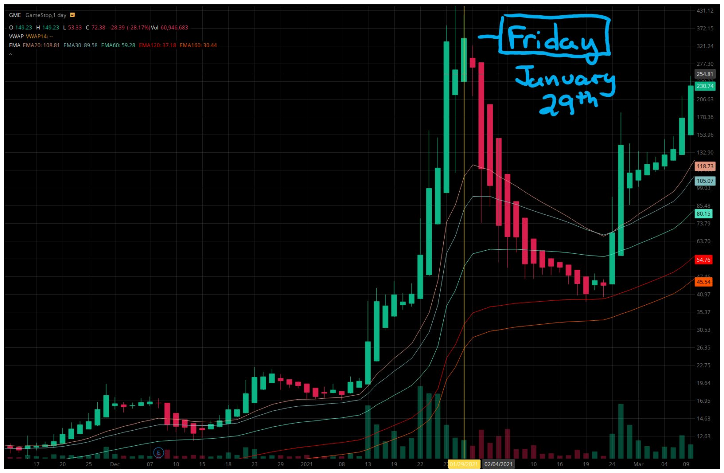
GME holders paper-handed ever single fucking one of them and why?

Cause you don't diamond hand options...

they are meant to capture profits on a move in the underlying equity.

When all those weeklies expired and were sold, what happened?

The price tanked. From $483 to a low of $51 5 days later.



Hmm...a Friday options expire on Friday.

again, and again...

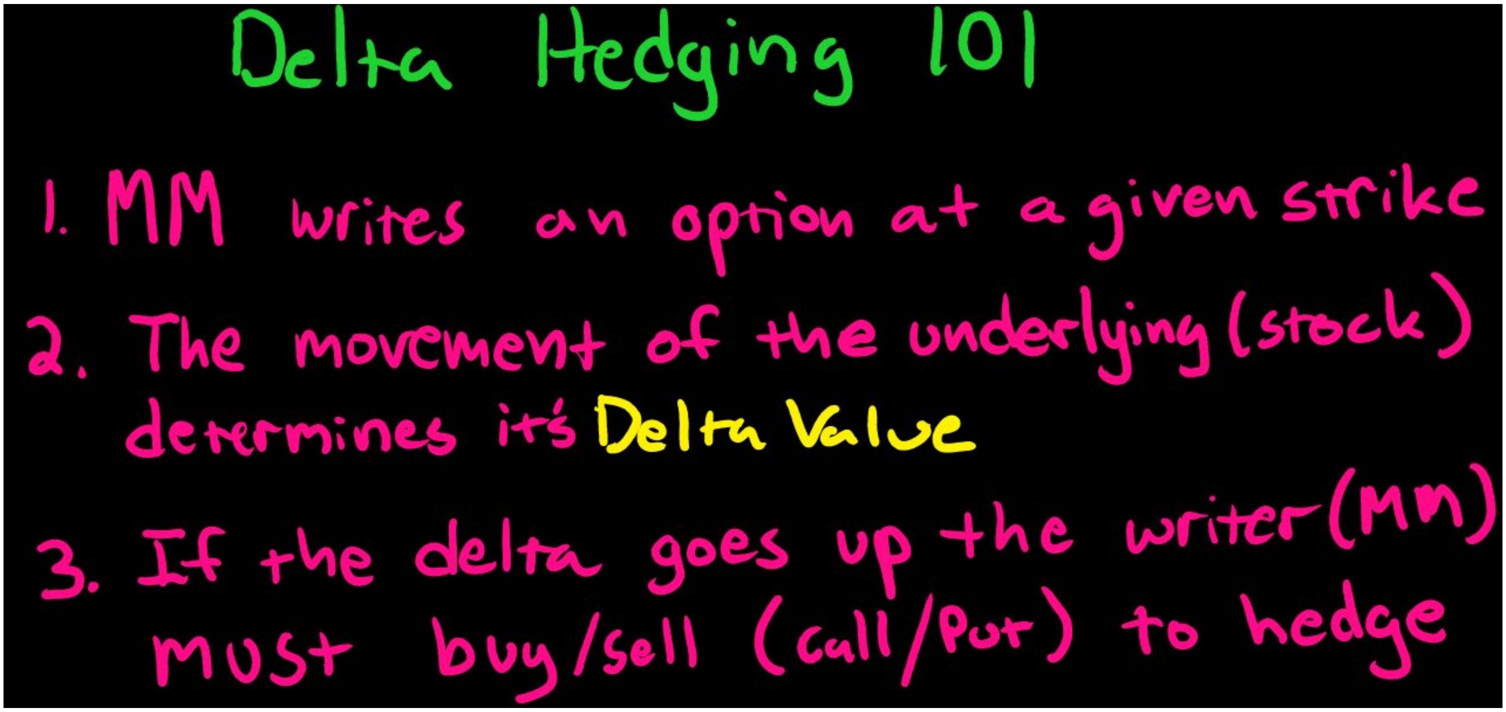
June is slightly deviated as the ATM offering of 5m shares provided ample liquidity

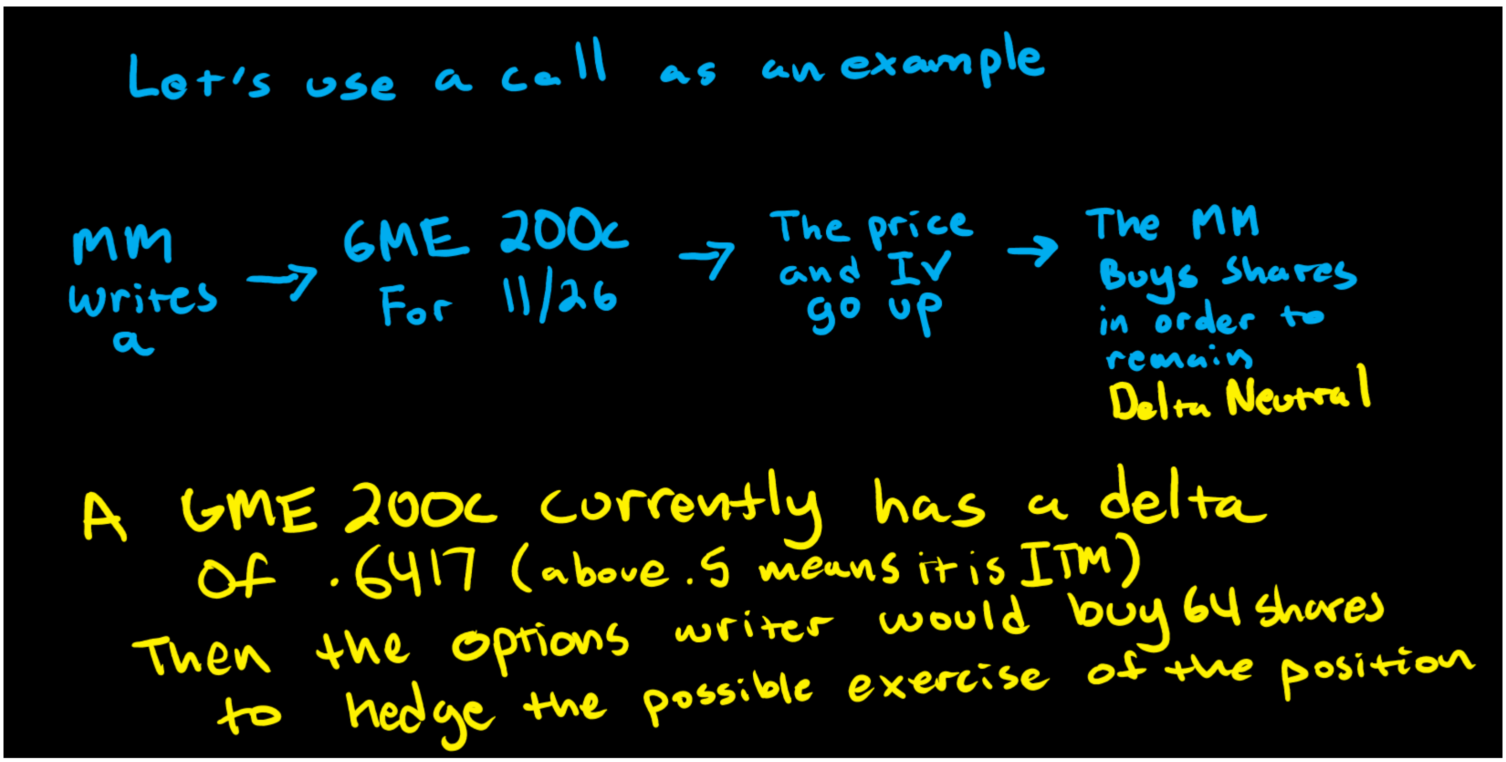
Time after time retail sold their calls and they were able to bring the price down.

Maybe we won't make the same mistake again.

Section 2: Delta Hedging

So to explain what happened here I will lay out delta hedging for you as clearly as I can.





However on GME due to the massive retail ownership (via the options chain) in January, there was no liquidity in the market to hedge with shares, so instead they internalized the losses from the call contracts they wrote. Using their **massive** margin as leverage against, the delta they should have properly hedged.

> An increasing percentage of volume executed on exchange when volatility spikes may indicate that market participants, including wholesalers, are seeking to avoid internalizing customer orders to reduce potential losses when hedging becomes more difficult.

> The vast majority of GME stock trades executed off exchange in January 2021 were internalized (approximately 80%) as opposed to executed on ATSs.[99] The market for internalization of GME was highly concentrated, with 88% of internalized dollar volume in January executed by just three wholesalers.[100] Citadel Securities accounted for nearly 50% of internalizer dollar volume during the month, rising to as high as 55% of daily internalized dollar volume twice.[101] Virtu Americas accounted for approximately 26% of the internalized volume during January.[102] While the percentage of GME trading internalized declined during the last week in January, the absolute volumes executed by internalizing firms during the days of the most intense trading in this period were, in some cases, an order of magnitude larger than what had previously been typical for these firms. For example, Citadel internalized an average of just under $37 million of GME per day in December 2020.[103] On January 27, Citadel internalized nearly $4.2 billion of GME.[104] Similarly, Virtu internalized an average of $23.4 million of GME each day in December 2020 and $2.2 billion of GME on January 26.[105] On January 29, Citadel internalized approximately $2.2 billion of GME stock, while Virtu internalized approximately $1.4 billion.[106]

Staff Report on Equity and Options Market Structure Conditions in Early 2021

This leads to Gamma Exposure since they did not properly hedge they now have their standard settlement period (T+2) to purchase shares to satisfy any exercised contracts.

Once they are able to become gamma neutral again following the settlement period they can start buying puts with high delta to drive the price down.

Okay, now back to how this dropped the price in January.

Since retail was selling out of their options which were squeezing the MMs Delta hedging, this selling of contracts allowed them to re-position and on January 27th they dumped an absolutely absurd amount of ITM puts onto the market

> Another possible explanation could be a "gamma squeeze," which occurs when market makers purchase a stock to hedge the risk associated with writing call options on that stock, in turn putting further upward pressure on the underlying stock price. As noted above, though, staff did not find evidence of a gamma squeeze in GME during January 2021. One of the main drivers of a gamma squeeze is an influx of call option purchases, which causes market makers to hedge their writing of the call options by purchasing the underlying stock, driving up the stock price in the process. While staff did find GME options trading volume from individual customers increased substantially, from only $58.5 million on January 21 to $563.4 million on January 22 until peaking at $2.4 billion on January 27, this increase in options trading volume was mostly driven by an increase in the buying of put, rather than call, options. Further, data show that market-makers were buying, rather than writing, call options. These observations by themselves are not consistent with a gamma squeeze.

not a "gamma squeeze", retail buying cheap calls and MM buying expensive puts on the 27th

This statement from the SEC indicates that they price action we did see was simply the **ramp** since the contracts were sold off on Friday and cash settled there was little exposure to cover.

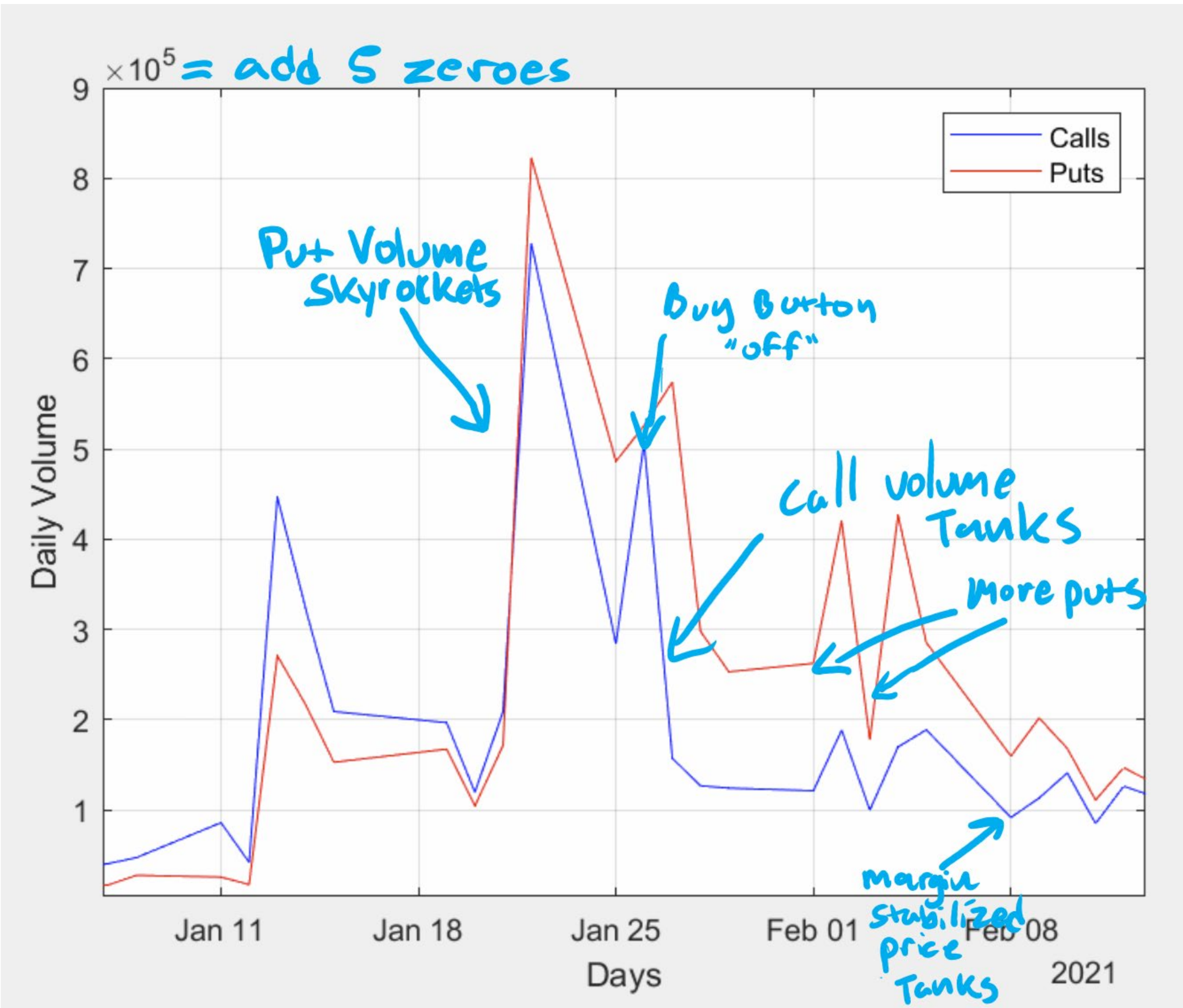
Hence, no "gamma squeeze"

Thursday, January 28th, they shut off the buy button.

Friday, January 29th, The last significant chunk of retail options sold out.

GME options holders allowed them to cash-settle their contracts by selling out of them. ?Meaning, they could just use the losses they had internalized to satisfy their improper hedging.

This allowed them to sell off the massive numbers of shares they actually bought to hedge and simultaneously drive profits into their put contracts.



The exposure to calls on January 22nd and 29th, hedged at 1.00 delta represents a necessary hedge of 120 million shares.

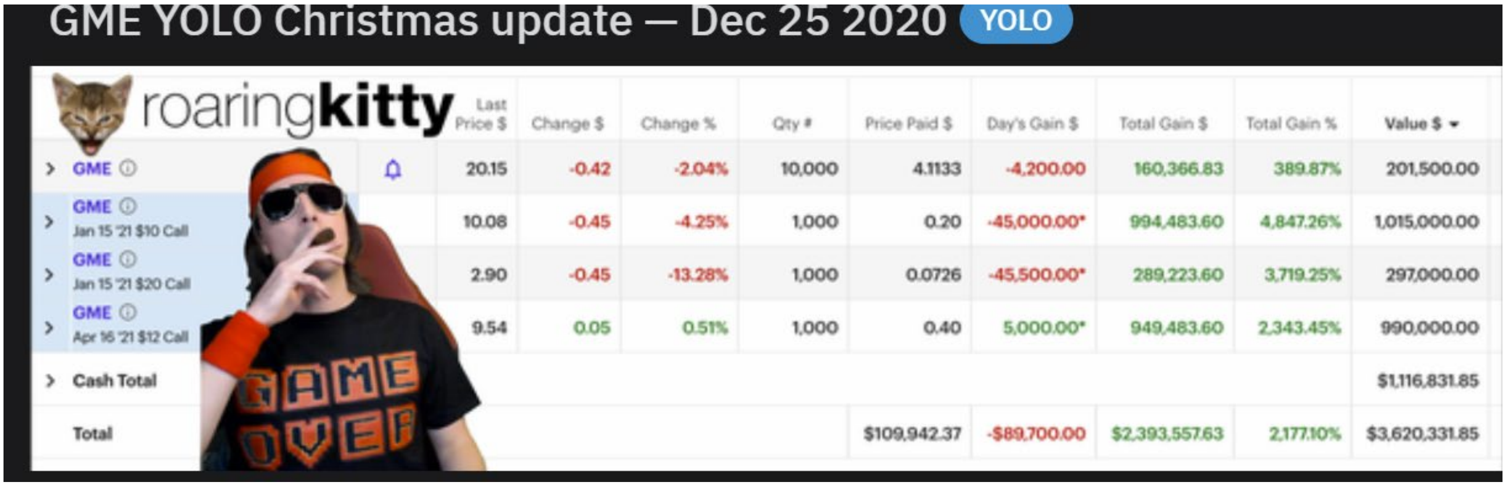
let this sink in, and one more time...okay LFG

Why?

Why not hold for the moon?

Most of the contracts people FOMO'd into expired on January 29th, jumping into cheap OTM weeklies meant people weren't exercising them, they were taking their profits. As they have continued to to do on every huge run since.

Well except this guy, apparently knew what he was doing, he sold some, sure...



GME YOLO Christmas update — Dec 25 2020 YOLO

roaringkitty

	Last Price $	Change $	Change %	Qty #	Price Paid $	Day's Gain $	Total Gain $	Total Gain %	Value $
GME	20.15	-0.42	-2.04%	10,000	4.1133	-4,200.00	160,366.83	389.87%	201,500.00
GME Jan 15 '21 $10 Call	10.08	-0.45	-4.25%	1,000	0.20	-45,000.00*	994,483.60	4,847.26%	1,015,000.00
GME Jan 15 '21 $20 Call	2.90	-0.45	-13.28%	1,000	0.0726	-45,500.00*	289,223.60	3,719.25%	297,000.00
GME Apr 16 '21 $12 Call	9.54	0.05	0.51%	1,000	0.40	5,000.00*	949,483.60	2,343.45%	990,000.00
Cash Total									$1,116,831.85
Total					$109,942.37	-$89,700.00	$2,393,557.63	2,177.10%	$3,620,331.85

GME YOLO update — Feb 3 2021 – heads up gonna back off the daily updates for now YOLO

Symbol	Actions	Last Price $	Change $	Change %	Qty #	Price Paid $	Day's Gain $	Total Gain $	Total Gain %	Value $
GME		92.41	2.41	2.68%	50,000	14.8947	120,500.00	3,875,766.83	520.42%	4,620,500.00
GME Apr 16 '21 $12 Call		80.00	2.68	3.47%	500	0.20	133,750.00*	3,977,241.80	38,771.34%	3,987,500.00
Cash Total Transfer money										$13,817,567.62
Total						$754,991.37	$254,250.00	$7,853,008.63	1,040.15%	$22,425,567.62

But he exercised a lot...

Why is this important?

Different time and place, right?

No, same mechanics that were true then are true now.

Sure options are more expensive but so is GME.

After the options expire if the call writers haven't properly hedged the contracts they wrote then, if contracts are exercised they need to go find the remaining shares at market.

They have T+2 or they are forced to buy in.

!Forced!

No FTDs, no marking long, and no can kicking.

A **contractual obligation** to be provided 100 shares, immediately at the strike.

So if they have not hedged, they now need to buy shares at current market price suffering not only the loss on the contract but also the price per share loss if the price is significantly higher by the time they settle.

At this point I think it's pretty common knowledge that we own the float.

So "hypothetically" speaking, if a MM were to need to buy 100 shares to satisfy an exercise they would need to buy them from us, and we are not selling...

So what Daddy Gensler really did in his report is give retail the keys to MOASS...

In the data provided in the SEC report, not only does it tell us exactly how we didn't MOASS, they also give us **the exact mechanism** which we need to assure their destruction... all we ever had to do was get off our asses and

Exercise

That's right just like DFV...

Because **leveraged retail is the largest hedge fund in the world**, one contract per Superstonk user would represent 68,900,000 shares

and if we exercised those contracts...

STAYED TUNED FOR THE STUNNING CONCLUSION IN BOOK III: COMING SOON!

In the meantime a lot of it is covered here ... talk with Houston Wade here explaining my current theory

For more information on my theory and options please check out the stream clips on my YouTube channel.

Daily Live charting (always under my profile u/gherkinit) from 8:45am - 4pm EDT on trading days

on my YouTube Live Stream from 9am - 4pm EDT on trading days

or check out the Discord for more stuff with fellow apes

As always thanks for following along.

- Gherkinit

Disclaimer

** Although my profession is day trading, I in no way endorse day-trading of GME not only does it present significant risk, it can delay the squeeze. If you are one of the people that use this information to day trade this stock, I hope you sell at resistance then it turns around and gaps up to $500.*

**Options present a great deal of risk to the experienced and inexperienced investors alike, please understand the risk* *and mechanics of options before considering them as a way to leverage your position.*

My YouTube channel is "monetized" if that is something you are uncomfortable with, I understand, while I wouldn't say I profit greatly from the views, I do suggest you use ad-block when viewing it if you feel so compelled. My intention is simply benefit this community. For those that find value in and want to reward my work, I thank you. For those that do not I encourage you to enjoy the content. As always this information is intended to be free to everyone.

**This is not Financial advice. The ideas and opinions expressed here are for educational and entertainment purposes only.*

** No position is worth your life and debt can always be repaid. Please if you need help reach out this community is here for you. Also the NSPL Phone: 800-273-8255 Hours: Available 24 hours. Languages: English, Spanish. Learn more*

MOASS the Trilogy: Book Three

Due Diligence

Continued from Book 2

Part V: Deja Vu

So now what you've all been waiting for...

Section 1: A Look Forward

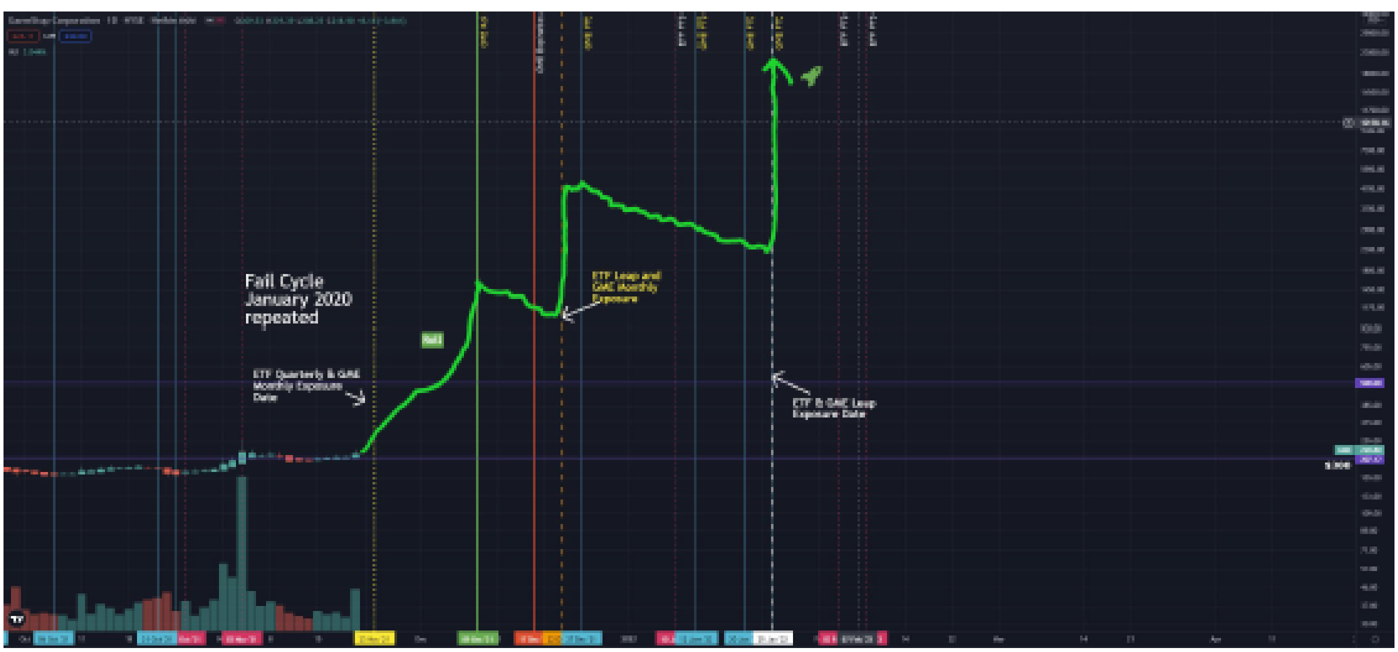
Quick Recap

- **We own the float**
- The November - January cycle has **not one but three** ETF gamma exposure dates, two of which represent the **largest amount of exposure on GME throughout the entire year**
- GameStop is significantly more illiquid now than last January the buying, holding, and registering of the float have pushed the bid/ask spread on GME to the limits and the stock is **ripe for a squeeze**
- This illiquidity means when MM, APs, and SHFs need liquidity to hedge massive price movements there is none available at market
- Retail owning open contracts forces the MM to hedge. If they do not and those contracts are pushed into the money, and/or exercised **there are no shares available for them to deliver**. They must increase the price to create liquidity (supply held means demand must be raised)

We are about to enter another November - January cycle so let's look at what we can expect if the mechanics at play this last year hold true.

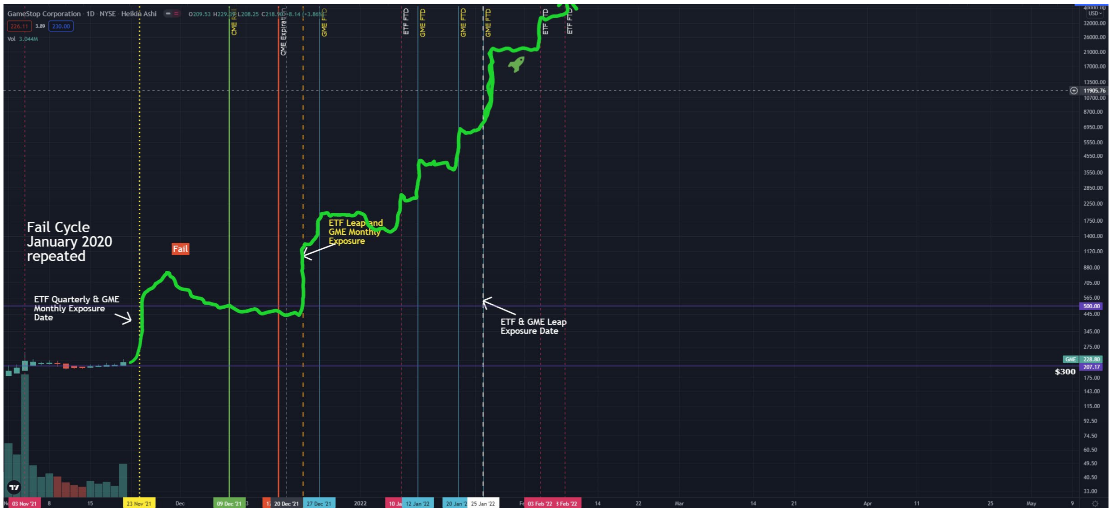
Let's first look at what could happen if they roll.

ROLL CYCLE



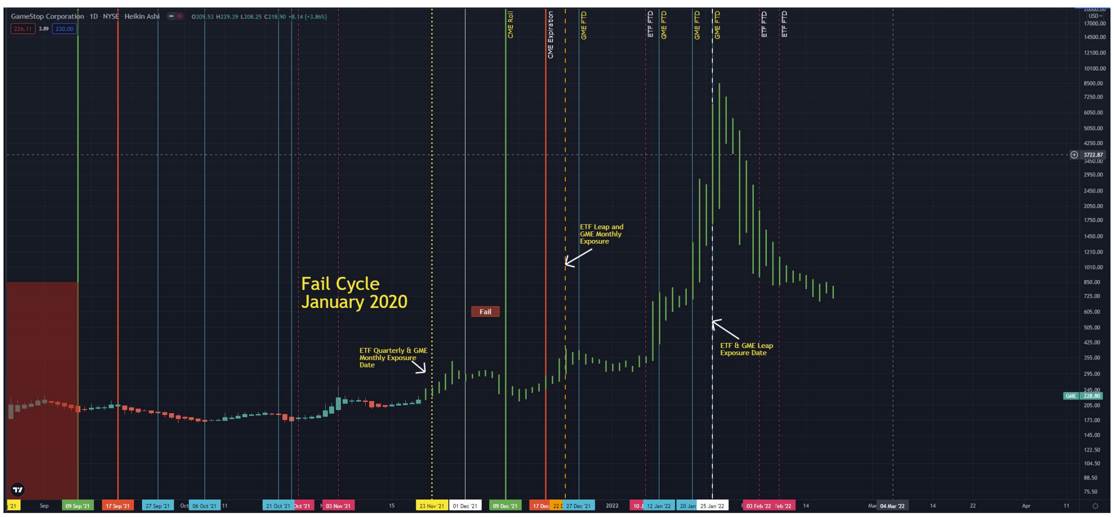
Possible Nov - Jan Roll Cycle

FAIL CYCLE



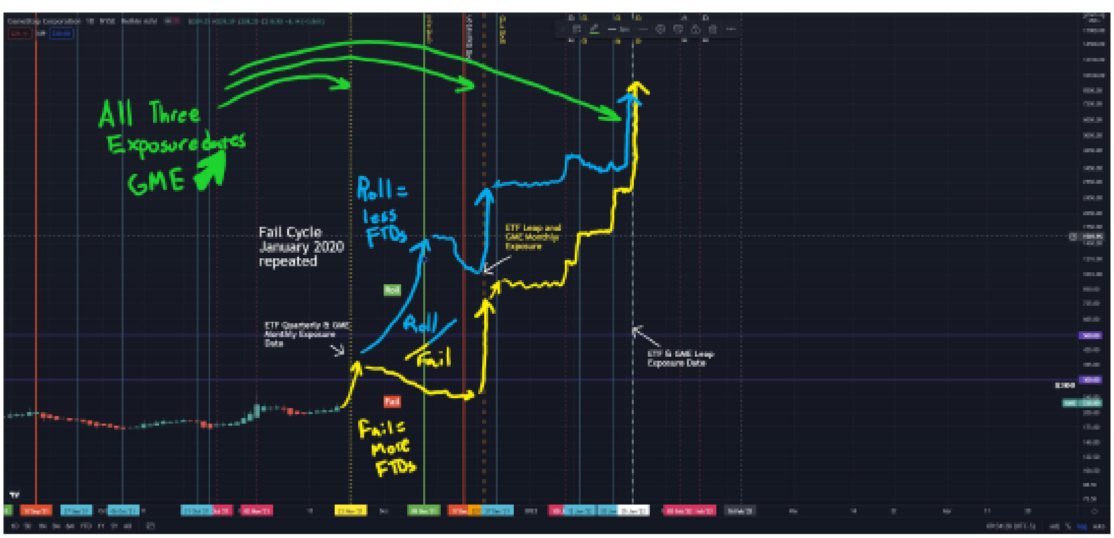
Possible Nov - Jan Fail Cycle

A day-by-day repeat of last Nov - Jan cycle, scaled to current price.



January 2020 on repeat

Smooth Version



Simple breakdown of Roll V. Fail

** These price targets are theoretical, upwards movement on GME is difficult to predict because of the wide bid/ask spread. These examples are to show movement only. At any point during this outside factors like FOMO, announcements from GameStop, or regulation could accelerate the process. This simply defines the movements expected on GME due to the underlying market mechanics presented in Book 1 & 2.*

So as you can see here it doesn't matter which route they go the end result is nearly identical a massive amount of price improvement on GME (there are advantages to each for the shorts which we will discuss later).

Section II: Illiquidity & Buy and Hold

This entire cycle is defined by this last January retail did something nobody ever predicted, in their anger at the system and fuckery that had taken place between January 27th - February 2.

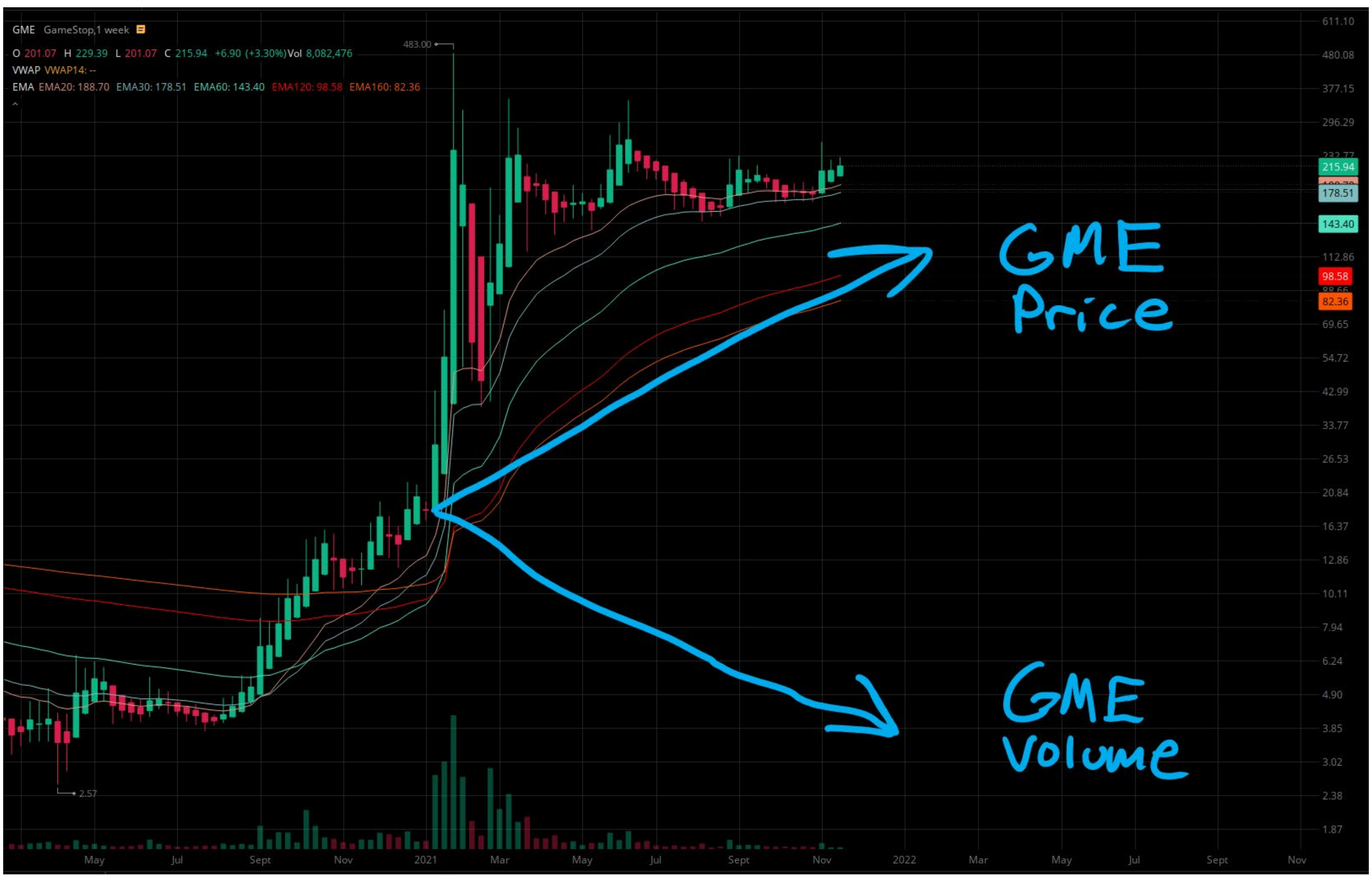
Hundreds of thousands of individuals bought the dip, and not only that dip but every single day since retail has bought shares. Retail bought the shares, they bought the synthetics, they bought the float and then they bought more.

Why?

They, liked the stock.

Then recently they started registering them, which serves to exacerbate the narrow conditions under which the short positions are already forced to operate.

This ownership of the free float of GME is what allows us to see this entire cycle play out each quarter as liquidity dries up it becomes more and more obvious.

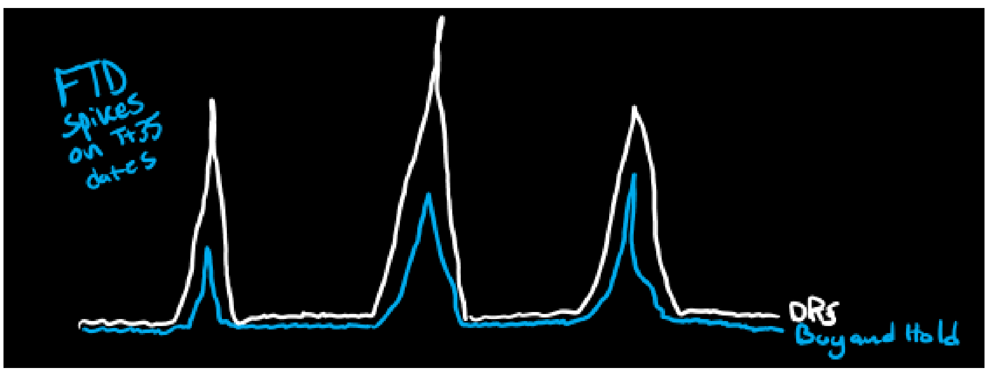


GME Price moves inverse to it's volume traded

DRS accelerates this effect.

Increased slope of both (+ price) and (- volume)

And when FTDs come due after a failure to roll forward the futures contracts we see the effects on those T+35 dates when SHFs are most desperate for shares



FTD spikes multiplied by DRS

So we are starting to see some data that supports the case for DRS in the market.
So with Buy, Hold and DRS already pushing the cycle to the bleeding edge what can retail do to push it over the top.

Part VI: The Final Straw

Section 1: So what if retail is more like DFV?

What would this cycle look like If contracts were carried through the full range of the exposure on these cycles?

> ***remember last year retail's options were cash-settled before the FTD settlements were complete**

> **I have been asked by the mods of this sub not to promote collusion or market manipulation. I will do my best to abide and respect this forums rules.*

If retail had held contracts dated further out and the MMs had been forced to continue hedging those contracts through their exposure dates then Last January would have looked a lot more like this.

Had retail been holding more contracts further out the hedging and internalization would have had to continue much longer and we would have run into the the ETF exposure date in late February at a significantly higher price point.

I want to note here that this means that shutting the buy button off right before retail could FOMO into the following weeks (February 5th) calls, means that act was likely pre-meditated and well thought out, probably more nefarious than indicated in the SEC report. By cash settling large numbers of contracts before the exposure over the next T+2 days and cutting off retail buying simultaneously, they ensured their gamma exposure would be minimal the following week and that enough liquidity would be generated to allow them to settle FTDs. **The timing was perfect.**

The opportunity was present again in June

But due to the share offering many options were once again cash-settled. This subsequently led to ETFs re-balancing GME at a lower market cap and thus caused more selling. This liquidity (~12m shares) allowed diminished FTDs in the September roll cycle.

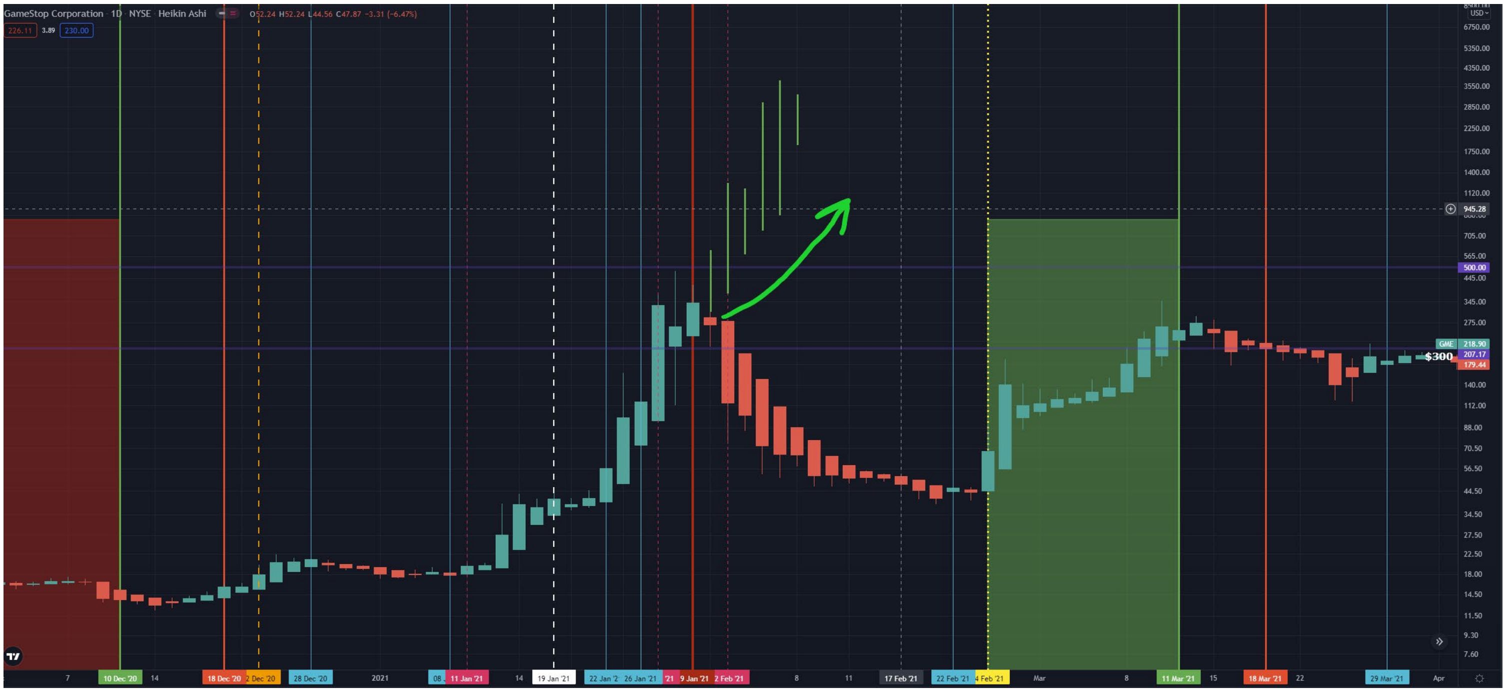
But all that is behind us and 3rd time is the charm right?

So let's be like DFV I think scaling his position will not be market manipulation but simply a look at what his position would look like today and it's effects.

So DFV had April 16, 2021 $12c, on this same day of last years cycle GME was trading at $12.46.

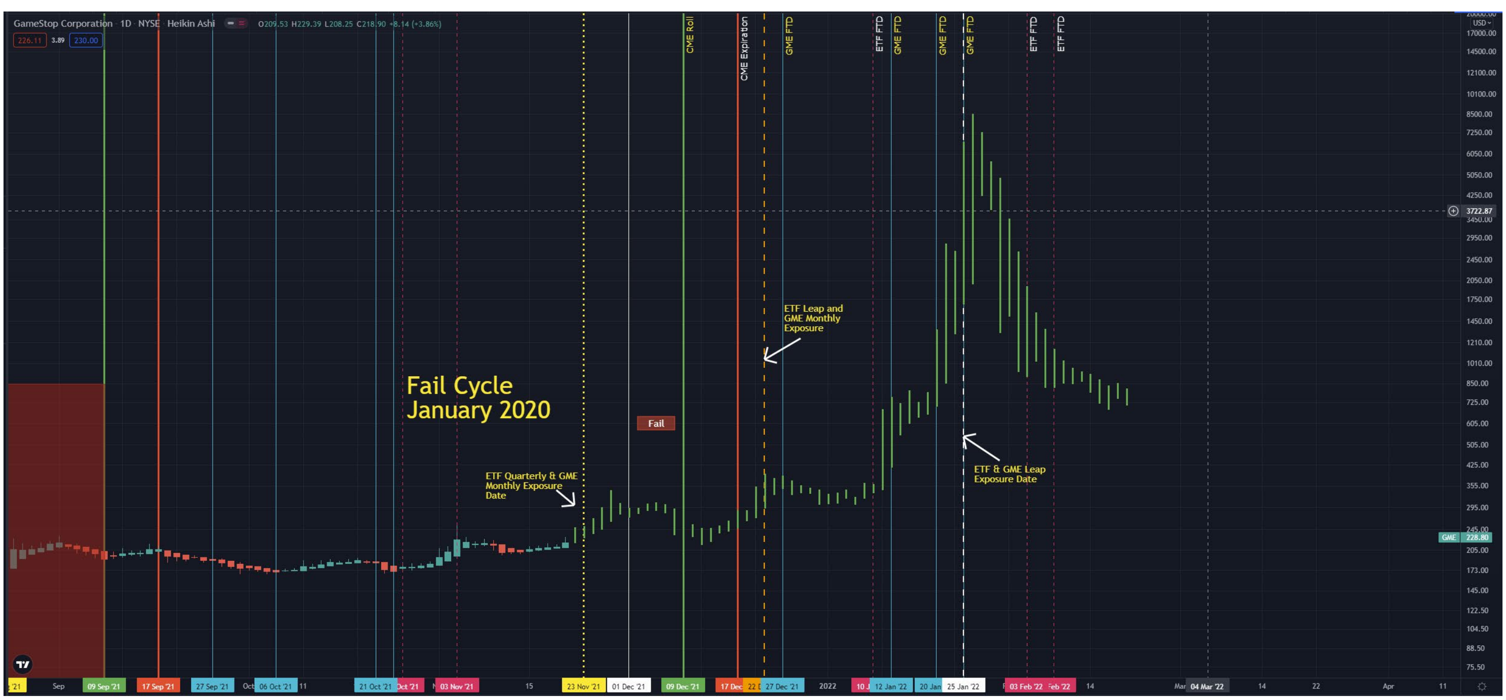
When DFV bought these in late 2019 they were seriously OTM, but the exposure during this cycle made him a millionaire, and an absolute fucking legend.

If everyone had FOMO'd into late dated far OTM options at the beginning of this cycle last year January would have looked a lot more like this



They would have remained exposed to a significant amount of open interest and be forced to continue to hedge into their gamma exposure. GME's market cap would have remained high and it's weight in ETFs would have increased. If this didn't directly cause MOASS the exposure from ETFs/GME options on February 24th would have.

This thesis points to this is all happening again... So if GME experiences the same Climb this year as last, and instead retail holds and exercises far dated contracts (beyond the January exposure). We create can create our own margin call and our own MOASS.



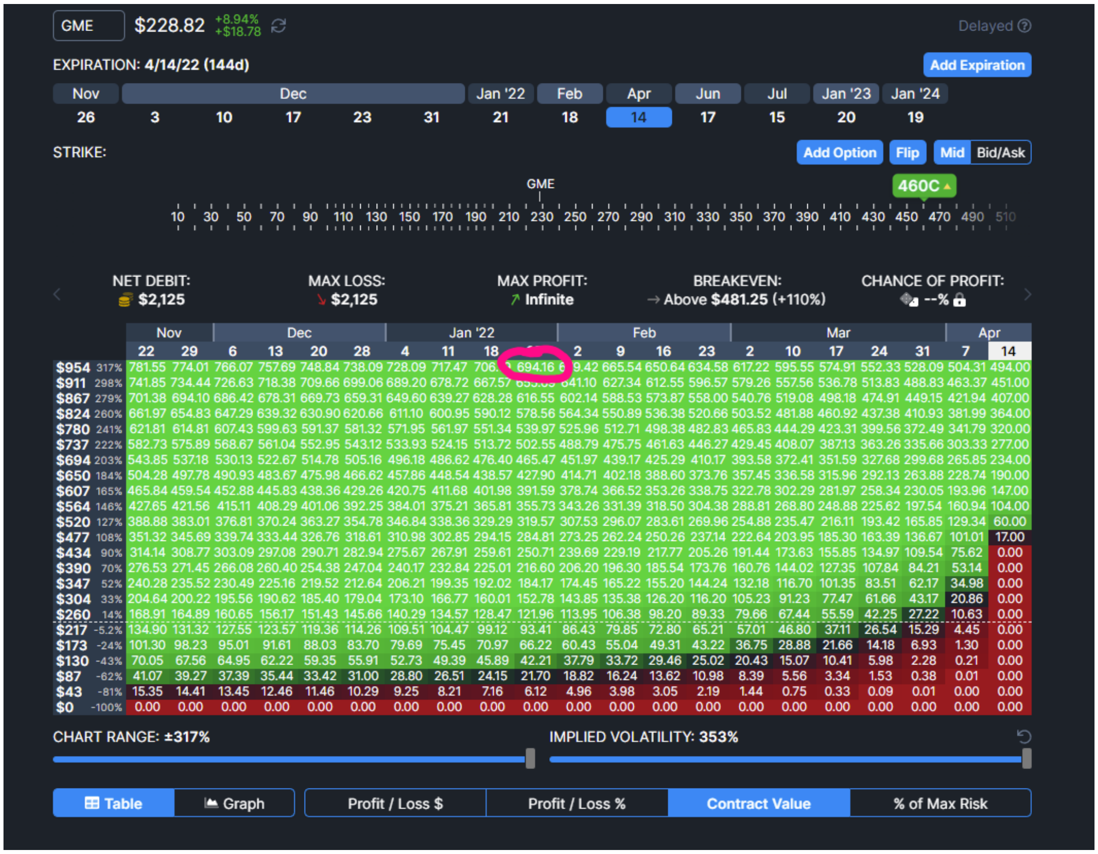
As we see here in this earlier figure if last years price action is repeated exactly GME can peak at around $8000 dollars.

This means that basically every option now matter how far OTM **should** increase far beyond the value of exercising it.

So the closest example I currently have of a contract mirroring DFVs position is an April 14 460c, 2022. When DFV bought his 12c GME was trading around $6, so $12 was about 100% OTM.

Currently an April 460c costs 21.25 or $2,125 and is 100% OTM.

If even 10% of the price action expected occurs and we test $954 on January 25th, this contract would be worth $69,416



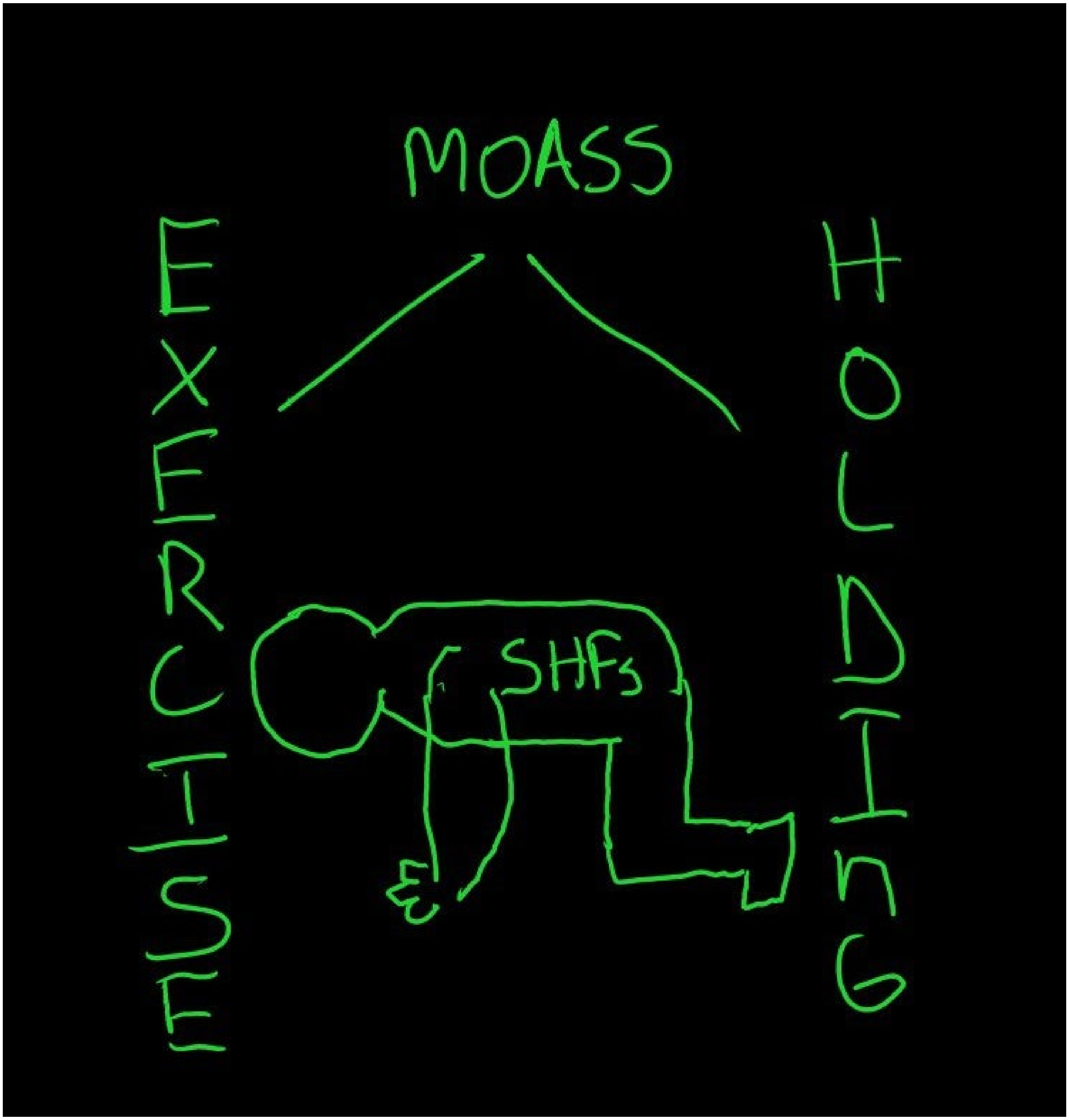
		Nov		Dec				Jan '22				Feb				Mar					Apr	
		22	29	6	13	20	28	4	11	18	[illegible]	2	9	16	23	2	10	17	24	31	7	14
$954	317%	781.55	774.01	766.07	757.69	748.84	738.09	728.09	717.47	706.[illegible]	694.16	6[illegible]9.42	665.54	650.64	634.58	617.22	595.55	574.91	552.33	528.09	504.31	494.00
$911	298%	741.85	734.44	726.63	718.38	709.66	699.06	689.20	678.72	667.57	[illegible]	641.10	627.34	612.55	596.57	579.26	557.56	536.78	513.83	488.83	463.37	451.00
$867	279%	701.38	694.10	686.42	678.31	669.73	659.31	649.60	639.27	628.28	616.55	602.14	588.53	573.87	558.00	540.76	519.08	498.18	474.91	449.15	421.94	407.00
$824	260%	661.97	654.83	647.29	639.32	630.90	620.66	611.10	600.95	590.12	578.56	564.34	550.89	536.38	520.66	503.52	481.88	460.92	437.38	410.93	381.99	364.00
$780	241%	621.81	614.81	607.43	599.63	591.37	581.32	571.95	561.97	551.34	539.97	525.96	512.71	498.38	482.83	465.83	444.29	423.31	399.56	372.49	341.79	320.00
$737	222%	582.73	575.89	568.67	561.04	552.95	543.12	533.93	524.15	513.72	502.55	488.79	475.75	461.63	446.27	429.45	408.07	387.13	363.26	335.66	303.33	277.00
$694	203%	543.85	537.18	530.13	522.67	514.78	505.16	496.18	486.62	476.40	465.47	451.97	439.17	425.29	410.17	393.58	372.41	351.59	327.68	299.68	265.85	234.00
$650	184%	504.28	497.78	490.93	483.67	475.98	466.62	457.86	448.54	438.57	427.90	414.71	402.18	388.60	373.76	357.45	336.58	315.96	292.13	263.88	228.74	190.00
$607	165%	465.84	459.54	452.88	445.83	438.36	429.26	420.75	411.68	401.98	391.59	378.74	366.52	353.26	338.75	322.78	302.29	281.97	258.34	230.05	193.96	147.00
$564	146%	427.65	421.56	415.11	408.29	401.06	392.25	384.01	375.21	365.81	355.73	343.26	331.39	318.50	304.38	288.81	268.80	248.88	225.62	197.54	160.94	104.00
$520	127%	388.88	383.01	376.81	370.24	363.27	354.78	346.84	338.36	329.29	319.57	307.53	296.07	283.61	269.96	254.88	235.47	216.11	193.42	165.85	129.34	60.00
$477	108%	351.32	345.69	339.74	333.44	326.76	318.61	310.98	302.85	294.15	284.81	273.25	262.24	250.26	237.14	222.64	203.95	185.30	163.39	136.67	101.01	17.00
$434	90%	314.14	308.77	303.09	297.08	290.71	282.94	275.67	267.91	259.61	250.71	239.69	229.19	217.77	205.26	191.44	173.63	155.85	134.97	109.54	75.62	0.00
$390	70%	276.53	271.45	266.08	260.40	254.38	247.04	240.17	232.84	225.01	216.60	206.20	196.30	185.54	173.76	160.76	144.02	127.35	107.84	84.21	53.14	0.00
$347	52%	240.28	235.52	230.49	225.16	219.52	212.64	206.21	199.35	192.02	184.17	174.45	165.22	155.20	144.24	132.18	116.70	101.35	83.51	62.17	34.98	0.00
$304	33%	204.64	200.22	195.56	190.62	185.40	179.04	173.10	166.77	160.01	152.78	143.85	135.38	126.20	116.20	105.23	91.23	77.47	61.66	43.17	20.86	0.00
$260	14%	168.91	164.89	160.65	156.17	151.43	145.66	140.29	134.57	128.47	121.96	113.95	106.38	98.20	89.33	79.66	67.44	55.59	42.25	27.22	10.63	0.00
$217	-5.2%	134.90	131.32	127.55	123.57	119.36	114.26	109.51	104.47	99.12	93.41	86.43	79.85	72.80	65.21	57.01	46.80	37.11	26.54	15.29	4.45	0.00
$173	-24%	101.30	98.23	95.01	91.61	88.03	83.70	79.69	75.45	70.97	66.22	60.43	55.04	49.31	43.22	36.75	28.88	21.66	14.18	6.93	1.30	0.00
$130	-43%	70.05	67.56	64.95	62.22	59.35	55.91	52.73	49.39	45.89	42.21	37.79	33.72	29.46	25.02	20.43	15.07	10.41	5.98	2.28	0.21	0.00
$87	-62%	41.07	39.27	37.39	35.44	33.42	31.00	28.80	26.51	24.15	21.70	18.82	16.24	13.62	10.98	8.39	5.56	3.34	1.53	0.38	0.01	0.00
$43	-81%	15.35	14.41	13.45	12.46	11.46	10.29	9.25	8.21	7.16	6.12	4.96	3.98	3.05	2.19	1.44	0.75	0.33	0.09	0.01	0.00	0.00
$0	-100%	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

The cost to exercise this contract $46,000

so for $2125, that's 21.25 per share. Someone could potentially obtain 100 shares of GME.

People holding these contracts through the exposure dates and then exercising at the moment the MMs and SHFs are weakest, they can call the margin themselves.

January calls miss the most significant part of Options and FTD exposure which occurs between late January and Early February.



Section 2: Exercising

So I want to clear up some misinformation regarding exercise and present a couple strategies

Strategy One: Cashless Exercise

Most American brokers offer some from of this and It almost always requires that you call and speak with a representative or the options desk/trading desk.

Essential what happens here is your contract is exercised by the brokerage and then shares are sold to cover the cost of exercise.

So using our earlier example of an April 14th 2022 $460c $21.25.

@ a test of 300 on January 25th with IV + 100% the contract value would be $69.38 or $6,983 and can be sold to buy 23 shares at $300

@ a test of 350 on January 25th with IV+100% the contract value would be 118.46 or $11,846 and can be sold to buy 33 shares at $350

@ a test of 500 on January 25th with IV +538% (same as last January) the contract value would be worth $462.69 or $46,269 and could be exercised for 100 shares of GME. At only $40 ITM this contract could be exercised for the full 100 shares.

The upfront cost $2125

Ok that's great but what if nothing happens?

If by January 25th nothing happens and we remain at 230 with no price improvement (sideways) the contract will be worth $8.56 netting the holder a loss of $1,269.

The 2 for 1 Strategy

This is my preferred strategy for buy options on this cycle I intend to buy them in even lots (2/4/6/8)

This way on a run that surpasses my options strike price by 100% I can sell 1 call and exercise the other with the cash from the first and this way I only lose 50% of my IV value as opposed to 100% with a single contract.

That means any contract that exceeds 100% of it's strike value, you can sell 1 and exercise the second.

So if you have 2 x 250c and the value of the contracts hits $250.00 then you can sell one exercise the second and also capture half the additional value from the sold contract.

For 4 x 250c you can sell 3 at a value of $83.33

So for example a $250c for FEB 18 2022 is worth 32.25 currently.

with 4 contracts totaling $12,900 you could reasonably obtain 100 shares of GME the current market value of which is $22,900 for 100 shares.

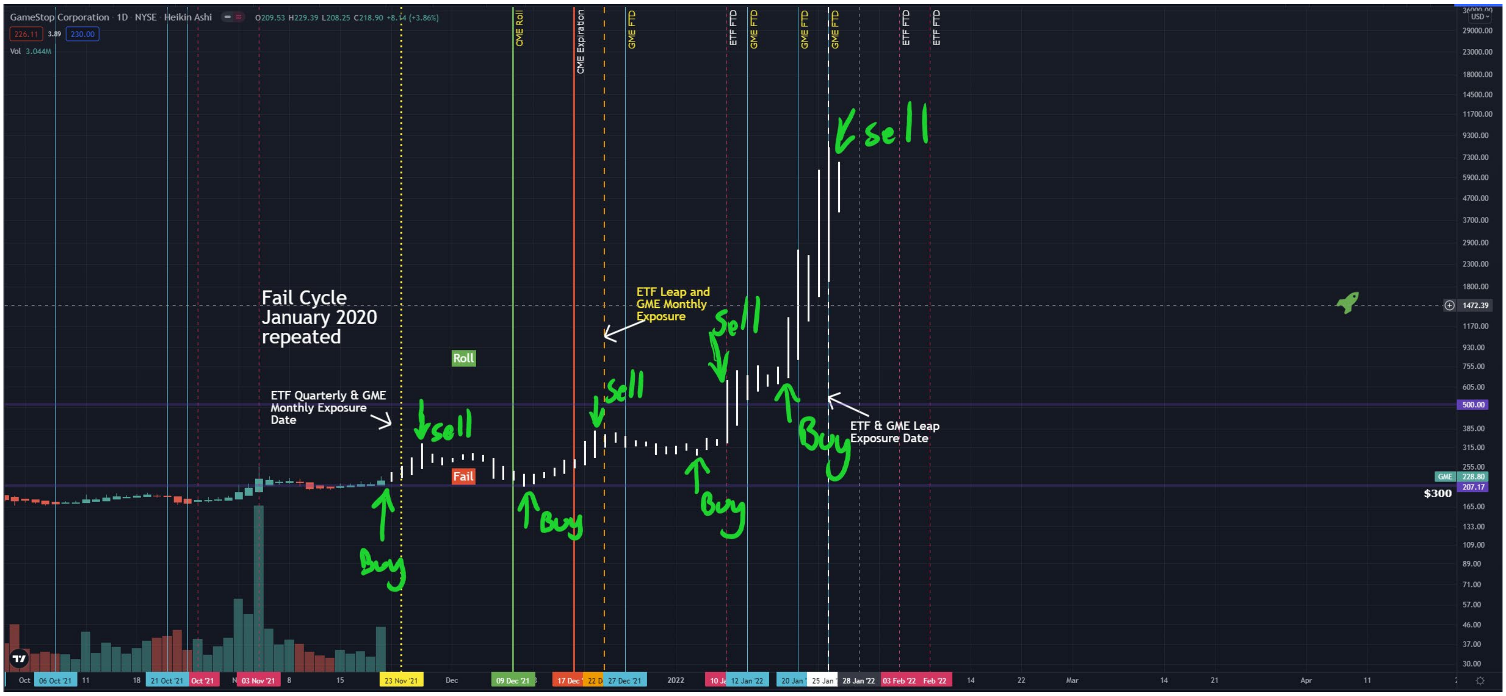
The Average Down

I know many people cannot afford far dated calls even out of the money and so the strategy to profit has to become a bit more complex, this strategy is a bit more high risk but when you have a smaller amount of capital you generally need to take more risk.

Say someone where to purchase a FEB 18 510c current value 11.80 You could sell this contract on every run outlined in this cycle and use that addition capital to buy back in on the dip.

Potentially multiplying your initial capital 4x over the course of the cycle and this compounds.

so here is an example.



By buying the dip and selling the peak that initial investment could multiply significantly by the final run.

Say someone plays it safe and takes profit at 200% (very conservative) that initial $1,180 could grow like this.

1,180 --- 2,360 --- 4,720 --- 9440

at 300% profits

1,180 --- 3,540 --- 10,620 --- 31,860

Now if you factor in increased leverage on each buy netting extra contracts per run and 300% profits

1x contract 1180 --- 3x contract 3540 --- 6x contract 31,860 --- 12x contract 1,146,960

This highlights how quickly that initial investment can grow if the profits are continually rolled forward into more leverage.

(This is not a recommendation to buy these contracts, they are simply used so that I could calculate the data accurately, the range of strikes and dates that apply in this situation are nearly limitless, and should be based on each individuals risk tolerance and preference)

Part VII: Disclaimer

There are many opportunities to profit on this cycle and greed clouds judgement so I will reiterate something that should be heeded.

If you do not understand options this is NOT for you, buy and hold is the only thing that makes this possible. The value of GME shares should increase exponentially, you have your moon tickets, hodl!

For those of you that do understand what I am presenting here the opportunity not only for profit, but likely the essential catalyst for MOASS is outlined very clearly in these three DDs.

The risk for long calls is the premium paid for the contract you cannot lose more than you spend upfront, but, you can lose all of what you spend up front. Never spend more than you can afford to lose, nothing is a guarantee and money can be lost just as easily as it is made.

Part IIX: Conclusion

So tomorrow we enter the T+2 period for gamma exposure on the GME monthly options and ETF quarterly options.

We closed $30 above max pain meaning that a significantly larger portion of the options chain is in the money.

I expect GME will see some fairly significant Gamma Exposure not only from it's monthly expiration but from ETF quarterly expiration as well.

My conservative price targets for the upcoming exposure that should finalize by close on Wednesday is $250 -$280 given our current floor.

If you read through all this then you understand a dip is possible tomorrow as it will serve to drop the price and shake people out of options that were purchased for Nov 11/26. The benefits for them are twofold.

1. The have fewer open contracts to hedge while covering this weeks exposure.
2. People cash settling options will also reduce their exposure for next week.

So if you bought contracts for a run this week as I'm sure many did, they are cheap and retail likes cheap options remember that they have till Wednesday to cover exposure.

I will continue to discuss this DD and give as much information and insight as I can over the next few months on my Livestream during market hours Monday - Friday.

On here when I can but the messages pile up.

Further reading, watching, confirmation, and correlating theories.

I highly suggest you delve into these as well to gain better insight.

Book 1

Book 2

u/Zinko83's Volatility, Variance, and Dispersion, Oh My! (a great look into the effects of Volatility Hedging)

u/Turdfurg23's The ETF Money Tree

All of my stream clips for the last several weeks (sort by date)

Interview with Houston Wade where I lay out this Theory

a huge thanks to my Quants for helping me with all this research over the last 5 months.

and u/criand and u/leenixus for helping break through some of the misinformation surrounding options.

Finally, I want to thank all of you. The people of this community every ape that pushed me to complete this DD and get the word out there in time, my viewership for their words of encouragement and support, even when I was wrong. Without all of you I never would have had the motivation.

I hope everyone takes the time to read through these, and understand what I'm presenting.

See you tomorrow...

- Gherkinit

Disclaimer

** Although my profession is day trading, I in no way endorse day-trading of GME not only does it present significant risk, it can delay the squeeze. If you are one of the people that use this information to day trade this stock, I hope you sell at resistance then it turns around and gaps up to $500.*

**Options present a great deal of risk to the experienced and inexperienced investors alike, please understand the risk and mechanics of options before considering them as a way to leverage your position.*

**My YouTube channel is "monetized" if that is something you are uncomfortable with, I understand, while I wouldn't say I profit greatly from the views, I do suggest you use ad-block when viewing it if you feel so compelled. My intention is simply benefit this community. For those that find value in and want to reward my work, I thank you. For those that do not I encourage you to enjoy the content. As always this information is intended to be free to everyone.*

**This is not Financial advice. The ideas and opinions expressed here are for educational and entertainment purposes only.*

** No position is worth your life and debt can always be repaid. Please if you need help reach out this community is here for you. Also the NSPL Phone: 800-273-8255 Hours: Available 24 hours. Languages: English, Spanish. Learn more*