From: **Bruce O Knuteson** knuteson@mit.edu
Subject: Re: strikingly suspicious overnight and intraday returns
Date: February 16, 2025 at 9:27 PM
To: katie.martin@ft.com, john.plender@ft.com, bryce.elder@ft.com

Dear Katie, John, Bryce,

Thank you for your recent article ("What might explain Tesla's night moves?") noting (1) the strikingly suspicious pattern of overnight and intraday returns to Tesla's stock and (2) the apparent absence of any plausible innocuous explanation for it.

Unfortunately, in the years-long tradition of the *FT*'s coverage of this topic, your article fails to make either of these points clearly.

Regarding (1), your article buries the lede as deeply as you possibly can. Compare the plot of overnight and intraday returns to Tesla's stock I attach (in the format of Figure 4 of [2023]) with the plot you stick near the end of your article (also attached). Your plot is incorrectly titled -- it does not show "TSLA Stock Price", but rather (I presume) "the value of $1 of Tesla's stock starting on 2011-01-01, if you got only overnight or intraday returns". Your plot is not accompanied by a caption explaining this. By ignoring the returns to TSLA before 2011-01-01, your plot misleadingly understates the cumulative overnight return to TSLA by a factor of two. By using a linear (rather than logarithmic) scale and not explicitly providing the final cumulative overnight and intraday returns, your plot hides the fact that the cumulative intraday return to TSLA is actually negative. Less than zero. [1]

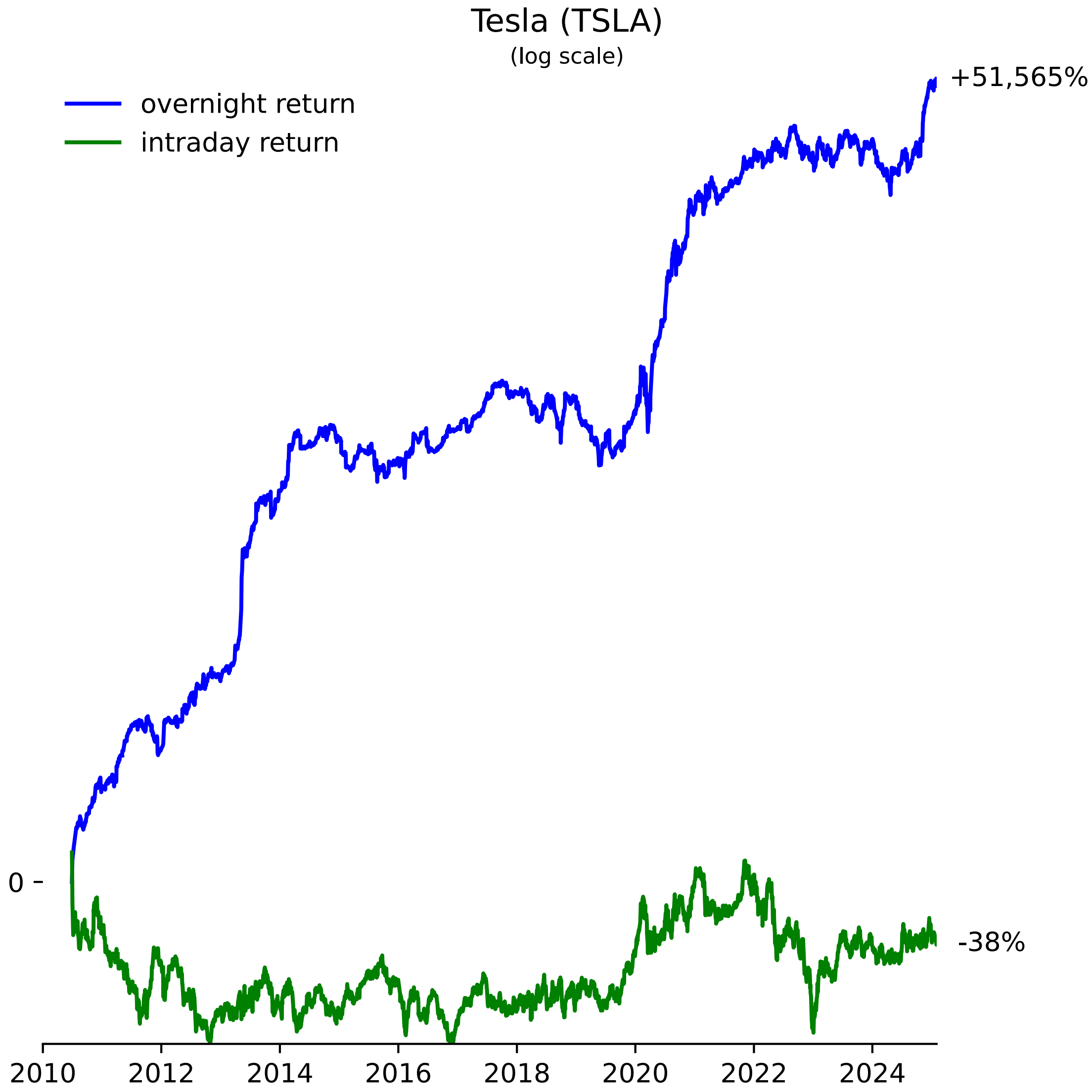
Regarding (2), your article misleadingly focuses on Tesla's earnings announcements. The cumulative overnight return to TSLA around the 52 Tesla earnings announcement dates publicly provided by Zacks is +93%. The total cumulative overnight return to TSLA over the same period (2012-05-09 to 2025-01-31) is +14,701%. Neither Tesla's earnings announcements nor unreasonable immediate market reactions to them provide a satisfactory explanation for TSLA's positive overnight returns. [2]

The list of possible explanations for this suspicious return pattern is exactly the same as it was at the start of this thread over seven years ago. Nobody (including the *FT*, despite several attempts) has been able to come up with a plausible innocuous explanation for this suspicious return pattern. The only explanation that fits the facts is the market manipulation described in the articles linked in my previous email.

More than seven years after the start of this thread, the *Financial Times* still has not written an article clearly and accurately conveying the magnitude and scope of the easily reproducible, global, decades-long, strikingly suspicious patterns of overnight and intraday returns in the world's stock markets and clearly and honestly explaining the apparent absence of any plausible innocuous explanation for them. As I have consistently emphasized in my correspondence with the *FT*, this is the message your readers most urgently deserve to hear. I am not yet asking you to honestly convey to your readers the only explanation for this puzzle. More than seven years after the start of this thread, I am still simply asking you to clearly and honestly describe the puzzle.

Regards,
Bruce

[1] Your plot also contains all sorts of unnecessary junk. You can replace the gray horizontal lines and six of the seven numbers at the left of your plot with two numbers at the right, and you can reduce the silly number of characters and vertical space consumed by your labeling of your horizontal axis simply by labeling the start of every other year. Your chart junk is trivial compared to the serious points in the body of this email, but your articles are widely read, the fixes are easy, and the junk is more than half the ink in your plot.
[2] In contrast, the market manipulation (and incentives) described in the articles linked in my previous email naturally explain the disconnect between Tesla's fundamentals and its stock price and why more than all the positive returns to TSLA came overnight, when the market is illiquid. It even naturally explains why, more than seven years after the start of this thread, the *FT* still hasn't clearly and honestly described to their readers these strikingly suspicious patterns of overnight and intraday returns in the world's stock markets and the apparent absence of any plausible innocuous explanation for them.



Tesla (TSLA)
(log scale)
overnight return
intraday return
+51,565%
0
-38%
2010
2012
2014
2016
2018
2020
2022
2024


TSLA Stock Price
300
250
200
150
100
50
0
12/30/2010
12/30/2011
12/30/2012
12/30/2013
12/30/2014
12/30/2015
12/30/2016
12/30/2017
12/30/2018
12/30/2019
12/30/2020
12/30/2021
12/30/2022
12/30/2023
12/30/2024
Overnight
Intraday

From: **Bruce O Knuteson** knuteson@mit.edu
Subject: strikingly suspicious overnight and intraday returns
Date: January 26, 2025 at 11:39 AM
To: katie.martin@ft.com, john.plender@ft.com

Dear Katie, John,

I attach Figure 7 of [2023], which shows strikingly suspicious patterns of overnight and intraday returns in many stocks in the FTSE 100.

The cumulative intraday return (when the market is liquid, from market open to market close) to Lloyds Banking Group's stock, for example, is a horrific -99.86%. The cumulative overnight return (when the market is illiquid, from market close to the next day's market open) is an astonishing +22,648%. You can easily reproduce these ridiculous numbers yourself [data].

Nobody has been able to come up with a plausible innocuous explanation for these strikingly suspicious plots. Suspicious return patterns in financial markets almost always indicate a problem. The only explanation that fits the facts is the market manipulation described in the articles linked below.

Your readers don't know about these suspicious return patterns in their investments and their serious implications because nobody has clearly warned them.

More than seven years after the start of this thread, you can still be the first to clearly warn them.

Regards,
Bruce Knuteson
http://bruceknuteson.com

[2023] Nothing to See Here: How to Say It When You Need to
[2022] They Still Haven't Told You
[2021] They Chose to Not Tell You
[2020] Strikingly Suspicious Overnight and Intraday Returns
[2019] Celebrating Three Decades of Worldwide Stock Market Manipulation
[2018] How to Increase Global Wealth Inequality for Fun and Profit
[2016] Information, Impact, Ignorance, Illegality, Investing, and Inequality

From: Bruce Knuteson <knuteson@mit.edu>
Subject: Re: 9:30am (US/Eastern) sugar rush
Date: November 18, 2018 at 8:36:01 PM CST
To: <katie.martin@ft.com>

Dear Katie,

Have you been able to figure out whose trading at market open caused more than all of the positive returns to the major stock market indices in the United States, Canada, France, Germany, and Japan over the past 25 years?

I attach Figure 1 of How to Increase Global Wealth Inequality for Fun and Profit.

Thanks and regards,
Bruce

<suspicious_index_returns.png>

On Sep 6, 2018, at 5:06 PM, Bruce O Knuteson <knuteson@mit.edu> wrote:

Dear Katie,

Have you been able to figure out whose 9:30am trading is responsible for the U.S. stock market's sugar rush?

Over the past quarter century (1993-01-29 to 2018-08-31), the cumulative overnight (intraday) return to the S&P 500 index is +1,135% (-14%). Over the same period, the cumulative overnight (intraday) return to the NASDAQ Composite index is +2,938% (-62%). Plots are attached; details are available; and the cause of this highly suspicious return pattern is noted as an unsolved mystery in a February 2018 New York Times article.

Thanks and regards,
Bruce

Bruce Knuteson
http://bruceknuteson.com

<spy_day_and_night.png>
<nasdaq_day_and_night.png>

On Feb 20, 2018, at 1:11 PM, Bruce O Knuteson <knuteson@mit.edu> wrote:

Dear Katie,

You may have seen the New York Times article discussing the market open sugar rush earlier this month:

https://www.nytimes.com/2018/02/02/your-money/stock-market-after-hours-trading.html

Have you been able to figure out whose trading caused this remarkable plot?

Thanks and regards,
Bruce

Bruce Knuteson
http://bruceknuteson.com

<spy_day_and_night.png>

On Sep 12, 2017, at 11:36 PM, Bruce O Knuteson <knuteson@mit.edu> wrote:

Dear Katie,

I enjoyed reading your article on the US equities sugar rush.

All of the positive returns to the S&P 500 index over the past 25 years occurred at market open (plot attached; references at https://bruceknuteson.github.io/spy-day-and-night/).

You may wish to understand what caused this extraordinary return pattern.

Best regards,
Bruce

Bruce Knuteson
http://bruceknuteson.com

<spy_day_and_night.png>