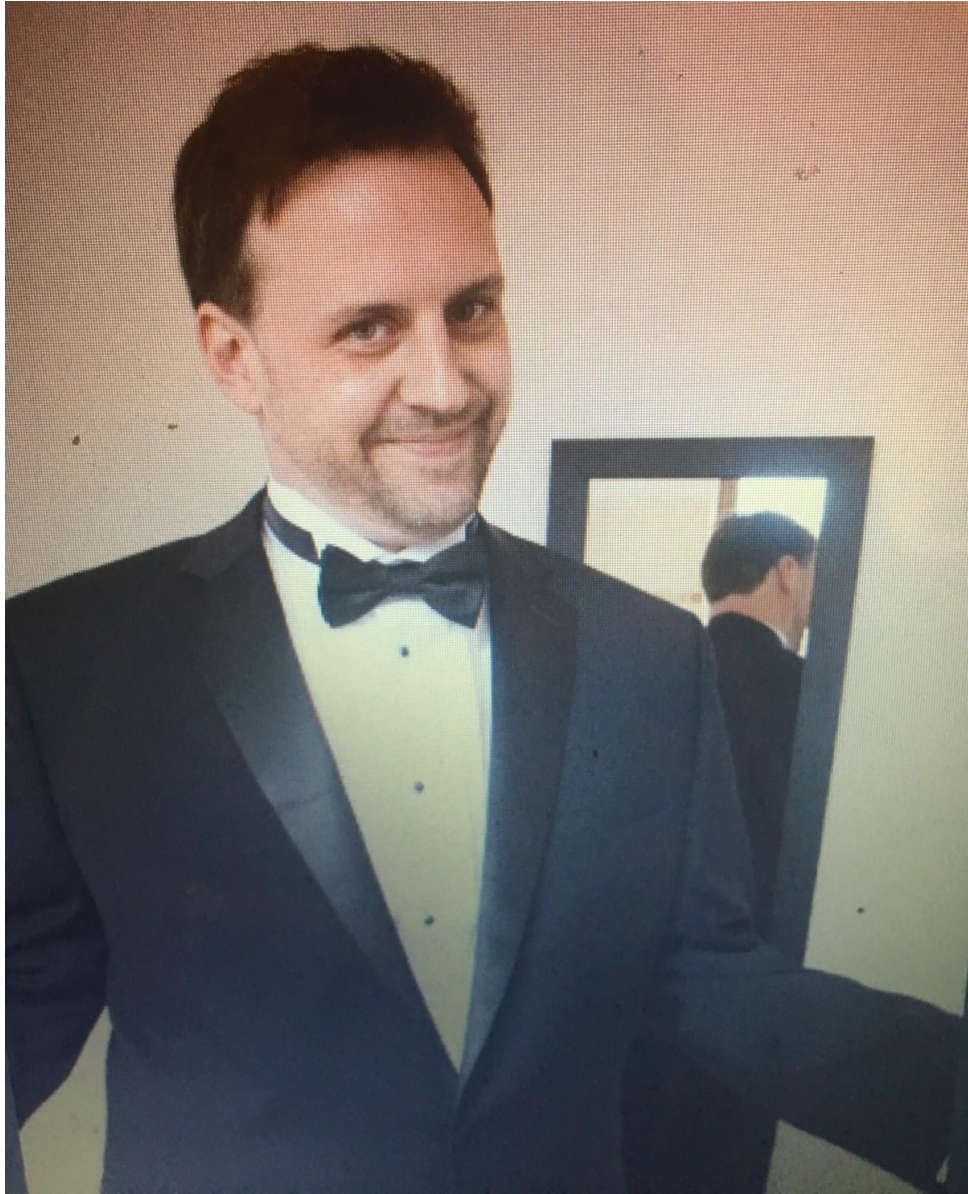


THE INFINITY POOL:

Naming a theoretical Posit for Endgame and Post-Squeeze Considerations

by u/BluPrince





In Loving Memory of u/BluPrince

THE INFINITY POOL: naming a theoretical posit for endgame and post-squeeze considerations

"The fact that the tweet of an ice cream cone can move markets will be the subject of academic study for years. It represents a dynamic where **certain stocks are now almost exclusively owned by retail and passive funds.**"

-Kenneth Griffin, [Financial Times interview, March 28, 2021](#)

Greetings, fellow GMEnthusiasts! This post is based in [a comment](#) I made a couple of days ago, which a number of you suggested I turn into a standalone post. So here it is. But before I begin, I want to be explicit:

I AM NOT ENCOURAGING OR ADVISING ANYONE TO DO ANYTHING

If you are a GME shareholder, and you believe that the MOASS is a real possibility, you probably want to think long and hard about what you're going to do when it happens. It would be nice if we knew exactly how everything was going to play out, but clearly we're working with incomplete information and a lot of unknowns. Many wrinkle brain DD authors here have provided a lot of great ideas and arguments to help fill these gaps where we can, but even the most wrinkled agree that at the end of the day, there are no guarantees that this will happen or that will happen; only varying levels of confidence in a variety of relevant propositions/outcomes. Please don't let this worry you, as this holds true for any investment you'll ever make in anything. GME may be exceptional in many other respects, but in this, it is like every other investment: there is risk involved.

Now, the most prudent among you are probably considering a variety of different possible MOASS outcomes, what your personal strategy should be relative to these outcomes, and what evidence you might use to commit to some particular course of action. It is in this spirit that I offer the following thoughts.

A few plausible propositions:

1. The height of the squeeze's peak is directly affected by how much of the true float (as opposed to true float+synthetic/short-sold shares) is held by retail apes.
2. If diamond handed apes individually hold shares which together number equal to or greater than the total number of shares in the true float, and MOASS forces all shorts to cover, then *any other* shares can be sold to a forced buyer and the seller may name their price, as shorts will *have* to buy those shares in order to cover.
3. GME is likely *extremely* heavily shorted, possibly multiple times the true float. (I won't speculate on the exact amount, but others have looked into this at length)
4. Apes who get lots and lots of tendies from MOASS will be very likely to reinvest in GME if the price comes down from MOASS levels - they will buy the dip, and with so many tendies I expect many to buy even larger positions than they do pre-MOASS. Much larger.
5. Even after seeing the havoc wreaked on short Hedge Funds during the MOASS, some self-styled geniuses are going to try and short GME on the backside of the MOASS.

As [u/BinBender](#) (among others) has [rightly pointed out](#), even if every short has to cover during the MOASS, not every share held by shareholders must be bought; only enough so that the number of shares in shareholder hands is reduced to the real float. **OH CRAP DOES THIS MEAN I'M GOING TO BE LEFT HOLDING THE BAG?!?**

Relax. Eat a crayon.

Let's talk about a hypothetical MOASS, and sort out the fate of the various shares in the "practical float" (true float+shares to be covered). This will involve some oversimplification, but bear with me.

The first shares to go will be paper-handers' shares - some of these orders may already be on the books. Shareholders, especially those who don't hang around here, will see profits bigger than they ever imagined to see and will rush to lock in their profits. See ya, wouldn't want to be ya. They exit the rocket first.

Price moons, forced buy orders eat up all the asks in the book until we reach a variety of ever more life-changing share prices, at which some diamond handers release some shares (one at a time, if they know what's good for them). We might imagine apes doing all they can to sell their entire positions for maximum possible profits...but, if the diamond handed among us all sell all of our shares, the number of bagholders, probably retail, is increased. Worse still, these bagholders will all be **THE MOST DIAMOND HANDED APES OF THE BUNCH**, having held their shares through selloffs at every level - remember, the price goes up *because* people sell one or more shares at ever increasing prices.

But some shares simply will not be sold at all during the MOASS.

The Infinity Pool



No, not that kind of infinity pool. But it looks nice.

Wait, what? Why would someone *not* sell their shares for 6, 7, 8 figure prices, should they occur? Well, some shares simply won't be able to be sold. Some shareholders, statistically speaking, will die or become otherwise incapacitated between now and whenever MOASS is, and their shares probably won't get sold. Other shares might be held by corporations or trusts with specific rules or by-laws that restrict sales or purchases of securities in various ways. Some will be in ETFs that won't rebalance for months. And some might be held by truly ascended apes who voluntarily hold them through the MOASS, refusing to sell those shares at any price. Maybe they plan to pass those shares on to their children like family heirlooms. Maybe they're kept as a memento of the MOASS. Maybe they realize that they can reach their initial price target for 100% of their shares by only selling a fraction of them and just demanding a higher price. Maybe they do it because they believe it helps reduce retail bagholding. Maybe they just like the stock, and don't know what an exit strategy is.

For the sake of convenience, I like to refer to the subset of shares that have this property as **the Infinity Pool**. It's useful to have a term to refer to these shares, because the number of shares in this subset determines whether or not there will be retail bagholders and if so, how many. If the infinity pool is full, i.e. equal to or greater than the true float, then every retail shareholder wins, as every share outside the pool must be covered, at any price.

GETTING MORE SPECULATIVE:

What if the pool isn't full? Well, as above, there will be bagholders - people who held shares they wanted to sell at some price but didn't get the chance. But before you start clutching your pearls, worrying that *that might be you* remember this: these shares are held by ultra diamond hands, who can keep on holding. And given 4 and 5 above, apes will buy the post MOASS dip, and new shorts will enter the ring. What those shorts probably didn't realize is the rebuying pressure from apes will quickly eat up any liquidity in GME, and will happily hold onto many of those shares either A. forever (in which case they are added to the Infinity Pool), or B. until the price gets back up to where it was when covering ended previously. Price is driven up again, shorts get margin called (again), maybe some new FTD timers expire, and bingo - more forced buying and another check on whether or not the infinity pool is full. Some shares (outside the infinity pool), again, will be sold at fantastical prices, and if the pool is full, "bagholders" not only get out, they get out at what is now the "true" peak, higher levels than were achieved in the first round of covering. If the pool still isn't full, well, those shares that were sold for great profits by apes on round two can be repurchased on sale on the dip. Rinse and repeat.



How many times do I have to teach you this lesson, Old Man?!?

And with each round of ape-enrichment, it seems plausible that more total shares held by apes will enter the infinity pool, either implicitly by apes simply feeling even less pressure to sell as they already have life-changing tendies, or explicitly by apes actively deciding to commit some fraction of their shares to the **ULTIMATE DIAMOND HAND CONSIGNMENT TECHNIQUE**.

I'm not talking about daytrading here, I'm talking about selling a share for 6-7-8 digit share prices and reinvesting at 3-4 digit share prices. This is basically exactly what DFV did in January-February. He took a few million of his investment to cash (slick of him to sell the options but hold the shares), and when the price was back down to ~\$40, he bought the damn dip, big time. Now instead of locking up 50,000 shares, he's locked up 100,000.

What if the infinity pool *is* full? What if retail holds enough shares that even after selling those they want to sell, they still (individually and not in concert) have a diamond handed grip on so many shares that the shorts **cannot cover the shares that they borrowed**? Does the price keep increasing, blasting the moon rocket past the lightspeed barrier and into another dimension? Does it just hover at the peak? Do we see yo-yo action from market makers creating synthetic longs for liquidity, only to have these time out, needing to be replaced with legitimately purchased shares which they can't get either, because the pool is full? I honestly don't know, but it's fun to speculate about.

In any case, I'd like to reiterate that I'm not encouraging anyone to do anything. You all will make your own plans, and I'll make mine. I just thought these considerations might be helpful when strategizing about what you each will do with your own shares in a variety of hypothetical scenarios. You might not have even considered holding a portion of your shares forever, or what effects that might have on total outcomes; I'm merely bringing that possibility to your attention. Also, I'm here to remind you not to forget that MOASS is not disconnected from the rest of \$GME's future and past price action; it's always a dynamic situation. In any case, as always: you do you.

iSn'T ThIs MaRkEt mAnIpUIAtIoN?!? yOu'Re PoOllnG sHaReS!!! yOu'Re TaLkInG aBoUt CoRnErInG tHe MaRkEt!!!

It isn't, and I'm not. Remember, the Infinity Pool is just a snazzy way to refer to a subset of shares that just don't get sold for a variety of reasons; it's not an actual jointly-held pool of shares controlled by an individual or unified group. As far as cornering the market, that would require coordinated action by a group toward a specific goal. What I'm talking about is the organic development of a low liquidity environment for \$GME, of which there is a limited supply and worldwide demand, in a situation where those who like the stock suddenly find themselves in a position to buy more of it than they might have ever dreamed possible before. You might even call it a dynamic where a certain stonk is now almost exclusively owned by retail and passive funds.

Of course, this may have been considered already by apes who have come before me...



Bet he's got a few shares in the pool...

