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Retail Traders Perform “Short Squeeze” on GameStop to Financially Harm Over-Leveraged Hedge Funds

GABE WONG, EDITOR

January 27, retail traders shocked the financial world as GameStop’s stock price skyrocketed to \$347. This massive increase in stock price came because of traders from the subreddit WallStreetbets banding together to artificially raise its price. They did this because they noticed that about 140% of GameStop’s on-market stock was shorted.

Shorting stock is a way to bet against a stock. According to Investopedia, a trader shorts a stock by borrowing shares for a set time, selling the shares, and then buying them back at a hopefully lower price. The trader’s profit is the difference between their sell price and buy price minus the interest they have to pay their lender.

In short-selling, the potential loss is infinite because a stock’s value can go up infinitely and the short-seller must buy it back eventually, as they must return the borrowed stock. This fault in short selling

is what traders from WallStreetbets took advantage of in January. By coordinating to buy GameStop shares, the group was able to drive up the price of GameStop.

This forced the institutional investors who had opened such large short positions to close them to limit their losses. The attempt to close by short-sellers and the demand from WallStreetbets users created a massive rise in the price of GameStop very quickly. This short squeeze caused massive losses for hedge funds with short positions. Short sellers have lost nearly \$20 billion dollars from the GameStop short squeeze so far, according to Ortex.

From the about 140% short float earlier in January, GameStop’s short float has fallen to 39%, according to HIS Markit. According to Bloomberg, this indicates that short sellers are covering their positions and that the GameStop short squeeze may be coming to an end. However, some Reddit users have speculated that the big squeeze is still to come and have urged other users to keep their long

positions open.

This short squeeze has been portrayed as a David versus Goliath situation by many because non-billionaire investors worked together to hurt the wallets of wealthy investors. Others have accused retail investors of illegal market manipulation. The Securities and Exchange Commission (SEC) has said it is “closely monitoring and evaluating” the recent volatility of some stock prices.

The SEC also vowed to “review actions taken by regulated entities that may disadvantage investors or otherwise unduly inhibit their ability to trade certain securities” probably in response to the actions taken by trading app Robinhood to stop the purchase of certain volatile stocks, including GameStop.

Alexandria Ocasio-Cortez and Ted Cruz have both criticized this move from Robinhood, calling for a congressional hearing to see why they stopped GameStop and other volatile stocks from being traded.

A Look Into the Paris Climate Agreement



A photo of Joe Biden at a podium making a speech off of two teleprompters.

ANJA CIESLEWICZ, EDITOR

On January 20, as one of his first acts as president, Biden recommitting the United States to the Paris Climate Agreement. The urgent accord, focused on limiting global warming, will officially readmit the United States in thirty days.

According to the United Nations, the main goal of the Paris Climate Agreement is “to limit global warming to well below 2, preferably to 1.5 degrees Celsius, compared to pre-industrial levels.” The United Nations delves into how the Paris Climate Agreement requires countries to commit to a five year “economic and social transformation” and make plans to reduce their greenhouse gas emissions.

The Council of Foreign Relations emphasizes how global warming “could bring environmental catastrophe to much of the world, including staggering sea-level rise, record-breaking droughts and floods, and widespread species loss” if it

were to continue at its current rate.

The Natural Resource Defense Council reported that, after the Obama administration had committed the country to the agreement, “on June 1, 2017, President Donald Trump put that future in jeopardy by announcing his plan to withdraw the United States.” Some people believe that the Paris Climate Agreement is ineffective at controlling global warming. According to the Council on Foreign Relations, “most experts say the Paris Agreement will not be enough to prevent the global average temperature from rising 1.5°C.” However, even when Trump withdrew from the accord, there were still numerous U.S. organizations focused on climate change. This includes America’s Pledge and We Are Still In.

The United Nations Framework Convention on Climate Change meets yearly to prevent dangerous human interference with the environment. As soon as 2030, the Paris Climate Agreement could ensure

that zero-carbon solutions would “be competitive in sectors representing over 70% of global emissions.”

NRDC noted that 189 nations have solidified their commitment to the Paris Climate Agreement. As of 2021, the only nations whose greenhouse gas emissions are over 1% who have never ratified the agreement are Turkey and Iran. The United States (which contributes to 15% of the world’s greenhouse gas emissions) has not been a part of the Paris Climate Agreement for four years. BBC states “the US will have to rebuild trust after being out of the climate fold for so long.”

Many individuals feel that the United States set a bad example by leaving the climate agreement. For example, NPR reported Helen Mountford, the vice president for climate and economics at the World Resources Institute, said that the country “should be at the forefront of global efforts to stave off the climate crisis.”

McGregor Loses Shocking Knockout Match



Courtesy of Chris Unger/Zuffa LLC

Conor McGregor and Dustin Poirier stare into each other's eyes at very close proximity.

ALEC SMITH, STAFF

On January 24, the Irish mixed martial, Conor McGregor, was surprisingly defeated by Dustin Poirier in a second rematch by knockout, leaving McGregor down longer in count in the second round light-weight UFC 257 event. He was avenging his loss on Fight Island in Abu Dhabi, United Arab Emirates.

McGregor Received his very first knockout when Poirier gave him his first KO loss. The match was highly anticipated because of McGregor, who is arguably the most recognizable UFC fighter for his twenty-two wins, comebacks, and toxic persona. McGregor showed true class in the Post-fight interview by respecting that he lost the fight without making excuses. The Irish fighter has lost only four times in his UFC history, causing

mutual respect before the fight, "I am honored to share the octagon with this man," McGregor said on Twitter three days before the fight.

Poirier regularly used leg kicks as a strategy towards McGregor throughout the first round—causing much damage. He was seen whipping his swift kicks into the soft fleshy tissue in McGregor's right leg making him collapse on the side of the arena. This resulted in Poirier picking McGregor apart and dropping him onto the canvas floor at the 2:32 mark of the second round. "The leg kicks were good," McGregor said after the loss. "The lower calf kick was very good. My leg was dead, man." After the fight, physical rehab doctor Brian Sutter describes the location of the kick, "it's a nerve that supplies muscle control to part of the lower leg, and also some of the sensations."

Sutter summarizes, "it's going to cause some temporary damage to them, basically ending with this dead-feeling lower leg."

On September 27, 2014, at UFC 178, McGregor beat Poirier in less than two minutes, making the fight that much more shocking. Poirier's improvement as a more active fighter was unexpected. In response to an interview with comedian Theo Von about how his approach is different from the first time fight, Poirier replied, "This is not about payback, it's not a revenge fight for me.... But that's not the driving force of each day".

McGregor was reportedly earning over three million at the end of the fight, while Poirier earned an estimated \$830,000 with a \$50,000 bonus. McGregor made more money due to him being one of the biggest icons in mixed martial arts.

Italy Forms New Government Over COVID-19 Relief



Courtesy of Caribb/flickr

A photo of Montecitorio Palace, the Italian Parliament building in Rome, taken in 2011.

SIENA LOCANTE, STAFF

The Italian government experienced a political collapse due to the resignation of the Italia Viva party, a political group inside the government that created a majority and helped the two main sides of the government work together. Renzi, the founder of Italia Viva, claimed that his reason for the party's resignation was a disagreement it had with Conte, the leader of the Council of Ministers, about how he hadn't accepted the bailout money provided by the EU. The money was vital to the Italian government, because of its economic crisis relating to COVID-19. Conte resigned from his position shortly after, knowing that the Italian government system was crumbling.

The Italian government has experienced more than several similar collapses, forming nearly 60 new governments since World War Two according to CNBC. The voters and population of Italy rarely have much concern with these government scrambles, but this time many feel it might have much more of an impact on the Italian communities. Italy is a country that was severely inhibited by the pandemic in both death tolls as well as economic stability. According to The New York Times, "Italian voters, who largely do not understand or care about the machinations and battles among political leaders, are concerned that the breakdown might hamper Italy's virus response and delay the return to a semblance of normalcy."

The President of Italy, Sergio

Maternella, recognized the threat to the ability of the Italian government to deal with its economic crisis and handling of COVID-19. On 3 February, Maternella turned to Mario Draghi, an economist who formerly served as the President of the European Central bank. Draghi is well known for his saving of the European currency, the Euro. Draghi agreed to try and reunite the government of Italy, and on February 6, he gained support from the two majority groups in the Council of Ministers, who decided that they valued unity over rivalry.

Many citizens and leaders in the Italian government alike hope that the crisis can be quickly resolved and that with Draghi the new government will be able to swiftly resume dealing with COVID-19.



The Queen's Gambit, Netflix's Greatest 2020 Series

PHIA BRIDGE, EDITOR

On October 23, 2020, an earth-shattering Netflix series was born. Set in 1983 and based on a novel by Walter Tevis, *The Queen's Gambit* follows the brilliant chess player, Beth Harmon, played by Anya Taylor-Joe, through her adolescence and young adulthood. The show has curried much acclaim among viewers, earning 97% on rotten tomatoes; since its rise in popularity, there has been a surge of chess board sales in the United States as viewers take a more active interest in the story.

Early on in the series, Harmon is put in an orphanage after her mother's sudden death. At the orphanage, it is quickly apparent that she is a chess prodigy. In the basement where she goes to beat chalkboard erasers, young Harmon meets the school janitor, Mr. Schaible, who plays chess alone each day. She is instantaneously intrigued by the game and urges him to teach her.

Sadly, While living there, chess is not the only life altering discovery made by Harmon. Like many real life orphanages in the late 50s and the early 60s, this one used tranquilizers to calm the children. Harmon becomes addict-

ed to tranquilizers given to her and uses them at night to help her visualize chess moves on the ceiling- but her addiction doesn't stop there. Through the story Harmon not only relies on tranquilizers, but also alcohol which she discovers at the age of fifteen.

Director Scott Frank uses Harmon's struggles to show that a brilliant mind comes with a price; he often hints that the price could be a character's sanity. Through Harmon's troubles, the cost of mastery comes to life. Harmon is obsessed with the game. It becomes the center around which her life revolves; chess player Harry Beltik says in episode 5, "I'm not obsessed with it the way one has to be to win it all. The way you are." She must sacrifice every moment she can in order to become good enough to beat her increasingly skilled opponents. A consequence of her obsession lies in her struggles to be understood. She is often left alone, craving human connection. Then there is, of course, the struggle of her addiction. Harmon believes that she needs tranquilizers in order to focus and alcohol, in some ways, becomes her coping mechanism.

Harmon is privy to a life that is most often out of her control. She watches

helplessly as both her biological and adoptive mothers die before her and she is thrust onto paths she would not otherwise choose. The only things she can truly influence are her state of mind and the chess board: "it's an entire world of 64 squares. I can control it, I can dominate it, and it's predictable so if I get hurt, I only have myself to blame."

Despite not fitting in among peers, Harmon makes valuable connections with her competition. Characters D.L. Townes, Harry Beltik, and Benny Watts meet her through the world of chess. They are able to help her truly master the game and make it to the final destination where she could win it all. In turn, she teaches these so-called masters something about humility- beating them with her chess prowess and earning their respect.

Through *The Queen's Gambit*, viewers can't help but root for Beth Harmon, a compelling female genius, an underrepresented trope in the cinematic universe, who must face a society that often views her, not as a chess player, but a woman who happens to play chess. Harmon's intensity, evolving fashion sense, dark humor, and uncertain future make her easy connect with from beyond the screen.