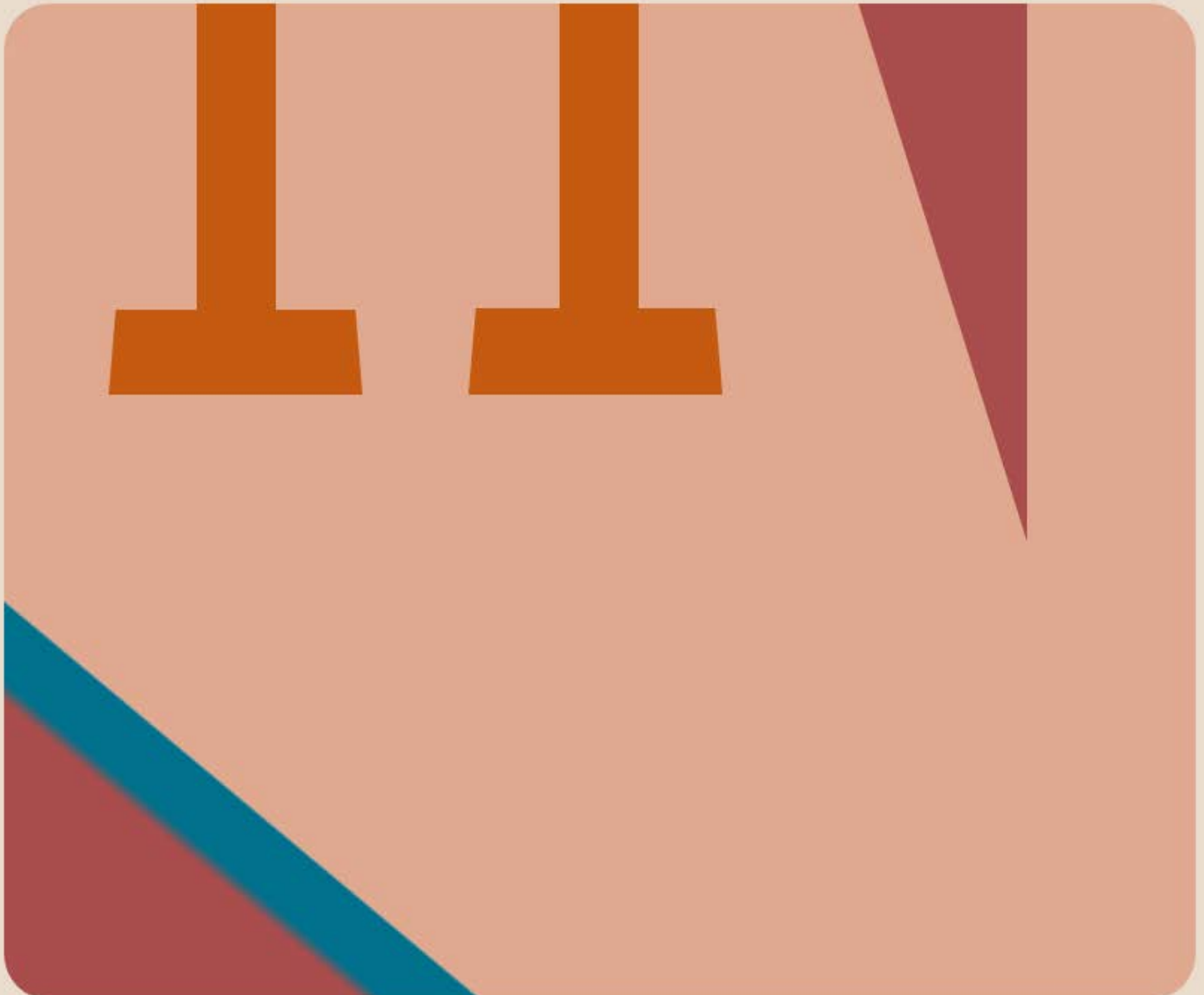


GME PRICES ARE SUPPRESSED

**OBV, SHORTING, AND THE
DISCONNECT WITH PRICE**

u/broccaaa



Why current GME prices are suppressed and hedges are fucked: OBV, shorting and the disconnect with price - March 15, 2021

DD

First of all this is not financial advice. All data is available publicly. Any interpretation is mine alone. Make your own decisions and do your own research.

This post is inspired by some great DD by [u/Eriiiiiiiiiiiik](#). A couple of weeks ago he made some posts about On Balance Volume (OBV), it's relationship with price and the disconnect we have seen in GME since Jan. I recommend both posts for further reading:

https://www.reddit.com/r/GME/comments/lxbz3w/obv_is_this_of_any_significane/

https://www.reddit.com/r/GME/comments/ly6cwr/further_onbalance_volume_analysis_obv_is_it/

Here I continue the discussion with some updated plots and comparisons. I have an idea that would model how far we are from usual market behaviour and I will try to complete a follow-up post soon.

Good analysis involves listening to criticism from others and updating models and interpretation accordingly. I have almost certainly made a mistake somewhere. Please point it out and I'll make edits.

First some context required to fully digest the meaning of what I am about to share. Perhaps some of you apes will even gain a wrinkle or two.

On Balance Volume (OBV): OBV falls when volume on down days is stronger. A rising OBV reflects positive volume pressure that can lead to higher prices. Conversely, falling OBV reflects negative volume pressure that can foreshadow lower prices.

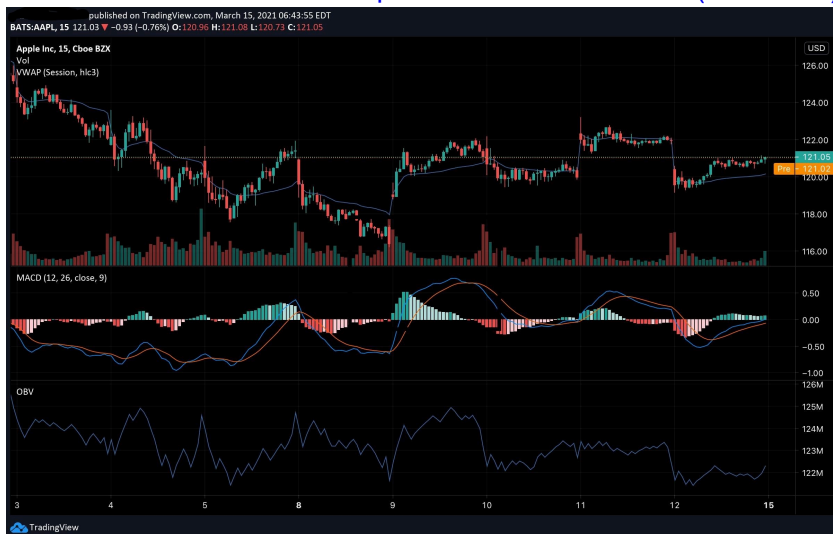
A link for lazy apes that have not yet learnt how to put keywords into the google search tool: <https://www.investopedia.com/terms/o/onbalancevolume.asp>

How does OBV relate to price in normal market scenarios?

Here I will use AAPL as a simple example of price action in the absence of major shorting and mass price fuckery.

To read the following charts I have price candles and volume up top, MACD in the middle and OBV at the bottom.

[AAPL 15min - 3-15 Mar 2021 Notice that in normal markets price and OBV are linked \(correlated\)](#)



Notice that price and OBV are highly correlated for AAPL in recent weeks. When OBV is high, price is high. When OBV decreases, price decreases. Following so far retards?

[AAPL 2hr - Nov 2020 Notice strong price and OBV correlation over many months](#)



The link between price and OBV is also obvious over many months in normal trading scenarios for AAPL.

So how do OBV and price relate for GME?

[GME 2hr - Nov 2020 Notice that before Jan 2021 OBV and price were correlated \(possible short attack in Dec 8?\)](#)



Back in late 2020 OBV and price followed each other pretty closely. A big spike in price around Oct 12th was reflected in OBV increasing. Price action and OBV followed each other closely through Nov and into Dec. But what happened on Dec 8th? A big drop in price was met by only a small drop in OBV. This may have been a sign of things to come for GME in early 2021...

GME 2hr - Jan-Mar15 2021 Notice OBV stable since Jan peak and now increasing, uncorrelated with price through Feb low

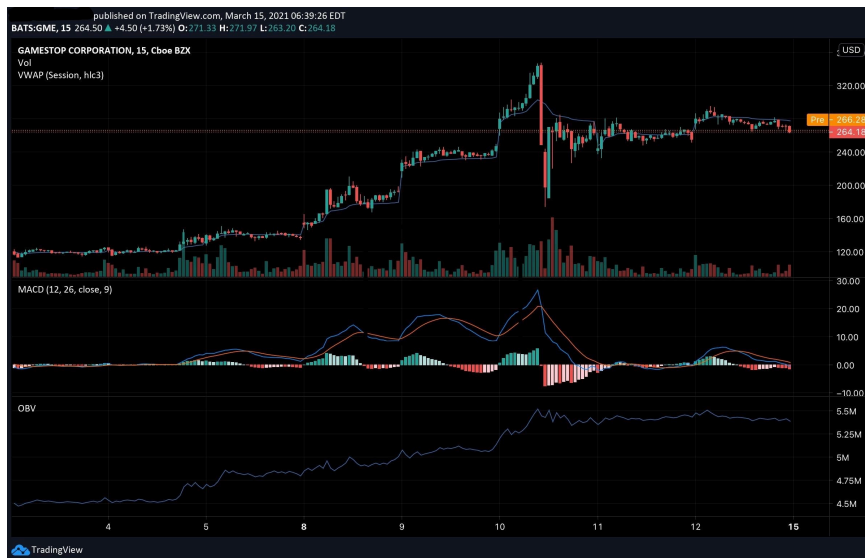


Notice anything strange about this chart? OBV rose rapidly with price in the January run up but when prices tumbled OBV fell minimally (a few weak paper hands). All through the lows of Feb OBV remained high and began to pick up again as price increased at the end of Feb.

THIS IS NOT NORMAL!!!!

Such a huge decrease in price should be reflected in the OBV.

GME 15min - 4-15 Mar 2021 Notice manipulated price on Wed 10 not correlated with OBV



Last week we all saw an insanely rapid drop in price over just a few minutes, predicted by a number of media outlets that are somehow disconnected from our current physical understanding of time and space.

But what did this 40% drop in prices do to OBV?

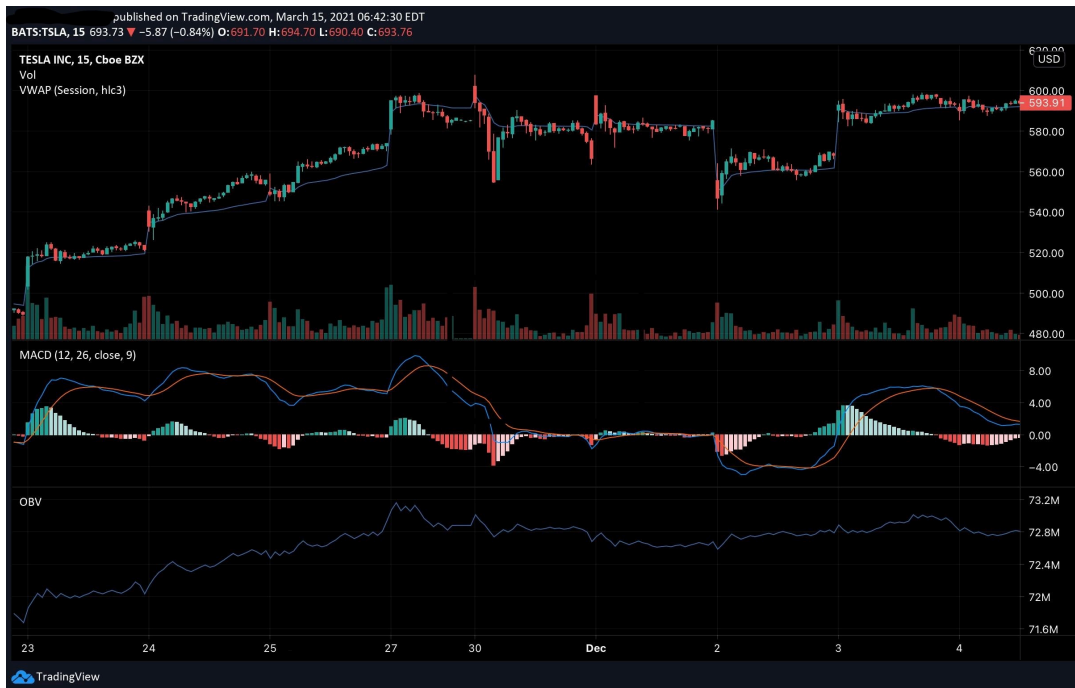
ABSOLUTELY FUCKING NOTHING!!!!

No one sold, the dip was bought, prices rebounded. And OBV still sitting as high as ever.

Have we seen situations like this before?

Here I use TSLA as an example as over the last year there has been a massive amount of shorting and price increases.

[TSLA 15min - Early Dec 2020 - Note price drop on Dec 2 not linked to OBV followed by price rebound](#)



Throughout Nov and Dec prices increase and stabilise, OBV increases and stabilises. So what? Notice anything odd?

On Dec 2nd 2020 prices dropped nearly 40 points. What happened with OBV? NOTHING! What happened with price afterwards? It rebounded and corrected back to before this manipulated price drop.

What does this mean for GME and where are we now?

PRICE IS BEING ARTIFICIALLY HELD LOW AND IS DUE FOR A MASSIVE UPWARDS CORRECTION!!!

Apes are holding strong. They have had their diamond hands forged to even greater clarity through the January spike and lows of February. The DD on this sub has been fucking excellent and more and more apes understand the situation with unflinching patience. APES LIKE THE STOCK!

TLDR; The OBV should follow price in normal market scenarios. OBV did not decrease after the Jan peak and is continuing to rise. Last Wednesday did not shake many paper hands, instead people bought at a discount. GME is due for a massive price correction. I believe the manipulations were achieved by mass shorting over many weeks meaning the true short interest must be enormous. I have an idea for how to dig deeper into OBV and will try to make a follow-up post soon.

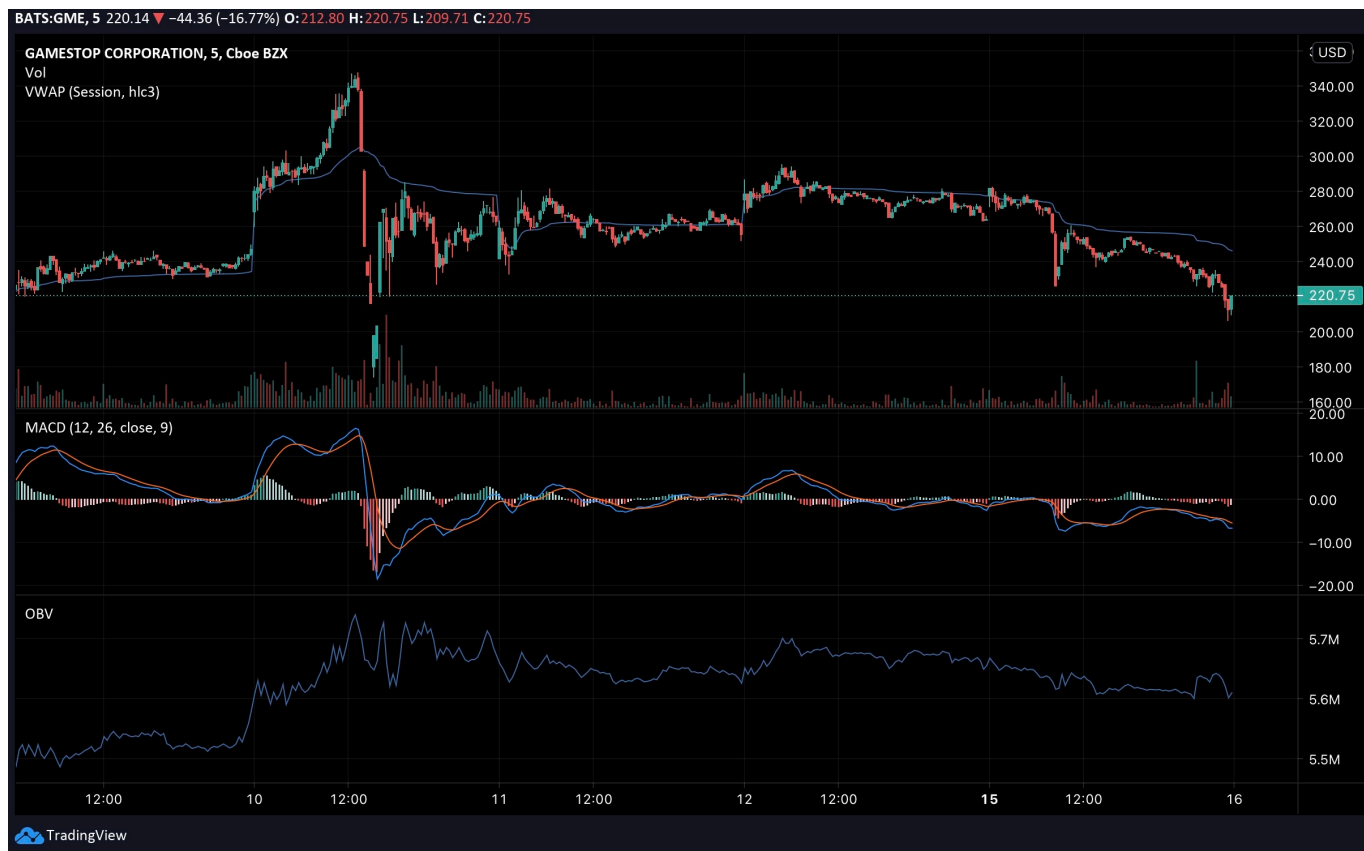
Edit 1: Like the true dyslexic I am I used the wrong ticker symbol for Apple. Should be AAPL not APPL. Charts are still correct so I just corrected my text.

Edit 2: OBV and price do not have a 1:1 relationship, but in general they should track one another. I'm looking for some other exceptional case and more quantitative evidence of what's going on.

Edit 3: Monday 15 March saw more unusual price action and probable shorting. Here is another plot for today and some previous days. 5min resolution this time. Notice that the relative change in OBV is much smaller than that of price around the main short sell off of 11:30am. Coordinated sell offs and ILLEGAL price manipulation can suppress prices with relatively few shares. But price is irrelevant when ALL SHORTS MUST COVER.

[GME 5min - Mar 15 2021 - Note how the drop in price at 11:30am barely budges OBV and is not supported by a reasonable amount of volume](#)

GME: Price and OBV - Mar 15 2021



Edit 4: I just realised that the odd gme price change on Dec 8 2020 was likely due to the earnings report. Relatively little volume in premarket was able to push the price down quite a bit. Looks similar to 2021 but may have been different, more directly linked with earnings news.

