

A Market With No Direction

TLDR: The market is arguing with itself: the rotation trade (RSP/IWM) or back to the chips? The algos buy the Qs the moment RSP weakens, but in his view going back to chips after Korea and the memory warning is "insanity." The real enemy is **oil** — 91 to 94 during the session, with option bets on 100+; at 100 there is no rotation, and the market's answer may be **"sell everything and push the VIX higher."** SPY pivot **777** (broken and recovered — the market maker scaring the puts), QQQ gamma **743** with 740 as the target. Tomorrow is CPI, "Judgment Day": only nibble gold miners; option trades in GDX/HL wait for the print. The hyperscalers are the strongest corner; if Amazon loses the 50-day, it's over. **Caterpillar is "finished"** — short, adding.

OIL

91 → 94bets on 100, 106,
107

SPY PIVOT

777calls 778–780 ·
12K put OI

QQQ GAMMA

743below → puts to
740

CPI

tomorrowdecides dollar and
rates

DOLLAR

pullback

nibble gold/silver

CAT

shortloses 50-wk and
200-day

THE DAY'S DEBATE AND THE OPTIONS MAP rotation, chips or nothing

THE MACRO PICTURE

- ✗ **Oil** heading to 100: puts being sold, 106/107 calls being bought. That brings rate hikes back into play.
- The 2-year rises (hikes expected), the 10- and 30-year fall (economic weakness) → TLT holds. The rotation needs the long end to come down.
- The dollar pulls back slightly → the keyword is **"nibble"** gold and silver miners. Nothing more before CPI.
- ⚠ Whatever CPI shows, oil at 98–100 negates it — the market will look at oil.
- Energy (refiners, Exxon) is the safest sector while oil keeps rising.

ODTE — SPY AND QQQ

- **QQQ:** an even OI battle; volume 117K calls vs 116K puts. Pivot **743** — below it puts target 740 (reached), above it calls want 745.
- **SPY:** puts at 777, calls at 778/779/780. Below 777 the tape "could get ugly" down to 773.
- Late in the stream SPY recovered above 777 (positive gamma): the market maker is scaring the 12K put holders at 777, not rushing to 780 — calls were already covered in the morning.
- ⚠ If the market is confused, the "cleanest" fix is to sell everything + a higher VIX → better dips to buy.

THE MEGA CAPS

NAME	PICTURE
Apple	still inside the wedge; expects a pullback into earnings. Short — maybe
Google	above 350, unusual call buying yesterday → may break the trend line
Meta	pumped by upgrades (930/1000). Once the algos stop — sellers. Short — pass
Microsoft	bar set too high; call credit spread 550/560 (Oct 30)
Amazon	bar still low, but a resistance candle; lose the 50-day and it's over (~7% off the wedge)
NVIDIA	50-day (~223) holds; below it — a problem
Tesla	sandwiched between the 50 and 200 → iron condor, ~2 weeks
SpaceX	puts yesterday; target 150 → 155/150/145 butterfly (1 to make 4, ~29%)

CHIPS AND MEMORY

- ✗ Going back to chips after Korea and memory is "insanity," yet the market tries because they're oversold. He expects the sellers to return.
- AMAT and memory are the leading indicators. Hynix/Korea: inverse ABC, should fall below the lows.
- ⚠ Risk: if CPI pushes yields up, the market may conclude "no rotation → buy the dip in chips" (MU –15%, SNDK –20–25%).
- The hyperscalers are "the strongest corner" — where the market can hide.

WHAT'S FALLING

- ✗ No theme — earnings, small caps, chips, SpaceX. The biggest losers are the **AI/data center** names: CoreWeave (→65), VSH (short, →15–16), KTOS, Lumentum (harsh reversal — if the week closes like this, the top sticks), SANM (short), Blackstone (a worry for lenders).
- ✗ **J&J** (earnings) and UNH fall despite good numbers — they appreciated too much. He prefers **RSPH** (equal weight) over XLV; Amgen, Bristol Myers — opportunities.
- ✗ **SNDX** (failed treatment), **AVAV** (falling knife, bearish cross), rare earths — stay in gold/silver only.
- ⚠ **JetBlue** crushed by oil — wait for a sign that oil is topping.

WHAT'S RISING

- **Refiners** (DINO doubled); **EQT/UNG** — cup and handle, seasonality (exports to Europe/Asia).
- ⚠ **AMC/GME** — old shorts covering to free capital for other shorts (the chips?) — a bearish signal for the bubble.
- **CNK/theaters** — fine for now, but a top is coming (credit-card debt, oil). Bumble — acquired (\$6.05), done.
- Software catches a bid when hardware is weak: **CRM** — the laggard with a bull flag → 240/245/250 butterfly for next week.
- **ADM, solar, Mosaic/fertilizers, ALB** — only after the dollar comes down.

THE OPTIONS FLOW (60 DAYS, VOLUME > OI)

TRADE	HIS READ
MU: sold 985 puts + 1000 calls	short-term bottom with a ceiling → consolidation, then lower again
DRAM 55 calls	a bet on an oversold bounce (later sold — less significant)
Intel 97 puts	too early (below the Bollinger) — he'd take calls instead
Disney 106 puts (~0.50)	logical — topping candle above the upper Bollinger
Gold 4175 calls	a CPI hedge
Walmart: sold 115/120 calls (\$63M)	"that's the top" — lower from here
AMAT: sold 370 puts	probably a holder adding — not significant

THREE TECHNIQUES FROM THE STREAM

- **Calendar put when oversold:** you hold a DRAM 50 put for this week → sell it, buy the 50 for next week (CoP 52% vs 21%). A diagonal wins on a bounce and on a continuation.
- **Falling-knife hedge** (JetBlue): buy a short-dated put (stop the bleeding) + sell a longer-dated put (Dec/Jan) at the price you want to buy.
- **Increments:** 1,000 BMY shares at once is too much — enter in pieces (250, then more); it gives you "another life," in options too.

CHIPS, MEMORY, INDICES

- ⚠ **SNDK short** — don't initiate a short below the Bollinger (oversold); keep the 1000 call hedge until a bounce (maybe into earnings). Long term: memory is a commodity — much lower to go.
- **SMH 580 puts** (Nov 20, +90%) — expect a bounce: sell the 570 (debit spread) or a calendar/diagonal; or book and re-enter.
- **AMD** — one more down day to close the gap, bounce to 600, then short. Today would be a mistake.
- **DRAM 50 puts** — 30% booked, adding on a bounce is rational; a diagonal covers both directions. **ARM 50 puts** +200% → book.
- **EWY 160 puts** (this week) → book, re-enter for Nov 6 as 160/150. Timing matters more than the month.
- **TZA 50 calls** — hold through CPI (IWM weak, oil is scaring it).
- **MDB 330 puts** — close if it goes above the gap; don't wait for 460.

GOLD, DOLLAR, ENERGY

- ⚠ **GDX 90/100 call debit** (Nov) — a good trade, but wait for CPI; an inverse head-and-shoulders is forming. **HL 17 calls** — cancel, wait for CPI. Silver 80 puts → book before CPI.
- GDX falls with a falling dollar — oil fear (oil ↑ → rates ↑ → dollar ↑).
- **XOM 170 covered calls** (Friday) — let the assignment happen, or roll to next week (buy back ~475, sell ~575).
- **USO 60 naked calls** — close at least half.
- **DVN 50/55** (Nov 20) — take the 50 naked, sell the 55 later.
- **ALB 110 puts** — don't average down before the dollar falls.

SINGLE NAMES

- ✗ **Caterpillar** — "finished": short, adding; his call is -70% within a year. Sept 2027 600 puts: breakeven 566 — better step by step (Dec 700, then roll).
- ✗ **HII** — below 275 "more pain," sell; defense via IDEF, Lockheed, RTX (GD oversold).
Lennar — the short has mostly played out.
- **AT&T / Verizon** — buy the dip, dividends are safe; he leans Verizon. SpaceX would have to buy a carrier. Comcast — a rebound.
- **Visa/MA** — strong (credit-card usage), sell covered calls. **EWZ** — too high, covered calls, no new position. **FXI** — keep, cut below 33.
- **BMJ** — near a bottom, but in increments; stop 56. **BNY** — sell puts, not covered calls (oversold).
- ⚠ **RTX/PEP** doubling down — wait for CPI, the bond market and oil cooling off.
- ✗ **NN** — breaking the trend, sell the bounces; **NMAX** — inverse ABC. **ASTS/SANM** shorts — good.
- **UNH 380 puts** -50% — overpaid volatility; averaging down is the only fix.

RULES AND VIEWS

- Put spreads on oversold dips: RSI + Bollinger are 70–80%; add the options OI — volume below the price means more downside. Hourly chart for ≤2 weeks, daily for longer.
- Biotech swings because of rates — it needs stability, not lower rates.
- Microsoft puts — spreads only (high volatility before earnings).
- In his view the debt-financed media deals (Paramount/WBD) are not "recession proof."