

Rabid Market Manipulation

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Like sickened dogs there is no stopping a large sector of the financial community from screwing publicly traded companies, and the few law-abiding investors, by trashing market valuations based on the business practices and financial standing of a company until they are just numbers in market capitalism's casino to be bet on in any way and form the gambler chooses.

The day after Senate banking committee hearings that condemned the sleazy trading practices of high frequency traders, hedge funds and dark pools it was back to business in trading shares in the now famous-infamous GameStop. Normally the short term mountainous rise and fall of share value happens in cheap penny stock trading behind closed doors, but poor kicked around GameStop trades on the NY Stock Exchange with a market cap of \$18.48 billion. Pretty big, but not big enough to stop being gamed.

On Wednesday it opened for trading at \$269.43. It then was bought heavily until precisely 12.17 PM when now priced at \$348.50 there must have been a rumor that the entire board of directors and management went down in a plane crash because 23 minutes later it was at \$172, its low for the day and down by a 176.5 differential from its high. Then, flashing across the big screens were videos of GameStop officials holding up the days Times proving that they still lived, and suddenly the few humanists among traders expressed their approval of corporate life through buying enough shares to make trading close at \$265.00.

If only the story-telling of the above were true, in fact there was no humanity involved. It was all accomplished by algorithmic supercomputers performing transactions before the trade they were betting on could be completed. Over the trading day 71,570,566 shares of GameStop were traded even though the company's total number of share out for trade was only 45 million.

This sort of thing risks a plebeian rebellion. It's one thing to do something socially useless like gambling where at least there is a risk

of a loss, but quite another to game the system with supercomputers that create wealth through a risk-free process. There is something else on the rise _ the resentment of those who perform the necessary work that makes for a living social system. Those can't be bought off for long because life supersedes wealth.

Economic Info

-- From the time of the Great Financial Recovery we have heard nothing but that we are recovering from the slump and thus making the social consequences of the period a receding problem. But there had in fact never been a recovery. At the time of the Pandemic the economy was almost \$6 trillion behind in GDP terms from the point of an actual recovery: where the economy, including the 30 million increase in population would have been had there been a real recovery. Japan has been in a recognized slump for decades, but its annual per capita GDP growth is 1.4% while in the US its 0.8%.

World capitalism has been in decline since the mid 1970's and reached a point of no recovery, save for something even worse like a world war, and now we have nothing but empty words to create an illusion of economic vibrancy.

The latest establishment jobs survey was higher than expectations and meant another boost to the markets as does anything that can be interpreted positively. (The new \$1.9 trillion stimulus passage was another boost for the markets rather than evidence of the seriousness of the slump and the failure of similar stimulus packages) The establishment jobs survey for February was 379,000 and along with an increase of 38,000 for January meant the average for the previous three months was a measly 79,700, leaving the establishment survey 9,475,000 job below where it was a year ago. Furthermore the ADP survey of private non-farm employment for February was well below expectations at only 117,000. That means that the productive part of the real economy is as stunted as ever, and that state is clearly not reflected in market valuations.

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