

\$4.5 billion options bet on catastrophe within four weeks Anybody have a clue as to what these 'investors' are expecting?

The two sales are being referred to by market traders as "bin Laden trades" because only an event on the scale of 9-11 could make these short-sell options valuable.

There are 65,000 contracts @ \$750.00 for the SPX 700 calls for open interest. That controls 6.5 million shares at \$750 = \$4.5 Billion. Not a single trade. But quite a bit of \$\$ on a contract that is 700 points away from current value. No one would buy that deep "in the money" calls. No reason to. So if they were sold looks like someone betting on massive dislocation. Lots of very strange option activity that I haven't seen before.

The entity or individual offering these sales can only make money if the market drops 30%-50% within the next four weeks. If the market does not drop, the entity or individual involved stands to lose over \$1 billion just for engaging in these contracts!

Clearly, someone knows something big is going to happen BEFORE the options expire on Sept. 21.

THEORIES:

The following theories are being discussed widely within the stock and options markets today regarding the enormous and very unusual activity reported above and two stories below. Those theories are:

1) A massive terrorist attack is going to take place before Sept. 21 to tank the markets, OR;

2) China, reeling over losing \$10 Billion in bad loans to the sub-prime mortgage collapse presently taking place, is going to dump US currency and tank all of Capitalism with a Communist financial revolution. Either scenario is bad and the clock is ticking. The drop-dead date of these contracts is September 21. Whatever is going to happen MUST take place between now and then or the folks involved in these contracts will lose over \$1 billion for having engaged in this activity.

"\$1.78 Billion Bet that Stock Markets will crash by third week in September Anonymous Stock Trader Sells 10K Contracts on EVERY S&P/Y "Strike" Shorts Stocks "in the money" effectively selling all his SPY holdings for cash up front without pressuring the market downward.

This is an enormous and dangerous stock option activity. If it goes right, the guy makes about \$2 Billion. If he's wrong, his out of pocket costs for buying these options will exceed \$700 Million!!! The entity who sold these contracts can only make money if the stock market totally crashes by the third week in September.

Bear in mind that the last time anyone conducted such large and unusual stock option trades (like this one) was in the weeks before the attacks of September 11.

Back then, they bought huge numbers of PUTS on airline stocks in the same airlines whose planes were involved in the September 11 attacks.

Despite knowing who made these trades, the Securities and Exchange Commission NEVER revealed who made the unusual trades and no one was ever publicly identified as being responsible for the trades which made upwards of \$50 million when the attacks happened.

The fact that this latest activity by a single entity gambles on a complete collapse of the entire market by the third week in September, seems to indicate someone knows something really huge is in the works and they intend to profit almost \$2 Billion within the next four weeks from whatever happens! This is really worrisome."

Source: Ticker Forum