

From: Bruce O Knuteson knuteson@mit.edu

Subject: Re: overnight returns

Date: July 18, 2021 at 9:17 AM

To: [redacted]@ny.frb.org, [redacted]@ny.frb.org, [redacted]@ny.frb.org, [redacted]@ny.frb.org, [redacted]@ny.frb.org



Dear [redacted]

I reattach the plots from my previous email showing strikingly suspicious return patterns in the world's major stock market indices and in the stocks of many of America's largest public companies.

Suspicious return patterns in financial markets usually indicate a problem.

Do you know whose trading caused these suspicious return patterns?

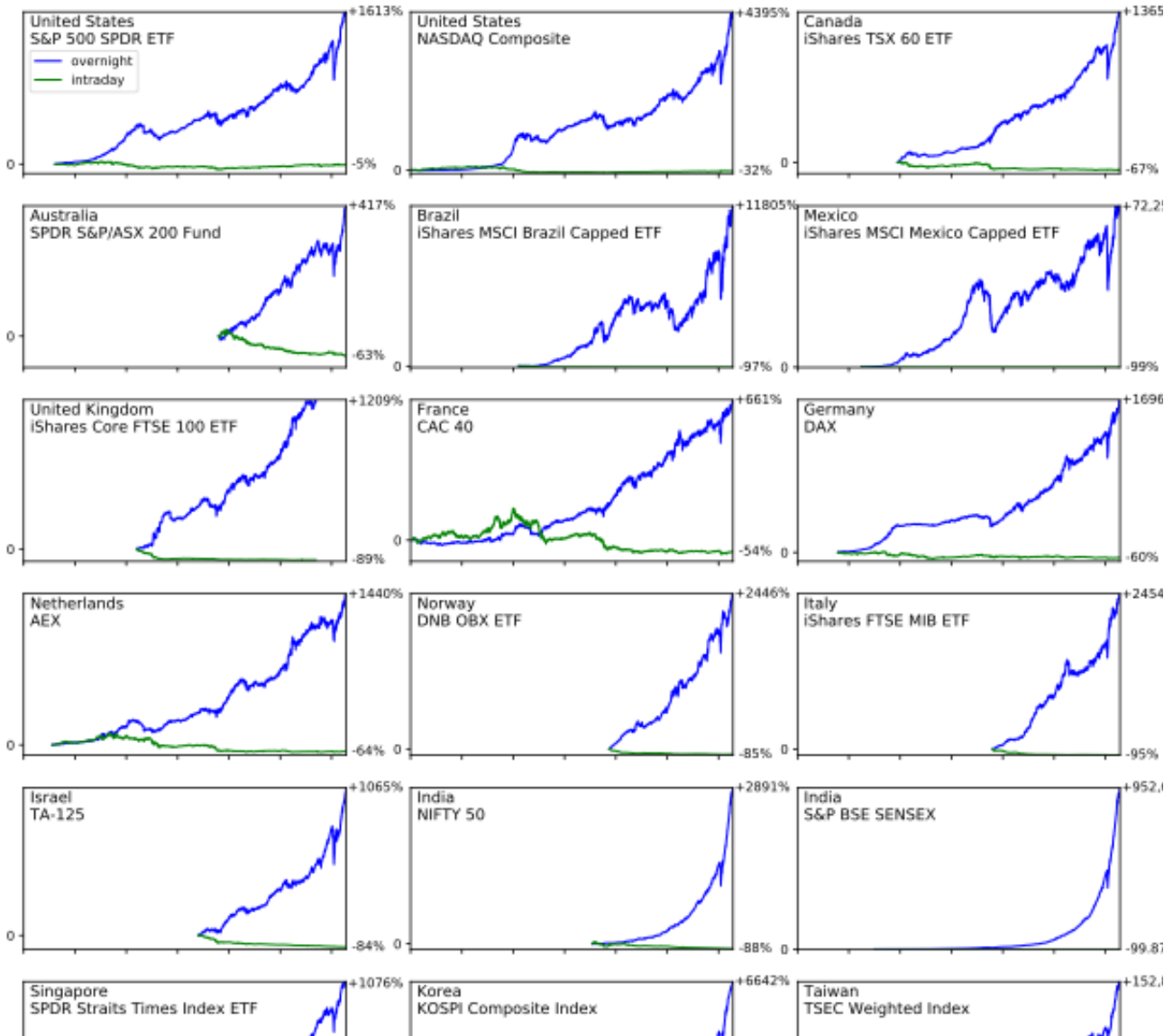
If not, do you have a good reason to believe these suspicious return patterns do not indicate a problem?

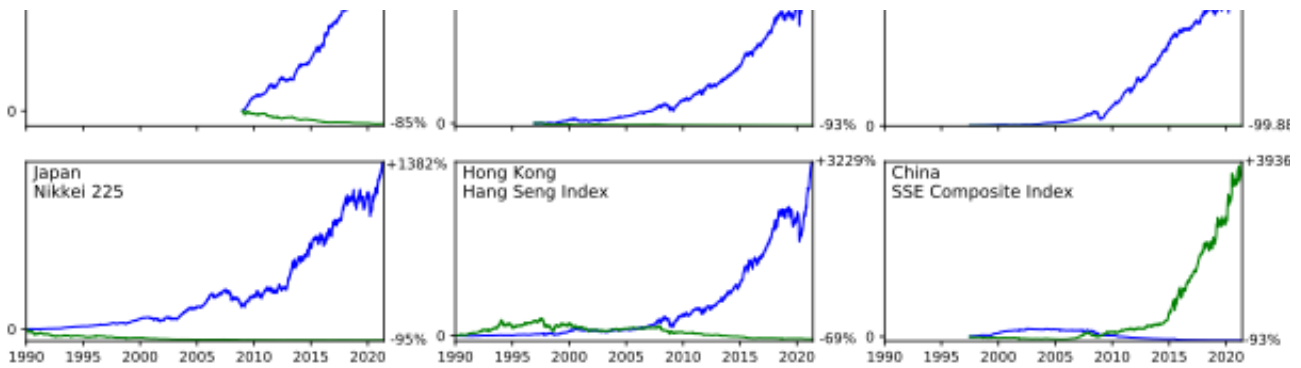
If neither, you should clearly alert the public to the presence of suspicious return patterns in their investments as a potential problem.

Regards,
Bruce

Bruce Knuteson
<http://bruceknuteson.com>

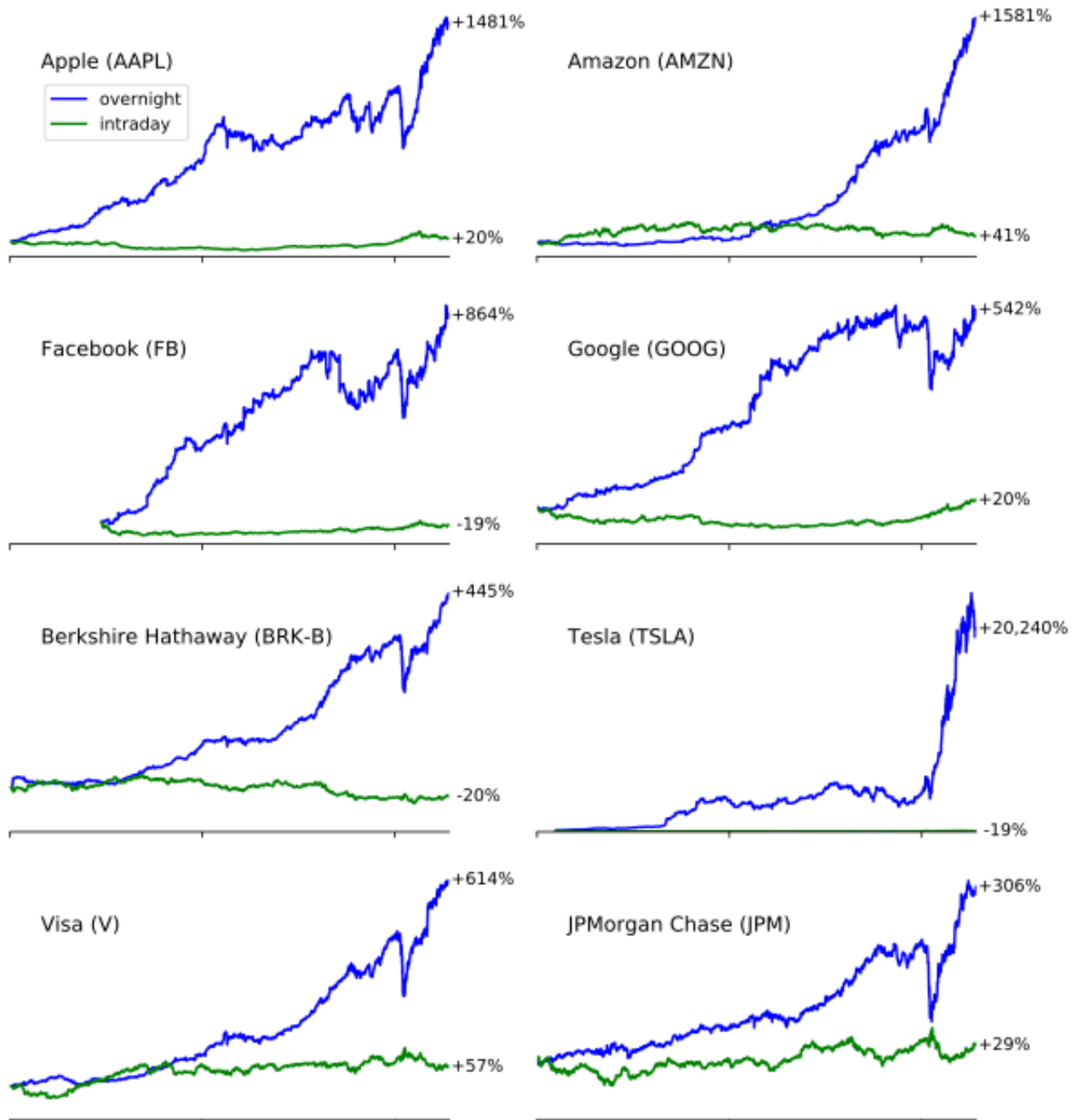
Overnight and Intraday Returns to Major Stock Market Indices

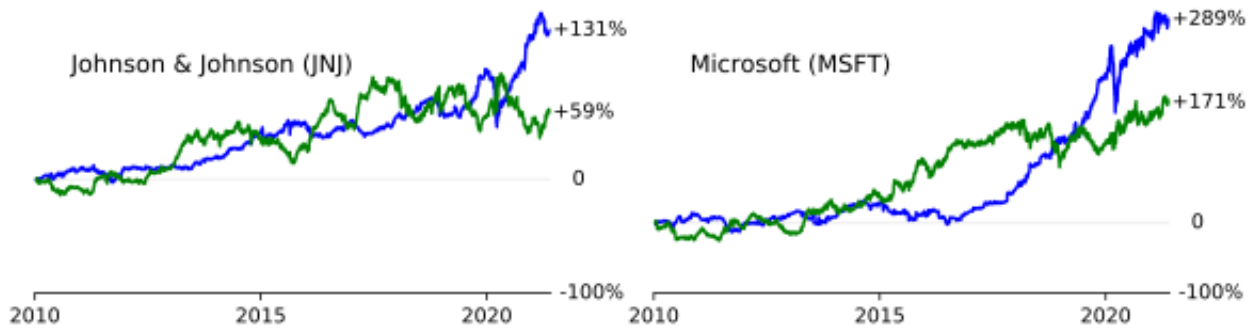




Overnight and Intraday Returns to the Ten Largest S&P 500 Stocks

by market cap on 2021-05-31





From: Bruce Knuteson <knuteson@mit.edu>

Subject: Re: overnight returns

Date: June 2, 2021 at 11:41:47 AM EDT

To: [redacted]@ny.frb.org, [redacted]@ny.frb.org, [redacted]@ny.frb.org, [redacted]@ny.frb.org, [redacted]@ny.frb.org, [redacted]@ny.frb.org

Dear [redacted]

I reattach easily reproducible, glaringly obviously problematic return patterns in the world's major stock market indices and in the stocks many of America's largest public companies, updated with data through the end of May.

The public expects you to tell them about suspicious return patterns in their investments.

Regards,
Bruce

Bruce Knuteson
<http://bruceknuteson.com>

<suspicious_index_returns_19900101-20210531.pdf>

<largest_us_companies_20100101-20210531.pdf>

From: Bruce Knuteson <knuteson@mit.edu>

Subject: Re: overnight returns

Date: Januar 3, 2021 at 4:37:02 PM EST

To: [redacted]@ny.frb.org >, [redacted]@ny.frb.org>, [redacted]@ny.frb.org>, [redacted]@ny.frb.org>, [redacted]@ny.frb.org>

Dear [redacted]

I attach updated plots from [Strikingly Suspicious Overnight and Intraday Returns](#), including those referenced in footnote 18.

Do you think the public deserves to know about suspicious return patterns in their investments?

If so, you should tell them.

Thanks and regards,
Bruce

Bruce Knuteson
<http://bruceknuteson.com>

<suspicious_index_returns_19900101-20201231.pdf>

<suspicious_returns_us_individual_stocks_20100101-20201231.pdf>

From: Bruce Knuteson <knuteson@mit.edu>

Subject: Re: overnight returns

Date: October 22, 2020 at 2:13:02 PM EDT

To: [redacted]@ny.frb.org
Cc: [redacted]@ny.frb.org, [redacted]@ny.frb.org, [redacted]@ny.frb.org, [redacted]@ny.frb.org, [redacted]@ny.frb.org, [redacted]@ny.frb.org

Dear [redacted]

When trading caused more than all of the positive returns to the US stock market over the past 20 years to occur overnight?

whose trading caused more than all of the positive returns to the US stock market over the past 30 years to occur overnight?

I attach a few plots from [Strikingly Suspicious Overnight and Intraday Returns](#).

Take a look at the NASDAQ plot, which shows an overnight return of +3,402% compared to an intraday return of -30% over the past three decades.

Problems in financial markets do not get more obvious than this.

Thanks and regards,
Bruce

Bruce Knuteson
<http://bruceknuteson.com>

<suspicious_index_returns.pdf>

From: Bruce Knuteson <knuteson@mit.edu>
Subject: Re: overnight returns
Date: August 22, 2020 at 4:40:10 PM EDT
To: [REDACTED]@ny.frb.org>
Cc: [REDACTED]@ny.frb.org>, [REDACTED]@ny.frb.org>, [REDACTED]@ny.frb.org>

Dear [REDACTED]

Whose trading caused more than all of the positive returns to the world's major stock market indices (except China's) over the past 30 years to occur overnight?

I reattach a few plots from "Celebrating Three Decades of Worldwide Stock Market Manipulation" ([arXiv](#), [SSRN](#)).

If you have not yet figured this out, perhaps you could bring these extraordinary plots to the attention of your readers.

They deserve to know about suspicious return patterns in their investments.

Thanks and regards,
Bruce

Bruce Knuteson
<http://bruceknuteson.com>

<suspicious_index_returns.png>

On Jun 5, 2020, at 8:48 AM, Bruce O Knuteson <knuteson@mit.edu> wrote:

Dear [REDACTED]

Thank you for your response. I had read your colleagues' paper and found it interesting, even though it does not answer my question.

I understand the organization of [REDACTED]. On the other hand, the plots I have re-attached indicate a problem. Regarding its fix (last footnote of [1]):

The correct fix is to understand the cause of these suspicious return patterns and to communicate this to the public clearly and transparently, trusting our free markets to properly incorporate this new information. The correct fix is not to pour significant public resources into hiding the problem, hoping nobody notices. The financial system is largely built on trust, and trust can be a fragile thing.

As time passes, the failure of our institutions to recognize a problem can become as damaging as the problem itself.

Thanks and regards,
Bruce

[1] [Celebrating Three Decades of Worldwide Stock Market Manipulation](#)

<suspicious_index_returns.png>

On Jun 4, 2020, at 9:58 PM, [REDACTED]@ny.frb.org> wrote:

NONCONFIDENTIAL // EXTERNAL

Hi Bruce,

FYI, my colleague recently released a paper that may be of interest:https://www.newyorkfed.org/research/staff_reports/sr917

As far as what gets published [REDACTED], we largely rely on what our economists submit. So an economist might write a short post on her research paper or she might write a short post on a standalone subject.

Regards,

[REDACTED]

[REDACTED]

<image002.jpg>

[REDACTED]

From: Bruce O Knuteson <knuteson@mit.edu>

Sent: Thursday, June 04, 2020 6:41 PM

To: [REDACTED] <ny.frb.org>

[REDACTED] <ny.frb.org>; [REDACTED] <ny.frb.org>; [REDACTED]

[REDACTED] <ny.frb.org>

Subject: [External] overnight returns

NONCONFIDENTIAL // EXTERNAL

PLEASE NOTE: This email is not from a Federal Reserve address.


Do not click on suspicious links. Do not give out personal or bank information to unknown senders.

Dear [REDACTED]

Whose trading caused more than all of the positive returns to the world's major stock market

indices over the past 30 years to occur overnight?

I attach a few plots from "Celebrating Three Decades of Worldwide Stock Market Manipulation" (available on [arXiv](#) and [SSRN](#)).

If you do not know perhaps you could bring these extraordinary return patterns to the attention of your  readers.

Suspicious return patterns in financial markets usually indicate a problem.

Thanks and regards,

Bruce

Bruce Knuteson

<http://bruceknuteson.com>

<image001.png>