

# The Grand Orchestra

## About Wirecard's share price and dolphins against sharks

#Wirecard #Germany #Munich

Dolphins are known for their ability to **successfully defend and counterattack** even the fiercest shark attack. Much softer skin and more flexible joints in their skeletons allow dolphins to maneuver more quickly in a fight against their enemies. In addition, the sharks' tails limit their vertical mobility, while the horizontal tails of dolphins allow for much greater agility and change of direction for quick attacks. Dolphins travel in groups, called pods, and instantly communicate over long distances through superior echolon signals when a shark has mistakenly decided to attack one of them. Using their hard noses, dolphins can also deliver life-threatening hits, particularly in the stomach and organ area, usually leaving the shark with no choice but to surrender and flee quickly.

Apparently, a coordinated shark attack on a vulnerable Wirecard company had begun in mid-2020. On June 18, 2020, Wirecard had to announce in a video broadcast that approximately 1.9 billion euros were missing on trust accounts in Asia following a special audit by KPMG in the months before. CEO Dr. Markus Braun was immediately dismissed and replaced by interim CEO James Freis. What happened from June 18 to June 25, 2020, the day interim CEO James Freis decided to file for bankruptcy at the Munich District Court, is a story worth telling, as it was almost never really explained amidst all the widespread shark fear in most of the mainstream media.

The preliminary list of around **100 major institutional Wirecard shareholders** of WDI ticker emissions on Frankfurt's Stock Exchange is impressive. It includes literally every major investment organization, including the top two global players with stakes in every major company on this planet: The Vanguard Group and BlackRock Inc.

1. BlackRock Inc.
2. Norges Bank Investment Management
3. The Vanguard Group, Inc.
4. DWS Investment
5. Capital Research and Management Company
6. Capital Group Companies, Inc.
7. Deutsche Bank
8. Fidelity Investments
9. FMR LLC
10. Union Investment
11. Allianz Global Investors
12. Dimensional Fund Advisors LP

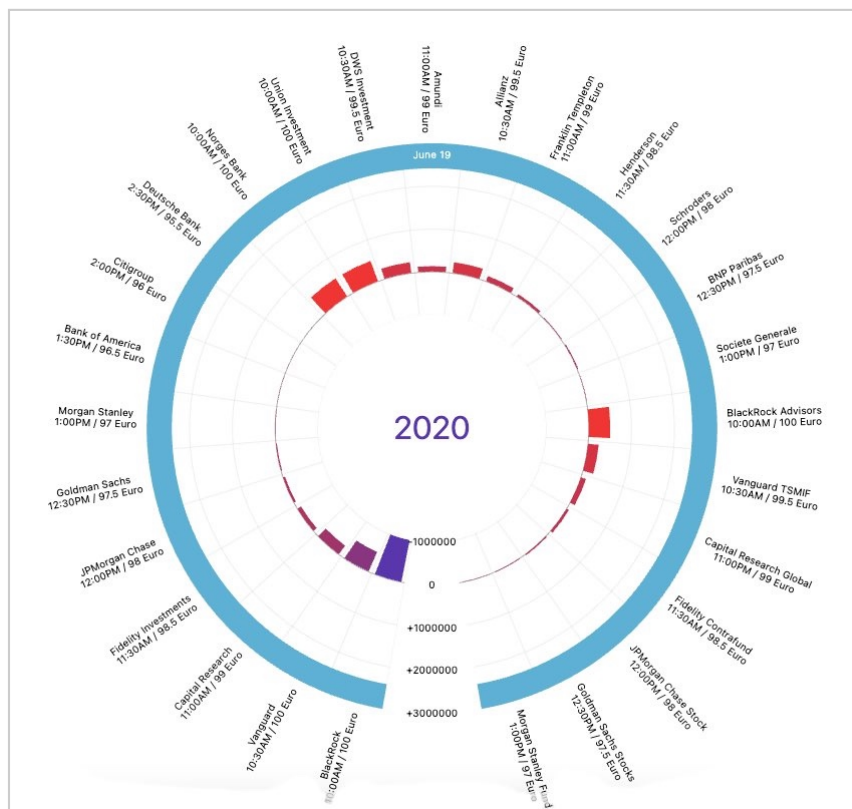
13. JPMorgan Chase & Co.
14. Union Investment (UniGlobal)
15. First Eagle Investment Management, LLC
16. Lord Abbett & Co. LLC
17. Royce & Associates, LLC
18. MFS Investment Management
19. Wellington Management Company LLP
20. Western Asset Management Company

List of 20 **major institutional Wirecard shareholders** (WDI Frankfurt) as of mid 2020, sorted by share percentage

Early on Friday, June 19, 2020 - the last really open trading day of Wirecard shares on the Frankfurt Stock Exchange - various sharks apparently secretly but certainly immediately positioned themselves. After Wirecard's devastating video message less than 24 hours before, and considering the previous months with even more devastating press reports, police raids in Singapore, a Bafin ban on short selling and much more, it seems understandable that a larger number of world-renowned institutional shareholders began selling Wirecard shares in larger volumes.

Large mutual funds can move stock markets and drive a company's stock price into oblivion because they tend to trade in large volumes. This is probably why certain time slots are reserved for each large investment fund when it submits its trades to the stock exchange computers. Thus, the orders of the top 10 Wirecard investors at the Frankfurt Stock Exchange appear to have been executed in consistent 30-minute intervals, if the data sets are completely correct. Unlike in the US, where large investment funds are required to make their investments in US stocks publicly available on a quarterly basis via the so-called **13F forms** filed with the Securities and Exchange Commission, Germany's financial markets do not require this kind of transparency. Data sources are scarce and difficult to obtain, and even more difficult to verify across different sources.

Apparently, Wirecard's largest shareholder BlackRock started the trading orchestra on June 19, 2020 at 10:00 a.m. by selling 1 million Wirecard shares, followed by The Vanguard Group selling 500,000 shares at 10:30 a.m. Then came Capital Research and Management Company selling Wirecard shares at 11:00 a.m., Fidelity Investments at 11:30 a.m., JPMorgan Chase at 12:00 a.m., Goldman Sachs at 12:30 a.m., Morgan Stanley at 1:00 p.m., Bank of America Merrill Lynch at 1:30 p.m., Citigroup at 2:00 p.m..

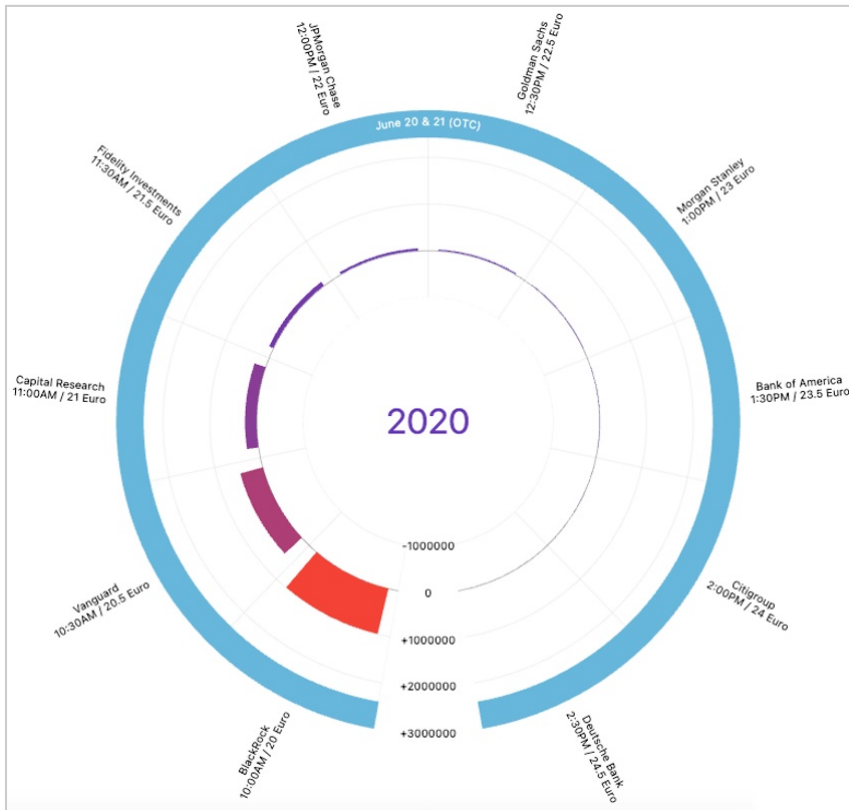


Wirecard shares traded by major investors on June 19, 2020 with time, price and trading volume

A number of European and Class B investment funds followed a similar pattern on June 19, 2020; however, our public data sources indicate that some of these entities actually bought, not sold, Wirecard WDI shares on the Frankfurt market on that Friday in the €100 - €97 range. To understand this, one needs to know that in addition to the share price, stock traders pay attention to another parameter: the volume of shares traded. The more shares traded and the more a stock's price moves, the greater the likelihood that the stock's ticker will appear on the radars of a large number of traders - who, in turn, will buy or sell in a snowball effect. On the morning of June 18, 2020, Wirecard's share price was still at around €100; at the end of Friday, June 19, 2020, its share price closed at around €30.

Stock trading today is almost entirely done via computers and Internet connections that do not require free time or weekends off. The reason why almost all major exchanges still open at a certain time only on weekday mornings for most individual traders, and close about 9 hours later, has almost nothing to do with "*historical reasons*" from 100 years ago when stock trading was done via paper slips. Pre- and post-trading, usually reserved for large investors, allows a smaller group of traders to adjust stock prices according to their agenda. This includes elegantly preventing a large number of individuals from making big profits in a short period of time.

Hence, in the days following the apparently last truly open trading day for Wirecard shares on June 19, 2020, things got a bit shady. What happened on the weekend of June 20 and 21 is harder to determine. Another set of preliminary data suggests that quite a number of Wirecard shares were traded on the so-called over-the-counter markets, or OTCs, away from the visible markets in the €20 range.



Wirecard shares traded by major investors on June 20/21, 2020 with time, price and trading volume

As of Monday, June 22, 2020, trading in Wirecard shares was halted for individual traders at almost all broker firms and banks. There was no official stock market statement yet, but several **individual traders complained in web forums** that their orders were simply not being executed. Behind the scenes, Wirecard's share price continued to fall, apparently through the exclusive trading of a select few investment sharks and algorithms.

After three days in which trading was more or less impossible for regular investors plus two previous week-end days, Wirecard's share price opened on June 25, 2020 at around €11. On that very day, interim CEO James Freis had officially **filed for insolvency** proceedings at the Munich district court. One would expect that Wirecard trading would immediately be blocked or halted on Frankfurt's Stock Market as well, as it has been already for many over the past five days at their broker platforms. Instead, confirmed by **various reports**, buying and selling of Wirecard shares was continued to be enabled in Frankfurt on the day of Wirecard's official insolvency filing in Munich on June 25, 2020.

## Bekanntmachung Freiverkehr (Open Market)

Aussetzung der Preisfeststellung aufgrund der voraussichtlichen außerordentlichen Kursrelevanz einer Emittenteninformation.  
Die Aussetzung erscheint zum Schutz des Publikums geboten, um ein Informationsungleichgewicht zu vermeiden

Nr.	MIC Code	ISIN	Name	Land	Aussetzung ab	Aussetzung bis
1	XFRA	US97654L1089	WIRECARD AG ADRS/1/2	Deutschland	25.06.2020 10:22	25.06.2020 11:20

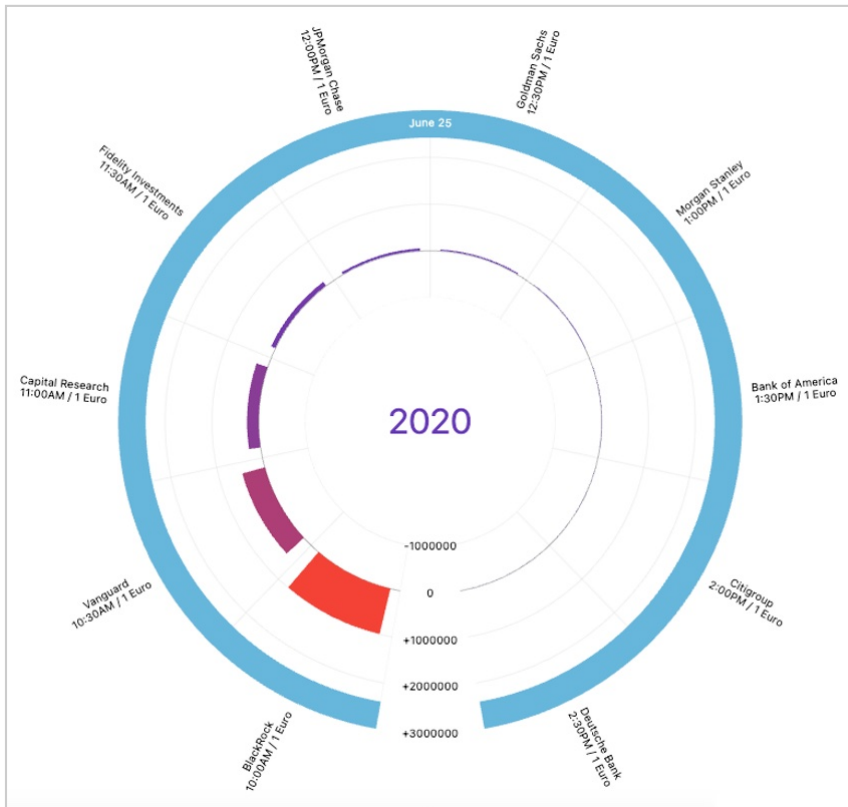
Frankfurt am Main, 25.06.2020

Frankfurter Wertpapierbörse  
i.A. Kocher Jochen i.A. Herold Ines

Statement Frankfurt Stock Exchange from June 25, 2020 regarding the halt of Wirecard ADR shares trading for one hour

A certain shark-like confusion is also reflected by the *Frankfurt Wertpapierboerse* stock exchange itself, where the first official announcement was made at 10:22 a.m. on June 25, 2020, just under three hours after market opening. The announcement states that trading in Wirecard ADR shares - a small portion of all openly traded shares - had now been suspended on the Frankfurt stock exchange. This, however, only for one hour - until 11:20 a.m. on the same June 25, 2020, according to **the official document**. About 24 hours later, **another somewhat strange** announcement is made by market officials in Frankfurt, stating that price evaluation explicitly for Wirecard bonds **is now being resumed**, not suspended. Bonds are predominantly held by large investors.

The behavior of BlackRock, Wirecard's largest institutional shareholder, should be examined for the days on and after June 25, 2020. **According to press reports**, BlackRock had increased (!) its shareholding in Wirecard to 2.89% on June 25, 2020, only to reduce it to 0.95% on June 26, 2020 - one day later. Such behavior could be rationally explained by collusion with short sellers, so far there is no evidence of this of course. BlackRock's German subsidiary was headed by Friedrich Merz back then, a high-profile politician with national exposure. He had met Wirecard's former CEO Dr. Markus Braun **twice in 2018 and 2019** and left his post at BlackRock to return to politics not long after the Wirecard scandal.

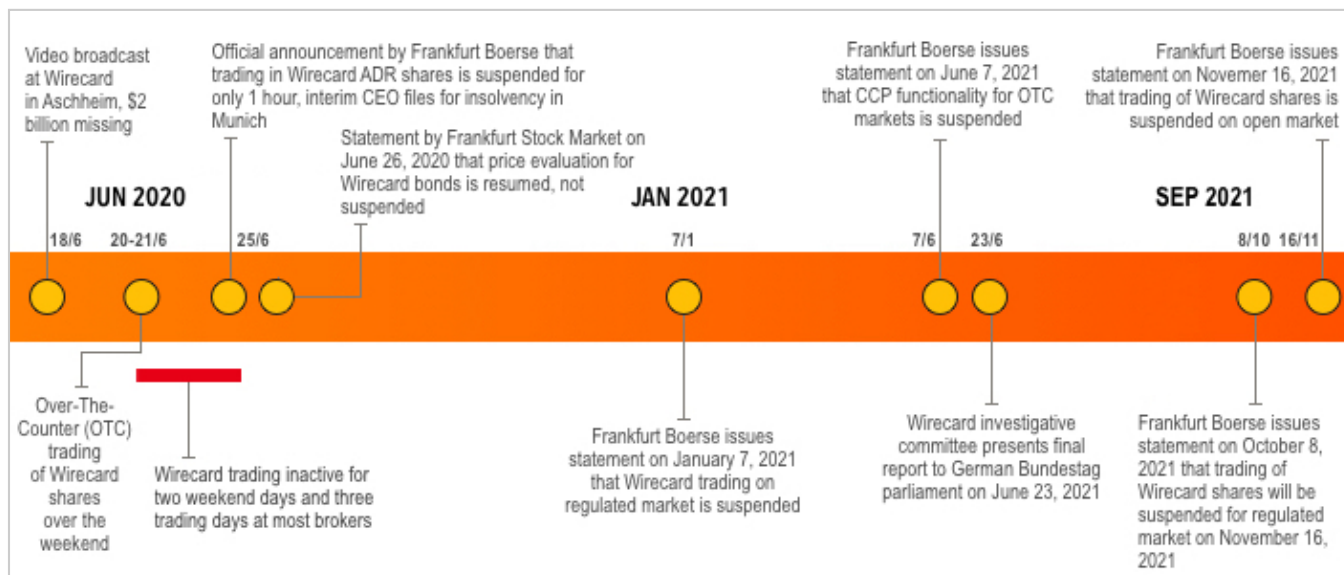


Wirecard shares traded by major investors on June 25, 2020 with time, price and trading volume

Trading in Wirecard shares on the so-called regulated market - an exchange market that is regulated by law, as opposed to the more familiar free market - was initially terminated **by official notice** only on January 7, 2021. Exactly five months later, the Frankfurt Stock Exchange would announce that the so-called **central counterparty (CCP)** function associated with OTC markets would be **terminated as of June 7, 2021**. Central shark counterparties may have been able to remain active in OTC markets for another 6 months, it seems.

On the open market, trading in Wirecard shares on the Frankfurt Stock Exchange was finally terminated **by official notice** on November 16, 2021, a good five months after (!) Berlin's Wirecard investigative committee of the German Bundestag Parliament had completed its work. Strangely, the regulated market had already been informed about the termination of Wirecard trading explicitly on their market **a good month earlier** on October 8, 2021 by Frankfurt Boerse. A somewhat strange **statement from October 8, 2021**, given the announcement nine months before that trading in Wirecard shares on the regulated market had already been suspended. Short sellers may have been not too unhappy with all these circumstances.

The story does not end here, however. After filing for bankruptcy in Munich on June 25, 2020, the local district court would wait another 2 months before **legally declaring** Wirecard's bankruptcy case officially open. A well-known insolvency administrator named Jaffé was appointed by the court at the end of August 2020. Strangely, Jaffé had already visited Wirecard's interim CEO in Aschheim two months earlier starting June 19, 2020, according to **James Freis' testimony** in Munich Stadelheim.



## Timeline of Wirecard major trading events 2020/21

Some dolphins sometimes even turn out to visit court rooms these days, it seems.

<https://www.sun24.news/en/the-grand-orchestra-about-wirecards-share-price-and-dolphins-against-sharks.html>