



Know when to hold-em!  
Know when to fold-em!  
Know where to set stops!  
Know when to run!  
Never count your portfolio  
Until the sells are done..

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## Gamestop NY:GME Recent Price \$370

**Broker houses and regulators are starting to clamp down and change the rules in regards to these high flying bubbles.** I got a margin call this morning at Scotia iTrade and they want 100% margin for my option trade.

As an example with even numbers, selling 10 April \$16 Puts at \$4.00 gives you \$4,000. The full value of the trade at \$16, is \$16,000 (1,000 shares – 10 options). Scotia wants \$12,000 in margin, so with the \$4,000 you got from the Puts, you are putting up the full \$16,000

Just beware if you plan to trade these options. I pasted in a few comments I read this morning that are relevant.

The mob mentality on WallStreetBets is stirring regulatory and legal concerns, as well as the attention of the White House. Treasury Secretary Janet Yellen is monitoring the situation, while the [SEC is looking](#) into the short and gamma squeezes that are sending some shares sharply higher. Brokerages have even restricted trading and options activity in GameStop, and Nasdaq (NASDAQ:[NDAQ](#)) CEO Adena Friedman suggested that her exchange could halt trading activity if a stock was targeted by internet users, which would enable investigations into possible manipulation and allow investors to "recalibrate."

*"The price action is completely divorced from fundamentals. It's a relatively small universe of retail investors that are pushing around a relatively small universe of stocks so at the end of the day, this Reddit army, they don't have the wherewithal to sustain these big losses,"* said Jason Katz, a managing director and portfolio manager at UBS. *"It's not going to be the institutions left holding the bag. It's the kids on my basketball team asking me about how options work."*

We've equipped people with the tools to be able to do something. And they did," said certified financial planner Douglas Boneparth, president of Bone Fide Wealth in New York, though others are cautioning the strategy is not sustainable. "The Reddit army should prepare for stricter rules and regulation shortly, which should kill the idea that what happened with GameStop will happen with others," wrote Edward Moya, senior market analyst at Oanda.

I show two charts next page on GME stock and the other chart on the April \$16 GME Put. There are millions of investors buying into these options driving the premiums to absurd levels. That is why we take the other side, selling.

**The black line on the stock chart next page highlights the stocks rise from \$12 to \$20**



This next chart is the April \$16 Put and the black line is over a similar period. **The price of the option goes down as the stock rises. This is normal and how these work.** It is like physics, you can't defy the laws. So when the stock popped higher, the option should have dropped to near zero. GME is now about \$370. I could not show that on the above chart because you would not be able to make out the move from November to mid January. However, because millions of investors piled into these options, the Market Makers are ripping them off with high premiums. **It is pure stupidity** that the Put options rose in price as the stock sky rocketed. All these investors will loose most of their money and all of it if they don't get out of this trade before it hits zero. That is why selling, shorting this Put is the right strategy. We are on the same side as the Market Makers.



## Signal

I put out my first message on the platform Friday about taking profits in Draganfly and selling Birchcliff. Yesterday morning was an alert to buy Providence. Today an alert to sell Gilat Satellite, up almost 100%. I simply record a 20 or 30 second voice message to send out.

This platform is **not** a social media site. It is the best and secure message system that is currently available and not owned by big tech. It is very easy for me to use and I will probably at some point move totally to this system and stop emailing a newsletter, maybe a link? I doubt it will ever be forced to close. You can only have a maximum in your group of 1,000. This means it is not much good for people like Trump, celebrities and such with large followings.

Anyway I encourage you to join, Just download the signal app to your phone, go through the setup that is quite simple, than email me your phone number. I will find you on the platform and invite you to the playstocks group on Signal

**For those who signed up, please refrain from posting as it goes to all members and too many posts will become annoying to many. I will open up a separate group for those who want to post and discuss investments**

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