Twitter Thread by David Dayen



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GameStop hearing has begun here, I'll be intermittently live tweeting if anything interesting

One thing so far, Waters announces this is the first of a series of hearings, and future ones will include regulators and policy discussions.

Remarkable pronunciation of "Dough-GEE-coin" from ranking member Patrick McHenry (R-NC)

McHenry taking the pose of a futurist triumphalist lauding the glories of financial innovation, tinged with a little populism

"We can't lock investors out of the rich possibilities of useless over-speculation!" McHenry, approximately

Rep. Sherman (D-CA) talking about best execution and payment for order flow and long settlement times. The compensation model and potential skimming is interesting, but it speaks to the inessential nature of secondary market trading

I think real-time settlement is fine, it'll make it easier to tax trades quickly and efficiently

Keith Gill: "I am not a cat"
#BREAKING

Enjoying the granular discussion of GameStop's long-term earning potential.
But in general, if "talking about stocks" is illegal make the stock market illegal, which considering that it's not a source of capital for companies might not be a bad idea

Waters asks Robinhood if not having enough capital is a liquidity problem. That being the definition of liquidity.
Vlad Tenev filibusters, and Waters reclaims her time.

Now we're getting somewhere, as Waters starts talking about Citadel about dark pools.

How uncouth to post comments of an august hearing, he said while live tweeting
https://t.co/ArMxI1vOKo

> CNBC is putting Reddit comments on screen lol pic.twitter.com/vaWxbF8XLX
>
> — Josh Billinson (@jbillinson) February 18, 2021

So McHenry comes out of the gate attacking the accredited investor distinction, demanding that everyone be allowed to get onto the craps and baccarat tables

I've had it with people decrying Robinhood for "treating trading like a video game" when the biggest investment on Wall Street is in SPAC companies with no products or sales driven on the strength of having like Colin Kaepernick's name attached to them

Ann Wagner, maybe the biggest Wall Street mouthpiece in Congress, echoing McHenry on adding the ability for retail investors to trade, so I guess that's the conservative talking point: open the casino, burn the velvet rope!

Not two, not three, not four,
https://t.co/Cmb1f8Z1rK

> Vlad Tenev saying this was a "five sigma event" in explaining away RH's inadequate capital.
> pic.twitter.com/dnSoTQlj3S
>
> — Robin Wigglesworth (@RobinWigg) February 18, 2021

I don't really feel a disquisition on the best way to investors to pay for a stock trade is the best use of hearing time when you have two hedge fund guys across the table.

The extreme pride that retail investors comprise 20 instead of 10 percent of total market activity I think misses the point?

Look, 2 of the last 3 Democrats who have spoken in this hearing chair other committees and are reading rote, superficial little speeches about disclosure.
You want a committee that can regulate Wall St, make it at least a few members' full-time job.

Now, Meeks has stumbled upon a point, this margin trading and options trading is useless, not just for Robinhood investors but really anyone. What purpose does it serve? It's a prop bet.

Boy that Reddit CEO must be lonely. Hasn't been asked a question yet and shouldn't be, really.