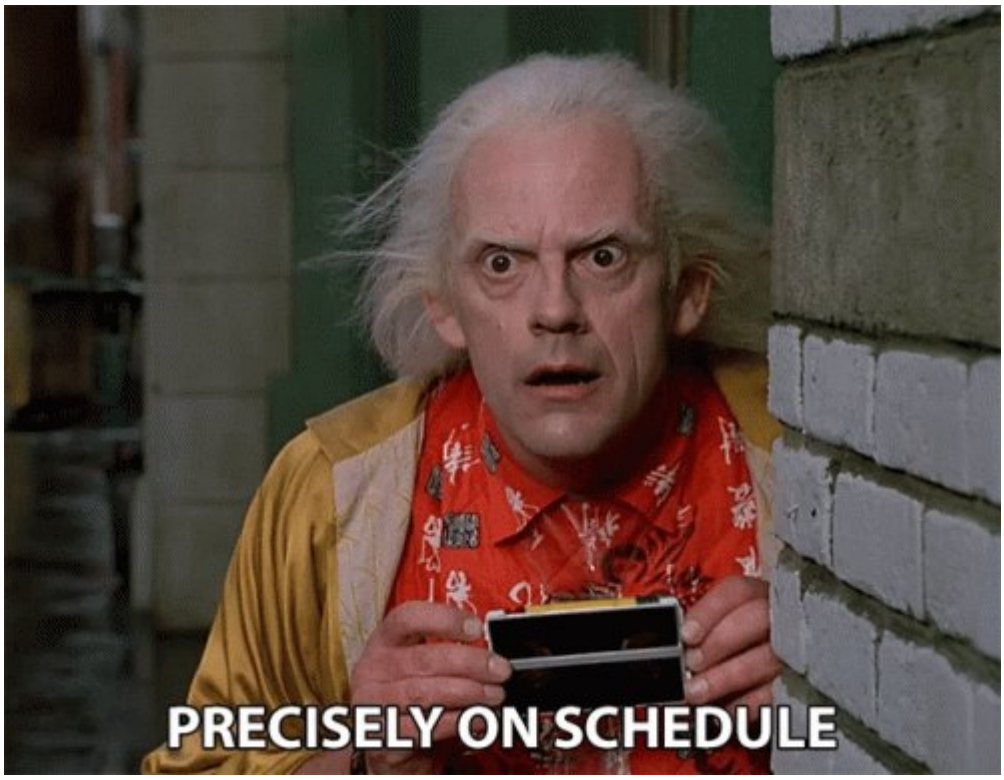
Twitter Thread by Cem Karsan ■

Cem Karsan ■
@jam_croissant

1/x As we've been calling for since Nov, today we finally got our 2 'Georgia Peaches'■ precisely on schedule, as we've called for since Aug, & the underlying rotation has confirmed now for months, this matters. This is a historic turning point. It matters not only https://t.co/BFxKGrI1Oo



> 1/x Well you can\u2019t say I didn\u2019t warn you... We\u2019ve been eying that 3770.5 level and the 1/5-1/13 window for many weeks. To get it a day early, @ the lowest edge of the upper range, tells me that there\u2019s understandable concern over the impending outcome of the runoff. As I\u2019ve said https://t.co/BxG2DzdXqt pic.twitter.com/ki4sYprwIH
>
> — Cem Karsan \U0001f950 (@jam_croissant) January 5, 2021

2/x for this year, but for the economic trajectory of America & likely the macroeconomic regime of the developed world for the coming decade. That said, contrary to popular belief, the market does not move based on news in the short term if the positioning doesn't allow it to.

3/x & our old friend Gary the ■ & his sidekick Vanna are positioned to have this market pinned through 1/11. So, as explained ad nauseam, the election news, though fundamentally important, won't matter to the index itself in the ST. As predicted, the largest moves from the GA

4/x runoff INITIALLY have come from factor rotation. This should continue to be the case, as the street is oversupplied IVol & the index is pinned. This not only allows for idiosyncratic risk moves in constituents, but it actually FORCES extreme noncorrelation & rotation, as we

5/x have witnessed now for the past 2 days. This Vol compression will be increasingly difficult to break free from until 1/11-1/15, but the window of weakness is coming...soon the final hedges from the 'election hump' in Nov will expire with the Jan monthly options. Once the

6/x vanna support is gone there will be little protection left behind. This should loosen Gary's stranglehold & provide a window for the technical break we have been waiting for. Next week will likely be the time to opportunistically buy IVol & take a shot on the downside. That

7/x said, the time for caution is quickly approaching. This week, ride the strong vanna flows every day from long side from 1am-9am. But then be cautious, scalping from the short side b/w 9am-1pm, looking for an opportunity to swing short on a close below the 1 std dev of the 20

8/x day. as mentioned, The real opportunity for a secular move should appear as we get into next week, when there are no longer supportive vanna flows, and seasonality, & we are more likely to see a technical break below the 1 stddev of the 20 day, allowing the market to get the

9/9 additional help it needs from momentum driven, systematic strategies in order to spring loose from Gary the ■ & realize the correction it wants to make, given massively overextended sentiment & positioning. Good Luck! ■