REAL VISION™

inside

THE HIVE MIND OF THE REAL VISION EXCHANGE

ISSUE 02

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FEB 2021

INTRODUCTION

Did you know that The Exchange had been discussing the GME fundamental value case, calling out the >100% short interest, identifying shorts positioned at $30, AND the call options way to play the squeeze via rolling calls forward on what the Exchange's GME idea originator Donald Lacey labels as "the greatest short squeeze of all time" ....in early October 2020?

In a completely separate thread, did you know the Exchange had been discussing the fundamental change in the makeup and behavior of market participants (and therefore the structural behavior of markets themselves), where millions of individual investors convene on forums and social media, hype up an idea, and when one-way trades are executed simultaneously en massse, this is the equivalent of one giant asset manager at work, and the institutional asset management community is completely oblivious ...in mid October 2020?

See excerpts from the respective two posts below:

GAMESTOP - HISTORIC SHORT SQUEEZE?
OCT 1, 2020
BY DONALD LACEY

"...GameStop (GME) is the, or one of the, most shorted stocks in the land! And something bigly is now happening that must be making very many shorts sweat heavily.

...I will be playing GME with an option strategy I developed for fast moving underlying. It simply involves buying close to the money call options, and each time they double the purchase price, rolling them over into twice as many new strikes. When it seems appropriate, I will start going both ways, as, if the ramp up is significant, the shares will very likely drop rapidly once the move has concluded. How big an opportunity could this be, you may ask? It's really anyones guess, as each situation is unique. But in 08 VW had a short squeeze event that quickly ran the stock price up 5x. And GME has a much higher percentage short outstanding, I'm quite sure. Someone on Seeking Alpha suggested that $100/sh was not out of the question. And the quote from above suggests similar - "By doing so, the shorts would be forced to close out their positions and GameStop would finally have the greatest short squeeze of all-time. "

Click here to see the original post

GME FOLLOW UP
OCT 9, 2020
BY DONALD LACEY

"Presented here are both bullish and bearish cases for GME. There is a battle going on between both sides. I personally still feel this is a great risk/reward play for SPECULATORS, as the potential reward is extremely asymmetric. As one of the authors points out, GME is highly undervalued UNLESS you believe it will go bankrupt, which I see zero chance of in the foreseeable future. And my approach involves wagering a small amount with options for the Short Term squeeze play, not a long term investment. Enjoy!"

Click here to see the original post

(PARTIAL RESPONSE TO A QUESTION ON ALGOS AND RETAIL INVESTORS) OCTOBER, 2020 BY WESTON NAKAMURA

"...Regarding retail, retail investors have zero edge on markets in terms of public info and execution fills, they get screwed but only ever so slightly via brokers and exchanges pay for order flow, where your broker sells your order flow to trading firms like citadel, jane st, virtu, jump trading etc- that's how they offer "free trading commissions" - if anywhere there's no free lunch, it's the financial services industry. If you're not paying trading commissions you're paying somewhere else. And since retail flow is sold to Ken griffin at citadel, one of largest multi strat fund in the world, that essentially turns retail flow institutional flow. There is no more pure retail flow anymore, by and large, retail has institutional hands on it. So when people say "yeah but mom & pop''s 100 share order of MSFT isn't ever going to move the market" - fine, though not a very astute observation to say 1 person trading 100 shares of MSFT doesn't move MSFT. But last i checked, theres more than 1 retail investor out there. There are millions.

What people especially on the institutional side (which is seriously firmly becoming the dumb money in every single aspect) don't realize is that there is a market structure and mechanism that now exists, where individual investors engage in a form of social trading - unlike institutional investors who go out of their way to hide their flows, individuals convene together on social media, apps/platforms such as this, and even the brokerage platforms themselves offering social trading products, discuss/hype each other up on ideas, and then go into the markets to execute on those ideas. And they do so ACROSS ALL platforms, but in aggregate, act as one giant asset manager's flows, which are front run by HFT (as @Jim Weisser flashboys reference) pushed alongside algos, and finally chased by the pathetic closet indexing, underperforming/overcharging, career risk managing institutional active (mis)managers. And if the retail "morning meeting" is to react to earnings, news, or say taking profits on winners (i.e. Sell ZM, TDOC, PTON virus themed momentum tech) for that day, profit taking becomes contagious for that day/morning session, and the "retail virus immunity momentum tech index" constituents sell off together, while the rest of SPX even the Nasdaq trade positive. So when people often conflate individual retail account and order size relative to institutional with "retail has no power / influence, especially relative to institutions- look at the AUM diff" - they sound to me like an underperforming institutional manager clueless as to what's going on."

Click here to see the original post

...more on this later

JANUARY 2021 IN US EQUITY MARKETS: CHANGE IS COMING CHANGE IS HERE, CHANGE IS COMING

At the January FOMC policy meeting press conference, while the US and global economy remained in the grips of a relentless pandemic with unprecedented methods of central bank intervention taking place, the very first question asked to the Chair of Federal Reserve was on GameStop.

Never before in this modern era of institutionally dominant globally integrated financial markets has the individual investor been in such widespread focus. In a single week of trading, an army of retail investors, connected via a subreddit forum, had short squeezed and gamma-strangled hedge funds in overcrowded short positions by buying up over-lent shares and out-of-money (to become in-the-money shortly thereafter) call options.

The underlying asset in ravenous demand? TSLA? BTC? Nope (those were actually liquidated to fund the longs) - none other than a dying brick and mortar video game retailer GameStop, skyrocketing over +2,000% in 2 weeks, along with a handful of other companies from a forgotten era. AMC Entertainment soaring +800% to well-above pre-COVID levels allowing the company to recapitalize and live to fight another day, along with shares of Bed Bath & Beyond, Blackberry, Express, Nokia, Tootsie Roll Industries and Koss, which saw consecutive double and triple digit % intraday gains as shorts were forced to cover, market makers scrambled to delta adjust their hedges, and stock and derivative exchanges listed new calls at ever higher strikes.

By Wednesday of the final week in January, traders broke an all time record high volume of 23.6 billion shares traded on US exchanges, compared with an average 10 billion shares in daily volume in the months preceding (ex-the US election volatility). Even more remarkable are the 30 million options trades per day. The masses cheered on as tens of billions in wealth was transferred from hedge funds to retail investors in a zero sum game.

And then, a turning point - brokers facing margin constraints implemented one-directional trading restrictions on these very names, igniting multidimensional waves of outrage, blame, confusion and volatility (both market and societal volatility).

At the heart of controversy - a wide and complex web of relationships in the financial system facing public scrutiny. This applies to the under-the-floorboard trade execution and clearing mechanisms as much as it does to the above-ground human and entity relationships. Accusations of market manipulation, rule-breaking coordination, and conflicts of interest are hurled at one another. Retail and Reddit/WSB. RobinHood and Citadel. RobinHood and Melvin/Point72. Investors, brokers, market makers, exchanges, clearing firms, DTCC - who's on who's side?

Meanwhile in DC, relationships come into focus all the same. Strange bedfellows form, namely Ted Cruz and AOC - albeit temporarily. Elizabeth Warren finds herself calling for a regulatory investigation, without coming down on "the little guy" - who happens to be on the winning side of the trade this time with over $20 billion in paper gains made. And former Fed Chair / Secretary of Treasury Janet Yellen, who may have to recuse herself from any matter involving Citadel, given her prior paid engagement with the firm.

Earlier in January following the insurrection of the US Capitol, which now seems like an entirely different era ago, (some) Democrats at the time had worried that an impeachment case in the Senate against former President Trump might distract the focus and steal the momentum away from an incoming President Biden and his administration to get moving on their agenda, and many Republicans also echoing similar lines (though obviously for reasons not necessarily to "assist" President Biden to work quickly). Within the same month, we now hear a near unanimous, bipartisan interest in tackling "the GME matter" - though unclear which of the matters are in legislative play. Even an angry mob physically breaking into Congress in session chanting for heads to roll couldn't unite elected officials like an angry mob of retail investors "breaking into" the "establishment" capital markets - and both sides of the aisle backing the disruption. Watch any congressperson interviewed on the matter on any channel, they will undoubtedly slip in some form of "I think it's great that the average / young individual is participating in financial markets." Regardless of one's personal political preferences, it is admittedly very weird to hear Senator Elizabeth Warren say "...and that way, we can have more traders. I WANT more traders. I WANT more DAY traders."

Why do I mention Washington DC's reaction? Because this is the next potential near term pivot point catalyst.

GME / WSB / gamma squeeze phenomenon directly impacts every one of us investors, retail and institutional, directly trading AMC call spreads or passively sitting in index funds, and comes from multiple angles. Whether or not you have exposure to these names, let alone care, none of us are exempt from the fallout consequences, especially as this becomes politicized.

WATCH AHEAD FOR:

• Options expiry

Now, every Friday weekly options expiry matters (even more so). Dr. Seahyung Park and I previously discussed how quarterly expiry on single stocks is now the new "quarterly earnings" date - in terms of inflection points on single stock price action.

• Feb 18th House Financial Services Committee Hearing

Retail has been driving the post March 2020 sharpest upside recovery on record. Any regulatory change, however intended, may result in disrupting the current order and result in a day-of reactionary pullback, and/or a longer term, broader lack of market support.

WSB WEEK: THE EXCHANGE VIEW AND BROKERAGE RISK

Two very obvious points:

r/WallStreetBets ≠ The Real Vision Exchange

At its most fundamental root, what we saw in markets for the final week of January has direct parallels to The Exchange - metaphorically in concept.

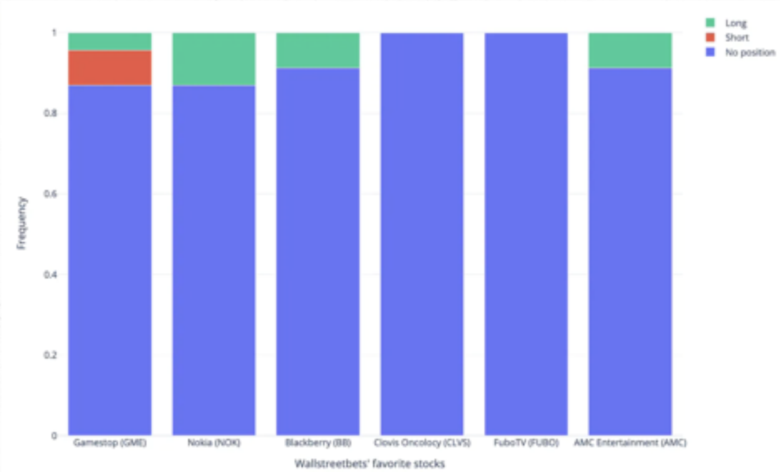
Whatever you may think of the Reddit WSB community over this period, what they did was undoubtably significant and consequential - at this point, few still believe that retail has zero market influence and no meaningful firepower. And what makes this significant is the same fundamental underlying concept that the Exchange is built on:

Individually, we are nothing. But when combined, firing on all cylinders and leveraging off our strongest, we can, have, and will outsmart and outperform any market participant. But we will only succeed in doing so to the degree that every last one of us is proactively contributing and proactively extracting value out of the Exchange.
It serves none of us any good for any one of us to privatize value, because when acting snd thinking alone, we are out-resourced, under-prepared and simply outmatched against the institutional investor, as well as fellow retail investors.

As a bonus question posed to us in the Exchange Sentiment Survey conducted weekly by Moritz Heiden of TwoQuants, Moritz added a question to see where the Exchange stands on the Reddit trades. Note that this was taken the week AFTER the initial GME/others surge week.

By and large, the Exchange stayed hands-off GME, AMC, NOK, BB, CLVS. 13% were long NOK, and 8.9% were long BB and AMC.

But for GME, 4.3% responded as long, while 8.7% were short (again, this was taken AFTER the initial upwards explosion rally). Interesting to see that of the small minority who did trade these names, the Exchange was 2:1 net short GME. As of this writing, GME has lost over -50% from peak.

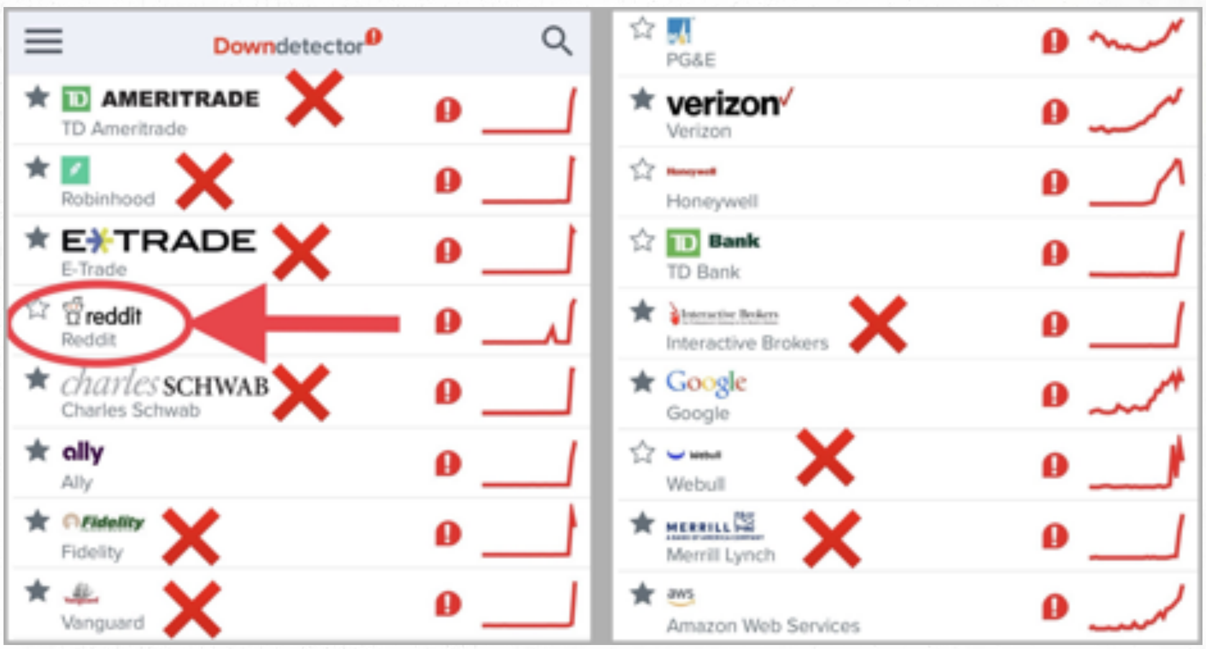


BROKERAGE RISK: TRADE EXECUTION

For the 90% of us who are not trading any of these names - we are not immune from many of the various risks and systemic weaknesses revealed during this fiasco. For one, all of our (US based) brokerage accounts have exhibited an alarming level of unreliable functionally in some way.

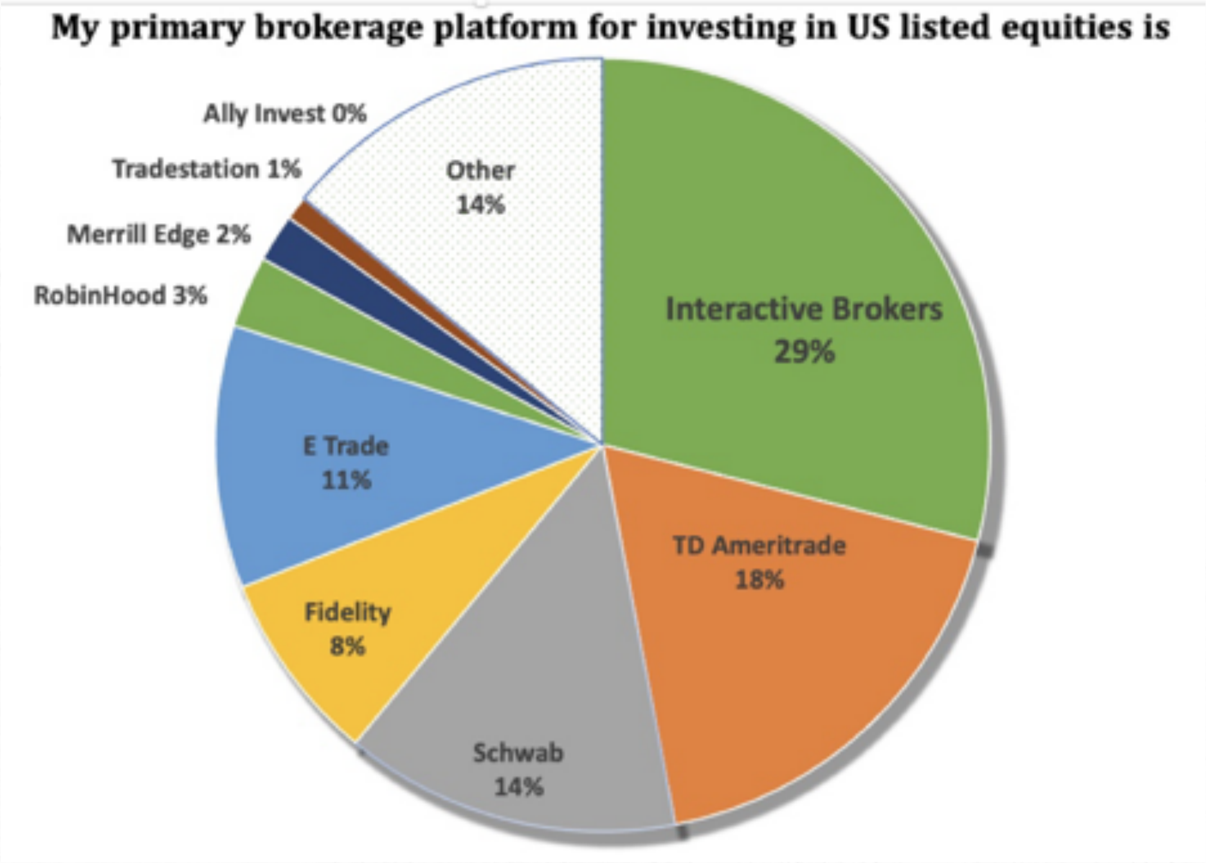
Though RobinHood is the poster-boy retail broker at the center of public scrutiny for restricting new longs on GME to open while long sells were still fully permitted (arguably a key contributor driving the sharp next-day sell offs in these names), they certainly were not the only online brokerage platform to do so. Simultaneously, the (once) reputably professional Interactive Brokers also restricted trading in GME. Other firms would eventfully follow in some form of trading restriction to buy.

In addition (some will say purposely in conspiracy), the Wednesday morning of the trading restrictions, every major retail broker had an "IT outage" at market open.



This is far from the first time. Nor is this also just a Robinhood issue. In fact, this is happening with increased frequency whenever there is a heavy volume premarket move - retail investors are locked out of accessing their market exposure. Originally I had thought this was a reflection of differences in IT infrastructure capex, and as a long time customer of Interactive Brokers (2 separate accounts: IB US and IB Japan), with no issues ever in trading everything from stocks, futures, options and credit on exchanges worldwide. Even as the other major US brokers had outages throughout 2020, IB did not. That changed, as IB also engages in PFOF (payment for order flow - selling your trading order to an alternate market maker such as Citadel), and IB also does self-clearing of trades.

So, I took a poll on the Exchange to see what everyone's primary online brokerage platform is for US listed equities (not that it matters, as all have had outages at key times) Results below of roughly 120 responses:



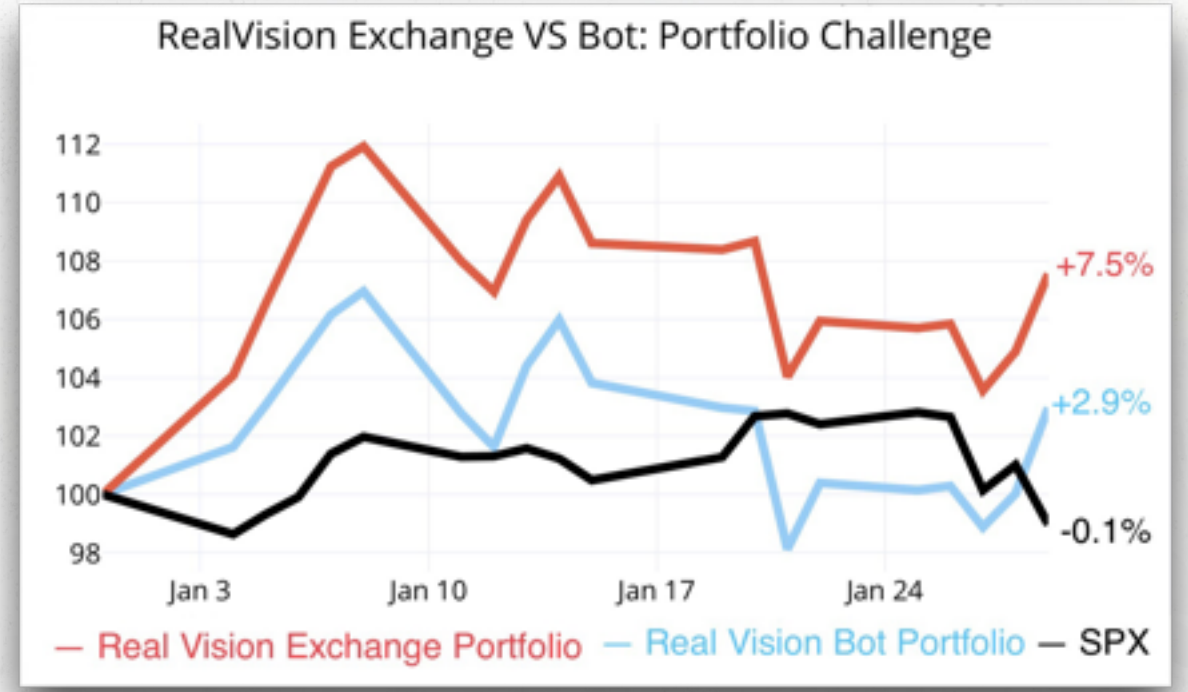
This was posted less than one week ago, if you haven't participated already, please do so, so that we can get a better idea of how / which whom do we execute our trades with. We may need to have a community-wide, open and intensive review on the merits and drawbacks of each of the various brokerage platforms

Click here for the brokerage survey

THE EXCHANGE PORTFOLIO

January 2021 is off to a strong start, as we hit the reset button back to zero following our +22% Q4 2020 performance.

The Exchange Portfolio ended the month with a +7.5% absolute return, compared with the +2.95% from the Real Vision Bot Portfolio (Real Vision interviewed guests' theoretical portfolio), and SPX ending the month flat. So, once again, the wisdom of the crowd prevails (for now).

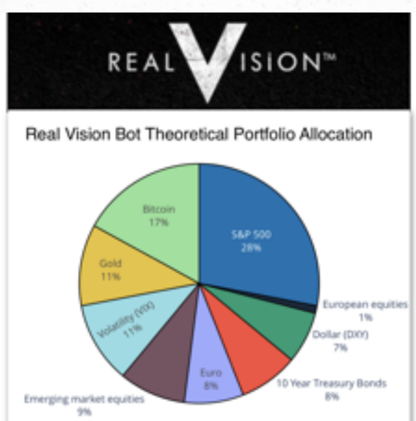


OBSERVATIONS OF NOTE:

BTC peaks at all time highs in early January, and then undergoes a -30% decline, wiping out all month to date gains to hit flat on four separate occasions. As the Exchange's largest portfolio allocation, skeptics of the Hive Mind may assume that portfolio volatility would result in underperformance - not so.

The Exchange Portfolio has not had more than a -5% weekly drawdown, let alone go negative (ever). Looking at the data, it seems the Exchange portfolio has shown to be remarkably nimble in rebalancing, while avoiding any spontaneous or hyper-reactionary behavior. Now with that said, we obviously do not have enough data to establish any sort of sustained historic track record. Nor does this imply that our individual portfolios mirror such risk-mitigating allocation agility. In fact, as I've mentioned several times before, it's highly likely that our respective individual portfolios will underperform that of our collective (theoretical) singular portfolio for the same reason that it isn't much of surprise that we can outperform the Real Vision interviewed guests - the power of the wisdom (and sensibility) of the crowd. It would be interesting to dive into the data over time and see if the reactionary extremities of the surveyed responses (FOMO chasers and panicked sellers) net each other out to a more stable investor.

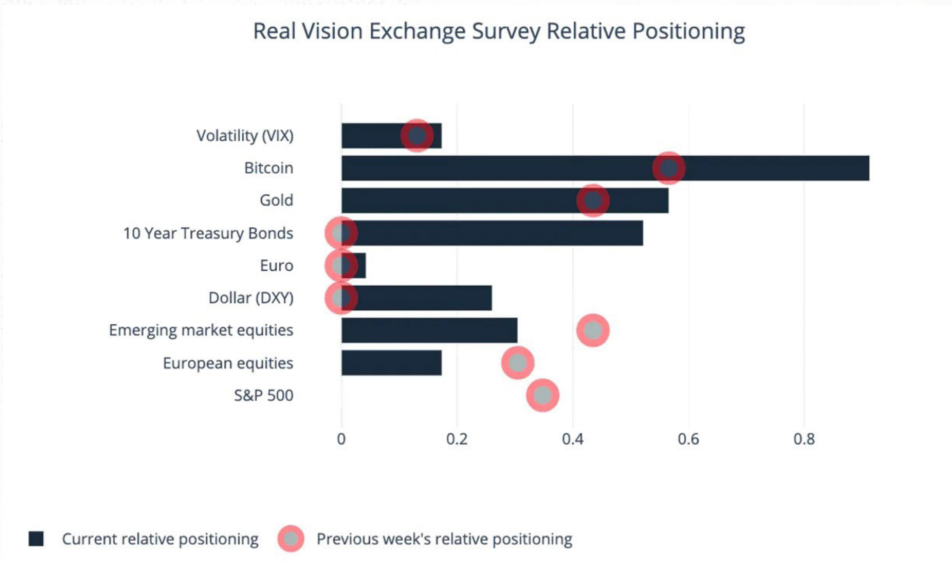
Of particular note is this latest week's portfolio positioning- following GameStop week, the Exchange portfolio has turned significantly more defensive. In fact, according to quant manager and Exchange / RV Bot creator Moritz Heiden of MunichRe and TwoQuants, this past week is the one of the first real portfolio rebalancing rotations we have undergone, as we cut our equity longs in SPX, Europe and EM, and make a strong move into haven Treasuries against the yield-surging sell off. We also added to gold. This is our biggest risk-off move since inception. Meanwhile, the RV Bot has ADDED to equities, though not completely unfettered risk-on, as the Bot has also nudged up in long vol and gold positioning. Nonetheless, this divergence of opinion will be very interesting to watch out for.

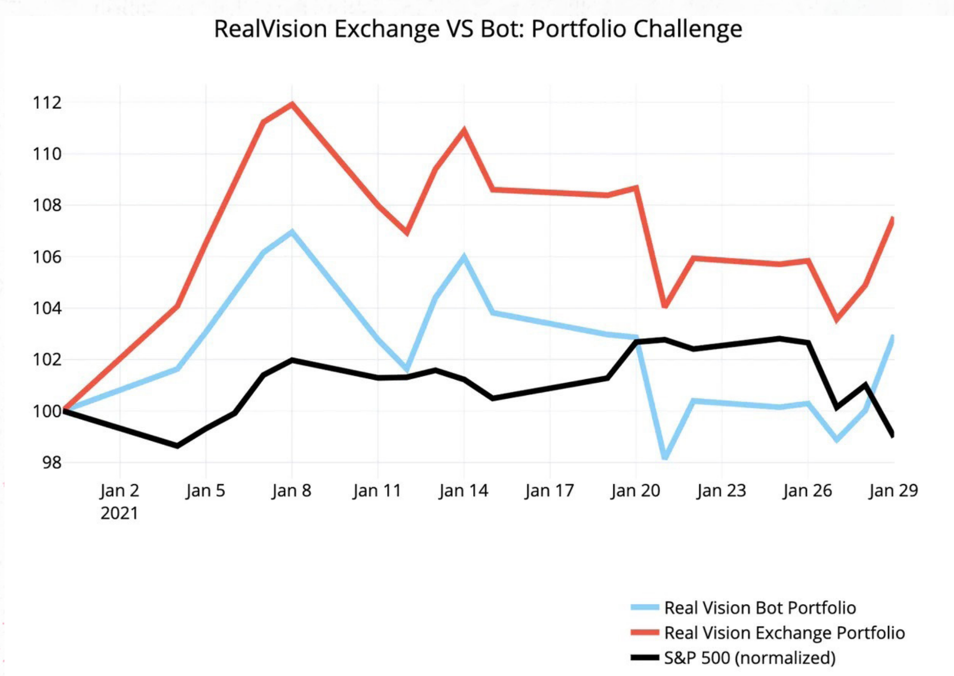


<u>**TwoQuants:**</u>

The Real Vision Exchange Portfolio, The Real Vision Bot, and all of the associated quantitative analysis is thanks to the brilliant work of two fellow members of the Exchange: Moritz Heiden, Head of Quant Research at MunichRe IP and Moritz Seibert, CEO/CIO of MunichRe IP and Real Vision interviewer. Together, they run TwoQuants and the 2Q Portfolio, along with the recent rollout of their monthly publication "Focus - The 2Q Market View" - including market analysis, trade ideas and more. These are the brilliant quant minds who figured out a way to measure our collective Exchange performance - imagine what kind of brilliant work they can, they have, and they will continue to do. Check it out here, and remember to sign up for their newsletter.

https://twoquants.com/focus/





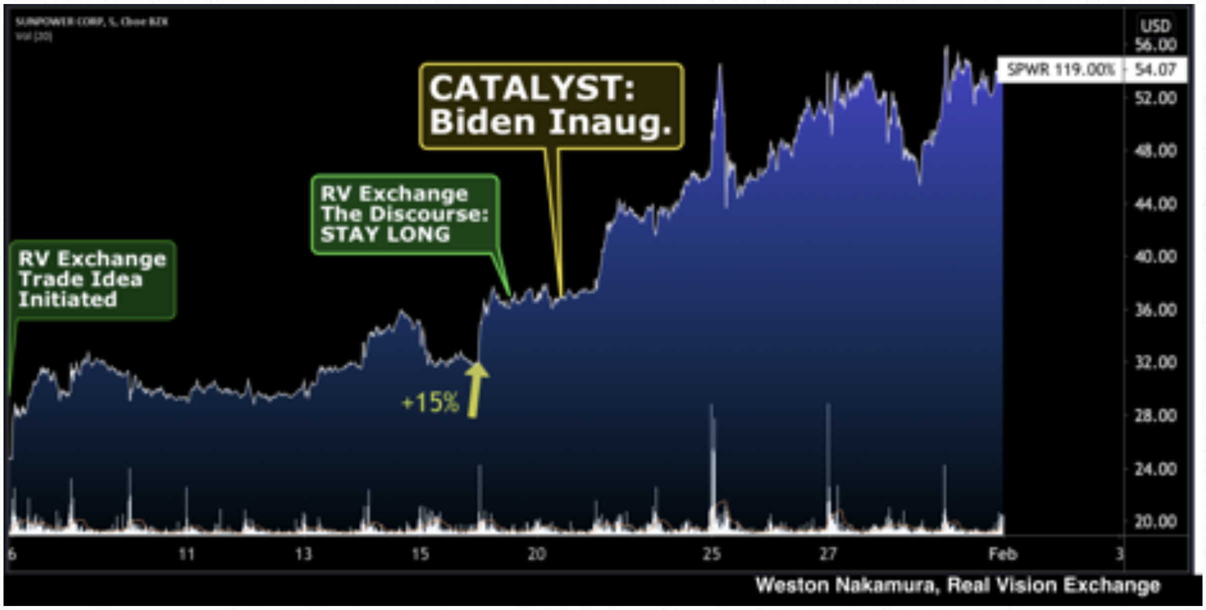
TRADE IDEAS

LONG SUNPOWER CORP (SPWR)
BY WESTON NAKAMURA, HAN RHEE, JEREMIAH SEIDMAN

Return since inception: +120% over 3.5 weeks

Thesis: More than 50% of float sold short as SPWR shares approach decade highs. Biden inauguration Day catalyst.

Risk: Heading into inauguration, how much of Biden Agenda was priced in



THE “ISSUE”

On the Monday before Inauguration Day (Wed), I filmed a trade idea special edition of The Discourse (Exchange Exclusive content in which I find and pull out individuals from within the Exchange with expertise, knowledge, skill, talent or experience to proactively extract value out of, and attach a market consequence or implication to it) - special edition because this was specifically on constructing a trade idea, and tapping into the Exchange for help. I did my homework on SunPower as a single stock, but I needed further color on the broader solar sector from someone who has been directly involved in the sector, and I also needed a technical analyst to be aware of any levels of note. I have an interview with Jeremiah Seidman and Han Rhee respectively. The next day (1 day ahead of Inauguration Day), as I was planing to upload the episode to the Exchange for an 11am EST planned release time, SPWR opens +8%, rallies for an intraday high of +18% and closes +15% on 3x ADV. A fantastic day to be long, and the trade since inception - all looks good, except for the fact that the stock had reacted a day before the catalyst hit. What to do? Take profit? Hold? Buy more?

I get Jeremiah and Han back on for now the second time in two days to reassess. Short interest remained high, above 50%.

“I wouldn’t be surprised to see another +20% immediate upside” - @Jeremiah S

“The charts set up for a breakout. Pattern. Momentum. Just need a catalyst” - @Han S Rhee

“I have a catalyst” -Weston Nakamura

Biden’s inaugural speech itself had nothing about clean energy - which is fine, because it had nothing about any specific policy agenda (not a typical “First 100 Days” speech). But, true to his campaign promise, later that day the US re-entered the Paris Climate Accord and took executive action on the Keystone Pipeline.

SPWR rally began the day after Inauguration Day, for over +100% absolute return by month end.

If even one of the three of us weren’t available that second time around, gains would likely be capped at only +35%. If it were only myself and my trade idea from inception, gains would likely be capped at +20%. Individually, we’re nothing, combined, of course we outperform. Jeremiah and Han also respectively learned from my insights as well.

Proactive value contribution + extraction hive mind in practice.

See The Discourse Video with Jeremiah Seidman and Han Rhee here

LONG 30Y USTS (TLT) LONG GOLD (GLD)
WESTON NAKAMURA, FROM TRAVIS KIMMEL AND STEVE VAN METRE VIDEO

Holding Period - Two Part Sequence:

1, Long Risk-Free Duration via 30y UST (or TLT, ZROZ) Until market sentiment/positioning pivots to deflation & insolvency expectations →long end yields drop/bond prices ↑ (convexity), SELL...

2. BUY Gold on dip w/ UST gains proceeds

Long term UST yields & gold move in tandem until March 2020 divergence - take profit on USTs & switch to gold

2008 crisis: Long duration +40% in weeks, gold drops -30% & outperforms thereafter

RV President Travis Kimmel & Steven Van Metre's trade from interview on Travis' deflationary macro outlook. Also discusses what's next for former President Trump & possible market implications 's next for former President Trump & possible market implications

[Link to video from Jan 26 here](#)

This trade was simply putting the explicitly stated trade idea from Travis and Steve's video onto the Exchange for discussion, with the following comment from myself:

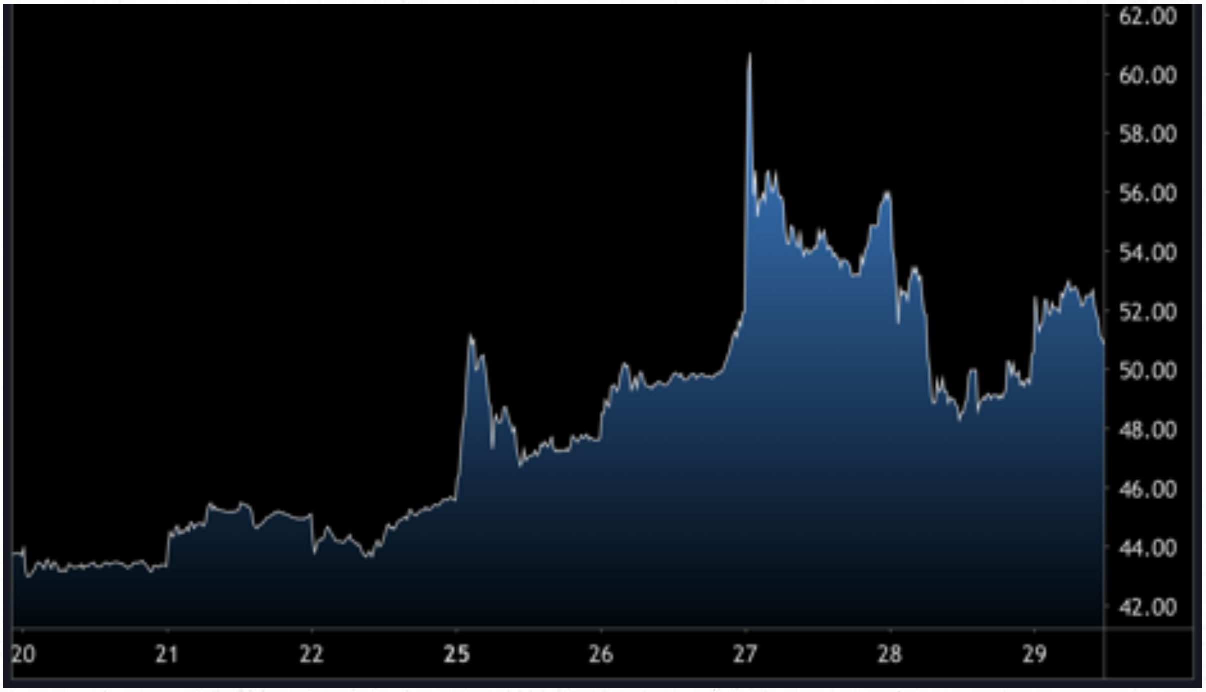
For the sake of comments, let's not debate inflation vs deflation, or "all good" vs "insolvency" - rather, assume deflation + insolvency a given. Instead, let's comment on the trade itself: Is this trade construction & strategy the best way to play deflationary shock? Anyone have a better risk adjusted return?

And as expected, received some very insightful replies, reactions and responses, as well as different iterations of the same macro framework. This is a patience trade, and therefore has a (potentially) relatively long shelf life - so, follow this trade and join in here with your thoughts as the macro environment evolves here

[Click here to see the original post](#)

LONG VIACOMCBS (VIAC)
BY JEREMIAH SEIDMAN

[Click here to see the original post](#)



LONG SYNTHETIC CSI 300 ETF VS SHORT PHYSICAL CSI 300 ETF BY MORITZ HEIDEN

LONG GM 2.75% 2025 / SHORT GM 3.5% CREDIT
BY JOHN SHELBURNE

LONG ETHER (ETH) INTO FUTURES LISTING FEB 8 BY SETH DINGLE

UPCOMING CATALYST: CME listed Ether futures launch on Feb 8 (note - ETH bull case futures listing will manifest over longer term horizon, not on launch date).

Click here to see the original post

Additional charts from Weston Nakamura

ETH/BTC VS SILVER/GOLD

GOLD/SILVER VS USDTRY

MO

#1: WHAT'S MOVING BTC & WHAT'S BTC POTENTIALLY SIGNALING?
(WESTON NAKAMURA)
Click here to view the original post

#2 : 2021 Q1 POSITIONS
(JEREMIAH SEIDMAN)
Click here to view the original post

#3 : MARKETS EXPLAINED: WHY MARKETS RALLY ON CAPITOL HILL MOB
(WESTON NAKAMURA)
Click here to view the original post

TOP GME/WSB RELATED POSTS FROM THE EXCHANGE:

WEEKLY ROUNDUP SPECIAL EDITION:
'HOODIES GET EVEN COMPILING THE BEST OF THE REAL VISION VIDEO AND EXCHANGE CONTENT FROM WSB WEEK.
(WESTON NAKAMURA)
Click here to view the original post

WSB SENTIMENT TRACKER PROVIDED
(BY EXCHANGEMAKER SAM COLT)
Click here to view the original post

WHY GME -100% IS NEITHER "ENDING" NOR "IN TEARS" (FOR HOODIES)
Click here to view the original post

GAMESTOP (GME) - THE ROBINHOOD REVOLT AS AN EXPRESSION OF THE FOURTH TURNING.
(MARTIN KLEVSTUL)
Click here to view the original post

GME: EXCHANGES ARE FUELING THE RALLY
(WESTON NAKAMURA)
Click here to view the original post

FINAL THOUGHTS ON THE BROADER DISCUSSION OF RETAIL INVESTORS, NETWORKS, SUM OF THE PARTS AND SO ON...

Going back to the two posts on the Exchange from October 2020 on GME and the shift to social trading behavior.

If you were aware of either of these conversations taking place, good for you, and I hope that you were therefore left unsurprised when there was a hostile takeover of the equity markets and the world's attention, if not realize the direct economic PnL gain of these discussions.

The reason I know that these foresight savvy discussions had taken place on the Exchange far in advance of the event was not because I went back recently to search through every single post to check and see if there was an example of the Exchange's prescience for the sake of this report. I know about these discussions because I was personally engaged in both of them and simply recalled them by memory. In other words, my direct involvement in meaningful engagement, sharing insights, answering "newbie" questions, and proactively contributing AND extracting value with my peers on a then-even more nascent platform and "user-unfriendly" interface is what allowed for those of us on the Exchange to be well ahead of this story. And for the record, both of these threads took place before I was even aware that I would be tapped to join Real Vision and manage the Exchange - I was "just another" RV subscriber, active on the Exchange at the time.

My REsurfacing of these posts now, after the fact, is not a victory lap. Not by any means. In fact, even though I was not tasked and entrusted with building out the Exchange at the time, I still view this as a personal failure of mine to NOT have gotten more of the community somehow engaged and aware. I have echoed similar sentiment on my trade idea of SunPower (SPWR) +50% in 10 days (2x now). My failure is not that I wished more of the Exchange was able to capitalized off the trade - that is not the aim because not everybody is suitable or has excess cash lying around to deploy on a whim. The aim and value of the Exchange Trade Ideas is are NOT about the performance of the idea. They are about putting a clear and definitive market expression on an otherwise vague and endless theoretical debate of "inflation vs deflation" or what have you, without any discourse and debate on how to best apply and benefit or mitigate risk from it. It's about taking these critically important, big picture themes (such as inflation vs deflation) and translating them into specific, tangible, market implications and consequences - the debate should be revolving around financial markets - "if inflation, then buy/sell ______, if deflation, then buy/sell _____." What time horizon? What portfolio sizing? How to hedge? How to juice up returns at least cost? What are the risk/rewards according to MY own risk tolerance profile? Is there a better alternative trade off the same theme? Can I even trade this instrument in my jurisdiction, and if not, how can I get explore? Am I too early? Am I too late into a crowded trade?

It’s one thing that there are plenty of market ideas swirling around everyone’s heads but not shared and debated on the Exchange- I get the hesitancy for all of the reasons (and accounting for them, we’re still way too quiet as a community). It’s another thing altogether when ideas ARE actually out there, but are being missed altogether. To the extent that GME in Oct, social mass trading in Oct, SunPower -50% ago has been largely overlooked within our community is how I measure success and failure.

Some useless “told you so” false victory lap is NOT my motive here - there isn’t a victory to take a lap on. My reason for surfacing these October 2020 Exchange discussions on GME and social trading structures is to provide you with real, actual, tangible examples of the power of the Exchange and the endless amount of value within it, and within all of us. My battle isn’t with markets, hedge funds, or Reddit- my battle is with our collective mindset and self-belief or self-doubt that becomes self-fulfilling.

What I credit WSB for is not their market acumen, their ability to recognize a short squeeze opportunity, or to press into gamma suffocation - because, as you can see, the Exchange can and has done exactly that as well.

What I credit WSB for above and beyond anything is - they were able to harness the power of the collective whole by being engaged, which starts and ends with the level of belief and conviction they had. Not in GME, but in their community itself, and what can be achieved. And because these are self-fulfilling phenomenons, their acceptance and adoption of the power of their community turned Wall Street on its head, and transferred some $20 billion in wealth from hedge funds to themselves, beating them at their own game.

Over the past month, the Exchange has seen a MASSIVE and SUSTAINED spike in engagement across every metric, as well as an equally massive influx of new users who have joined the community. I hesitate to use the phrase “record / historic / all-time highs” on a platform so nascent that it does not even have a proper QoQ comparison capability yet. But simply put - January’s figures have simply destroyed the (previous and already impressive) existing growth trend by every single metric. Which means we have no shortage of ideas, expertise, and skills, both financial and non financial, to marry with the world’s premiere financial media content.
(We do have a severe deficit of bots, trolls, market manipulators posing as someone they are not, and general noise-making clowns which make up 99% of free social media, including Reddit WSB).

We, the Exchange, are dispersed around the world with incredibly diverse backgrounds, financial goals, suitability, objectives, investment styles, market access, capital etc. The one common thread that we all share? We have individually taken proactive steps to sharpen our financial, economic, and business acumen - regardless of where we stand as 40 year veterans of trading, to a university student never having traded or invested in anything before.

Add everything up, and you get the most bullish setup for any group or class of investors that has ever existed:

A broadly diverse mix of:

+Financial markets expertise and experience, who are in constant need of real world information, knowledge and expertise (Real Vision videos as well as actual financial professionals on the Exchange)

+ Non-financial markets related, real-world expertise across the widest horizon of non-financial careers, specializations, skills, talents and experiences, who are in need of financial and markets knowledge and acumen (over ¾ of the Exchange)

+ a common goal of improving one's financial position as they see fit for their respective lives, and the actual drive of hacking taken proactive personal steps to do so via becoming a Real Vision subscriber

+ a multimedia platform with the capabilities to share and consume original and organic content, which enables us to proactively engage with one another, contribute our respective expertise and knowledge, extract what we respectively deem as value, and share our path of learning on display for the community to learn and contribute alongside in real time (the Exchange platform)

Minus the noise, the attacks and the easy anonymous manipulation that's rampantly standard on major social networks (WSB +1 million new users up to 4 million in a single week is NOT a sign of reliably useful knowledge and information, it's very much the opposite).

Add all of that up. There simply no comparison vs Reddit WSB, or $24k/person/year Bloomberg Pro IB chat rooms have in built-in human capital resources and knowledge above the Exchange. We had the GME call, we had the market behavior call. But WSB had the most critical part- the engagement and execution. What WSB showed was how critical the community buy-in is, but once unleashed, previously unfathomable things happen.

Here is the most significant difference between the Exchange and the WSB's of the world. WSB's single, primary reason for community engagement is to generate market gains - whether that means purposely driving prices up themselves or hyping one another up to do so, their goal is to expand their account value, and good for them. That, however, is not the Exchange. They are greedy for returns. We are greedy for knowledge, intellect, and skill. Obviously we are greedy for knowledge to presumably apply for self interested financial gain, but the financial gain itself is not what we are trying to generate on the Exchange, the know-how is.

Why is this a critical distinction? Other than leaving yourself open to information manipulation, trust disintegration, or being a potential one-hit-wonder, this distinction effectively means that in concept (and hopefully in practice), a trade idea generated on WSB can easily "end in tears," but a trade idea generated on the Exchange cannot.

"Ending in tears" implies significant and unexpected losses, likely due to trading and investing with a mismatch in market risk vs risk tolerance, and this stems from a lack of knowledge and understanding, not just of markets, but of one's self. There are only two trades pushed on WSB for GME: long the stock, long call options, unhedged. This is regardless of where the stock is trading, where implied vol is pricing, if you're already long and if so, from what price, what the rest of your portfolio makeup is, what your suitability and risk tolerance is. So of course there will be "tears shed" when GME hits top tick at $400, and some 20 year old Redditer buys "10 delta" $800 strike calls with 500% implied vol 3 days from expiry, and literally loses -90% within 5 minutes of getting filled, and expires worthless shortly thereafter. Which is perfectly fine- welcome to the markets, and hopefully that individual turned their loss into an expensive but worthy tuition to learn from. WSB as a forum did nothing wrong, I don't fault the forum itself for only having 2 blanket trades to cover all 3 million members, it's the members who need to be self interested and discerning. It's funny how self interested, personal greed agendas don't apply to risk management.

Conversely, the reason that such "tears" do not exist on the Exchange is because we are not greedy for gains, we are greedy for knowledge (in order to make gains). An idea, a point of view, a chart or data table has never hit one's portfolio value, so that in itself makes the Exchange participation and "ending in tears" as unrelated outcomes. Deeper and more significant implication - those who are greedy for knowledge are likely far more generally thoughtful and aware. Not just market-aware, but SELF aware. If Raoul sends out a warning for a potentially significant risk scenario ahead, and should such a scenario play out, he feels that owning index puts and long dated bonds would perform well. Great. The hungry for knowledge crowd has been fed. It's now up to each of us individually to act (or not) on the insights received, commensurate to our respective risk tolerance, objectives, portfolios, duration and a myriad of other factors. "Index puts" to some might mean SPY March21 25 delta puts at market, to others might mean shorting DAX futures in Germany only after the first -2.5% decline. It might even mean LONG SPX Calls for those who interpret it as a "buying opportunity after the crash ahead." All of which is what the Exchange exists to discuss. But it's highly unlikely for the hungry for knowledge community, who is proactively extracting what they deem as valuable to their own personal portfolios, to be caught off guard and suffer significant unexpected losses. Losses will undoubtably occur. If they're significant, then that's a sizing problem, not a market misread problem. If they're unexpected, that's a lack of self awareness problem, not a market problem.

As I said in my weekly roundup special edition, let's identify snd isolate the positive learnings from what WSB had shown - which is belief in the wisdom and power of the greater engaged community, let's be inspired by their proving that this isn't just conceptual but very much real, and let's apply and strive for what they've attained - which is to multiply what WE are after - knowledge. And lets multiply by the same jaw dropping rate of growth that WSB did with their portfolio values. Entirely possible, but ONLY possible only through leveraging the community with proactive engagement.

The golden age of the individual investor has been here for some time now. It's just that this time, the rest of the world, and notably the institutional community finally realizes it.

See you on the Exchange.

Weston

THE REAL VISION EXCHANGE