

Are Robbinhood, Reddit and SLV like sun dogs for a stock market crash?

It can hardly have escaped anyone how writers on the online forum Reddit hunted shares with a high proportion of short selling in the past week. This was done to crack the hedge funds and profit from the price increase that follows when they must cover their positions. The phenomenon is new and price manipulation is just the prefix of this. We are surprised that the authorities have not already intervened.

It is hedge funds that are being hunted. But it is also hedge funds that own Reddit. The companies in focus are those whose shares are the most shorted. During the weekend, the focus has shifted to silver. It is a small asset class and therefore relatively easy to influence. The silver has had a volatile price history with a peak during the 1980s.

Robinhood, which is the brokerage firm linked to the small saver's revolt, has major challenges with its liquidity and capital requirements. Last Friday we also saw a 15 percent price increase in Bitcoin, following a tweet from Elon Musk.

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Attachments

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