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Current Events - GameStop,

Introduction

One of the most essential parts of being an activist is being aware of the current events happening in the area around you. After all, you can't take action if you don't know what's happening. In addition, you need to be able to formulate an opinion after identifying the event, and be able to confidently state that opinion. This module is the first of four modules tackling the current events happening in our country, and how you can be a part of tackling them.

Objectives

1. Students will be able to understand current events and types of activism associated with them
2. Students will be able to build and develop their public speaking skills and abilities

Agenda

1. Research
2. Current Event
3. Types of Economies
4. Public Speaking

Courageous Conversation Rules

The Four Agreements of Courageous Conversation-stay engaged, expect to experience discomfort, speak your truth, and expect and accept a lack of closure- provide a roadmap for negotiating interracial conflict.

Content

Research-Time (10 mins)

Purpose:

Give students 10 minutes to research the current-event, as well as policies directly related to it.

Materials:

Tell students to bring their laptop to this classroom in order to do this activity

Directions:

Give students a link or something lol to a current event they will be discussing in the chat roulette

Facilitator Notes:

- Encourage the students to collect information and build their own opinions
- Show students how to gather information from reliable and credible sources
- Encourage students to use different mediums of media
 - Videos, Articles, Online stuff

Sources:

- **NBC News**
 - <https://www.nbcnews.com/business/business-news/gamestop-reddit-explainer-what-s-happening-stock-market-n1255922>
- **Yahoo News** *"Short squeeze explained: Yahoo U"*
 - <https://www.yahoo.com/lifestyle/short-squeeze-explained-yahoo-u-203515440.html>
- **WSJ**
 - <https://www.wsj.com/articles/gamestop-mania-is-focus-of-federal-probes-into-possible-manipulation-11613066950>
- **NYT**
 - <https://www.nytimes.com/2021/01/28/business/gamestop-stock-market.html>
- **AP**
 - <https://apnews.com/article/gamestop-stock-surge-explained-fb377363d1b04809706619a6bcc9e549>

Current Event

Purpose:

Students will understand the significance of the Gamestop-Robinhood short squeeze as well as its implication in modern politics and politicians. Students should be able to develop opinions on the matter through understanding the situation in its entirety.

Sources:

1. https://www.youtube.com/watch?v=_6siiSzDMoI
2. <https://www.forbes.com/sites/lawrencelight/2021/01/30/why-gamestop-a-failing-business-will-see-its-over-hyped-stock-crash/?sh=5caf9cca28f1>
3. <https://www.wsj.com/articles/gamestop-mania-is-focus-of-federal-probes-into-possible-manipulation-11613066950>

Lecture Notes:

- Rundown of Event
 - Show video (https://www.youtube.com/watch?v=_6siiSzDMoI)
- Important Terms
 - Hedge Fund
 - Big corporations that have a lot of money for investing (in the billions)

and can often manipulate the market.

- Short Squeeze:
 - When hedge funds are betting a stock will go down (shorting) and retail investors like us are betting a stock will go up (investing), a constant stock market war is occurring. However, hedge funds can not hold short positions forever, and if the number of retail investors outnumber them, the stock price will go up as there is a higher number of shares being bought than sold. Since hedge funds also do not want to lose money, they will be forced to buy their shorted shares back, driving the market price up even more. This temporary jump in market price is what is known as a short squeeze.
- r/wallstreetbets
 - An online community on the online platform Reddit known for discussing "high-risk stock transfers" that are often no more than just a gamble. Due to the gamestop event alone, the page jumped almost three million followers but was restricted soon after due to a "violation of terms and guidelines."
- Overview
 - Background
 - Prior to these events, Gamestop was expected to go bankrupt in late January. This led many people on Wall Street to bet against Gamestop in what is called a short. In a short, the investor makes money when the business becomes less valuable. Gamestop was one of the most shorted stocks on the market because it was expected to go bankrupt. Some people view shorting stock as wrong. r/wallstreetbets saw Gamestop as a heavily shorted stock and planned to cause a short squeeze.
 - Initial Rise
 - In January 2021, a short squeeze was triggered by users of the subreddit r/wallstreet bets which saw the stock price of gamestop increase over 1,500%, surging from \$20 to \$483 (it reached this value around January 27th) over the course of two weeks. This then caused a lot of hedge funds to lose a ton of money (when shorting a stock, you can lose unlimited amounts of money if the stock begins to rise). This meant that a lot of hedge funds lost a lot of money, whereas a lot of smaller investors made money. This then led to its trading being heavily monitored by online platforms such as Charles Schwab Corporation, TD Ameritrade, and Robinhood. More than 175 million shares of GameStop were traded on January 25.
 - Wallstreetbets was promptly heavily monitored on multiple different platforms including reddit and a ban on discord for "hate speech" (as far as I know, there was a level of hate speech, but the founders argued it was a group of tens of thousands and there were bots against hate speech so they thought the ban was unjust)
 - On January 27th, a short squeeze was triggered on AMC Theatres and it also increased significantly triggering further scrutiny from companies such as Robinhood, TD Ameritrade, and Charles Schwab Corporation.
 - Halting of Stock Purchases

- On January 28th, Robinhood stopped purchases of Gamestop, AMC Theatres, Blackberry Limited, and Nokia Corporation; other brokerages soon followed. They claimed on January 29 that the restrictions were the result of clearing houses raising the required collateral for executing trades. Because there is a two-day lag between the moment when investors purchase a security and the moment cash and securities are actually exchanged, brokerage firms have to post collateral at clearing houses to guarantee the proper settlement of their clients' orders"
- When Robinhood and others stopped stock purchases, there was a lot of condemnation from many very different people. People from Ted Cruz to AOC to Ben Shapiro and more all condemned the move by Robinhood. Beyond big political figures, from people more like you and me, the move was also pretty universally condemned
- The other side of the argument is that r/wallstreetbets potentially manipulated the market which is illegal. Robinhood also was blamed previously for allowing amateur investors to lose a lot of money on ill advised investments so Robinhood did not want to allow the same thing to happen again.

Posted by u/Senior_Hedgehog 9 months ago

GameStop (GME) - THE BIGGEST SHORT SQUEEZE OF YOUR ENTIRE LIFE

Stocks

I'm here today to shill you Gamestop (GME). I won't lose your time with a TLDR long thesis just a few key points why this is the biggest gainer of your life. Here is fuel for the thrusters:

1. GME has 65.5 million shares in total and 55 million shares are short. You read that right. 84% OF SHARES ARE SHORT. Michael Burry owns 3.5 million shares long. Look up proxy war.
2. History points that console releases are where they make the most money and the stock increases on average 120%+.
3. Gaming consumption is estimated to be up 75%.
4. Games have increased memory sizes and the console hard drives can't handle them which may cause a flow back to the consumption of disk games.

GAMESTOP IS A STEAL. TRADING UP 20% ON THE DAY AND IT WILL BE AT 10\$ BY MONTHS END.

Buy your calls and the stock far OTM it doesn't really matter. This is a tendies printer.

THE THRUSTERS ARE LOADING

EDIT: IF YOU ARE LONG MAKE SURE TO CALL IN YOUR SHARES FROM YOUR BROKER AND MAKE SURE THEY AREN'T BEING SHORT-LENT (CALL YOUR BROKERS)

- Downfall
 - Over the course of the past few weeks, the stock price for Gamestop and the other targeted stocks has fallen greatly. Gamestop is still above its previous levels but it is way down from its highs. Now, the main discussions about this event are about Robinhood and other similar companies halting trading and how that feels like or is a different set of rules for normal people and the rich.

Discussion (10 mins)

Purpose:

To allow students to build on their public speaking abilities surrounding the current event.

Materials: Current Event.

Directions: Discussion in open format.

Facilitator Notes:

- Encourage the students to think independently
- Encourage the student to not only discuss the current event but also discuss where they think the activism should go and what should be done.
- Push students to leave their comfort zones and speak publicly.
- Respectful conversation rules
- Make sure students have an idea on the current event and are somewhat informed on information surrounding it
 - This can be done using videos, presentations, etc;

Discussion Questions:

1. Was it fair for Robinhood to limit trading of gamestop stock?
 - a. Facilitator note - point out that “normal” people were being subjected to one set of rules in trading, while the rich were playing by another set of rules
2. Did the r/wallstreetbets conspire against institutional traders? Did the retail traders violate stock market ethics)?
3. Is the stock market fair?

Types of Economies

Purpose:

Students will understand the significance of capitalism, socialism, and communism.

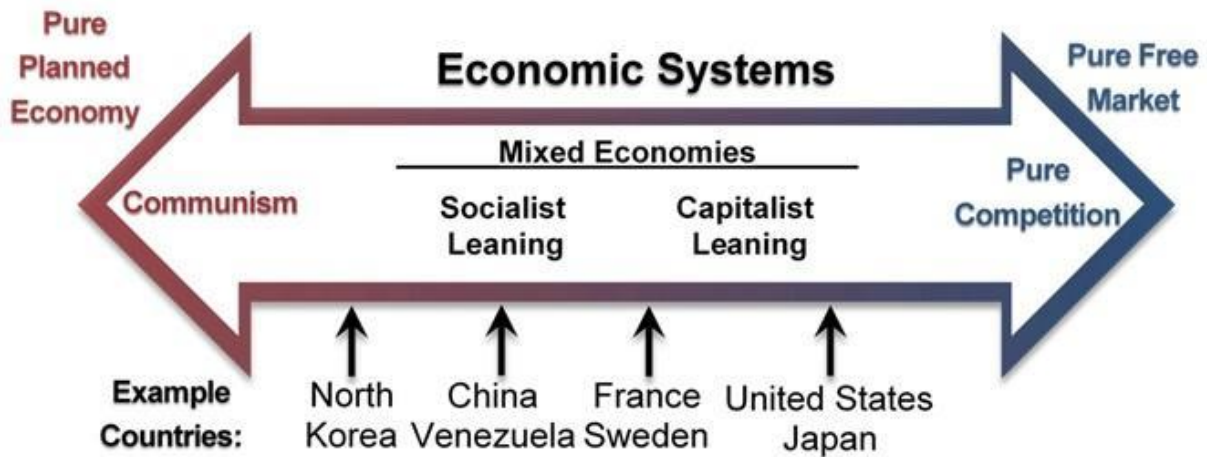
Sources:

4. <https://www.youtube.com/watch?v=53vmQNVBmOw>
5. <https://www.youtube.com/watch?v=tcAOB3oPzt0&t=3s>

Lecture Notes:

- Watch the video!
- **USE THE BELOW INFORMATION TO TRANSITION INTO THE VIDEOS FROM THE LAST ACTIVITY.**
- After Robinhood froze trading of volatile stocks such as Gamestop and AMC to the public, many debates arose about the validity of the “free market” in the United States.
- A grand majority of the public (and a grand majority of congress) did not agree with the decision of Robinhood as it prevented the “free market” from truly happening. However, how a country decides its economy should be and how it decides its politics should be are not necessarily related. The public then began to show interest in how the United States performed economically. The United States is a capitalist leaning country, meaning that freedoms such as the free market are essential.
- Other countries might lean towards socialism or communism, where the government intervenes progressively. The actions of Robinhood can be seen as government intervention. Current ideas such as socialized healthcare and a reduction of college tuition have brought discussion onto the various economic systems and their current benefits.

Economic Spectrum



Discussion Questions:

1. What are the pros and cons of each system?
2. What system do you believe America should have? Which one is more ideal? Realistic?
3. Communism emphasizes equality and the free market emphasizes liberty. Is it possible for equality to coexist with freedom?
4. Why is government intervention sometimes necessary in a society that promises freedom and liberty?
5. How much should the government intervene? Is government intervention good or bad?