Cycles & DTCC / NSCC Stuff
BY U/LEENIXUS

Cycles & DTCC/NSCC Stuff

`DD`

Gday SupraStonkers,

I am [Jacques_Tits](#). Why? Because, THINGS! That's why.

.0 Preface

So yeah, um... anyway. I took some time and learned more about how the DTCSHIT, NSCSHIT, OCCSHIT work, what they do, and what their plumbing looks like. Don't ask for details or anything in fact.

I'm going to oversimplify everything for you as if i explain it using the overly complicated language used in DTCSHIT's stuff, most of you might have a stroke. So this whole DickDick is gonna not contain overly coplicated language (I hope).

I'm going to give you:

- Cycles.
- Cycles within Cycles.
- Cycle drilldowns.
- Abnormal Cycles.
- T+21's and T+35's as well as T+180's.
- Bits and pieces of DTCSHIT plumbing.

.1 Cycles

Basic overview of the names of the cycles:

- Option expiration SLD cycles.
- T+21
- T+35
- T+180 (Yep)

.2 Option expiration SLD cycles

Helpful Pre-read: [The effects of T+ and SLD Deposit Periods](#)

An Option expiration SLD cycle refers to a cycle that takes place once a month or once every quarter and is an operation where in laymans terms, the losers / winners of these options have to pay up the DTCC/NSCC/OCC the money

nessesary to cover the costs of these wins/losses.

After money/collateral is paid up, we sometimes see a rise in price for GME or we don't.

-Simple as, Gaz.

The cycle consists of multiple parts and they're all pretty important in the game of GME vs "Them". I'm going to break down the cycle in it's basic parts for you below.

I'm giving the SLD cycles a confidence rating of 9/10 (on my own scale of bullshit)

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a. Supplementary Liquidity Deposit Period (SLD Period)

Every month, there's 2 days in which this circus of cOnts has to deposit money or treasuries to the NSCC (Also known as DTCC). Again, this is the money that they owe for that month's expiring options.

Interjection: What the fuck are **"monthly expiring options"** you say? It's just the options that expire on the 3'rd Friday of every month. That's it.

Q: So when do they have to deposit this money with the NSCC?

A: Deposits are accepted starting 2 business days before the 3'rd Friday of that month up to EOD 3'rd Friday of the month.

It looks like this for August

		AUGUST 2021				
Sun	Mon	Tue	Wed	Thu	Fri	Sat
1	2	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	1	2	3	4

b. Option Underlying Netting (CNS) period

A few days after the carnival of c0nts deposits money with the NSCC, the NSCC/DTCC/OCC talk to each other and then stuff happens. The NSCC starts using the money given to them to settle (Net) all the option exercises and worthless expirations.

Everything has to balance to 0 once this process is done.

Q: Ok so when does all this automatic netting happen?

A: EOD of the 3'rd Friday of the month until EOD Tuesday (Friday + 2 Business Days)

And don't forget that after settling a trade, it takes around 1-2 days for it to hit the market. And yes, you will see a significant move in the price of the underlying stock after this netting/settling happens in T+2 (or more).

(I suspect that CNS ocurrs for another 9 business days and not only for these 2 days, but i've yet to find this information)

This is what it looks like on the calendar for August

AUGUST 2021						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	**20** *1*	21
22	23 *2*	24 *3*	25	26	27	28
29	30	31	1	2	3	4

c. Settling / Netting Effects Appear on the Stock Price - Period

1 day after the last day of the option underlying netting (cns) period, the effect of this netting starts to be seen on the underlying stock price. In simpler words, it means, money go in - money make stock price go up (maybe).

This period lasts 6 business days and is usually the Wednesday after the 3'rd Friday of the month until the next Wednesday.

Here's what this looks like for August

d. SLD Gets Returned To Sender (Or Sender gets asked for more SLD)

After all the netting has happened and all the effects of it have hit the market within those 6 days, on the 7'th business day, the NSCC returns whatever (if anything) is left from the SLD they were given.

Also another nice tldr, every month, the same sum "they" paid in Jan/Feb (All time record for options) will have to be paid every month for the next 18 months. Rules are rules.

This is the date in August where the SLD gets returned to sender (Or Sender gets asked for more SLD).

e. Full Cycle

1. Supplementary Liquidity Deposits now accepted by NSCC
2. CNS (Auto Netting) happens
3. Effect of CNS (Auto Netting) is seen on underlying security
4. Supplementary Liquidity Deposit is returned to sender (Or Sender is asked for more SLD)

AUGUST 2021

Sun	Mon	Tue	Wed	Thu	Fri	Sat
1	2	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	1	2	3	4

?. Wanna see something cool?

Here's the SLD cycle for January 2021.

Q: Anyone remember on which date RobinCuck got margin called?

A: 28'th of January.

2021 JANUARY

SUN	MON	TUE	WED	THU	FRI	SAT
					1	2
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						

?. Wanna see something even cooler?

The 18'th of January was a Bank Holiday. I checked and on bank holidays, there is no CNS (Automatic Netting) by the NSCC.

Q: What does this mean?

A: Maybe someone did not account for this special holiday coinciding with the SLD cycle? Who knows.

All i know is that the next and only occurence of this ever happening again in the same conditions as January 18 2021 is actually... **February 21 of 2022.** By the way, when was it that RC can start talking to us shareholders again without shitposting on twitter?? That's right...

Here's the actual SLD cycle for January 2021

2021 JANUARY						
SUN	MON	TUE	WED	THU	FRI	SAT
					1	2
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						

Here's WHEN the same exact occurence happens again, and then never happens again for many many years to come.

2021 JANUARY						
SUN	MON	TUE	WED	THU	FRI	SAT
					1	2
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						

|						
FEBRUARY 2022						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
30	31	1	2	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	1	2	3	4	5

?. Marge

Read [this](#) shit please, but if you're too smoothbrained i'm still gonna try and explain it here.

Since this whole shitshow started, we've not closed above $230 - $265 within the SLD cycle dates except for ONCE and that was on January 28 when a certain boy from Bulgaria got marged.

The chart below shows the CLOSE price for GME within the bounds of the SLD cycles and in my opinion easily and as bright as day indicates where marge lies.
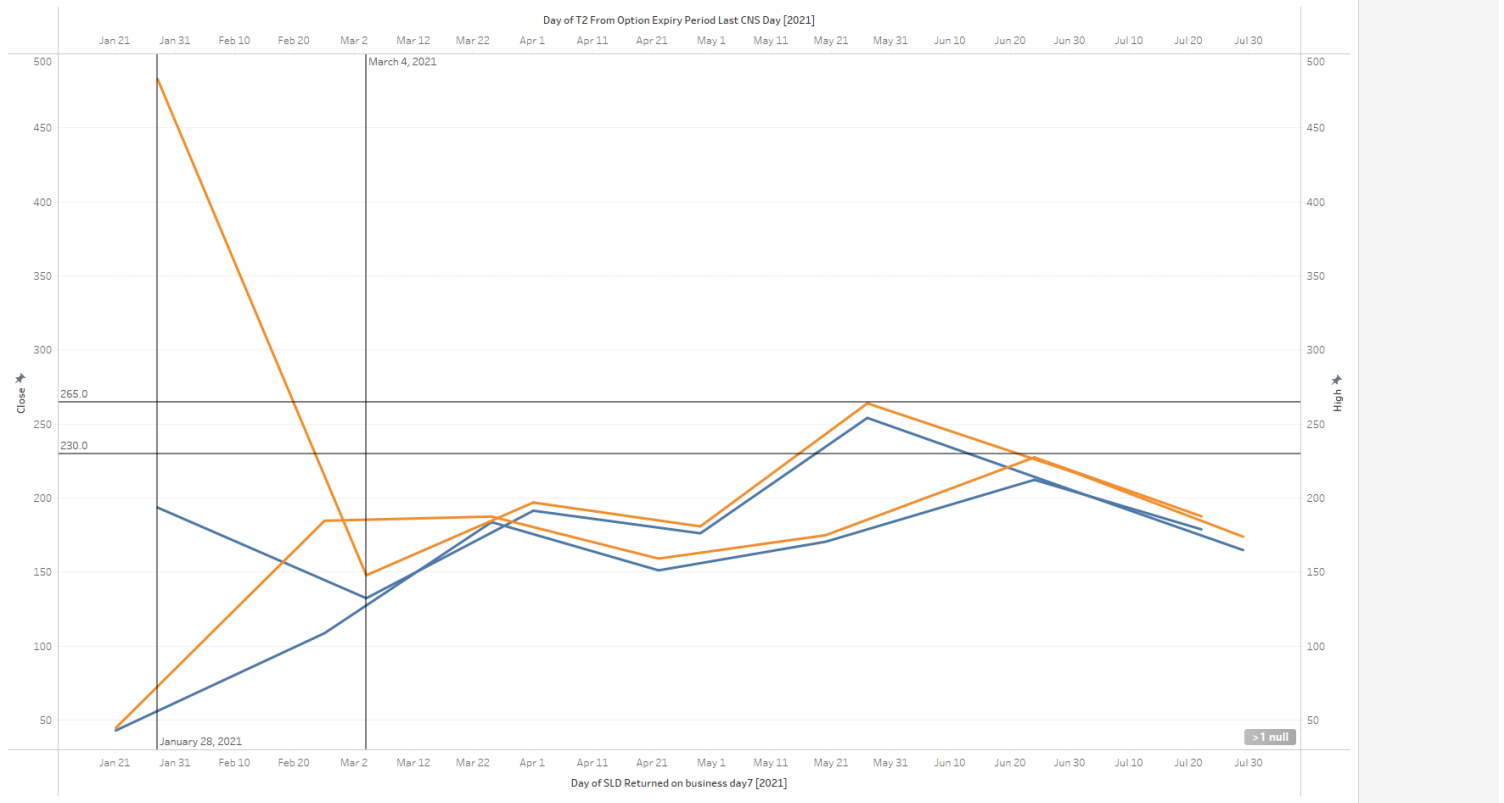
SLD Cycle Conclusion

SLD cycles exist for all stocks. Option heavy stocks will see large movements on their SLD cycles.

Indexes like the SPY typically have a catastrophic meltdown around once a month for a few days and it's during the SLD deposit period but then recover.

For GME however, most cycles are nothingburgers but the Quarterly ending SLD cycle is typically a bullish one. The

next mega cycle based on this has to be October (One Brazzilion Puts) because it's a quarterly ending SLD cycle and so on...

GME however can only stay alive during the mega short attacks thanks to apes being unaware of such things and simply buying equally at all times. Knowing the existence of this cycle would be bad for apes because apes would then simply not buy during bearish cycles and only buy on Bullish cycles.

This however is a bit of a causational loop. If you don't buy on a bearish cycle, the next bullish cycle will yield less and less each time until the stock is dead. The lesson is to not be a greedy c0nt and wait, don't scalp the cycles.

You scalp the cycles at their peak and then re-buy in at the bottoms. Good for you, just know there's a lot of people out there doing the same and that this isn't helping towards reaching GME's marge price which is something i'm going to show below.

Hold and don't be a greedy c0nt.

One small thing to be aware of. The 7 days before the SLD cycle are usually bearish and these (so far) indicate a bearish cycle. If these days are mostly bullish and not bearish, these indicate a bullish cycle. Also almost every SLD cycle is bullish at around T+2 after CNS.

Don't take this as financial advice, i'm not a financial advisor and this is not financial advice.

2. T+ Cycles

Oof, where do i begin with these. First of all, let's just make one change here.

Change the naming of T+ to C+

- *From:* T+21 or T+35
- *To:* C+21 or C+35

"C" simply standing for "Calendar", hence CALENDAR DAYS. Not to be confused with Business days.

I'm giving the C+21 cycle a 3/10 confidence rating and the C+35 cycle a 4,5/10 on my own scale of bs.

Next thing i want to say straight off the bat

C+21 used to have an effect on GME, but not anymore. It's not a decent price mover. At this point C+21 is in fact mostly horse shit. Simply put, GME has grown too big for C+21 to have any effect on it. This is why i'm not going to include a section about C+21 in this DikDik as the effects of C+21 are too diminished to see them.

In general at this point C+21 for me just serves as an indicator for bearishness. At the end of a C+21, i expect 1-2 weeks of bearishness. No reason in specific for this, it's just what i've noticed when looking at the chart.

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a. C+35's Q/A

I guess your first question about these cycles is:

Q: Where do i start counting C+35 from?

A: From the start or end of any major GME event. Also from the first major visible gap down on the GME chart. This is (was) the most accurate one for me.

I want you to keep in mind that the moving power of C+35 cycles hasn't really diminished, it's that GME's harder to move. Same story as C+21, but C+35 in some rare cases does move GME enough to be mentioned here.

# b. C+21, C+35 and SLD Cycle Tracking

This is where i give you a stroke with bright colours and shit. Sorry. This is simply how i track my cycles. Before i do show them to you, i want you to be aware that these are my own C+35 and C+21 cycles that i'm tracking.

The charts contais everything including the SLD cycles in granular detail, the C+21 and C+35 cycles and some other stuff here and there.

December 2020 - May 2021
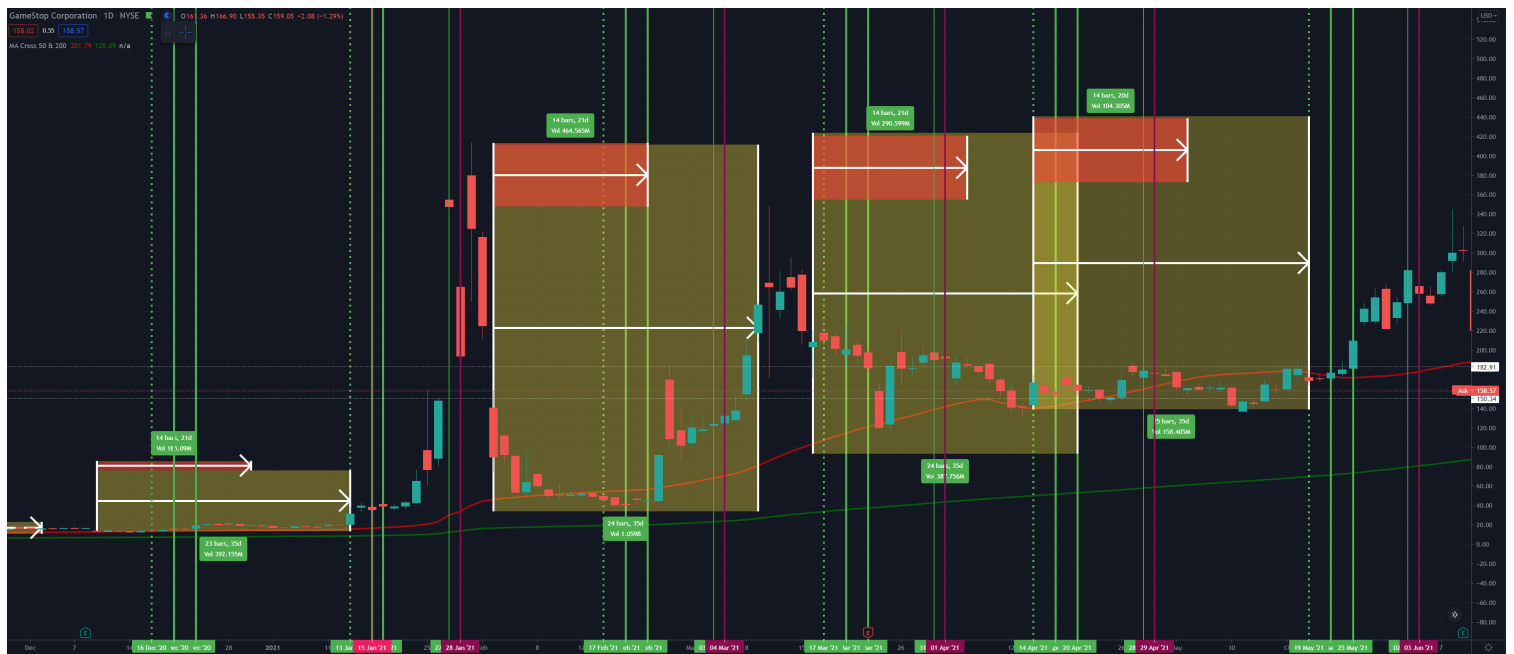
May - November 2021
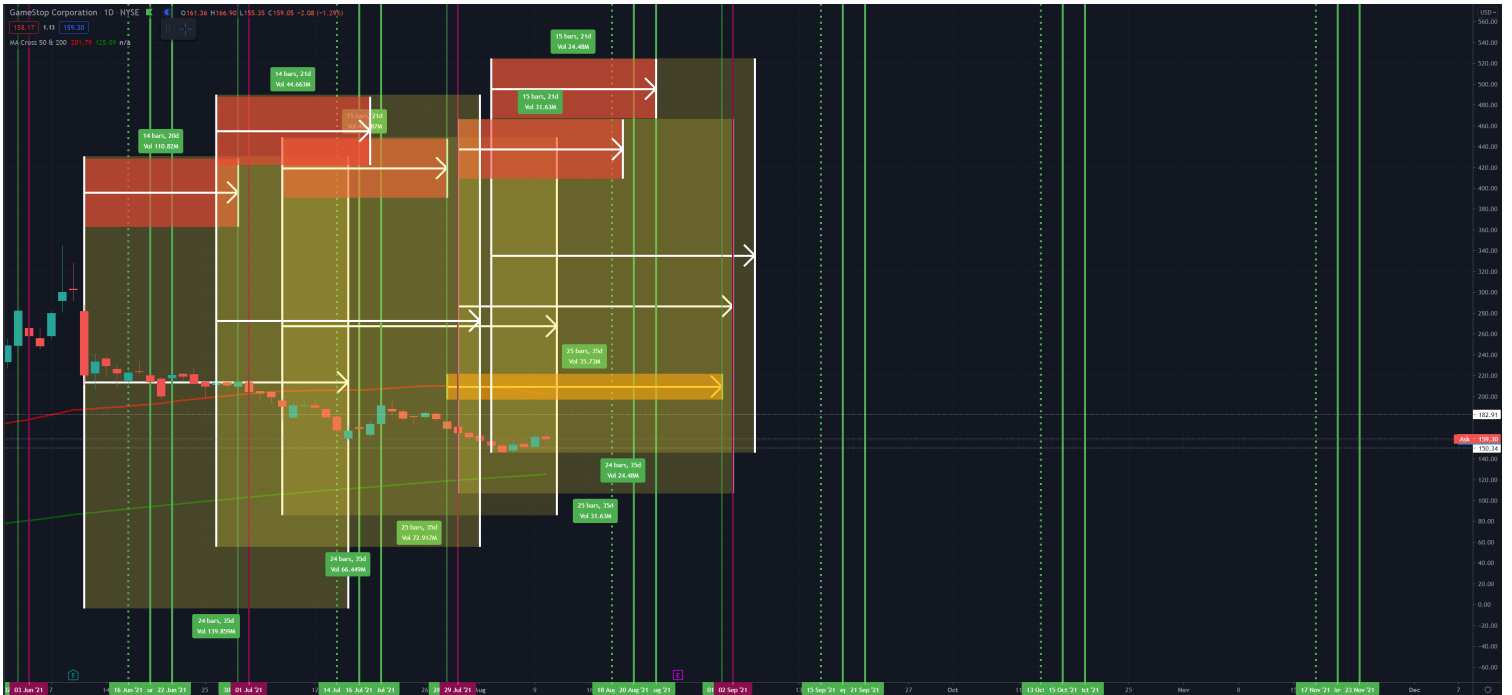
C+ Cycle Conclusion

Nothing special to look forward to. Buy shares, hold shares, wait for Moass. C+ cycles used to have a decent impact in the first few months but at this point their effects on the underlying price are close to invisible.

The SLD cycles are a better/more accurate way to see things. It doesn't matter how many C+ cycles you stack together at this point, even those barely move GME's price.

I've already studied what overlaps with many C+'s and SLD cycles does. It does fuck all. It used to. Not anymore. GME went from being a boulder to being a mountain. You can move a boulder, you can't move a mountain (Unless you're an SLD cycle).

Extra: Don't forget to read PWNWTFBBQ's shit too. In one part of her DD, she used GME and VIX prices and used some funny math to come up with the same dates as the SLD cycles without knowing the SLD cycles even exist. I took that as jack tittis and confirmation bias. Specifically she even narrowed it down to the fucking Quarterly SLD's which are the bullish ones.

[The algorithm has been doing this shit for years: Part 1](#)

[The algorithm has been doing this shit for years: Part 2](#)

She's an insane bitch. Like her shit.

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.3 Bits and pieces of DTCSHIT plumbing

.a Preface

Call me big plumbus cause i'm deep in DTCSHIT plumbing. I've read a boatload of their content in attempts to find vulnerabilities in their system. I found a few tiny ones and a few decent ones.

To be honest, reading through their shit, i get the impression that the DTCSHIT is a very old organization ran by a very old generation of people into the IT era of 2021. There's a lot of "old" IBM systems running old messaging protocols in there. I can tell they're old because i'm in IT and i know what they're talking about... Old doesn't mean bad, but it does flaire up words like "Unsupported, Legacy, Vulnerabilities, Untested, Badly Tested" in my head.

The DTCC is an IT company that's gotten themselves in a special position. They have to keep these old systems with these old protocols running as they are due to government provisions, rules, regulations which is shit written by people who know fuck all about IT.

Every other company that's in software development or any part of IT 1000% could make a better system than the DTCC at managing stock loans, FTD's and other stuff.

Also FedWire seems to be an absolutely integral part of EVERYTHING they do. (Remember the FedWire and FedAch being down in Feb?)

Little warning. Don't ask me for source. I can't give you shit.

Don't take this as financial advice, i'm not a financial advisor and this is not financial advice.

.b Going through CNS & Hiding FTDs

There's a few theoretical ways to do it. I'm going to talk about the way 1 verified way to "hide" them and a few more theoretical ways but not all.

All ways of hiding FTD's have these absolutely basic pre-requisites:

1. For a trade to appear as an FTD it must pass through NSCC's CNS and be a fail.
2. There are ways to exclude certain trades from CNS.

Interjection: CNS stands for "Continuous Netting System". Trades are netted automatically non stop daily. Any trades that don't net/balance to 0 are considered fails/FTD's.

Now, if a trade does pass through the CNS and doesn't net, it's a fail.

If a trade doesn't pass through the CNS, it can't be a fail / FTD now can it.

Big Fucking Warning

Please keep in mind that the whole part about not appearing as a fail if you don't pass through CNS is not 100% verified. Only a person with experience in the DTCC's systems / NSCC intefaces who's actually done these operations can 100% verify that fails don't appear as fails if they don't go through CNS. Anything said below this warning falls into this idea.

Big Fucking Warning

Don't take this as financial advice, i'm not a financial advisor and this is not financial advice.

Had to add a big fucking warning because some of you are smoother than yoghurt.

c. Hiding FTDs - ODS, One Day Settling Exemption

TLDR: You can apply to have your shorts marked as CNS exempt for 1 day. This way they'll never be processed/netted and no fails can occur and be seen.

One Day Settling Exemption

Members also have a One Day Settling (ODS) exemption level standing instruction on the NSCC master file. This ODS exemption must be the same for both the subaccount A (General Account) and subaccount S (CNS ACATS Short Account). This exemption is applied to a member's short positions created because of next day or same day settling transaction activity in their account received by CNS after the CNS Projection file/report was issued the business day before settlement date. The ODS standing exemption level instruction can only be Level 0 or 1 and cannot be overridden daily. A member who has a Level 1 instruction on a position and wants to satisfy a delivery to DTC must process a free deliver order to the 888 account (or CNS 8902 account for CNS ACATS) before the CNS cutoff time, which generally occurs daily at 3:10 P.M. Eastern Time. After this occurs, the member can view the transactions in the DTC ATP system.

Yes, this is a 1 day exemption.

Read the wording several times and be careful... **"The exemption is applied to a member's shorts"**.

How can i game this? No idea, would need access to these dumbass systems and try various things. One would be to try and move these shorts to another member (friend in crime) and have them also apply for a one day settling exemption and then repeat this ad-infinitum.

The problem with this to "them" is that, this costs them margin (I fucking hope it does).

d. Where do unsettled / non-netted trades go to?

They certainly don't go to FTD heaven, and that's because they're not FTDs.

They go to the "Obligation Warehouse" or "OW". There's nothing ominous about this. The Obligation Warehouse is where shit sits until it's called upon to be settled/netted (If ever).

Let's call these shitty unsettled / non-netted trades as "**Obligations**".

e. When do Obligations finally pass through CNS?

No clue. You know what i do know though? I know you can permanently exclude certain obligations from EVER going through the CNS.
Basically you're marking it as a "Sorry i'm never going to deliver on this". And since it's not going through CNS, it's not a fail.

So yeah, you can mark shit as "Fuck you, no delivery". X-Recaps has it's place post CNS and may have to be marked as "Yes" along with X-CNS for this "Fuck you, no deliver, ever" to happen.

*	m	Field name	Description	Guidelines for Obligation Warehouse Web input
*	m	CUSIP/ISIN	CUSIP security identification	-USD default -9 character security identifier - ISIN check digit
*	m	Currency Code	Currency in which obligation is denominated.	-Default is US Dollar
*		X-CNS	Request to exclude obligation from CNS®.	-Default is No -If yes is selected, obligation is excluded from CNS permanently.

17.3 Obligation Entry Page

f. Wait, what else can they fuckup like this?

I'm glad you asked. Did you see the extra part i highlighted where it says "X-REOR"? Yeah, they can fuckup that. And that's big.

Q: But, what the fuck is that? What am i looking at? I'm just a smoothbrain tha only knows hodl

A: Stay with me soldier. Read the fucking text and i'll explain the rest in a bit.

*	m	Field name	Description	Guidelines for Obligation Warehouse Web input
*	m	CUSIP/ ISIN	CUSIP security identification	-USD default -9 character security identifier - ISIN check digit
*	m	Currency Code	Currency in which obligation is denominated.	-Default is US Dollar
*		X-CNS	Request to exclude obligation from CNS®.	-Default is No -If yes is selected, obligation is excluded from CNS permanently.
		X-REOR	Request to exclude obligation from mandatory reorg. adjustment in the Obligation Warehouse system	-Default is No -If yes is selected, obligation will not be adjusted for any mandatory reorganizations
		X-RECAPS	Request to exclude obligation from RECAPS process	-Default is No -If yes is selected, obligation will be excluded from RECAPS
		Accrued Interest	Informational field for use with fixed income securities.	Up to 14 digits and decimal -Value equals 12 places before decimal and 2 places after -Default is blank
		Participant Notes	Text field to be used by participant.	-Free form text up to 32 characters -No dashes or special characters

X-REOR where REOR stands for Reorganization meaning the reorganization of the underlying company which in this case would be GameStop. Reorgination in this case refers to certain "Mandatory Corporate" events that RC / GameStop can trigger at any time.

Here they are

14.4 Settlement and REORGs—Reconciliation of REORG

The OW Reorg. Cash Adjustment file is only produced when OW applies one of the six mandatory corporate action events: Stock Merger, Cash Merger, Corporate Bond, or Municipal Bond Full Calls.

Settlement and transformation of one of the mandatory corporate action events, listed in the following table, requires the communication and coordination of the member's Settlement and Reorg. functions.

#	Reorg. Event	OW—applied on:	Cash Component applied on:
71	Stock Merger	Allocation date	Allocation date (Only one to one Round up or Round down)
72	Cash Merger	Allocation date	Allocation date
75	Corp Bond Full Call	Allocation date	Allocation date
77	Muni Bond Full Call	Allocation date	Allocation date
91	Name Change	Allocation date	N/A

So a reorganization or Reorg can be a stock merger, cash merger or Name change of the company. And apparently as we saw above, they can also set their obligations as X-REORG. Still, what does this mean?

TLDR: If you do one of the above corporate events, all Obligation Warehouse shit you have, are converted to "FUCK YOU, DELIVER NOW's".

Cash Adjustments for Mandatory Reorg. File

OW runs maintenance on OPEN obligations five times daily at the start of the processing day (SOD, about 21:00 (9:00 P.M.), 10:30 (A.M.), 12:30 (P.M.), 14:30 (2:30 P.M.), and 16:45 (4:45 P.M.) Eastern Time) to make adjustment when the underlying security has had a mandatory corporate action event. When the mandatory corporate action event occurs, OW produces a file to indicate the fail clean up and new money created in the transformation. All cash adjustments correspond to the DTC Money Settlement Code 21 seen the same day, except for the Cycle 5 cash adjustments that appears on the following business day. Download the Cash Adjustments for Mandatory Reorg. File (AutoRoute Product ID: Production 02051658) file, along with other layout files, available in the OW Record Layouts section of the DTCC Learning Center.

This here is lovely. If RC or GameStop did one of these reorganizations/corporate events, all obligations would have to be closed. If they don't get closed by the people owning them, the DTCC/NSCC system will simply buy everyone in via CNS and you would have the MOASS.

Now... here's the problem with that. Remember **X-REORG**? Yeah, they can set all their GME obligations are REORG exempt. This way, even if RC pulled the trigger and did a mandatory corporate event like the ones mentioned above, nothing would happen... There would be no bullet out of the so called "smoking gun".

g. Enter 4D Chess

RC (hopefully) knows this.

Doing a basic mandatory corporate event could yield nothing if the carnival of c0nt is abusing this function of the DTCC/NSCC. So RC needs to find a different way of getting the carnival of c0nt to close their obligations.

No idea how he's gonna do it. I hope it has something to do with NFT and proper share counting.

g. There is no "Float"

The DTCC/NSCC does not mark/tag shares. There is no such thing. There is no inventory.

Treasuries have this. Stocks don't. And it's all in the name of "Liquidity".

goto: .g Enter 4D Chess

DTCSHIT Conclusion

The DTCSHIT and Mike Bodson along with everyone from the Carnival of c0nt and cr00ks can suck my big organically farmed carrots. Also they can sugondeez.