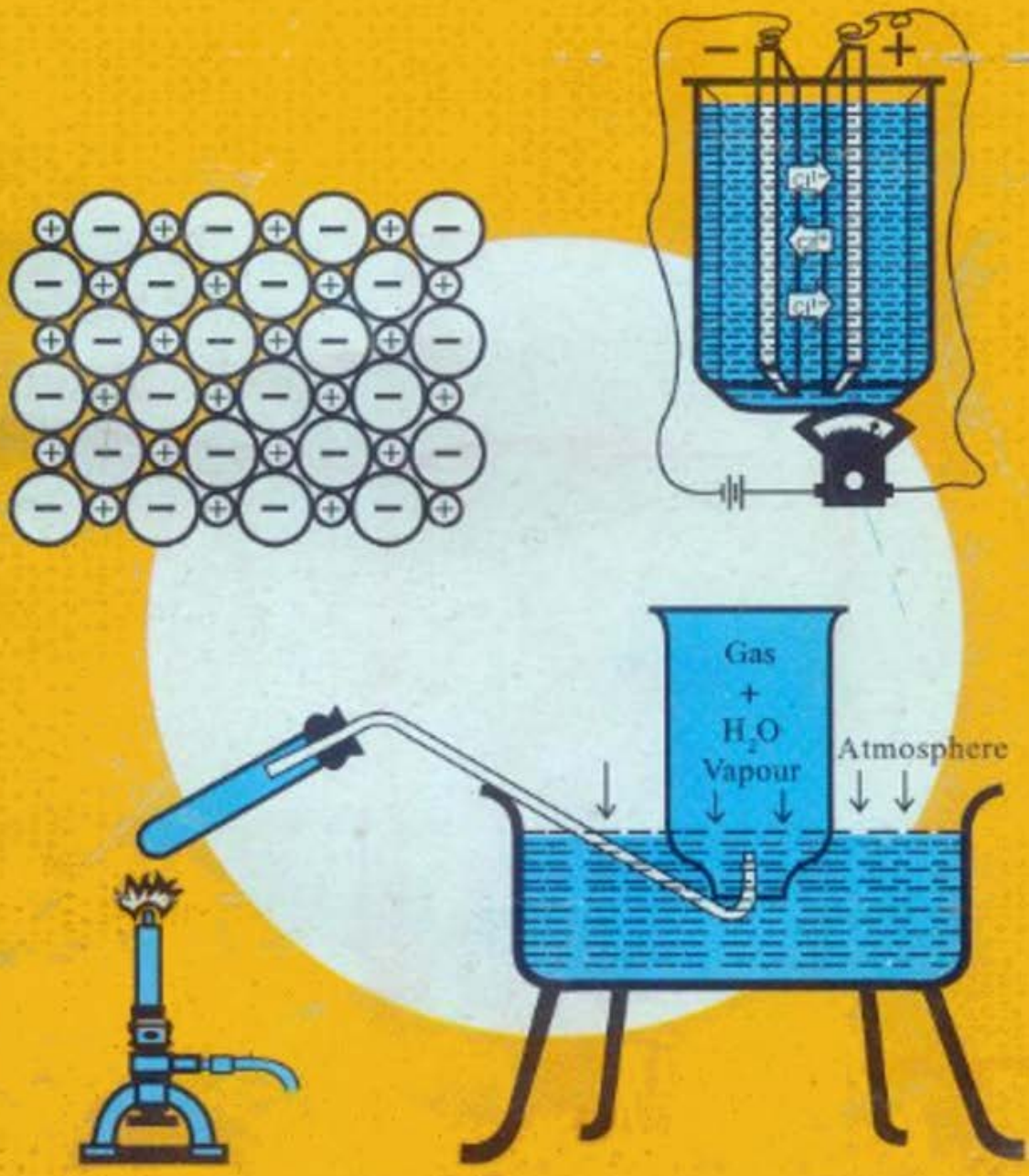
GME & Evidence of Predictable Cycles

Parts I - II - III



U/LEENIXUS

$GME & Evidence of predictable cycles - GME Explained Part #1

Due Diligence

This is not financial advice. I am not a financial advisor. This is my own research on GME and is how I invest. It's risky and may not be suited for others.

Pre-Introduction - What actually happened & the GME Cycle

In this DD i'm going to try and help you understand certain market mechanics that caused the **January 28** NSCC "Margin call" & why GME mooned again on **February 24** and why it keeps trying to do the same every 90 days like it did in February, May, August and again soon in November.

These mechanics have **NOT** been explained by anyone.

What you're going to learn in this DD

1. When exactly (Down to the DAY) GME moons every 90 days
2. What really happened on January 28,
3. What really happened on February 24, how, why and WHAT caused that runup happened.

Sources:

I'm going to cite sources like DTCC's own documentation but not all of it otherwise this DD is going to be even longer than it already is & i can't be arsed to re-find all this stuff and post em for you, so just trust me bro. Additionally I'm going to cite SEC's own documentation, Finra's own documentation and all the new SR-NSCC / SR-DTCC regulations that came into effect over the past 7 months.

I'm also going to do my very best to also make it people friendly which is really hard due to the complexity of this stuff, but i'll friggin try.

Please try and follow me on this because it will put a lot of things in perspective for you about GME.

Additional Pre-Introduction - Evidence of Predictable Cycles

I solidified my findings during this last August GME cycle and verified that it's truly possible to know when GME will do it's usual runup.

I have/had 2 pieces of evidence

- TradingView prediction created 1-2 days before the August Cycle showing the August Cycle
- My deleted DD that I can't be bothered to find on the wayback machine or wherever it's archived that I made citing the August 24'rd cycle. Honestly I truly can't be arsed to look for it. Feel free to find it.

I'm writing this DD and this part of it so that

1. People can understand all this stuff better.
2. To have even more evidence of predictable cycles for the next cycle. That way whoever poop-calls this DD can get shat on in November when GME does a mini moon again.
3. So that people can have actionable DD and not regurgitation DD where everyone keeps repeating the same stuff like: "DRS IS GOOD, HERE IS WHY" or "THE NUCLEAR BOMB OF 2008 BLA BLA YADA YADA". These DD's offer nothing actionable and are just useless noise.

Other users who discovered the cycles

u/PWNWTFBBQ

On top of all this, I would like to point out to everyone that u/PWNWTFBBQ figured the same thing out (When each GME cycle will occur) within a day/days of myself but by reverse engineering it using **pure math** without knowing anything about market mechanics.

Her DD is named the **"algorithm has been doing this stuff for years".** Lots of Twitter or Youtube people seem to be stealing her DD, not attributing her whilst claiming her DD as their own. Due to this, u/PWNWTFBBQ seems to also be getting bashed and getting hate by said Tweeters or Youtubers & followers of.

If you're one of the many people who just bash u/PWNWTFBBQ because you heard she's "bad" because someone told you so, well, lol.

u/gherkinit

The Gherkin! He seems to be quite aware of the cycles but also in a slightly different way than myself & PWNWTFBBQ. In addition to the regular cycles, he talks about the GME ETF Leap expiries & GME Leap Expiries that occur in December and January and how these could be big price drivers. It's best you check out his posts & DD for a more clear picture of what he brings to the table. Specifically this has some decent info moon_on_the_horizon_and_a_look_at_102521_102921/.

Apologies to others whom i'm unaware of.

[Let's go | Section #1]

Finding a GME Cycle/Runup - The Mega TLDR

It's so easy it's dumb that it's so easy to figure out. I'm going to spoon feed you how to know the exact date of every future GME cycle/runup/green candle dong in this section.

Which months

1. February
2. May
3. August
4. November

Which days

1. Find the 3'rd Friday of that month.
2. The Tuesday 4 calendar days later or 2 business days later is the day where the first green GME dong appears.

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[Finding a GME Cycle | Section #2]

Finding the Month of a GME cycle

1) Go to your local CME Group equity bar

- https://www.cmegroup.com/trading/equity-index/rolldates.html

2) Find the next futures/swaps/forwards roll date

Roll Dates for Upcoming Equity Index Quarterly Futures

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

3) Now take the month which in this case it's the 12'th Month of the year which is December and take away 1 month. The month before the month where futures are rolled is always the GME runup month.

Since 12 minus 1 is 11 and some of you can only count to potato, the month the next GME cycle is happening is:

- *November*

Yep, it's November and then it's February.

Conclusion

The GME cycle month is always the month before the futures/swaps roll month. I told you it's simple.

Finding the EXACT Day of a GME runup Cycle

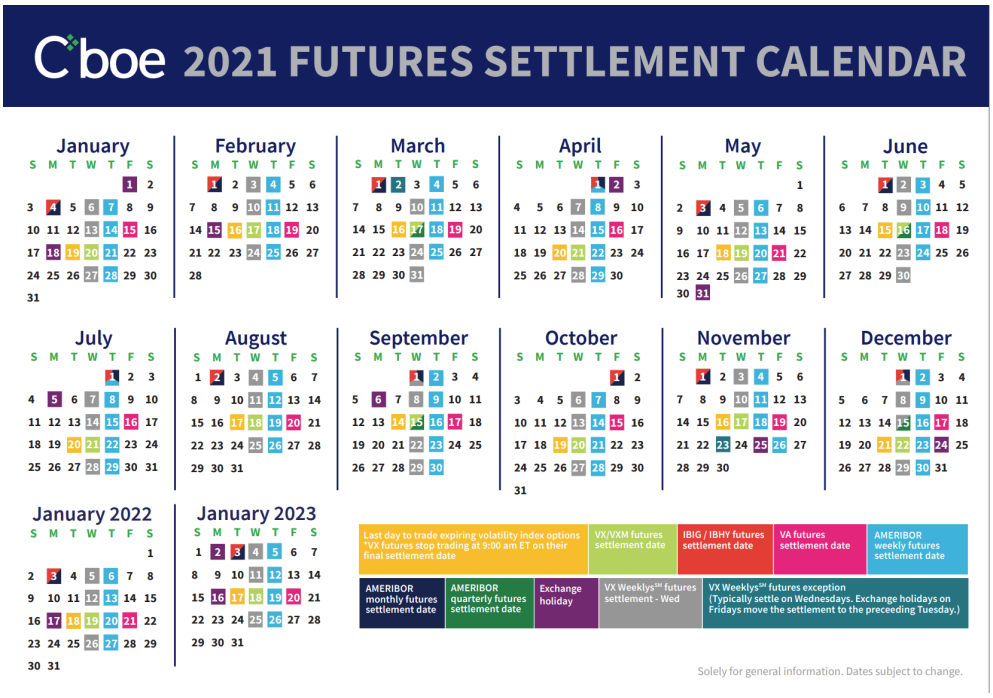
So once a month all option trades are cleared. Clearing officially starts 2 business days after the 3'rd Friday of every month and is almost always during the Tuesday after that very special 3'rd Friday.

Additionally keep in mind that there's such a thing as:

- Quarterly options clearing.
- Yearly/leap option clearing.

Obviously quarterly options clearing happens once a quarter for options expiring on the quarter end & yearly/leap clearing. There's even ETF leap option clearing. I haven't looked deep into these, but u/gherkinit has, so you can take a look at his posts for more info.

Here's the CBOE map of the various events such as options expiry and such that occur throughout the year.



As far as i know, yearly/leap option clearing happens in January & ETF yearly/leap expiration happens in December. That would mean that clearing would happen partially on the expiry month but mostly during the NEXT month for reasons i'm explaining in the section of this DD called: **"Option Trades made during the last SLD Deposit Day"**

Enough with this wrinkly stuff, just tell me *wen Next Runup Date*

The day memestonks & GME will runup is always 2 business days after the 3'rd Friday of the quarterly month such as February, May, August & November. **The next date is November 23.**

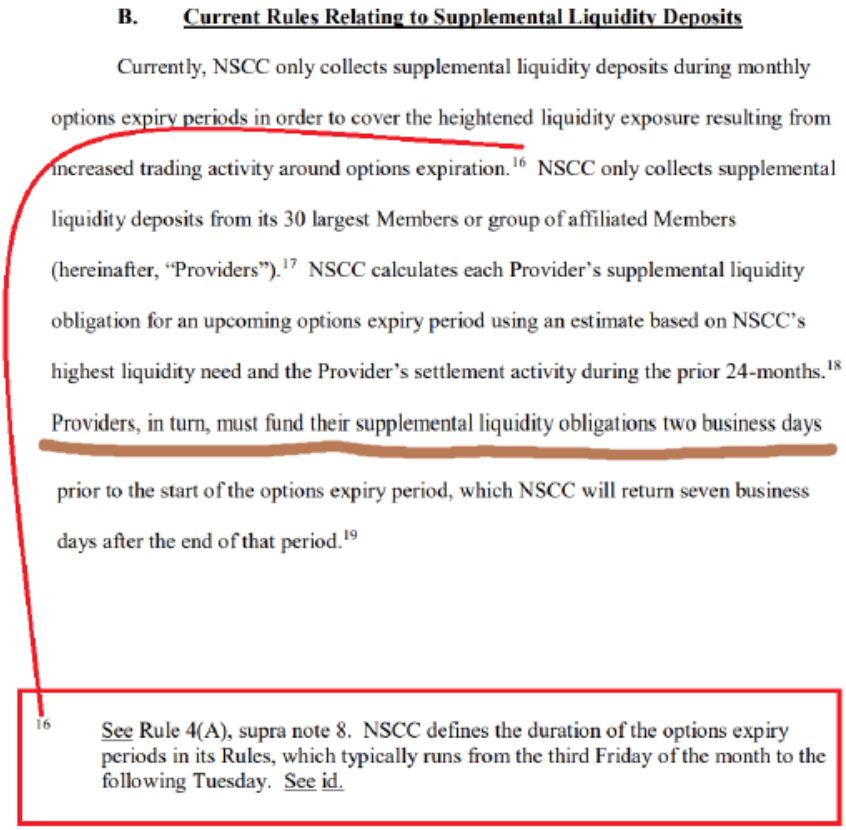
Why do memestonks runup every 90 days?

The people who clear options are, well, the NSCC/DTCC. (Depository Trust & Clearing Corporation, National Securities Clearing Corporation). They're both the same company/corporation/umbrella.

The OCC (Options Clearing Corporation) which is also part of the DTCC umbrella is also part of this loop.

How it works:

1. The OCC transmits TO the NSCC that month's estimated option clearing volume e.g how much people bought, sold, exercised options.
2. The NSCC then asks the 30 top largest NSCC participants which are mostly the big banks and some others to give them money vaguely enough to clear / net (Really it's called Netting) those option trades. Netting is just a fancy word for doing basic math to bring their books to zero. It just means 1 Sell - 1 Buy = 0.
3. The timeframe in which the top 30 largest NSCC participants have to deposit that money to clear those trades is the **3'rd Friday of every month** & the 2 days preceeding/before it.



B. Current Rules Relating to Supplemental Liquidity Deposits

Currently, NSCC only collects supplemental liquidity deposits during monthly options expiry periods in order to cover the heightened liquidity exposure resulting from increased trading activity around options expiration.[16] NSCC only collects supplemental liquidity deposits from its 30 largest Members or group of affiliated Members (hereinafter, "Providers").[17] NSCC calculates each Provider's supplemental liquidity obligation for an upcoming options expiry period using an estimate based on NSCC's highest liquidity need and the Provider's settlement activity during the prior 24-months.[18] Providers, in turn, must fund their supplemental liquidity obligations two business days prior to the start of the options expiry period, which NSCC will return seven business days after the end of that period.[19]

[16] See Rule 4(A), supra note 8. NSCC defines the duration of the options expiry periods in its Rules, which typically runs from the third Friday of the month to the following Tuesday. See id.

Sources: Here's the source of the above 3 informationseses.

- https://www.sec.gov/rules/sro/nscc-an/2021/34-91770.pdf, read page 3, 4, 5 AND the friggin footnotes of those pages.
- Here's the same friggin document from the DTCC but in TLDR mode: https://www.dtcc.com/-/media/Files/pdf/2021/6/21/a9018.pdf
- SR-NSCC-801 making this SLD clearing DAILY: https://www.dtcc.com/-/media/Files/pdf/2021/6/21/a9018.pdf

So! Thus far

So so far we know that:

1. The top 30 big bank boys need to give money to the NSCC/DTCC once a month to clear/net the OCC's option trades that people buy, sell, exercise, expire worthless etc.
2. The effect of this clearing is bullish or bearish depending on the amount of options cleared, the amount exercised, the trade direction (long, short), share availability, strike, etc etc.
3. If there's money leftover after clearing (which there usually is) it's returned ~2 weeks later.

I'll provide a bit of guidance here and tell you that SR-NSCC-2021-801 does NOT make the SLD/Deposit cycle DAILY, it adds the option for them to make it on any day IF and only IF they chose to.

Right now what's happening is that the cycle is only occuring monthly and they're not really doing this stuff daily. I make this statement based on my personal observations of the GME, SPY and other charts during the SLD cycle and i believe that the "DAILY SLD" is something they're keeping in the drawer/shelf for when it's truly needed (January repeat) so they can deal with the clearing of all this stuff & not almost collapse like January.

November 03 Update: I've noticed that the monthly SPY drop happened 1 week earlier & the GME runup happened 2-3 weeks earlier. Let's see if NSCC members have enacted the monthly SLD cycle earlier than normal by use of **SR-NSCC-801.**

We'll find out on Nov 23 whether they've attempted to rugpull us by enacting the cycle earlier to deny us the obvious November 23 runup. Joke's on them though.

Example - What an SLD Cycle Looks Like

****The SLD in SLD cycle means: Supplemental Liquidity Deposit"***

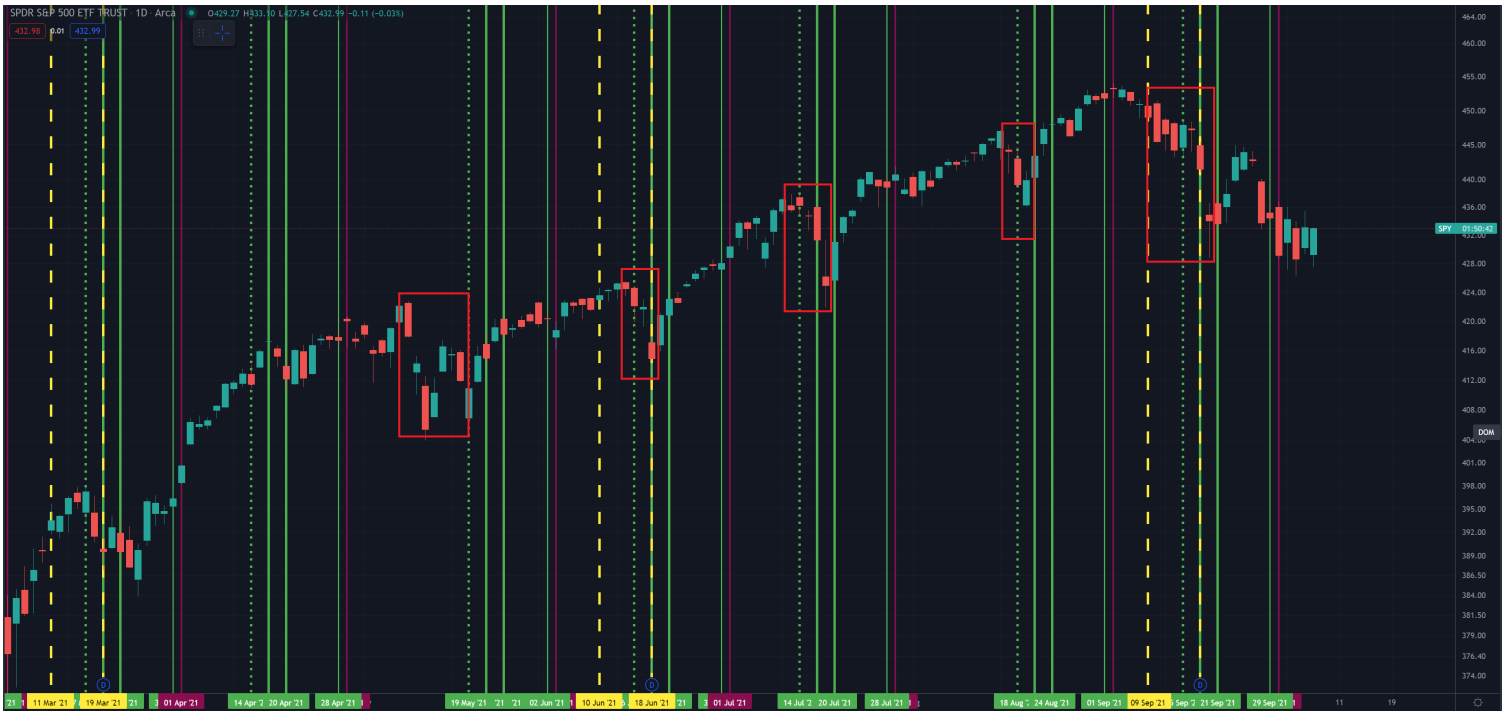
Now, let's see what happens to the market during the week leading up to the Friday NSCC deposit deadline. The SLD requirement is MARKET-WIDE and affects ALL stocks/equities and it affects every equity differently.

SPY (SP500) SLD Cycle Example

Within the red square is the week where in the last 3 days of the week the Top 30 NSCC members which are mostly ALL the big banks need to deposit their Supplemental Liquidity Deposit or SLD with NSCC/DTCC.

Again, the deposit days are always **the third Friday of every month and the 2 days before it.**

- Dotted Line = Wednesday (NSCC Deposit line is open)
- Solid Bright Thick Green Line = Friday (The deposit deadline)



Look at this friggin chart for a bit.

Do you notice that the ~5 days preceding the 3'rd Friday every month, the SP500 index dumps? Consistently too? It then proceeds to recover on the next Tuesday :) I don't understand exactly why this happens and can only make assumptions.

The only assumption i can make as to WHY is that by lowering the price or performing some sell-offs, the market and some equities can trade lower & so when it comes to clearing those trades, less money is used from the SLD & the banks save money.

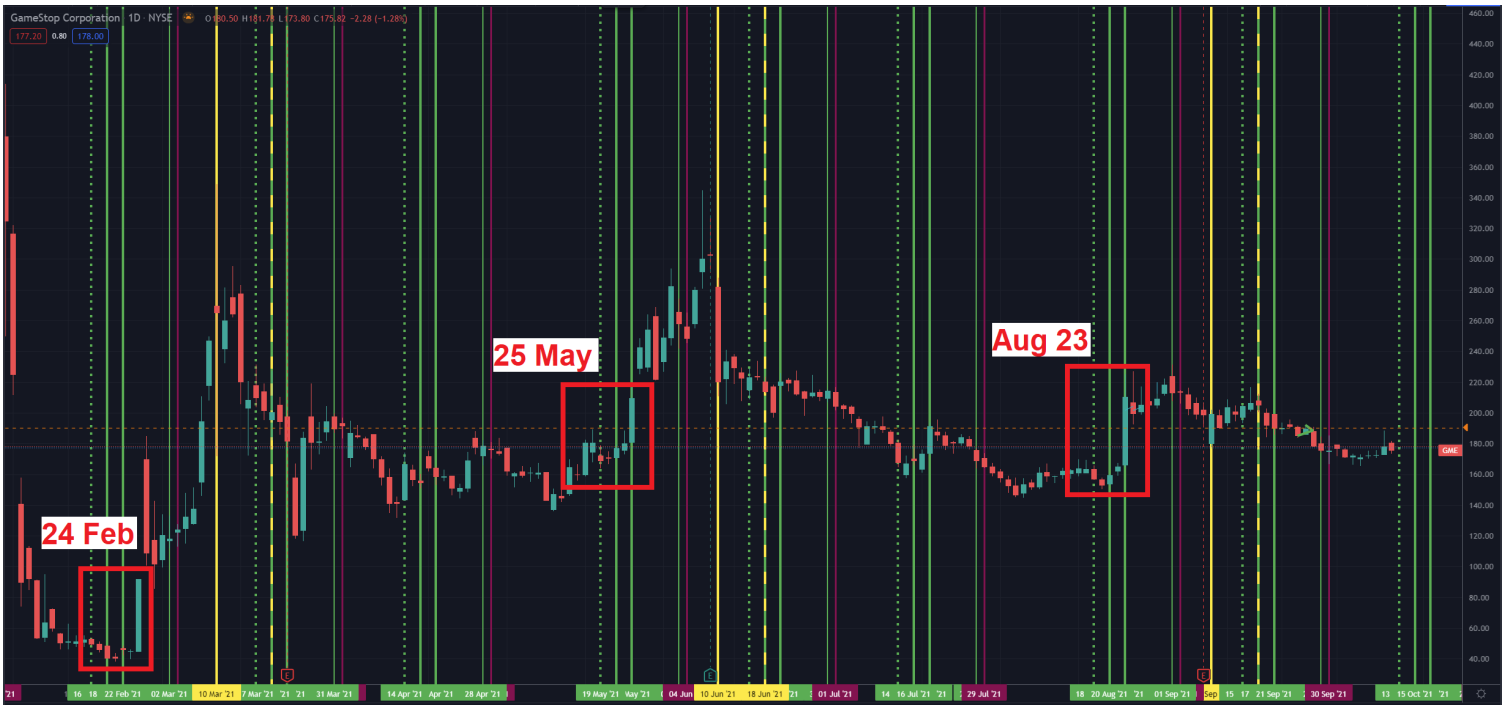
GME Example

In this example, you're seeing the day on which the GME dong appears. The progression is Feb 24, May 25 and Aug 23.

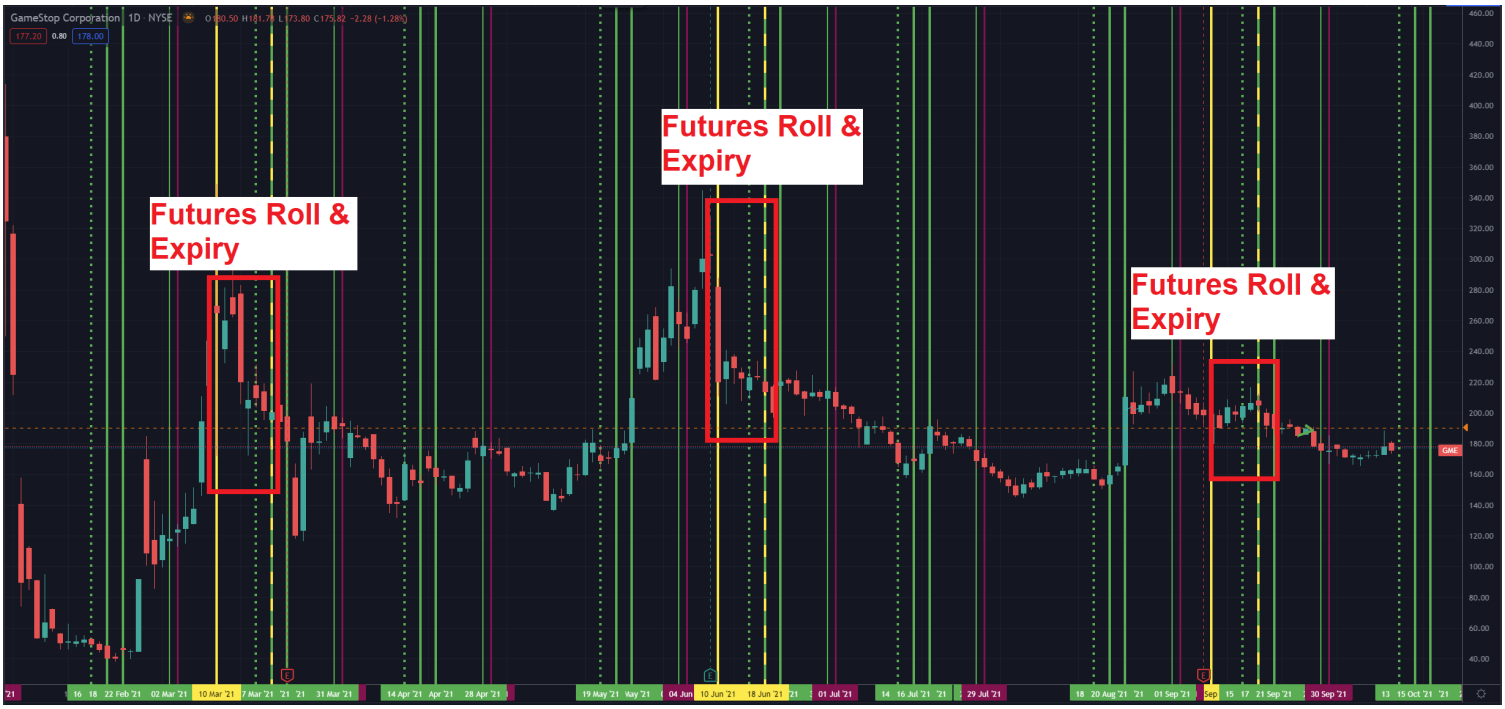
Legend:

1. Dotted Green Line: **NSCC SLD Deposit Period Opens**
2. Bright Fat Green Line: **3'rd Friday of the Month / SLD Deposit Deadline**
3. Second Bright Fat Green Line: **Tuesday next Week**
4. Thin Pale Green Line: 6'th and last to final day of CNS/Netting
5. Red Line: Last day of option netting & return of remaining SLD to banks.
6. Yellow Line: **Futures Roll Date**
7. Dotted Yellow Line: **Futures Expiry**

You'll notice that as i previously said that the month where GME moons is ALWAYS the month before the futures roll month (First Yellow Line = Roll Date) and that it's almost **always the Tuesday after the 3'rd Friday of every month every 90 days.**



Some extra information here, any time between the date that futures will be rolled forward & futures expiry in the next month, GME takes a dump. Incidentally, this is also ALWAYS when GME earnings are scheduled. Make your own conclusion as to why this happens, i have mine.



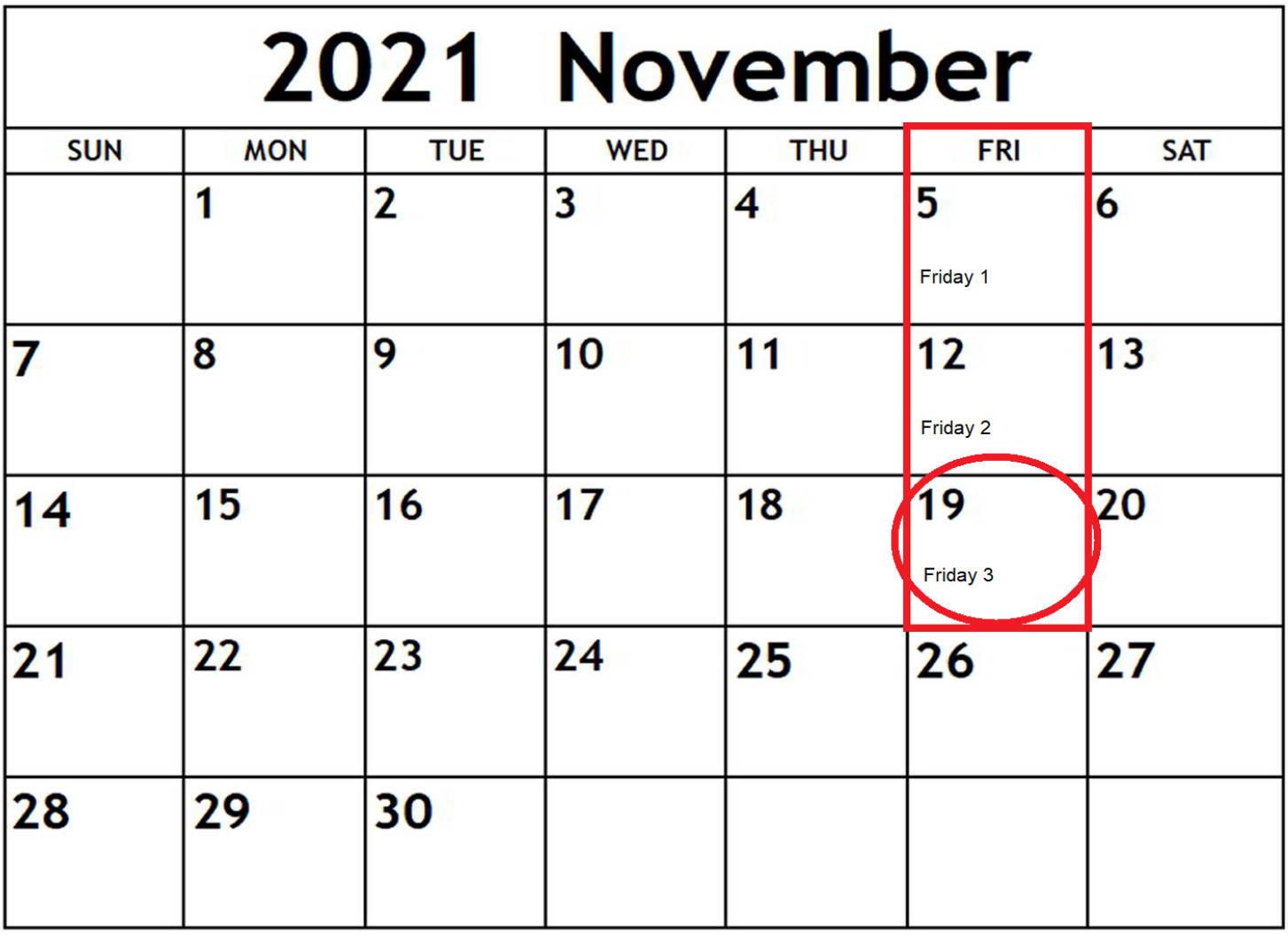
Let's Breakdown the NSCC Deposit / SLD Cycle

The NSCC SLD deposit cycle consists of multiple phases and they are as follows in top to bottom order.

1. Deposit the SLD Cycle ('3rd Friday of every month & the 2 days before)
2. If this SLD cycle is the one before the swaps and futures roll month, then the first big GME green mega-dong-candle on the chart appears exactly on the following Tuesday. Some rare exceptions apply due to holidays that can shift this day by +-1day.
3. Options Netting/CNS period (Tuesday AFTER the 3'rd Friday of the month +6 business days that follow)
4. Returning the remaining unused SLD cash back to sender (Point #2 above, but it's the 7'th business day after that Tuesday)

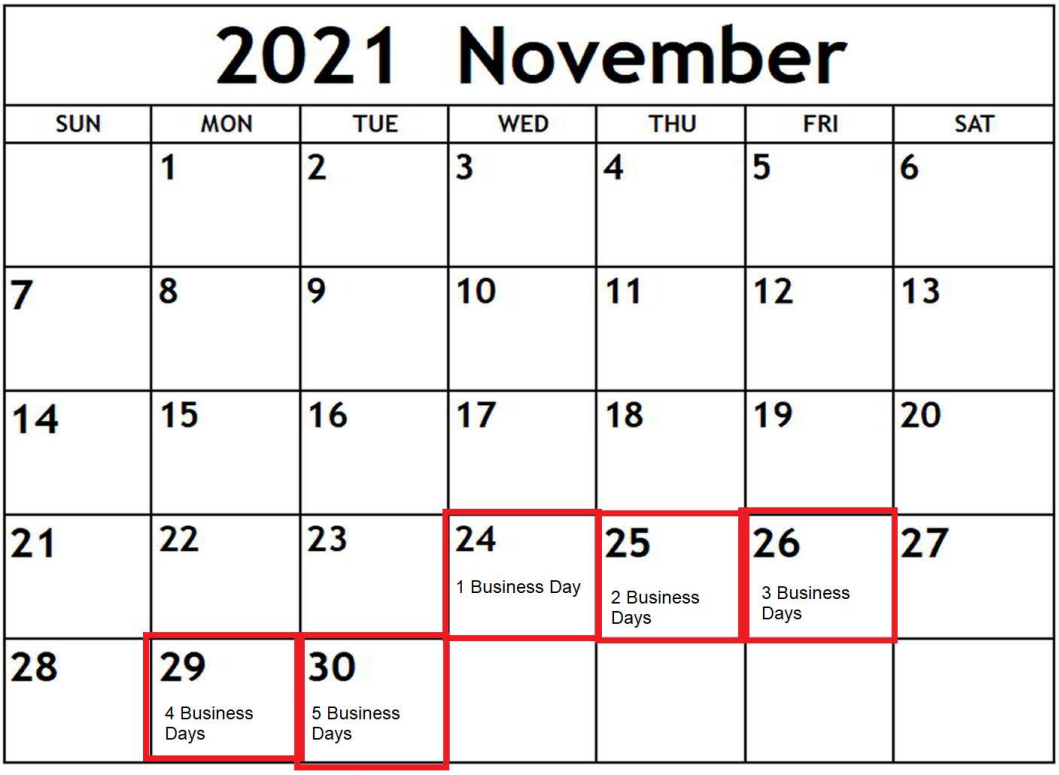
Let me make it simpler and add pictographs using the next November GME cycle below.

0) Find the 3'rd Friday of the month that comes before the futures/swaps roll month.



1) NSCC SLD Deposit Cycle

2) Options CNS Netting Period & The SLD Return Period



SUN	MON	TUE	WED	THU	FRI	SAT
			1 6 Business Days	2 **7'th Business Day**	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

2021 DECEMBER

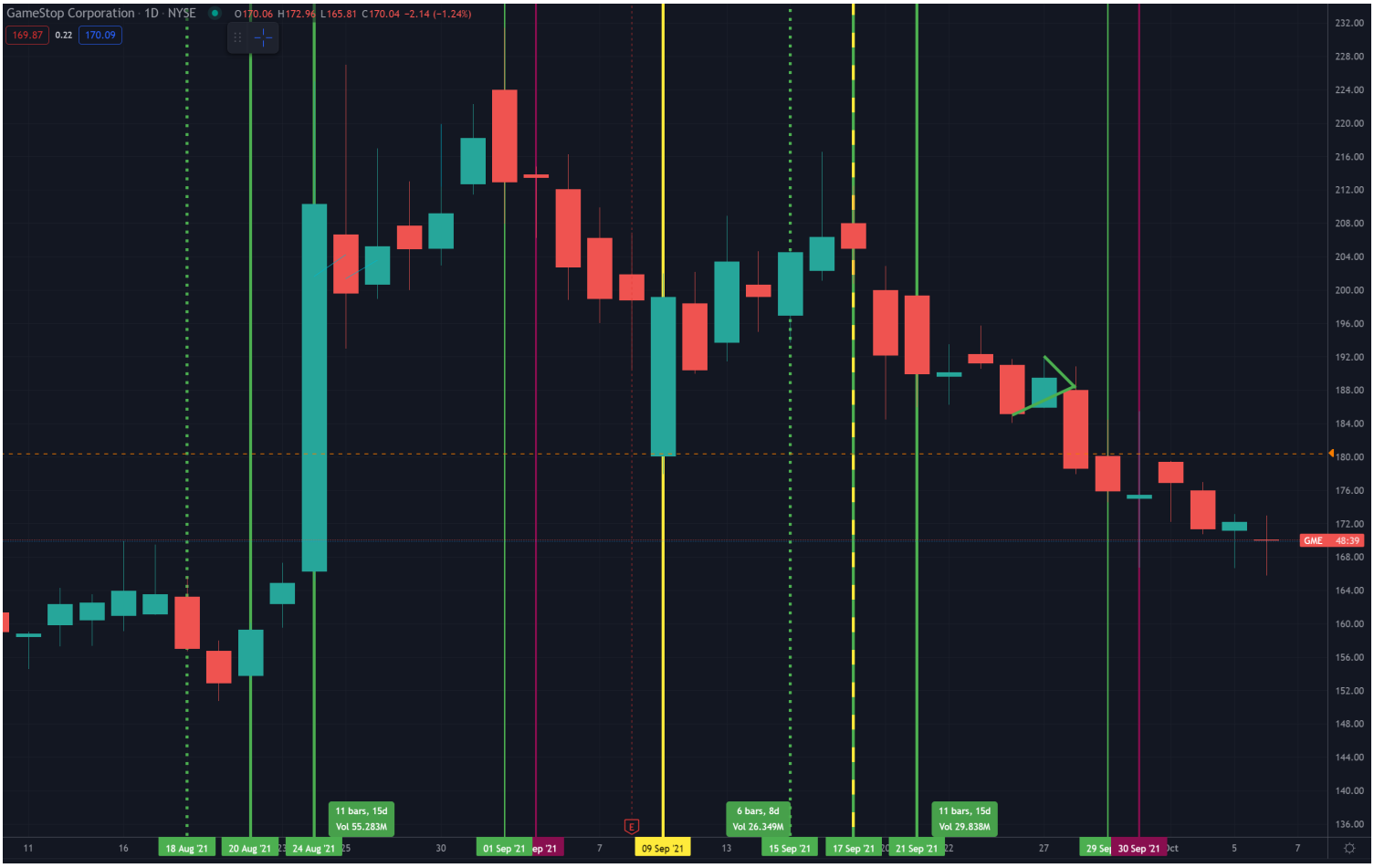
Whatever SLD remains in the NSCC account after the 7'th day is returned to the 30 NSCC largest members/participants. Remember this because this is crucial to understand the 28'th of January "Margin Call" :)

Lets visualize the August GME Cycle SLD Style

This is the anatomy of a GME cycle, specifically the August cycle

1. Dotted Green Line: **NSCC SLD Deposit Period Opens**
2. Bright Fat Green Line: **SLD Deposit Deadline**
3. Second bright Fat Green Line: **Tuesday next week**
4. Thin Pale Green Line: **6'th and last to final day of CNS/Netting**
5. Red Line: **Last day of CNS & SLD remains returned to banks.**
6. Yellow Line: **Futures Roll Date**
7. Dotted Yellow Line: **Futures Expiry**

GME August Cycle Chart



- Tuesday after the 3'rd Friday of August had the mega green candle.
- This continues until the last couple of days where the SLD is returned to banks.
- Then it's back to shorting the underlying for 80 days until the next 90 day cycle.

This cyclage seeems to apply itself to a huge number of stocks out there. Some run up a lot, some runup a little. Others are negatively corelated and instead run-down instead. Meme stocks in general will runup, others less or more than others.

The duration of the runup also varies between memestocks, for some, the runup goes on for 1 week whilst for others it's only for 1 day or less.

DORITO OF DOOM PLUG

Made by u/BadassTrader. Basically this guy, just using TA can see when the next runup is going to happen give or take +-1 week. Not bad for "NooOOooooo, You can't use TA on GMEEE" eh?

Check his DORITO OF DOOM post/s. As funny as it may sound, i believe that this is the one true and correct wedge. When TA is at it's simplest, that's when it's the most accurate.

Option Trades made during the last SLD Deposit Day

- Let's say you have GME option contracts that are IN THE MONEY / ITM
- Let's say that these have an expiry date that is on the 16'th of April (3'rd Friday of April)
- If you don't touch them, because they are ITM, they will get auto-exercised and netted appropriately in your account upon expiry.

Knowing what you know, you'd assume that these options will get cleared +2 business days later

If someone like DFV exercised his leaps or quarterly options within the 3'rd Friday of the month which is the last day/deadline for the banks to deposit their SLD for options clearing, then DFV's options exercise does not get cleared on that month. They get exercised +1 month later during the NEXT SLD Cycle.

DFV actually did this. He exercised his options on April 16 which was the 3'rd Friday of that month. He thought that by doing that, he was going to cause a runup. Unfortunately he was not aware of this mechanic.

Evidence shows that RC was kind of hopeful that DFV's exercise was going to do something if you review the timeline of his tweets as he posted several "poo" tweets right after DFV"s exercise and nothing happened to the price of GME. At least, that's how i see it and i could of course be wrong cause this is tinfoilage.

I believe both RC & DFV were hopeful that the exercise was going to do something, but were not aware that exercising on the last day of the SLD deposit has the effect of carrying over the option clearing to the NEXT month.

Indeed during May, we had a GME runup cycle just 2 business days after the 3'rd Friday of the month and it was a good one.

TLDR

People bought a metric friggton of options in a very small amount of time. For Gamma squeze and short squeze reasons, those options went ITM, everyone won. Repeat. In the end the SLD payout prize for all the winners became HUGE.

This cycle was bound to go into an endless repeating loop and no one could/would pay for it due to how the market mechanics/regulations on how the SLD works were set up and so the whole thing “had” to be forcefully stopped.

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January 28 Explained | Section #2

Visualising the January 28 2021 SLD Cycle

To clarify,

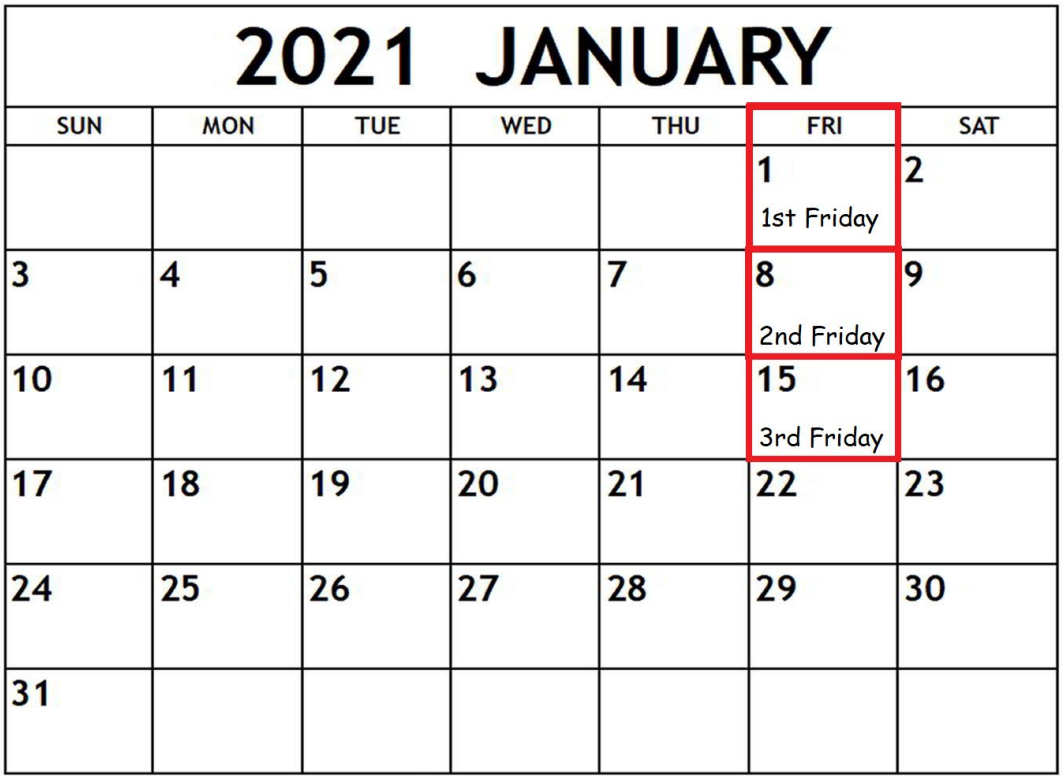
January was NOT part of the quarterly / 90 day / 3 month cycle. January was something else. FEBRUARY was a GME 90 day cycle.

First let's overlay the SLD period on top of the January Calendar & then show it visually on a chart. I bet you will stuff your pants and suddenly everything will make so much sense and all the fud in the world will be dispelled. You're whalecum.

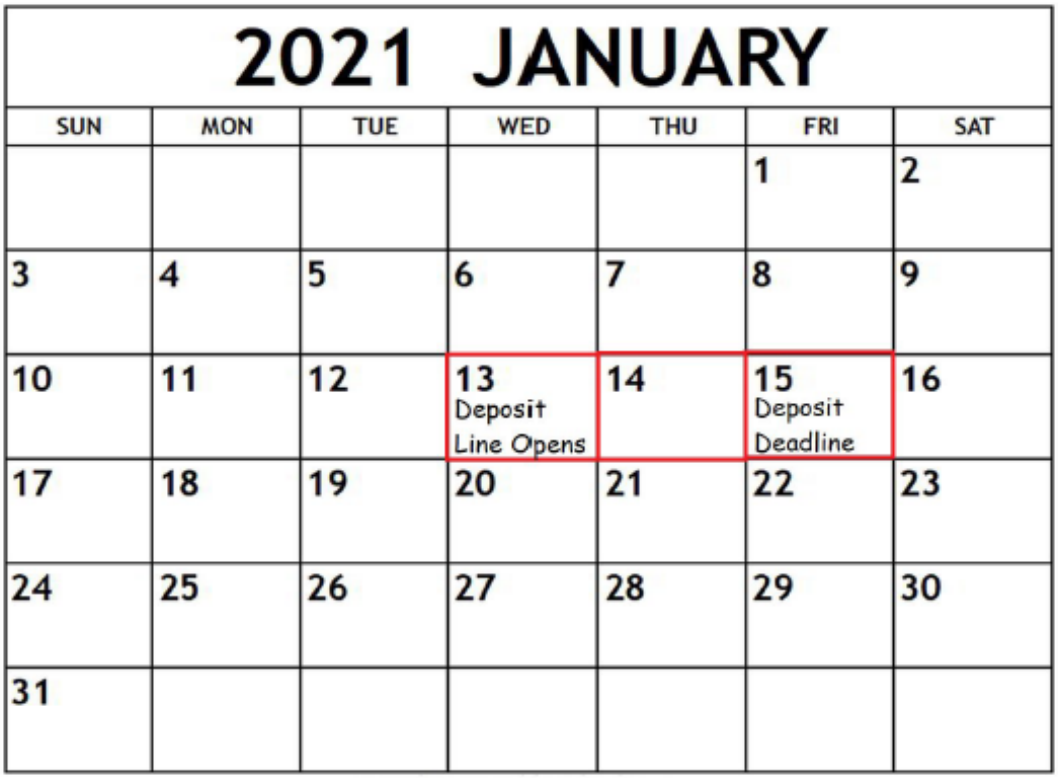
Mentioning the 3 major parts of the SLD cycle as a reminder of what they are:

1. Deposit the SLD Cycle ('3rd Friday of every month & the 2 days before)
2. If this SLD cycle is the one before the swaps and futures roll month, then the first big GME green mega-dong-candle on the chart appears exactly on the following Tuesday. Some rare exceptions apply due to holidays that can shift this day by +-1day.
3. Options Netting/CNS period (Tuesday AFTER the 3'rd Friday of the month +6 business days that follow)
4. Returning the remaining unused SLD cash back to sender (Point #2 above, but it's the 7'th business day after that Tuesday)

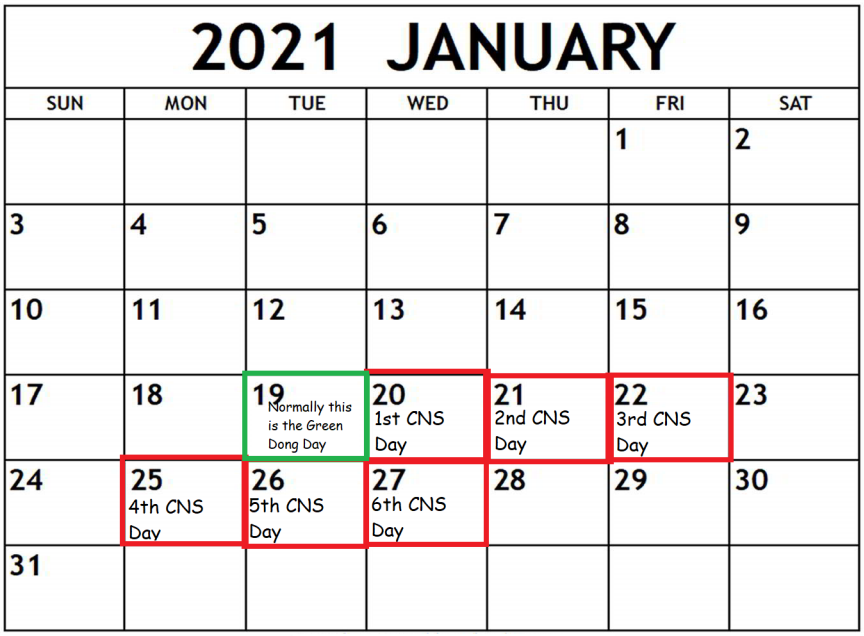
0) 3'rd Friday of the Mon



1) NSCC Deposit Cycle

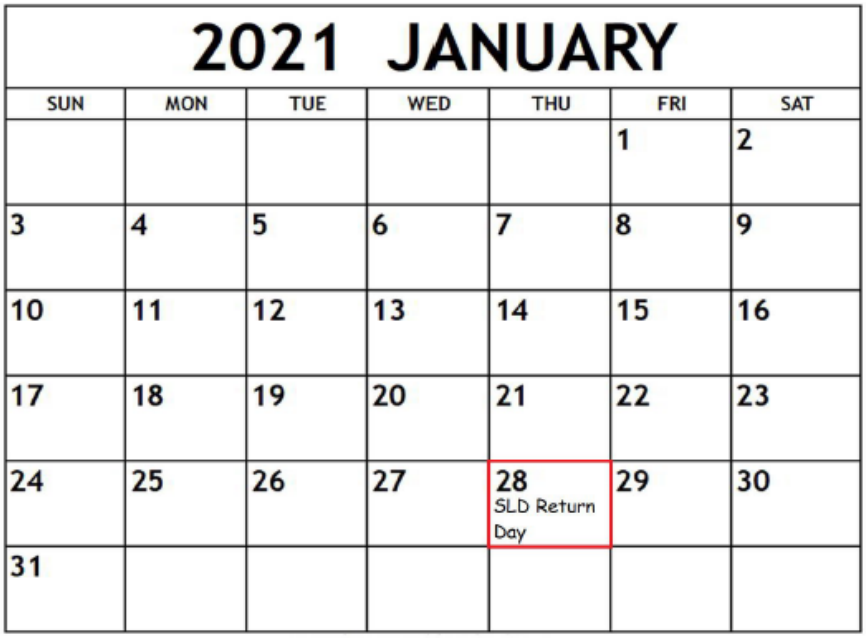


2) Netting / CNS Period



Here's an actual chart with all the above mapped on it. If you understood everything so far, this chart will suddenly make a lot of sense to you.

And again, this is all just market mechanics. Whether the people who restricted trading truly understood this stuff is debatable lol. Notice January 28, the day where trading got restricted and how it's the **SLD Return Day**.



28 was not only the SLD return day but also the day trading was halted :)

28'th of January, the SLD Return Day

January 28 is the SLD return date. So what happens on the SLD return day where the SLD/Deposit gets returned to the top 30 largest NSCC members e.g mostly big banks is that the DTCC automatically looks at the their CNS (Continuous Netting System) that's been running for the past 6-7 days and looks at the account balance.

- *Looks at account balance*
- *Oh no, it’s negative*
- *Panik*

The thing is that the CNS system of the DTCC HAS to clear/net these option trades. It's their job. They clear trades and credit/debit each DTCC/NSCC member’s account with the DTCC/NSCC. Whether this account has enough money or not, it’ll still go negative & the bank counterparty has to pay up any negatives.

Do you remember when i told you how the OCC has to communicate TO the DTCC/NSCC the size of this month’s option trades that are clearing? The amount of trades communicated is communicated only once and that’s at the start of the SLD deposit period.

The OCC-to-NSCC option trades amount is an estimate

So the DTCC/NSCC will net everything and IF the OCC has miscalculated that month's expected average option trading volume and / or communicated the wrong numbers to the NSCC, the NSCC has just told all the banks to give them less money than they need to clear this month's option trades, but they don't know this yet.

When the OCC communicates this data to the DTCC/NSCC, the DTCC automatically just knows that THIS is what the NSCC top 30 largest members need to pay for that month.

The juicy part that explains January & January 28

- In January, GME was being pushed on another subreddit i cannot mention here
- This certain subreddit full of degenerates(myself included) are degenerates that gamble by buying OTM 0 days to expiry risky options.
- January WAS a Gamma Squeze - Into a Short Squeze. This is FACT. Everyone knows this. The gamma squeze was induced by retail & that certain other reddit yolos money on FDs, people who had bought GME shares & options from before & during the squeze.

We've established that GME's January runup was a combination of a Gamma Squeze into a Short Squeze & people yoloing money on short and long term options which further exacerbates the effect of GME volatility & the SLD required to clear all those trades.

Conclusion

January 28, the NSCC member that handles Robinhood's clearing money/SLD stuff got contacted by the DTCC/NSCC either Automatically via Fed-Ach as is how these things work OR / AND there was a call between them to communicate

that the CNS clearing that happened from 19-27 Jan was complete and the regular provided monthly SLD was NOT enough to clear their stuffy trades.

To be margin called, you need to have posted margin to begin with. What the NSCC did to RH's bank was NOT a margin call. It was a request for an additional Supplemental Liquidity Deposit either automatically via FED-ACH or other communication method.

Note multiple things here:

1. The DTCC man in congress said there were NO margin calls on that day.
2. That is true, because this thing is characterized as a "Supplementary Liquidity Deposit".
3. It's not clearly classified as "Margin".

And that’s why the DTCC man"did not lie to congress."

RH's sponsoring DTCC/NSCC member communicated to RH that THEY are “margin calling” them for $3 billion because the DTCC/NSCC requested more margin from RH's bank / DTCC/NSCC member and not directly to RH themselves.

The NSCC/DTCC does not talk to sponsored members like RH directly. They talk directly to the bank that is sponsoring the lesser "non" brokers like RH since that main bank who IS a member of the NSCC/DTCC is the one sponsoring RH to have the same NSCC/DTCC membership as the main bank.

Basically they're lending out their NSCC/DTCC membership to RH. This means that the member who will get the request for more SLD is the bank and NOT RH themselves. The BANK will then ask RH for the extra SLD of $3 Billion :)

Clarification & Reminder

I said before somewhere in this DD that it's the OCC / Options Clearing Corporation that communicates that month's average expected volume to be cleared to the NSCC.

This is not a 100% accurate number they give to the NSCC, it's a vague estimate based on some averaging formula I'm not aware of. I do know it's an estimate. It sounds a lot like the OCC estimated WRONG meaning that their formula on calculating the estimated charge amount is just totally dogpoo.

In normal circumstances this formula is fine but for the insane conditions that lead up to the January SLD period of a Gamma Squeze into a Short Squeze, you can't use averages to estimate the charge for this.

Part #2

https://www.reddit.com/r/Superstonk/comments/qujkk5/gme_evidence_of_predictable_cycles_gme_explained/

Reddit posts become un-editable after 40k characters, so i'm splitting this DD in 2-3 pages so i can correct spelling/mistakes later.

$GME & Evidence of predictable cycles - GME Explained Part #2

Due Diligence

Continuation:

$GME & Evidence of predictable cycles - GME Explained Part #2

In the previous section of this DD i explained the basics of the 90 day GME cycle as well as what happened during January and why.

In this next section i'll be going into the more advanced ideas on why and how GME moves the way it does. Additionally i'll be plugging in theoretical / speculative ideas & information in regards to swaps and how they're used as synthetic shorts & how options are being used to hedge those synthetic shorts.

Some of these ideas are not only highly speculative but it's also not possible to prove them as the CFTC which is responsible for releasing swap data is refusing to do so for the entire year of 2021. Due to this it's not even possible to review swap data to see what's going on.

Regardless, swaps & options easily explain why, how and what is happening with meme stocks & the market as a whole. The fact that the CFTC is not publishing ANY swap reports for 2021 is scary. Even FOIA attempts have failed to produce a result.

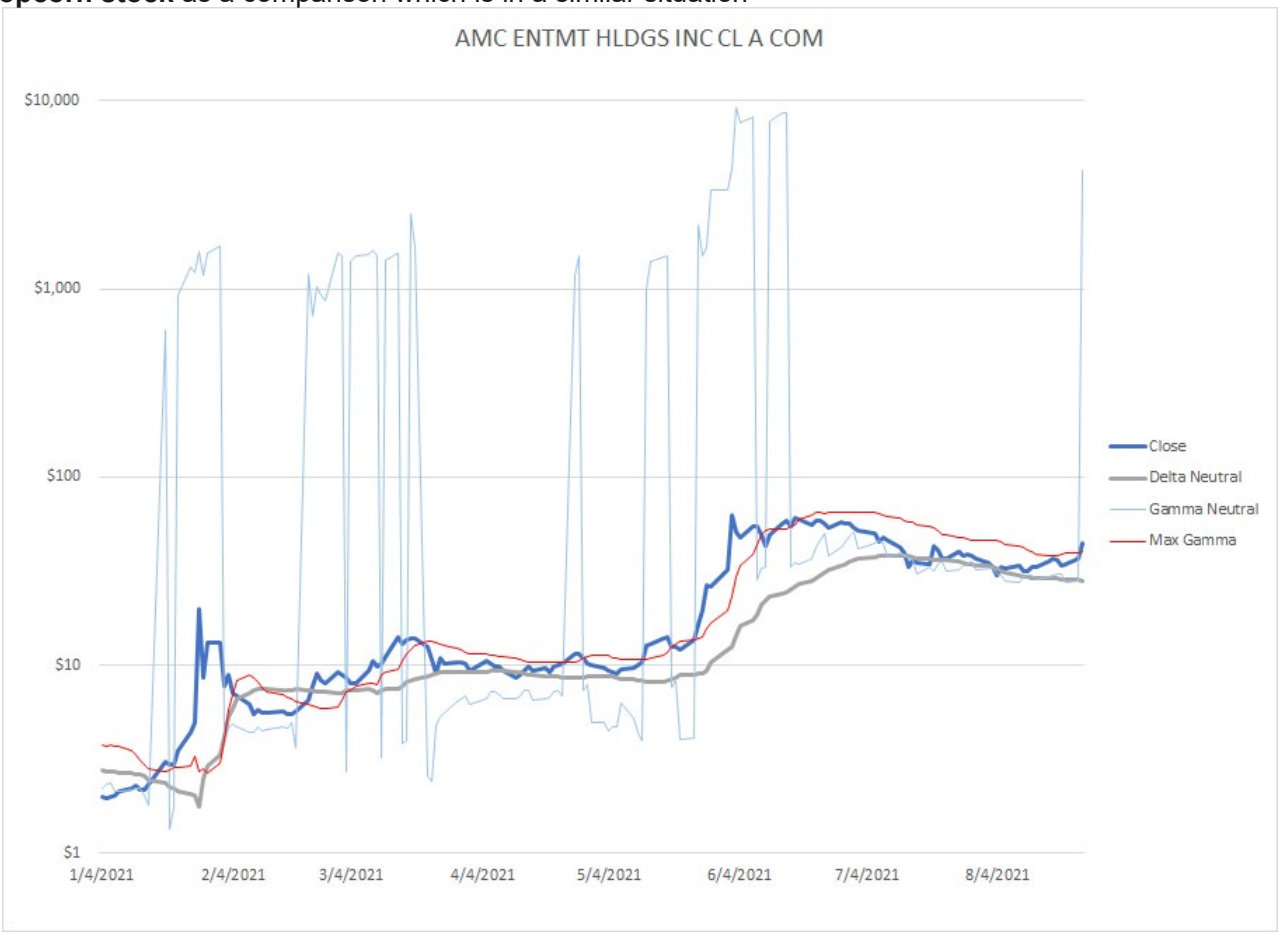
If you're looking for systemic risks, ask the CFTC.

GME Gamma is over $10000 for 1-2 days every 90 days cycle

Wanna see what a big short position does to the underlying when that short position becomes unhedged? Well here it is. (Made by and calculated by u/yelyah2)

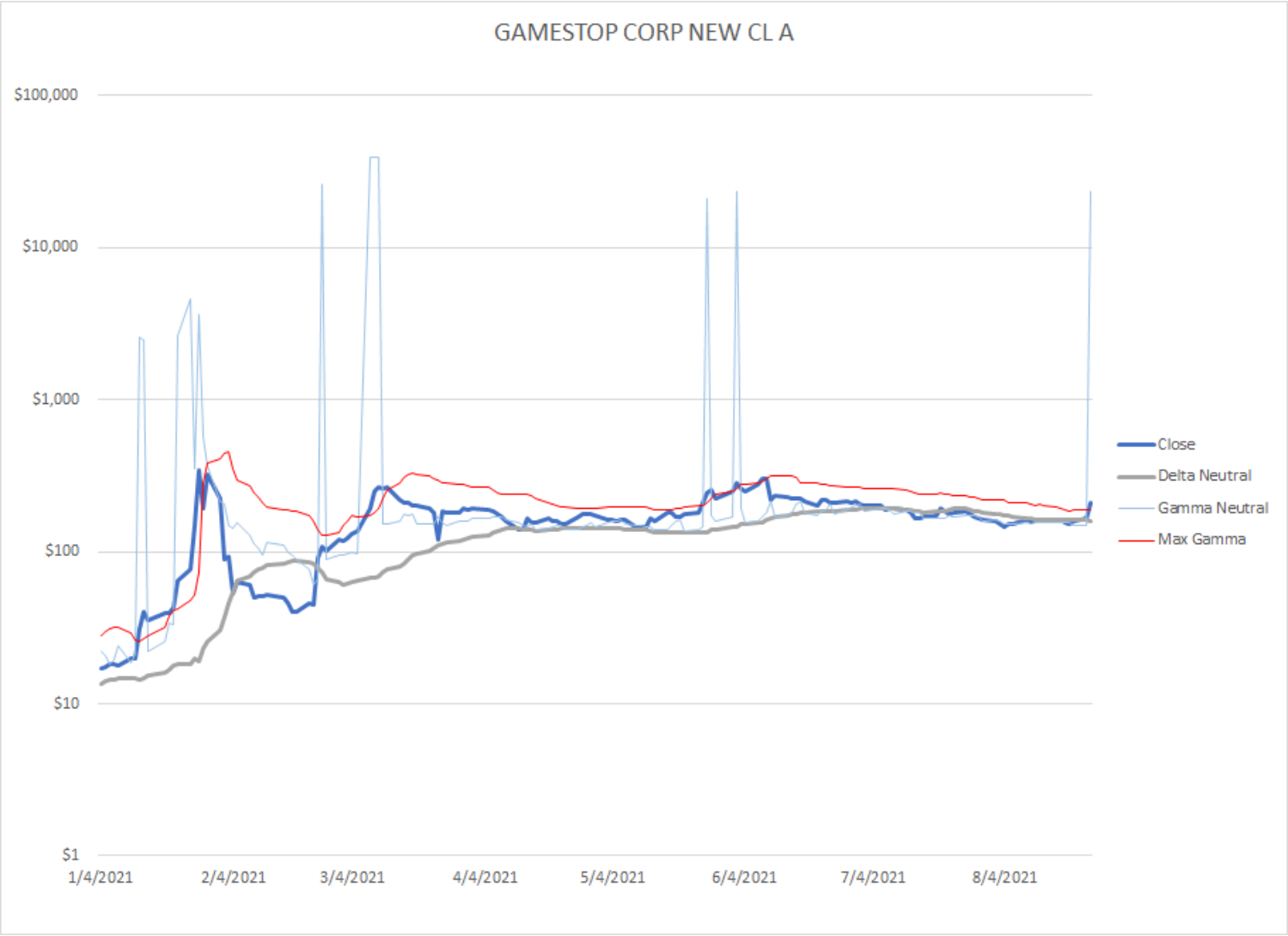
1. Close: Underlying stock closing price
2. Delta Neutral: Where you'd need to hedge to be **Delta Neutral**
3. Gamma Neutral: Where you'd need to hedge to be **Gamma Neutral**
4. Max Gamma: A sort of ceiling that if broken, the underlying can FLY

Here's **popcorn stock** as a comparison which is in a similar situation



Here's **Generic Retailer stock** to show what a normal stock looks like

Here's **GME**



Swaps & Volatility Trading | Section #3

Variance / Volatility Swaps & Options to Hedge

Thanks to u/Zinko83, u/turdfurg23 & u/MauerAstronaut for their work on the swap aspect of things. Multiple theories exist that there are swaps on GME called variance swaps that are both volatility based & vega based and that the reason why very out of the money options both on the call & put side are being purchased are as a way to hedge these swaps/shorts.

You can find a lot of nice details about Variance swaps & hedging of in u/MauerAstronaut's DD here /how_variance_swaps_can_explain_oi_in_far_otm_puts/. I'm going to be using some of the same materials he's used from various Variance Swap studies and papers.

What is a Variance or Volatility SWAP?

A variance swap or volatility swap is just the same as an option, but the strike isn't the underlying price of GME, instead, it's the realized monthly or yearly IV of the underlying.

- Imagine YOU sold a GME variance SWAP, this means you're SHORT the swap & the buyer is LONG. Imagine this SWAP has an IV strike of 95%
- Let's say suddenly GME's monthly/yearly realized IV becomes 400% because January happened..., you're fricked or a big winner depending on which side of the trade you took.

It is believed that the people betting against memestocks & GME in general are SHORT variance/volatility. So these people have sold variance swaps to someone.

Generally the CFTC IS the counterparty to ALL swap trades similarily how the DTCC/NSCC/OCC is for regular stock trading & options. They are in the middle of all trades between 2 different counterparties. They mostly ensure that both sides are correctly capitalized & have enough money to cover each other for the trade they want to do.

If they don't, that money is coming out of the CFTC's pocket and they don't want that.

Additionally FYI, there's just OTC swaps which are completely private swaps not on public books.

How does one hedge a Variance/Volatility SWAP?

By buying the most out of the money options possible & more specifically you're buying the options with the highest volatility & also the lowest possible vega(price change sensitivity vs volatility).

In the case of being short on volatility variance swap, you need to buy options with the highest volatility for hedging, so both $950c strikes & $5p strikes are needed since they have 500-800% IV and 3000% in some cases or above specifically for popcorn stock at the lower and higher strike ranges.

The idea behind why GME moons every 90 days is that one or more GME variance swaps exist that have been in place since at least 2016 where the maturity/payout date is a 3 months period whilst the expiry/termination period of the swap is likely a multi-year swap contract.

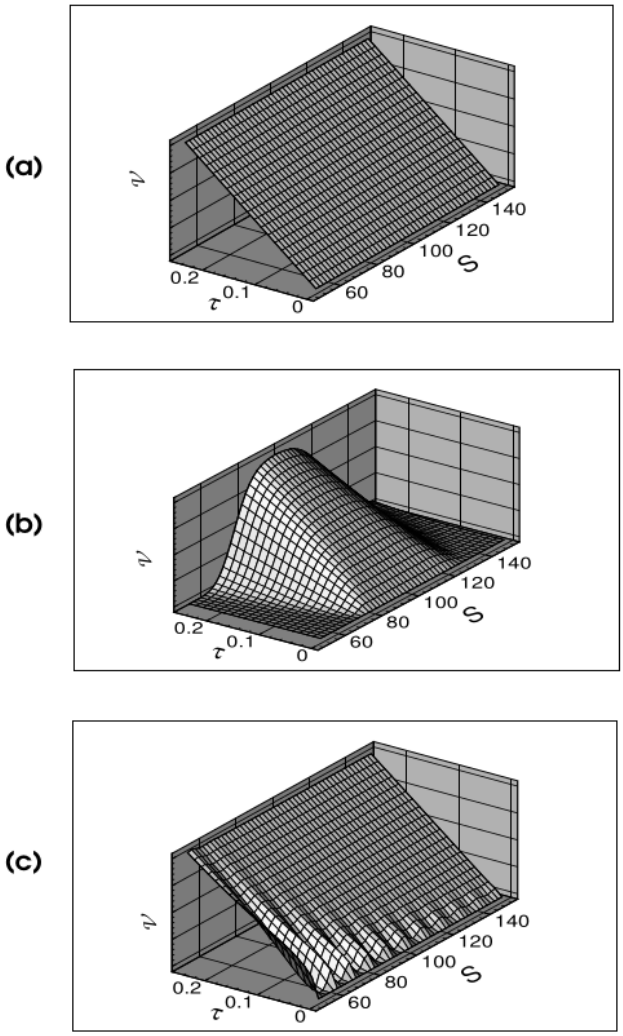
There's a few ways they can buy these options and begin to hedge their variance swap. They can build what's called a "replicating portfolio" which is just a soup of options based on the stocks they want to hedge against.

1. The image below part **a)** shows that they can buy all option strikes for a security to build their replicating portfolio / hedge.
2. The image below part **b)** shows they can buy the ATM area of the strikes to hedge.
3. The image below part **c)** and the most relevant part to GME shows that one can buy various equidistant/uniformally distanced strikes with different weights on each strike.

Point **c)** or part **3** above is believed to be how the GME / MemeStonk variance swaps are being hedged against but with a lot of weight on the opposing 2 sides and minimal to no weight at the ATM strikes area.

You can also just take point **b)** and inverse it and call it the hedgies strat on how they are hedging their synthetic positions.

FIGURE 3. The variance vega, $\mathcal{V}$, of a portfolio of puts and calls, weighted inversely proportional to the square of the strike level, and chosen to replicate a three-month variance swap. (a) An infinite number of strikes. (b) Strikes from \$75 to \$125, uniformly spaced \$1 apart. (c) Strikes from \$20 to \$200, uniformly spaced \$10 apart.



This would mean that by buying ATM is the way.

SWAP Examples

You can find examples of real SWAPS here: https://pddata.dtcc.com/gtr/dashboard.do

1) Here's a few screenshots of what some swaps look like

There's several different types of swaps like

- Baskets (Like GME, PopCorn, Generic Retailers etc all together in 1 basket)
- SingleIndex (Like SPY, Russel 200 etc)
- Single stock swaps.

Basket swaps are a lot more common than single stock ones. You can see other columns here like whether the swap is cleared or uncleared. Most swaps are uncleared.

Dissemination ID	Original Dissemination ID	Primary Asset Class	Product ID	Action	Transaction Type	Block Trade Election Indicator	Cleared	Clearing Exception or Exemption Indicator	Day Count Convention	Effective
"233536851"	""	"EQ"	"Equity:Swap:PriceReturnBasicPerformance:SingleIndex"	"NEW"	"Amendment"	""	"U"	""	"ACT/365.FIXED"	"2021-11
"232110891"	""	"EQ"	"Equity:Swap:PriceReturnBasicPerformance:Basket"	"NEW"	"Amendment"	""	"U"	""	"ACT/360"	"2021-11
"232110989"	""	"EQ"	"Equity:Swap:PriceReturnBasicPerformance:Basket"	"NEW"	"Amendment"	""	"U"	""	"ACT/360"	"2021-07
"232111179"	""	"EQ"	"Equity:Swap:PriceReturnBasicPerformance:Basket"	"NEW"	"Amendment"	""	"U"	""	"ACT/360"	"2021-10
"232111223"	""	"EQ"	"Equity:Swap:PriceReturnBasicPerformance:Basket"	"NEW"	"Amendment"	""	"U"	""	""	"2021-10
"232111603"	""	"EQ"	"Equity:Swap:PriceReturnBasicPerformance:Basket"	"NEW"	"Amendment"	""	"U"	""	"ACT/365.FIXED"	"2021-10
"232111844"	""	"EQ"	"Equity:Swap:PriceReturnBasicPerformance:Basket"	"NEW"	"Amendment"	""	"U"	""	"ACT/360"	"2021-08
"232115283"	""	"EQ"	"Equity:Option:PriceReturnBasicPerformance:SingleIndex"	"NEW"	"Amendment"	""	"U"	""	""	"2021-11
"232115284"	""	"EQ"	"Equity:Option:PriceReturnBasicPerformance:SingleIndex"	"NEW"	"Amendment"	""	"U"	""	""	"2021-11
"232115288"	""	"EQ"	"Equity:Option:PriceReturnBasicPerformance:SingleIndex"	"NEW"	"Amendment"	""	"U"	""	""	"2021-11
"232115289"	""	"EQ"	"Equity:Option:PriceReturnBasicPerformance:SingleIndex"	"NEW"	"Amendment"	""	"U"	""	""	"2021-11
"232115290"	""	"EQ"	"Equity:Option:PriceReturnBasicPerformance:SingleIndex"	"NEW"	"Amendment"	""	"U"	""	""	"2021-11
"232115297"	""	"EQ"	"Equity:Option:PriceReturnBasicPerformance:SingleIndex"	"NEW"	"Amendment"	""	"U"	""	""	"2021-11
"232115298"	""	"EQ"	"Equity:Option:PriceReturnBasicPerformance:SingleIndex"	"NEW"	"Amendment"	""	"U"	""	""	"2021-11
"232115299"	""	"EQ"	"Equity:Option:PriceReturnBasicPerformance:SingleIndex"	"NEW"	"Amendment"	""	"U"	""	""	"2021-11
"232115300"	""	"EQ"	"Equity:Option:PriceReturnBasicPerformance:SingleIndex"	"NEW"	"Amendment"	""	"U"	""	""	"2021-11
"232115392"	""	"EQ"	"Equity:Option:PriceReturnBasicPerformance:SingleIndex"	"NEW"	"Amendment"	""	"U"	""	""	"2021-11
"232115451"	""	"EQ"	"Equity:Option:PriceReturnBasicPerformance:SingleIndex"	"NEW"	"Amendment"	""	"U"	""	""	"2021-11
"232115452"	""	"EQ"	"Equity:Option:PriceReturnBasicPerformance:SingleIndex"	"NEW"	"Amendment"	""	"U"	""	""	"2021-11
"232283416"	""	"EQ"	"Equity:Option:PriceReturnBasicPerformance:SingleIndex"	"NEW"	"Trade"	""	"U"	""	""	"2021-11
"232368351"	""	"EQ"	"Equity:PortfolioSwap:PriceReturnBasicPerformance:SingleIndex"	"NEW"	"Trade"	""	"U"	""	""	"2021-11
"232346700"	"231021711"	"EQ"	"Equity:Swap:PriceReturnBasicPerformance:SingleIndex"	"CANCEL"	"Trade"	""	"U"	""	"ACT/365.FIXED"	"2021-11
"232346701"	"231021711"	"EQ"	"Equity:Swap:PriceReturnBasicPerformance:SingleIndex"	"CORRECT"	"Trade"	""	"U"	""	"ACT/365.FIXED"	"2021-11
"233726527"	""	"EQ"	"Equity:Swap:PriceReturnBasicPerformance:SingleIndex"	"NEW"	"Amendment"	""	"U"	""	"ACT/365.FIXED"	"2021-11
"233727396"	"231902473"	"EQ"	"Equity:Swap:PriceReturnBasicPerformance:SingleIndex"	"CANCEL"	"Trade"	""	"U"	""	"ACT/365.FIXED"	"2021-11
"233727397"	"231902473"	"EQ"	"Equity:Swap:PriceReturnBasicPerformance:SingleIndex"	"CORRECT"	"Trade"	""	"U"	""	"ACT/365.FIXED"	"2021-11
"233371418"	""	"EQ"	"Equity:Swap:PriceReturnBasicPerformance:SingleIndex"	"NEW"	"Trade"	""	"U"	""	"ACT/360"	"2021-11
"232477143"	""	"EQ"	"Equity:Swap:PriceReturnBasicPerformance:Basket"	"NEW"	"Termination"	""	"U"	""	""	"2021-02
"232485390"	"232477143"	"EQ"	"Equity:Swap:PriceReturnBasicPerformance:Basket"	"CANCEL"	"Termination"	""	"U"	""	""	"2021-02
"232485391"	"232477143"	"EQ"	"Equity:Swap:PriceReturnBasicPerformance:Basket"	"CORRECT"	"Termination"	""	"U"	""	""	"2021-02
"232478615"	""	"EQ"	"Equity:Swap:PriceReturnBasicPerformance:SingleIndex"	"NEW"	"Trade"	""	"U"	""	"ACT/360"	"2021-11

Here's how some SWAPS are structured to payout. Some can be structured for the seller/buyer to pay out a premium just ONCE or every 1 Day, 1Month, 1Year or whatever.

Below you can see a couple of SWAPS that have a payout of 3 months.

Payment Frequency Period 2	Payment Frequency Period Multiplier 1	Payment Frequency Period Multiplier 2	Price 1	Price 2	Price Unit Of Measure 1	Price Unit Of Measure 2
""	""	""	"0"	"2021-11-08"	"3M"	""
""	""	"2021-12-09"	"1M"	""	"1"	"804.070249"
""	""	"2021-12-01"	"1M"	""	"1"	"231.838095"
""	""	"2021-12-09"	"1M"	""	"1"	"363.51726"
""	""	""	"2021-12-10"	""	""	""
""	""	""	"2021-10-26"	"1M"	""	"1"
""	""	""	"2021-10-01"	"1M"	""	"1"
"USD"	""	"2021-11-05"	""	""	""	"5
"USD"	""	"2021-11-05"	""	""	""	"4
""	"2021-11-05"	""	""	""	"4	642.85713023"
"USD"	""	"2021-11-05"	""	""	""	"5
"USD"	""	"2021-11-05"	""	""	""	"5
"USD"	""	"2021-11-05"	""	""	""	"4
"USD"	""	"2021-11-05"	""	""	""	"4
219.3607B"	"USD"	""	"2021-11-05"	""	""	""
839.24514"	"USD"	""	"2021-11-05"	""	""	""
""	"2021-11-05"	""	""	""	"4	631.578948Z"
"USD"	""	"2021-11-05"	""	""	""	"5
"USD"	""	"2021-11-05"	""	""	""	"4
"USD"	""	"2021-11-10"	""	""	""	"41
""	""	"1Y"	"1T"	"1"	"1"	"207.51750055"
"0"	"3M"	"3M"	"3"	"3"	"0"	""
"0"	"3M"	"3M"	"3"	"3"	"81	085.4"
""	""	""	""	""	""	"-94"
""	""	""	""	""	""	"-94"
""	""	""	""	""	""	"-94"
""	""	"2022-02-11"	""	""	""	"13
"2	525.43384"	""	""	""	""	"101
"2	525.43384"	""	""	""	""	"101
"2	525.43384"	""	""	""	""	"101
""	"2022-02-11"	""	""	""	"77	724.26"
"USD"	""	"2021-11-08"	""	""	""	"4
"USD"	""	"2021-11-08"	""	""	""	"4
965.66632"	"USD"	""	"2021-11-08"	""	""	""
"USD"	""	"2021-11-08"	""	""	""	"4
"USD"	""	"2021-11-08"	""	""	""	"4
"USD"	""	"2021-11-08"	""	""	""	"4
"USD"	""	"2021-11-08"	""	""	""	"4
"USD"	""	"2021-11-08"	""	""	""	"5
123.88421"	"USD"	""	"2021-11-08"	""	""	""
"USD"	""	"2021-11-08"	""	""	""	"4
""	"2021-11-08"	""	""	""	"4	786.32480222"
""	"2021-11-08"	""	""	""	"4	615.38463848"
"USD"	""	"2021-11-08"	""	""	""	"4
""	"2021-11-08"	""	""	""	"4	606.06058308"
""	"2021-11-08"	""	""	""	"4	787.87879025"
"USD"	""	"2021-11-08"	""	""	""	"4
"USD"	""	"2021-11-08"	""	""	""	"4

This site provided by the DTCC https://pddata.dtcc.com/gtr/dashboard.do actually has a lot of new and old public swaps.

I've already sifted through all of them to try and find swaps with a 3Month expiry period that started within 2014-2020 based on u/PWNWTFBBQ's models. These are the parameters i used:

- Swap initiated any time between 2014-2020
- Has a payout period of 3M (3 Months)
- Has a maturity date that matches the dates of the GME or meme stock cycles.
- Has an expiry date that matches the dates of the GME or meme stock cycles.
- Has a payout date that matches the dates of the GME or meme stock cycles.

The only thing i could find was the following:

SPSUCSN2

And this lead me nowhere. I looked into it as deep as i could and went through many different things to try and understand what this is, but i can't tell if this is what i'm looking for or not.

I've made attempts to find the contract through the DTCC's swap data website here by downloading all 10GB of their historical swap CSV data, loading it into a database and searching for multiple keywords, 3 month swaps and so on but did not find something conclusive other than understanding that swaps can have a 1D, 1M, 3M and higher maturity cycle where one side must pay the variance/difference on the swap & possibly also reset the mark-to-mark difference to the new current IV.

This just means that every 3 months someone has to take some loss or profit on his swap, payout the volatility difference in money & then the new mark-to-swap IV strike is used for the next period as the new P&L calculation value.

I'll leave this torch to anyone else interested to look into it.

What cannot be hedged & The Hedgies Vulnerable Spot

Due to this strategy requiring high IV low vega options e.g the most OTM possible & low vega option combinations to hedge, anything AT THE MONEY is NOT already hedged against and must be hedged live by the algo.

Buying anything OTM will simply be hedged away no problems. ATM and ITM's near ATM options due to having the highest possible VEGA however are almost impossible to hedge and basically throw a wrench in the cogwheel of the variance swap strat.

I've verified this on my own by using my own money to slowly buy lots of OTM calls at very specific strikes for GME to see if the underlying would move just based on my own trades and it did…

Buying ATM calls didn't have the same result. The algo would not start to hedge live.

If you want to test it and take a loss on your own money, you can try buying options with strikes at around +5-10% from the current price and watch the algo move the price against you within 30 seconds.

Do it enough and you can cause a big drop in the price of GME. This apparently doesn't ALWAYS work, but it does MOST of the time. The effect is seen most around 1-2 weeks before the 3'rd Friday of the month if you buy those specific calls.

Conclusion

A LOT of ATM calls near GME's average VWAP price would have the effect being a magnet that repels GME's price upwards or downwards away from that place where all the VEGA is being accumulated.

At the 2 opposite sides at $0.5 and $950 strikes where the vega is tiny due to those OTM's having low vega, the price of GME would be attracted as those are the 2 sides that are causing the underlying price to fluctuate at a nice $170-$180 keeping IV and fomo low.

Variance swaps are definitely in play.

The higher the realized volatility for the underlying equity, the more the loss on that swap and the less the realized volatility per 90 day cycle, the more profit you get on that swap.

In simple terms,

- high volatility = hedgies lose money
- low volatility = make money

Now you know why high volatility is disliked and advertised as BAAAD on the hedge fund owned media outlets. Stable = Low volatility which means easy guaranteed long term payouts for those who own those swaps. Now you understand why trading had to be shut down.

GME touched almost 500% realized volatility only in January. I can't begin to guess what IV strike these swaps have, but I CAN imagine how fricked they were when these swaps got out of hand.

SWAPs materials and references

References

- Demeterfi (Goldman): https://www.researchgate.net/publication/246869706_More_Than_You_Ever_Wanted_to_Know_About_Volatility_Swaps
- JP Morgan: http://quantlabs.net/academy/download/free_quant_instituitional_books_/[JP%20Morgan]%20Variance%20Swaps.pdf
- Northfield: https://www.northinfo.com/documents/993.pdf
- Volquant: https://volquant.medium.com/epic-failures-lessons-from-volatility-funds-blow-ups-6f4226c8334f
- Articles on Citadel poaching volatility traders for their own funds:https://www.businessinsider.com/hedge-funds-citadel-millennium-raiding-big-banks-hiring-volatility-traders-2021-4?op=1https://www.businessinsider.com/talent-war-volatility-traders-hired-from-wall-street-investment-banks-2021-5?op=1https://www.efinancialcareers.com/news/2021/04/david-kim-bank-of-america-citadel

Shamefully copy pasted from u/MauerAstronaut's DD. I hope you'll forgive me.

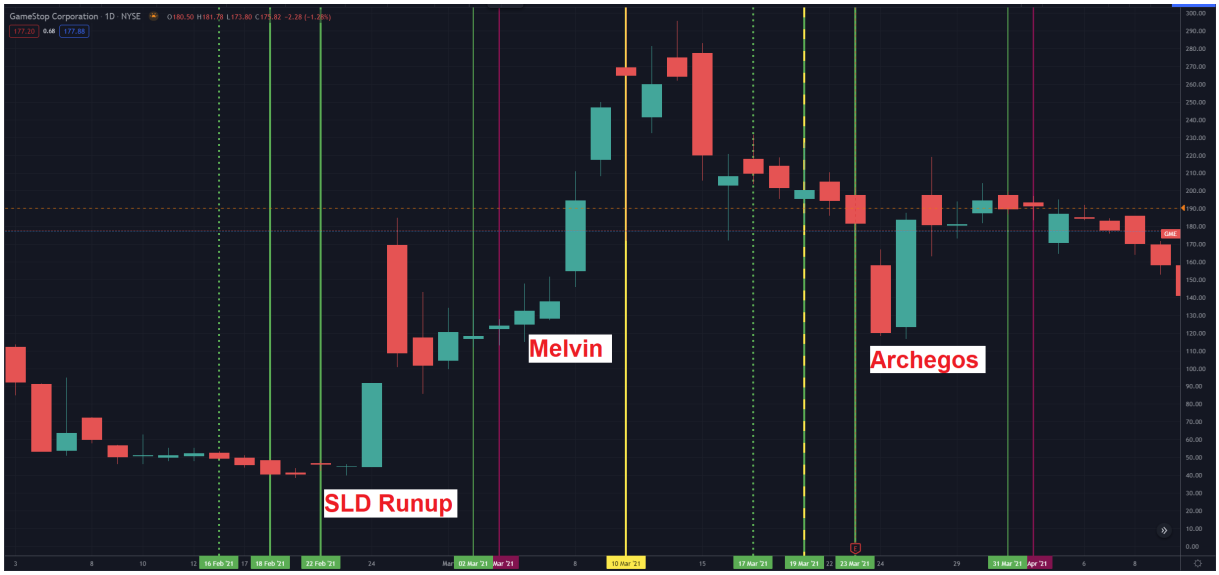
Final Entries & Comments | Section #4

February 24 & Why/How/What

February was a GME cycle month e.g part of the 90 day cycle. The expected green dong date was 23-24 of February. The question here is WHY did it pump so much? People just casually say that it was just Melving getting margin called and having to cover his positions.

On February 1 when buying GME was still restricted to buying 1 GME share per customer, people found a simple workaround by simply buying an option and exercising it to get 100 shares.

/how_to_bypass_gamestop_buy_restrictions_exercise/



February IS a quarterly GME runup cycle month. People bought and exercised a lot of GME option contracts :) If you've been reading this DD and have been paying attention, you'll understand how this may have been the cause for at least part of the February GME runup.

Conclusion

February's initial 24 February run possibly/likely happened due to options being cleared during the SLD period of February which ALSO perfectly fit the already pre-existing GME 90 day / 3 month / quarterly SLD pump cycle.

2 things on top of each other.

Now somewhere around the area of February 24-27 it NOW does make sense that Melvin took his loss due to the option SLD clearing of Feb 24 and the result could possibly have been the NEXT big dong to $340 on March 05-08.

Take your pick. Which came first? Melvin's Margin Call? Or the NSCC option clearing CNS & GME cycle on top of each other? I'll take the obvious pick and say CNS into Melvin Marge into a few more margin calls by randos getting screwed.

Final Chapter - Possible date for the Moass

January was ultra special and i'm not talking about the typical bs about the gAmMa SquEZe or the ShOrT sQueZe.

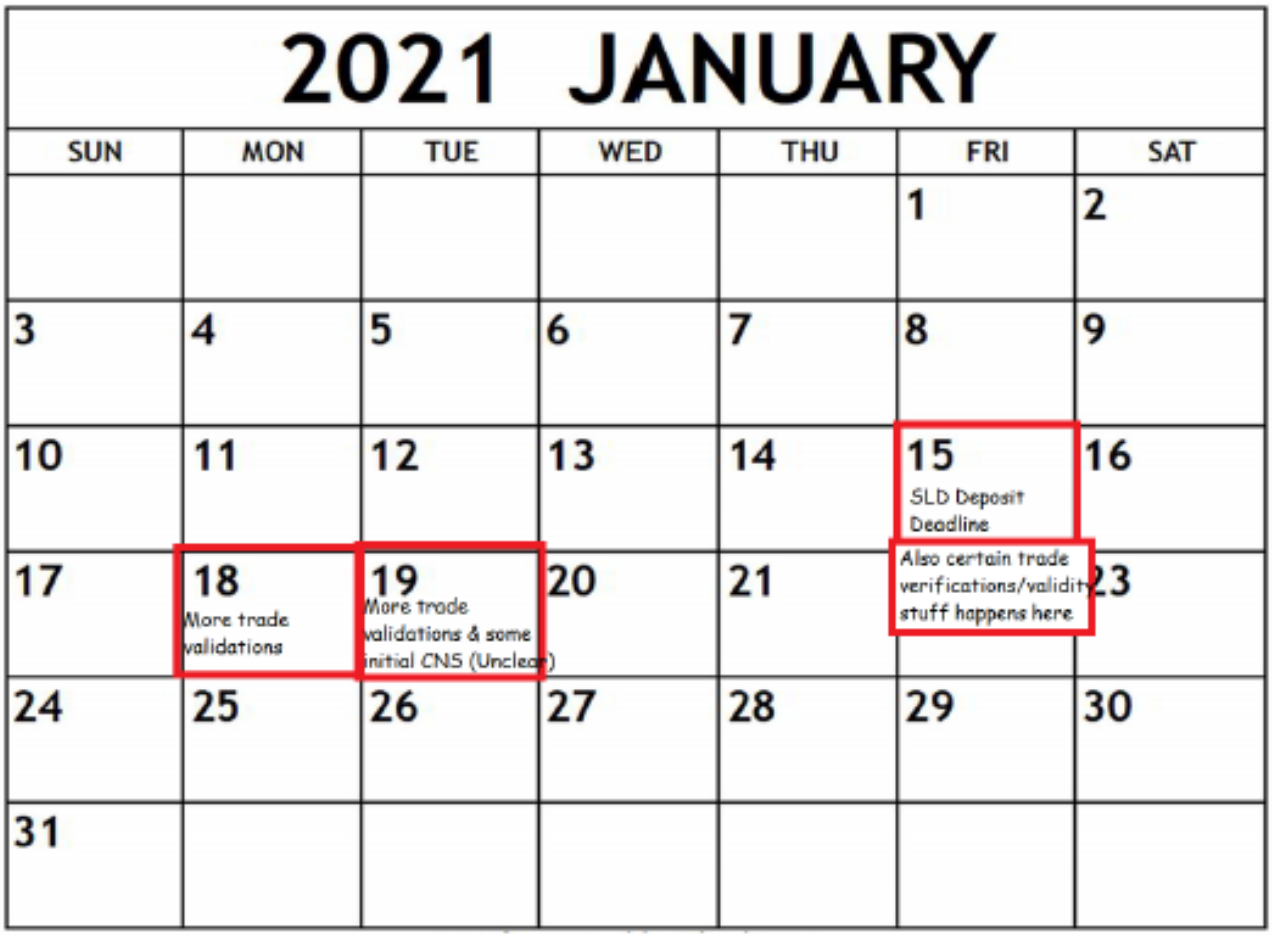
There is 1 component of January that makes it a month and specifically it's SLD period is different from ALL other months.

I found this whilst looking for differences between January and all other months for the past 10 and and next 10 years to find patterns which I love and I found 1.

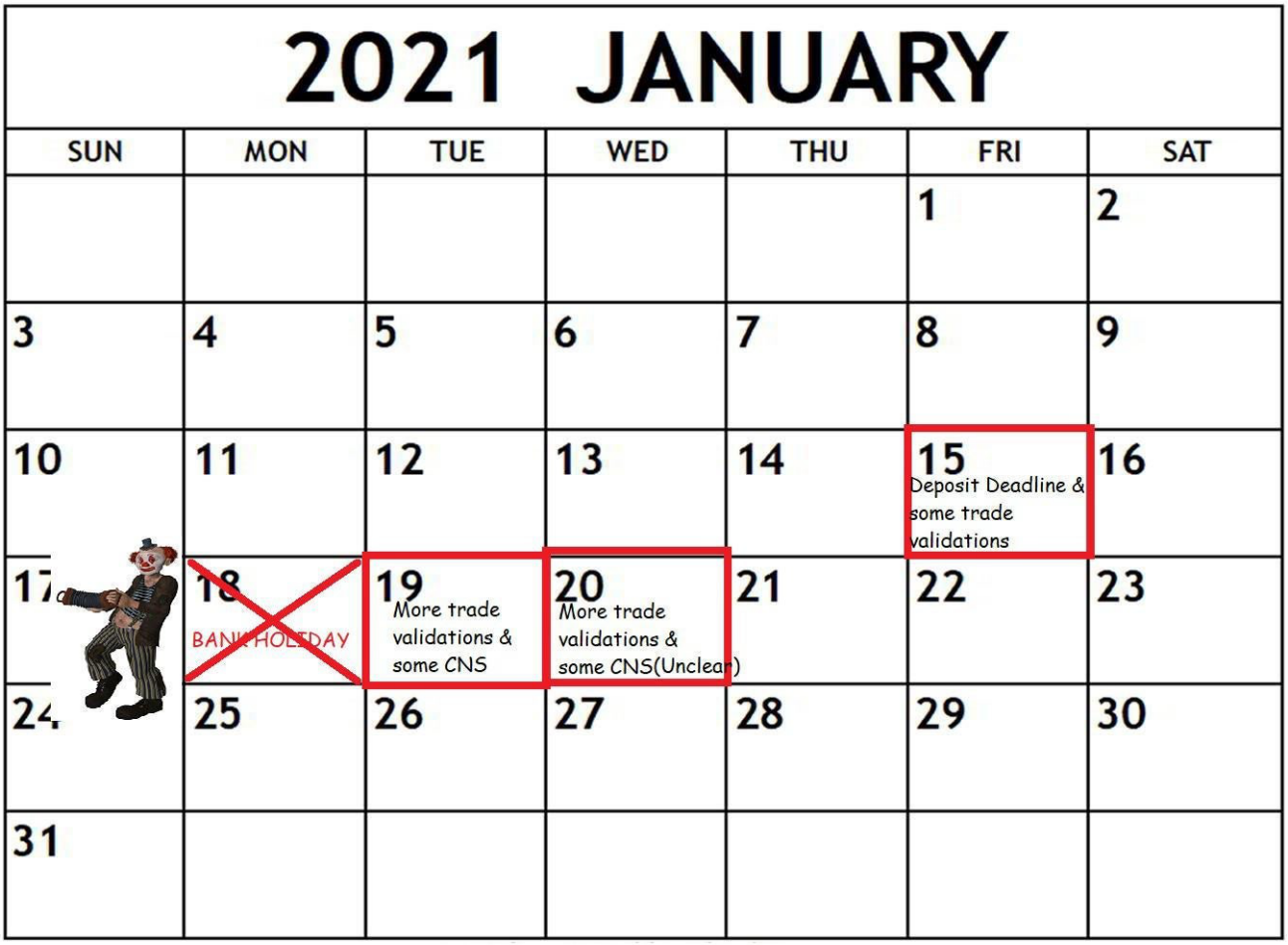
Very simply, the Monday 18'th of January was a bank Holiday. Normally some option clearing & trade validation occurs on this day, but this doesn't happen if that day is a bank Holiday. This is mentioned almost in all of the DTCC's manuals when it comes to clearing.

I tried to find another instance where the exact same Monday would be a bank holiday and only found one instance and it's in February 2022.

1) Normal SLD option trades validation & verification period with NO Bank Holiday



2) Special January with Monday being a bank Holiday & No CNS



Wut mean?

It means trade verification & clearing gets pushed forward one day because these idiots don't let their computers run and do CNS stuff on a public/trading holiday. Even their computers have a break on a Bank Holiday, imagine that.

I don't know how and why this would affect them by driving the price crazy. There's many theories one can derive from such an event and so i'll leave it to your imagination. The point is that there was this 1 anomaly during January & this anomaly happens 1 more time in February 2022.

Maybe this is a driver of events. No one knows, we'll have to wait and see. The attempted MOASS almost happened right after this anomalous event.

There's 1 more ahead of us and then never again for another decade. It's interesting to watch this unfold.

How I Trade This

When i know there's going to be a 90 day GME runup cycle soon, the Friday before i buy calls.

1. Buy calls on the 3'rd Friday of the month of the runup.
2. I eat 3 days of theta (Weekend including Monday)
3. If no moon on Monday, i buy more calls.
4. Tuesday Moon
5. On rare occasion it's delayed by +1 day ahead, if so, i buy more calls expiring that week.

Tuesday or Wednesday at most, my calls are beyond ITM and i've made boatloads because i bought the calls at the cheap just a few days before. I use the proceeds from this trade to exercise some of my ITM GME leaps which puts more pressure on whoever sold these to me if they are naked lol.

Also i own a bit less than 1k GME shares and leaps (long term options) for the purpose of exercising them later.

At the same time i've already bought my Nov 23 calls for GME & the unmentionable stock because i'm a bad bad hedgie helping non person.

Mega TLDR

Get ATM or ITM GME leaps to fuck hedgies long term & make money. Use OTM weeklies every time there's a 90 day GME cycle to make money to exercise your deep ITM GME leaps. Profit.

This is not financial advice. I am not a financial advisor. This is my own research on GME as well as others. This is how i invest and it's not suitable for everyone.

See you later fellow smoothbrains!

EDIT: I'll put a banana up my arse if nothing happens on the 23'rd.

$GME & Evidence of predictable cycles - GME Explained Part #3

Due Diligence

This is not financial advice. I am not a financial advisor. This is my own research on GME and is how I invest. It’s risky and may not be suited for others.

Introduction

Lots of people have been messaging me about what might be good option strikes to get for GME calls for both long term plays & the shorter term 90 day GME cycle runups.

I'm going to show you what criteria i use to make my own plays.

I've lost and won money on options. I'm not a pro. I'm just another guy like you who is a bit of a degenerate who's looking to make money to buy more GME. The only difference between me and the next option degenerate is that i've tested these cycles live in May and August and i'm ready for my 3'rd one.

There's plenty of people out there who can tell you what i'm about to tell you, but i'll do it because no one else will.

Not going to teach you what options are and how to trade them. That's your dude dilligence to do if you're interested in them. If you're interested in learning, i can make a few posts with some basics, but do let me know in the comments if that's really what you want, otherwise i won't be making any of them.

Let's Go

The Nov 23 MemeStock Cycle | Section 1

As you might now, every 90 days, on the months of February, May, August and November, specifically 2 business days after the 3'rd Friday of those months, GME has a bit of a spike upward.

In this cycle, November 23 e.g next week's Tuesday marks the day where the first and possibly only large spike upwards is bound to happen. I've already explain the mechanics in my DD, now i'm going to explain the cycles and how the last 4 all had slight differences.

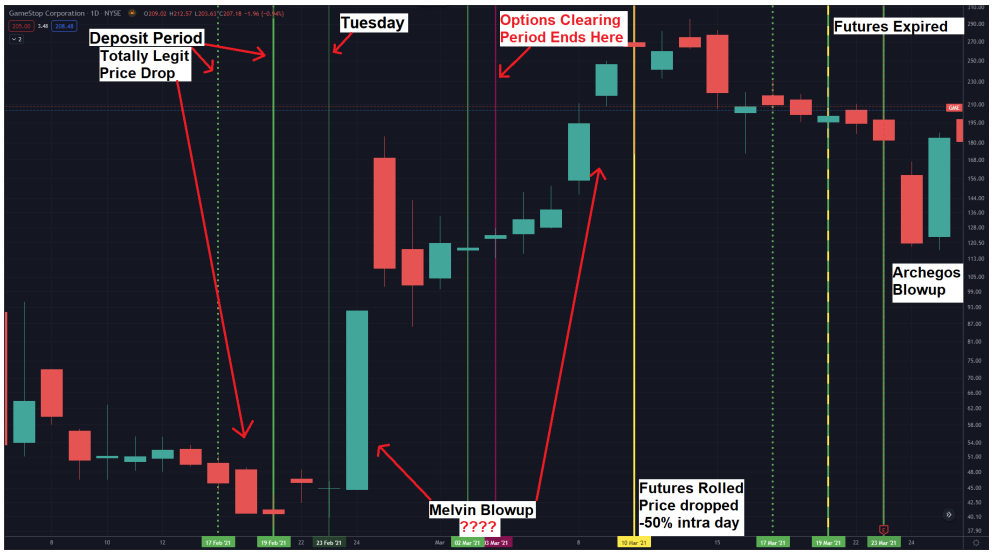
Learning from the Past

Whilst the past isn't indicative of future performance, well sometimes it is, sometimes it isn't.

In this section we'll review the past 3 90 day cycles in order to find commonalities and differences. We can then use these commonalities & differences to build a "model" of what the next cycle may generally look like.

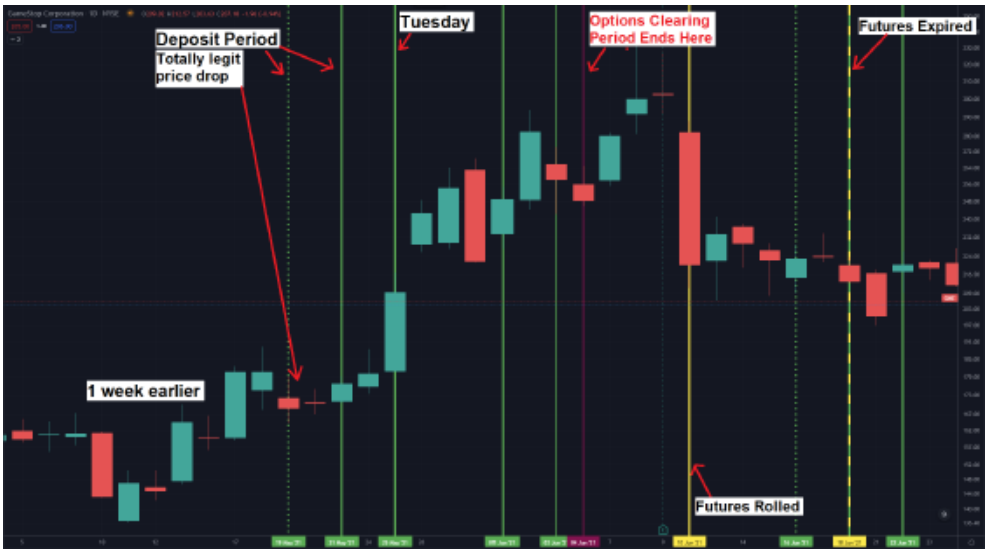
Once we build an image of what the next Nov 23 cycle will look like, well, we will have essentially mostly predicted what will happen next week the the weeks following next week's runup.

1) February 23



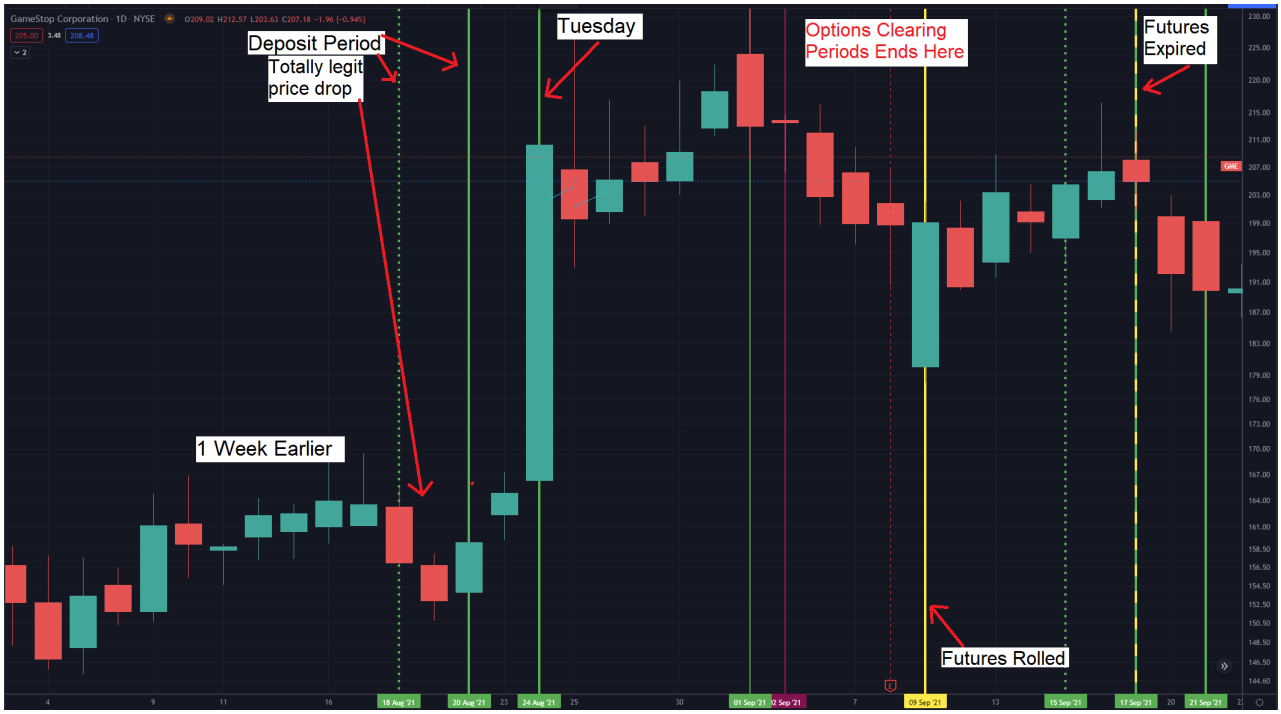
- **Deposit Period**
  - This cycle had a distinct dip the 3 days during the SLD deposit period 17-19 February.
- **Runup Day**
  - Next week, this cycle was "supposed" to happen on Tuesday the 23'rd, but it instead was delayed by +1 day and it instead start on February 24, a Wednesday.
- **Drop Day**
  - As usual, during March 10, the price dropped.
- **Bonus Anomaly**
  - The only weird thing about last February was that Monday the 15'th of February was a Bank Holiday & exchanges were closed. It's unknown whether this played a role.

2) May 25



- **-1 Week Before the Deposit Period**
  - This cycle had a tiny warmup run the week before. Unknown why.
- **Deposit Period**
  - The 2 days before the deposit deadline (Friday), the price did it's usual and obvious drop.
- **Runup Day**
  - The next week just in time on May 25, Tuesday, the price ran up as expected. The next day it even gapped up a bit
- **Drop Day**
  - The price predictably dropped around the futures roll on June 9-10 ish.

3) August 24



- **-1 Week Before the Deposit Period**
  - This cycle had a tiny warmup run the week before. Unknown why.
- **Deposit Period**
  - The 2 days of the SLD deposit period again had a perfectly "normal" dip as usual.
- **Runup Day**
  - The next week, exactly on schedule, on August 24, a Tuesday, the price of GME ran up. And that was it. It was all sideways after that.
- **Drop Day**
  - The futures roll drop was extremely delayed and happened around the 21'st ish of September instead of around the 8'th ish honestly, not sure if it happened at all or in what capacity.

What Every 90 Day Cycle Has in Common - Section 2

Here's commonalities and difference between the last 3 cycles and what the 4'th one might look like or in my opinion will likely look like.

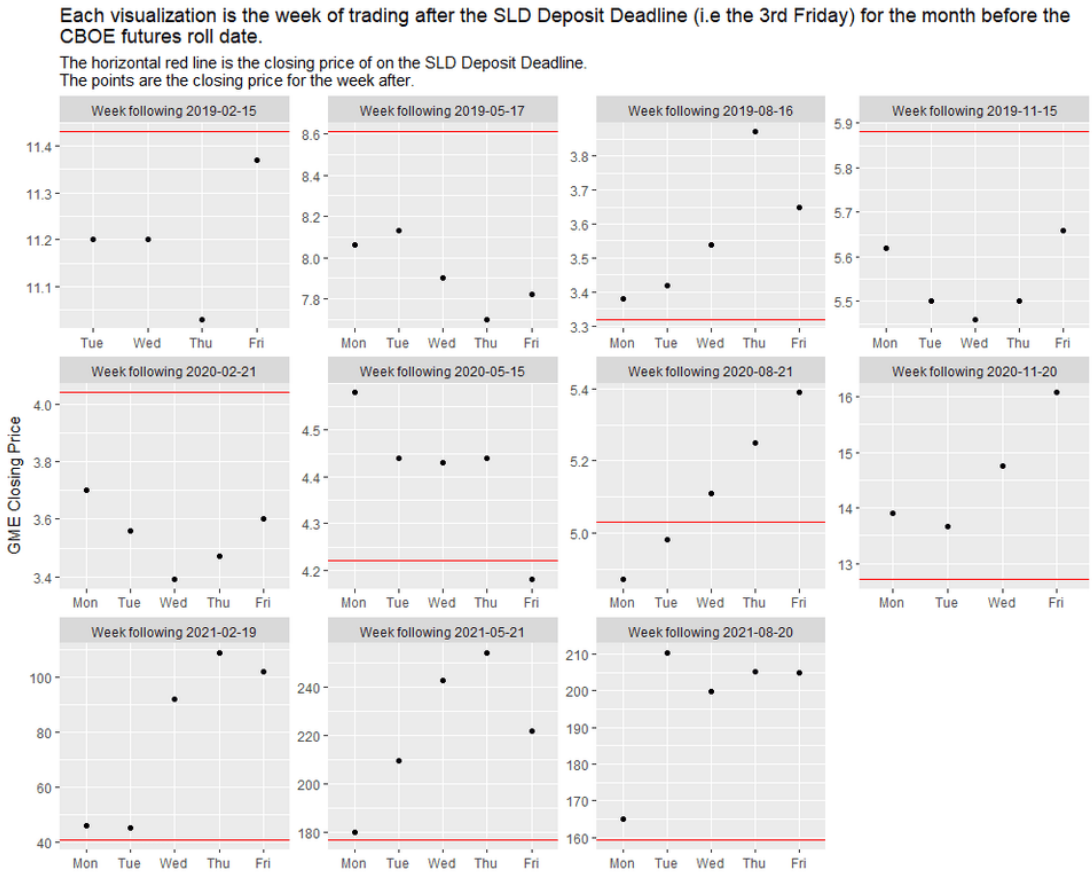
In 2 out of 3 cycles, the following happened

Here's what's common in 2 out of 3 runups:

- **1 Week Before the Deposit Period -** The price does a tiny warmup run.
- **Runup Day -** The price ran up exactly on Tuesday as per NSCC/OCC option clearing rules.
- **Drop Day -** The price dropped significantly.

This pattern begins & continues repeating starting from Ryan Cohen's buy-in around August 2020 without fail.

Plugging in u/chai_latte69's chart here to show this repeating pattern.



Look at August onwards

In **3/3** cycles, the following happened.

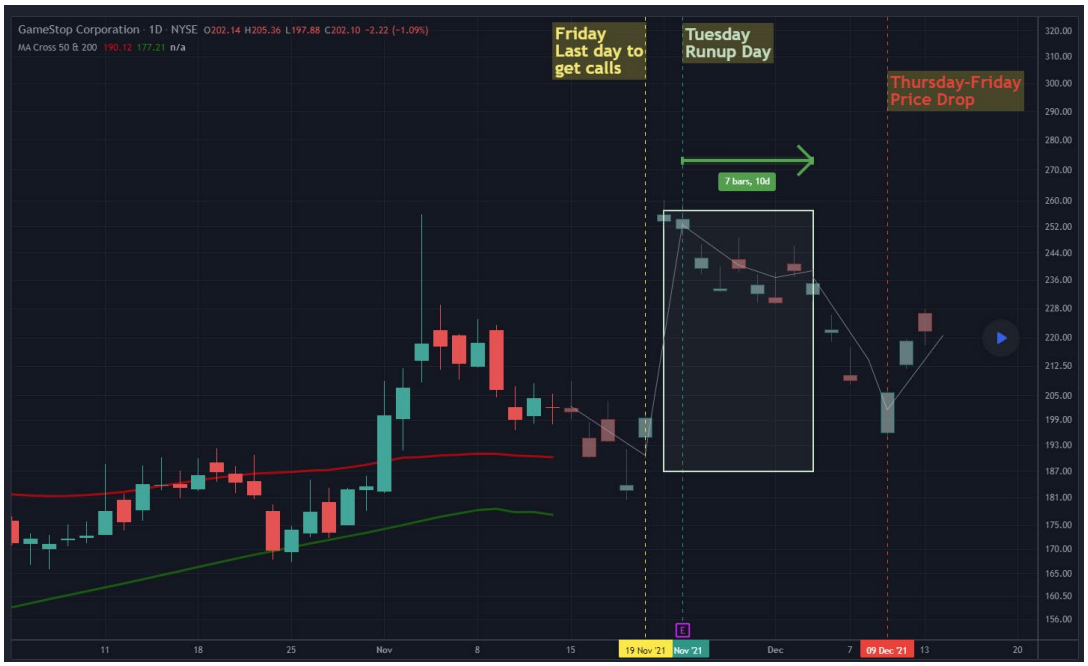
- **Deposit Period -** The 3'rd Friday of the month & the 2 days preceeding it, the price droppped significantly.

The Next Cycle - Section 3

The November Cycle & It's Shape

In this section i'll be telling you what the November section will look like if one even happens. It's an estimated image based on the previous cycles.

Based on the past 3 cycles as well as some additional data & experience having gone through those cycles and vividly remembering them, the following is my estimate on how the next runup will look like.



As always, this is a vague estimation and not indicative of what the price runup will be. We could go higher or lower or nowhere at all. Here's the link to the thing.

Will November be similar to the past cycles?

Who knows? Nobody. These are my estimates regardless.

- **Week Before the Deposit Period -** It already warmed up last week :>
- **Deposit Period -** I expect no drop this Deposit Period (Wed - Friday).
- **Runup Day -** I think the price will run on Monday and not Tuesday.
- **Drop Day -** Drop day is also earning day. We dropped in the last 10/10 earnings. I'll go with the trend.

This is what i think will happen based on the previous cycles. I also want to believe i'm under-estimating the price it will run to. I'd like to believe we'll see $350+ but that's just my own hopium.

I also believe there will be no drop during the SLD / Deposit period because typically during the entire week (this week) SPY goes red. This week for the first time in a few cycles, it hasn't done that. I see this as a signal of change, something's different this time.

So since there's been no SPY drop as there usually is, i also believe there won't be a GME price drop during the deposit period. This is just my gut talking, nothing else.

What's the Move - Section 3

Picking your Option Strikes

I use my own tools to figure out which option strikes to pick and when. In this section i'm going to show you what those tools say are good picks only and only for next week's runup. I picked my own options based on what this tool spat out.

The suite of tools i use is from Hoadley Net. They're a bit complicated and took me a while to understand how to use them.

Basic Dive Into Options

Options that are ITM are considered mostly "safe" because their IV is low and have a high delta.

- **Delta** is just the "chance" that these options will end up in the money & also how much you're making every time the underlying GME price moves. For safe bets you want high delta. For degenerate gambling, you want low delta (I dunno why you would want that to be honest).
- **Vega** is just how sensitive the price of the OPTION is vs moves on the underlying price of GME stock. High Vega means it's pretty sensitive and will move a lot with the price of GME. Low or no Vega means that GME will REALLLY REALLY have to move to make you gain money.
- **Implied Volatility / IV** is sort of just a way to describe how STUFFED a strike is. If a strike has very high volatility, then it means lots of people bought it and or it's generally overpriced. It's not exactly like this, but it's as best as i can explain it in laymans terms. Buying into high IV will typically get you screwed over.

Example: If you buy a high IV option & everyone else sells that strike to get rid of it but you hold it, then your option's value will drop A LOT. This is called IV Crush. The underlying price of GME DIDN'T EVEN MOVE but YOU LOST MONEY. This is because the IV on that strike dropped because as people sold it off, it became less stuffed and there was less demand for it thus the price/value of that option dropped as well.

So what should i look for?

I can't tell you what to look for. Here's what i look at. I look for a good balance between the 3 nations of Delta, Vega and IV. Others do other thin

I look for:

- **Delta**
  - I like a Delta that's not too high and not too low. Above 25 but below 90.

- **Vega**
  - I like a Vega that as high as possible. Usually the ATM strikes have the highest Vega. If the price however moves up or down, the highest Vega option strike also moves up or down. Due to this, i like to pick a strike that has a high Vega BUT that will continue to have a high vega when the price will move up

- **IV**
  - High IV is bad for buying into. IV always drops and it always reduces the value of your option. The only reason to buy into high IV is if you're expecting even higher IV by people buying 1 single strike and nothing else. In my case i like to pick the strikes with the lowest IV. The problem with this is that the lowest IV strikes are ALWAYS SUPER ITM, and so, i have to settle for something around the money.

Based on the above 3 nations, i find a balance between the 3 and decide on my strike. In the next section i'll show you how i picked my current strikes.

Finding Implied & Historical Volatility

I first use a tool that tells me the Historical volatility & Implied Volatility for the next 15 Trading Days e.g when GME will do it's quarterly runup.

Volatility Cone (historical and implied volatility)

Historical Volatility Cone for GME as at 16 Nov 21

	Trading days	15	30	60	90	120	180	240
	Calendar days	22	43	87	130	174	261	348
Average		93%	99%	107%	112%	116%	123%	123%
Maximum		801%	605%	454%	377%	333%	281%	248%
Minimum		19%	25%	32%	38%	40%	41%	45%
Current		61%	53%	51%	67%	86%	126%	241%
95% conf upper		99%	71%	62%	79%	98%	141%	265%
95% conf lower		44%	42%	43%	58%	76%	114%	221%
90th percentile		181%	163%	169%	246%	319%	276%	245%
70th percentile		95%	102%	105%	112%	111%	119%	113%
50th percentile		61%	67%	75%	83%	86%	82%	91%
30th percentile		45%	51%	62%	66%	67%	74%	74%
10th percentile		30%	35%	42%	46%	49%	50%	58%

Implied volatility for GME as at 16 Nov 21

Strike range	Show/ hide descript	Expiry month & calendar days to expiry: Nov 21 10	Dec 21 45	Jan 22 66	Feb 22 94	Apr 22 149	Jun 22 213
Strikes 0.50 - 30.00		1143%		296%		183%	166%
Strikes 32.00 - 125.00		434%	130%	138%	88%	118%	104%
Strikes 130.00 - 197.50		109%	90%	88%	89%	91%	89%
Strikes 200.00 - 290.00		96%	98%	96%	94%	94%	91%
Strikes 300.00 - 520.00		310%	159%	140%	117%	110%	104%
Strikes 530.00 - 950.00		600%		187%			121%

The tool spits out

1. 93% Average,
2. 99% Upper
3. 96% for strikes between 200-290 for the next 15 trading days.

I averaged these in my head and decided that i'll use 95% average volatility as my number in the next tool which will tell me which GME options are theoretically cheap/mispriced/on sale or whatever you'd want to call it.

You can find these volatilties online on Yahoo Finance or other websites. I use this tool because it makes my life easier.

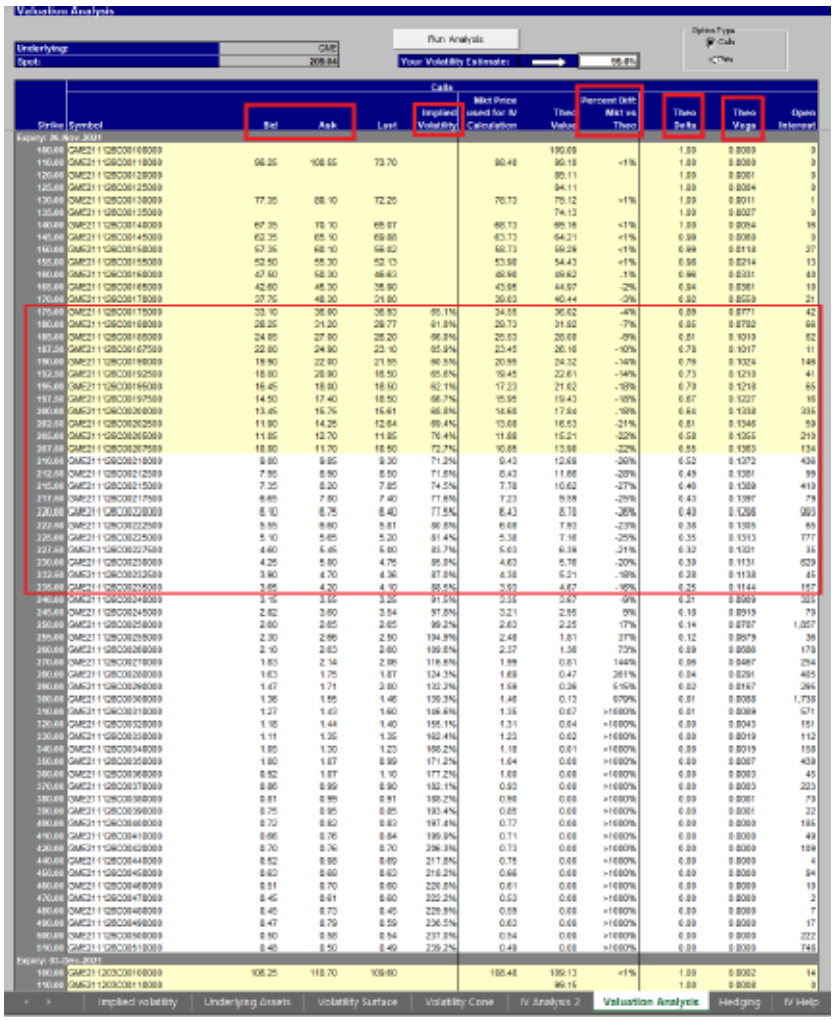
Option Valuation Analysis

I use the 95% current IV from the previous section to plug in into the next tool called the Valuation Analysis tool. Using this IV as a base number, the tool tells you which options are **underpriced** or **overpriced**.

If you use the incorrect data here, you'll get the wrong numbers and wrong valuations and will end up buying the wrong options.

Let's move onto next week expiring options.

Nov 26 Expiring Options

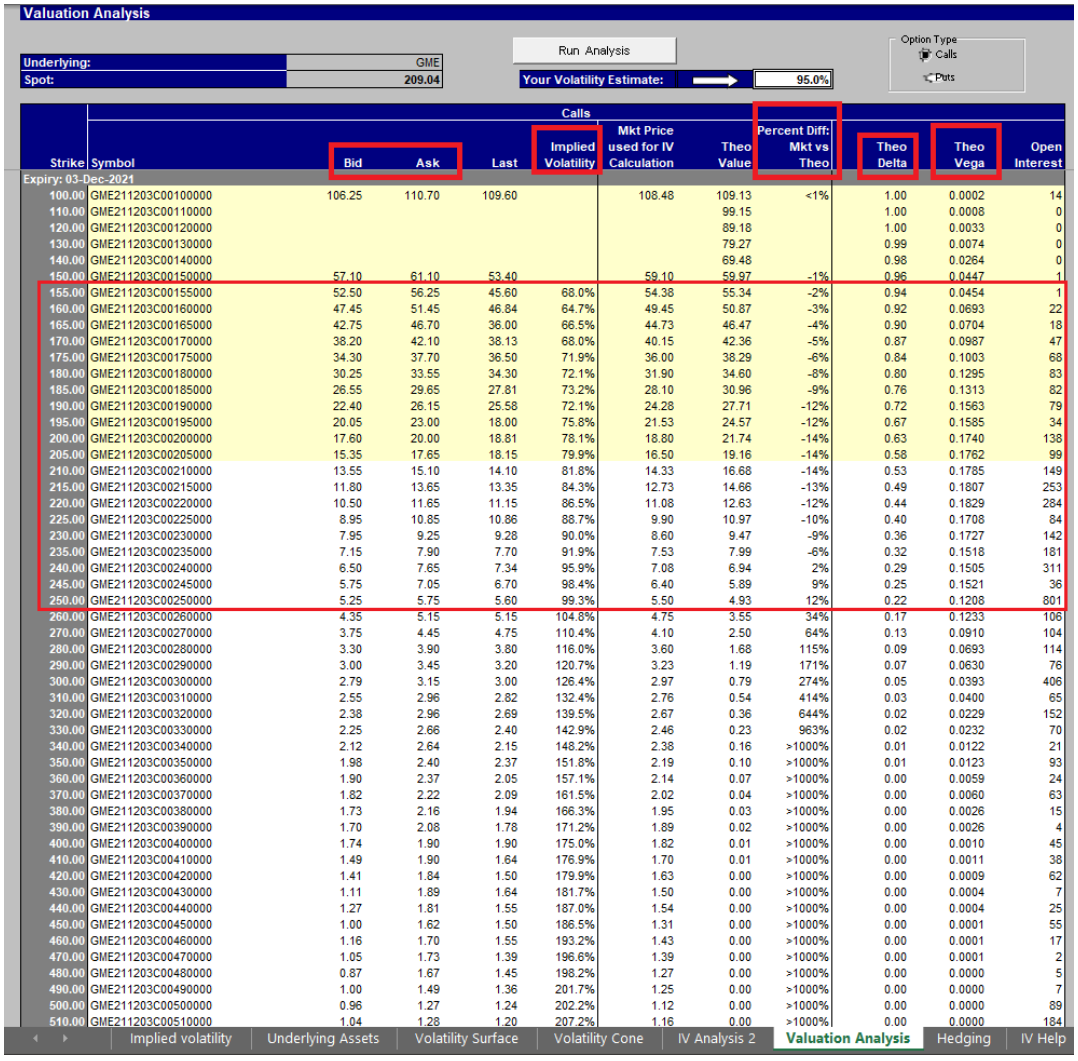


I've added a red boarder around the strikes that interest me. I'm not interested in anything outside this box as it's either overpriced, has little delta, overly high IV which will make me lose money and other variables.

I picked my strike within a similar box, but slightly expanded to $255 because IV was low last week, now anything aboe $235 is no longer viable in my opinion. That's just my opinion. You do you.

Nov 26 is risky, but doable. I'm playing this.

Dec 03 Expiring Options



Valuation Analysis

Underlying: GME
Spot: 209.04

Run Analysis

Your Volatility Estimate: 95.0%

Option Type: Calls / Puts

Calls

Strike	Symbol	Bid	Ask	Last	Implied Volatility	Mkt Price used for IV Calculation	Theo Value	Percent Diff: Mkt vs Theo	Theo Delta	Theo Vega	Open Interest
Expiry: 03-Dec-2021											
100.00	GME211203C00100000	106.25	110.70	109.60		108.48	109.13	<1%	1.00	0.0002	14
110.00	GME211203C00110000						99.15		1.00	0.0008	0
120.00	GME211203C00120000						89.18		1.00	0.0033	0
130.00	GME211203C00130000						79.27		0.99	0.0074	0
140.00	GME211203C00140000						69.48		0.98	0.0264	0
150.00	GME211203C00150000	57.10	61.10	53.40		59.10	59.97	-1%	0.96	0.0447	1
155.00	GME211203C00155000	52.50	56.25	45.60	68.0%	54.38	55.34	-2%	0.94	0.0454	1
160.00	GME211203C00160000	47.45	51.45	46.84	64.7%	49.45	50.87	-3%	0.92	0.0693	22
165.00	GME211203C00165000	42.75	46.70	36.00	66.5%	44.73	46.47	-4%	0.90	0.0704	18
170.00	GME211203C00170000	38.20	42.10	38.13	68.0%	40.15	42.36	-5%	0.87	0.0987	47
175.00	GME211203C00175000	34.30	37.70	36.50	71.9%	36.00	38.29	-6%	0.84	0.1003	68
180.00	GME211203C00180000	30.25	33.55	34.30	72.1%	31.90	34.60	-8%	0.80	0.1295	83
185.00	GME211203C00185000	26.55	29.65	27.81	73.2%	28.10	30.96	-9%	0.76	0.1313	82
190.00	GME211203C00190000	22.40	26.15	25.58	72.1%	24.28	27.71	-12%	0.72	0.1563	79
195.00	GME211203C00195000	20.05	23.00	18.00	75.8%	21.53	24.57	-12%	0.67	0.1585	34
200.00	GME211203C00200000	17.60	20.00	18.81	78.1%	18.80	21.74	-14%	0.63	0.1740	138
205.00	GME211203C00205000	15.35	17.65	18.15	79.9%	16.50	19.16	-14%	0.58	0.1762	99
210.00	GME211203C00210000	13.55	15.10	14.10	81.8%	14.33	16.68	-14%	0.53	0.1785	149
215.00	GME211203C00215000	11.80	13.65	13.35	84.3%	12.73	14.66	-13%	0.49	0.1807	253
220.00	GME211203C00220000	10.50	11.65	11.15	86.5%	11.08	12.63	-12%	0.44	0.1829	284
225.00	GME211203C00225000	8.95	10.85	10.86	88.7%	9.90	10.97	-10%	0.40	0.1708	84
230.00	GME211203C00230000	7.95	9.25	9.28	90.0%	8.60	9.47	-9%	0.36	0.1727	142
235.00	GME211203C00235000	7.15	7.90	7.70	91.9%	7.53	7.99	-6%	0.32	0.1518	181
240.00	GME211203C00240000	6.50	7.65	7.34	95.9%	7.08	6.94	2%	0.29	0.1505	311
245.00	GME211203C00245000	5.75	7.05	6.70	98.4%	6.40	5.89	9%	0.25	0.1521	36
250.00	GME211203C00250000	5.25	5.75	5.60	99.3%	5.50	4.93	12%	0.22	0.1208	801
260.00	GME211203C00260000	4.35	5.15	5.15	104.8%	4.75	3.55	34%	0.17	0.1233	106
270.00	GME211203C00270000	3.75	4.45	4.75	110.4%	4.10	2.50	64%	0.13	0.0910	104
280.00	GME211203C00280000	3.30	3.90	3.80	116.0%	3.60	1.68	115%	0.09	0.0693	114
290.00	GME211203C00290000	3.00	3.45	3.20	120.7%	3.23	1.19	171%	0.07	0.0630	76
300.00	GME211203C00300000	2.79	3.15	3.00	126.4%	2.97	0.79	274%	0.05	0.0393	406
310.00	GME211203C00310000	2.55	2.96	2.82	132.4%	2.76	0.54	414%	0.03	0.0400	65
320.00	GME211203C00320000	2.38	2.96	2.69	139.5%	2.67	0.36	644%	0.02	0.0229	152
330.00	GME211203C00330000	2.25	2.66	2.40	142.9%	2.46	0.23	963%	0.02	0.0232	70
340.00	GME211203C00340000	2.12	2.64	2.15	148.2%	2.38	0.16	>1000%	0.01	0.0122	21
350.00	GME211203C00350000	1.98	2.40	2.37	151.8%	2.19	0.10	>1000%	0.01	0.0123	93
360.00	GME211203C00360000	1.90	2.37	2.05	157.1%	2.14	0.07	>1000%	0.00	0.0059	24
370.00	GME211203C00370000	1.82	2.22	2.09	161.5%	2.02	0.04	>1000%	0.00	0.0060	63
380.00	GME211203C00380000	1.73	2.16	1.94	166.3%	1.95	0.03	>1000%	0.00	0.0026	15
390.00	GME211203C00390000	1.70	2.08	1.78	171.2%	1.89	0.02	>1000%	0.00	0.0026	4
400.00	GME211203C00400000	1.74	1.90	1.90	175.0%	1.82	0.01	>1000%	0.00	0.0010	45
410.00	GME211203C00410000	1.49	1.90	1.64	176.9%	1.70	0.01	>1000%	0.00	0.0011	38
420.00	GME211203C00420000	1.41	1.84	1.50	179.9%	1.63	0.00	>1000%	0.00	0.0009	62
430.00	GME211203C00430000	1.11	1.89	1.64	181.7%	1.50	0.00	>1000%	0.00	0.0004	7
440.00	GME211203C00440000	1.27	1.81	1.55	187.0%	1.54	0.00	>1000%	0.00	0.0004	25
450.00	GME211203C00450000	1.00	1.62	1.50	186.5%	1.31	0.00	>1000%	0.00	0.0001	55
460.00	GME211203C00460000	1.16	1.70	1.55	193.2%	1.43	0.00	>1000%	0.00	0.0001	17
470.00	GME211203C00470000	1.05	1.73	1.39	196.6%	1.39	0.00	>1000%	0.00	0.0001	2
480.00	GME211203C00480000	0.87	1.67	1.45	198.2%	1.27	0.00	>1000%	0.00	0.0000	5
490.00	GME211203C00490000	1.00	1.49	1.36	201.7%	1.25	0.00	>1000%	0.00	0.0000	7
500.00	GME211203C00500000	0.96	1.27	1.24	202.2%	1.12	0.00	>1000%	0.00	0.0000	89
510.00	GME211203C00510000	1.04	1.28	1.20	207.2%	1.16	0.00	>1000%	0.00	0.0000	184

Implied volatility | Underlying Assets | Volatility Surface | Volatility Cone | IV Analysis 2 | Valuation Analysis | Hedging | IV Help

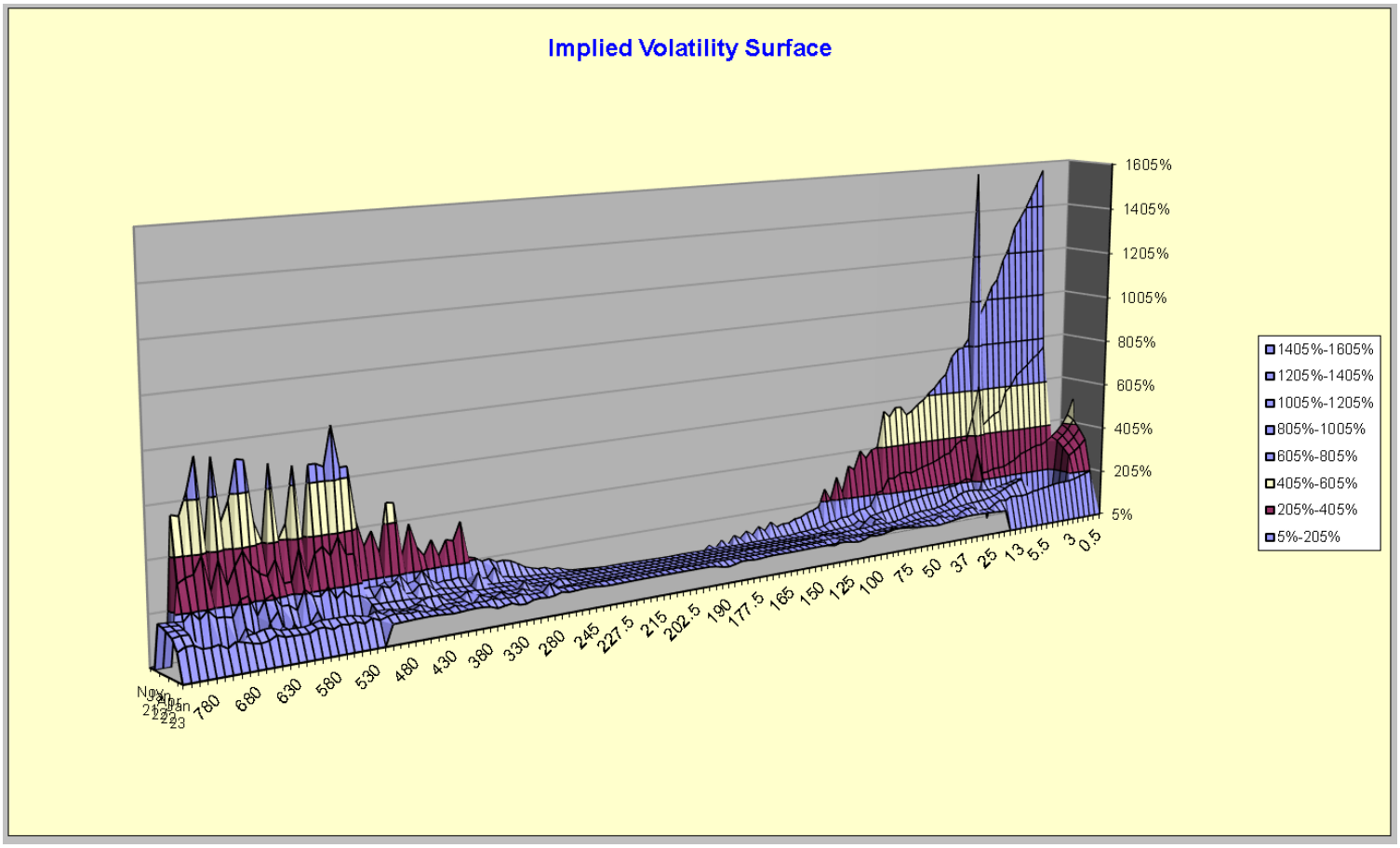
I've added the main boarder around the strikes i enjoy. Same as the previous section. I mention Dec 03 because it's "safer" if there is such a thing with financial instruments. This is for the risk averse people.

Alternatively the next best thing is to get leaps / long term calls 6 Months, 1 or 2 year expiring calls.

This section is to show what i've picked for the current November runup. I already own several ITM leaps.

EDIT: Addedd bonus section for no reason

Here's GME's option IV for the next 2 months.



Closing Comments Regarding Options

As the price of GME moves up and time passes, the IV will increase, Deltas will change, option pricing will change and the above data will NO LONGER be indicative of real market prices. Option prices literally change from day to day, hour to hour and so on.

You must not buy buy anything based on the above strikes as the option prices shown here are based on YESTERDAY's DATA. It's out of date by +1 day. You'll need to do your own research to find the correct strikes.

If you're SuperSmooth & want to buy options but never have done so, NOW IS NOT THE TIME. Let this chance pass by. If you haphazardly try to yolo your house on options, you'll most likely lose it all.

Take your time and learn. The next cycle is in 90 days. The price runs from any point. It doesn't need to be $200. It's likely it will run again. Prepare for the next time. Don't bet that this will get you out of poverty or anything, it won't.

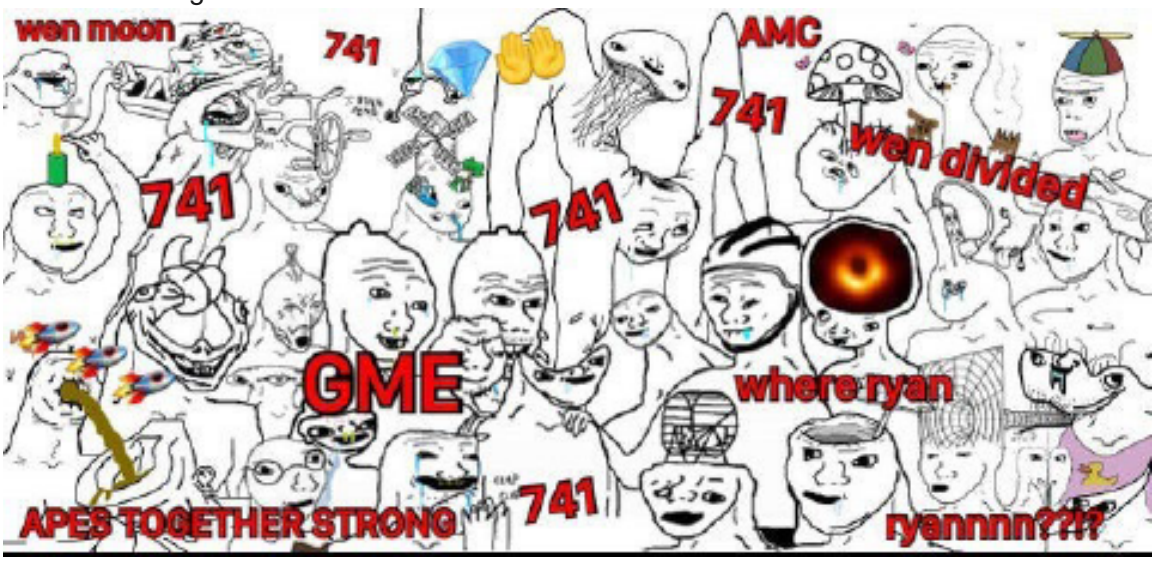
I use these cycles to make money to buy more GME but i'm a degenerate and love risk. I've lost and won a lot of money on options. When i first started, i kept losing money. It took a lot of money and time for me to learn to trade options properly. Don't try it (Anakin), you're not ready.

Ze Endo

GodSpeed SG1

Also who listens to this shill anymore? Jesus i swear this dog is like down the road from me and he barks all the time whenever lady dogs pass by.

Adios fellow shills. This damn stock won't go back to $20 quick enough. Why won't people sell first and think later? Damn deniers of the moon landings.



There will have to be a part 4. I planned to make part 3 about swaps, but people have been PM'ing me asking me about opshens and stuff, so i'm rushing out a dead ass part 3 to answer everyone's questions. Part 4 will be about swaps, but u/criand has already done a really good job on that to be honest, not sure i can add more to his DD. I'll try but he sums it all up very nicely. That son of a bitch... ;,...,;

Sarcasm, penis.

This is not financial advice. I am not a financial advisor. This is my own research on GME and is how I invest. It’s risky and may not be suited for others.