

TLDR: The VIX consolidation is ending: today is VIX expiration and the call open interest for Oct 21 and November is gigantic → **above 16 the VIX squeezes**, 17 is the first resistance, 20–22 possible. **Oil** is breaking out toward 100 — the big algorithmic trigger. The hot CPI gapped SPY into the put zone (inverse gamma): below **774** the puts lead, target **770** (max pain 778, but the market maker is out of time); a break of 770 = cascade. QQQ lost 735 → 730. Places to hide: healthcare, staples, defense; XLE turning down despite oil = the market pricing a recession. The dollar is strong (the Fed is tightening) → gold loses 4,200; below 4,000 you exit everything gold. Rotations into chips and hyperscalers keep failing. "The time for fear is over": bounces are for adding to shorts. Don't sell puts or buy the dip before VIX < 16 or a rejection at 17.

VIX 16 → 17+ above 16 = squeeze; 20–22 possible	SPY 0DTE 774 → 770 below 770 — cascade	QQQ 0DTE 735 → 730 thin volume below 730	OIL → 100 algorithmic trigger	GOLD < 4,200 below 4,000 — get out	HIDING PLACE health • defense + staples; XLE turning
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THE INDICATORS AND THE OPTIONS MAP where the pressure is

THE DAY'S INDICATORS

- ✗ **Oil** is breaking out — why stop before 100? Any stall/pullback is a positive; 100 = a problem for the algos.
- 2-year up, 30-year down: the Fed may hike 50 bp in December + oil → recession. Confirmation: 30-year down, 2-year to a new high.
- ⚠ **The dollar** = the tightening signal, rising → gold loses 4,200. The daily MACD must flip bullish, otherwise the weekly makes a lower low. Below 4,000 — everything gold out.
- ✗ **VIX**: the pop is a matter of time; today is VIX expiration — Oct 21 calls 3–4M OI, 300K at the 20 strike. Above 16 — danger zone.
- ⚠ **XLE** turning down while oil rises → energy is pricing a recession; supports the 30-year going lower.

THE MEGA CAPS

NAME	PICTURE
Apple	"not safety"; every pop gets sold; rising wedge → the 50-week into earnings
Google	between the 200-day and resistance; nothing until the Oct 27 report
Meta	stuck; a top — still premature
Microsoft	nothing; the hyperscalers wait for earnings
Amazon	losing the 50-day → support ~255
NVIDIA	holds the 50-day, but the rising wedge (also in QQQ, XLK) is the problem
CoreWeave	–13%, the 65 target reached; in his view "going to zero" — stay short

SPY / QQQ 0DTE — READING THE FLOW

- ✗ **SPY**: opened at 776 inside the put zone (10K+ OI per strike down to 770) → the algos sold. Flip 774: below it the puts lead toward **770** (125K volume), building 767/766.
- Max pain ~778, but a rescue needs a move above 774–775 within an hour or two; otherwise 770 and "panic" below it. Daily momentum is flipping bearish.
- ⚠ **QQQ**: flip 737, target 735 — broken → 730; volume is thin below 730, it should stop there and try for max pain.
- Today the algos and hedging managers are playing too — not just the market maker.

IWM AND RSP

- ✗ **IWM**: support broken, the 3% bounce is fading. The 50-week MA is the bear-market line; the enemy is the 2-year (PPI tomorrow likely hot).
- ⚠ **RSP** is giving up, but the inverse head-and-shoulders is still alive; line in the sand — a close below **211**.
- A tech sell-off needs higher rates + oil + next week's earnings.

THE HIDING PLACES — WHILE THEY LAST

- **Healthcare:** Amgen (closing the gap), AbbVie (ATH — keep), Gilead ("one of the best charts"), Merck, Pfizer. LLY — not a fan (shoulder). UNH/Humana — pass: the midterms and healthcare costs.
- **Defense:** RTX finding a footing, GD, Lockheed, Northrop, EUAD. The midterms are already priced in (−20%) — buy the dips.
- Staples, Thermo Fisher, Duke; Walmart closing the gap, but a big bearish bet — he agrees (oil hurts).
- ⚠ They tried rotating into Micron, NVIDIA, hyperscalers, XLU — all failed. If only healthcare is left and ABBV rolls over → VIX above 17 and everything sells.

WHAT'S FALLING

- ✗ **Affirm** −8−9% and DoorDash (head-and-shoulders top — a short candidate) — a warning on the consumer.
- ✗ **BAC** −7% (money-laundering news): sell the 50 puts for Nov/Dec (~1.50/2.00); the stock — not before Friday.
- ✗ **Oracle** −6.5% — credit risk (CDS) waking up. Nebius, Carvana (H&S → weekly 200 ~40; Jan/Feb puts), JetBlue (oil), AMD.
- ✗ **Metals:** USAR, Hecla near break-even, silver −5%; ALB pop on news — he doesn't trust it (the dollar).
- ⚠ GameStop rises because the shorts are leaving for a better idea — a bearish sign.
- Lumentum — reversed hard on huge volume; double top, stay short.

THE OPTIONS FLOW

TRADE	HIS READ
QQQ 730 puts (Oct 16)	"730 is in the bag"
QQQ 745 calls sold (\$7M) + 730 puts (Nov 20)	745 ceiling, a bet on a tech sell-off
NVDA 227.5 calls sold	not going higher
SNDK 1500 calls sold	not getting back to 1,500
Citi 110/120 puts	he'd sell puts — outside the bands
CRWD 250 puts sold	not a fan; rather 240 puts (retest of the 50-day)
Gold 4100 puts sold	a bet that 4,100 holds
NVDA Jan/Feb 2027 puts — 3:1	positioning for a bad 2027

HEDGING AND SPREADS — THE RULES

- Hedge 30–50% of the position, not 1:1 — the goal is to limit the first hit, not to zero out the loss.
- Buy short-term puts + sell long-term puts: the first protect you from the drop, the second give you an entry after it.
- ⚠ In high volatility don't buy naked options — you overpay, and any consolidation eats 30–50%. Do a spread or a diagonal (USO 155 → sell the 160; SIL put debit spread).
- "The time for fear is over, it's time for courage": hedging is ~80% done; the bounces (BAC, AMD, Dell) are for adding to shorts.

INDICES, VIX AND CHIPS

- ⚠️ **SPY 770 put credit spread** — tempting, but the VIX wants 17 and volume is building toward 766 → he waits. For tomorrow's expiration — safer.
- **QQQ 730 ODTE calls** — maybe, but only with VIX below 16 or a rejection at 17. The VIX moves SPY within a fraction of a second; watch VXX live.
- **SMH 605 puts (Oct 23)** ~\$3,600 — book it; stay with a 570/560 or 565/555 spread for Oct 30 (~\$390). He expects a max-pain bounce into Friday.
- **QQQ 730/720 put spread (Nov 20)** — keep; time is the hedge. **DRAM calls** — a falling knife, wait for a sign of life at the close.
- ⚠️ **SNDK calls** for a bounce — a weak trade; lotto only. **PLTR** weekly: 200/195 spread or 200/195/190 butterfly (<\$1), not a naked put at \$1.50–2.50.

GOLD, RATES, METALS, OIL

- **GDX 90 calls (Dec)** — don't abandon them, but buy GDX 81/82 puts for this week (~\$50) as protection. Below 4,000 — everything out.
- **TLT 78 calls** (Oct 16) — if you believe the 30-year falls (he does), roll to Oct 23; don't wait for assignment.
- **USO 150/160/170 butterfly** — book the 26%, move to 155/160/165 for next week. USO 155 calls at \$5 — overpaid: sell the 160 (spread) or a diagonal.
- **ALB** — booking the puts was right; no dip yet. Lithium oversupply — in his view overstated: the oil shock brings back EV incentives; –50% is priced in.
- **The dollar** into year-end — falls after the midterms, but needs a catalyst (a tech sell-off).

SINGLE NAMES

- **Nebius 200 puts** (Oct 23) — deep in the money; hold to Friday, book if it nears 200. "A no-brainer short," dot-com pattern.
- **EWY** below 150 — not this week; 160/150 put spread for Nov 20 (4 to make 6, 41%).
- **PG** at 166 — keep (165/170 call-spread buying seen). **Comcast** → **Verizon** — do it now.
- **SANM** short from 213.5 — the hedge is unnecessary; inverse ABC → double down. **IONQ** (\$2B secondary) — short, puts out to November.
- **BSX** — giving it the benefit of the doubt, but buys the dip only once rates stabilize. **Cipher**: sold 22 puts deep in the money — will be assigned; cover/roll.
- **RSP** shares from 213 — stop below 211. **LITE** short — keep if the entry is recent.

PORTFOLIO AND THE MIDTERMS

- ⚠️ In his view oil above 100 means escalation after the election → VIX 20+. Below 100 — "temporary."
- Midterms: defense already sold off (sell the rumor, buy the news); AI/hyperscalers have yet to feel it.
- ✗ Beware of managers who mimic the S&P — from 2027 the index strategy could be "devastating" (NVDA puts 3:1).
- Energy portfolio: puts out to January, selling in 2027 (taxes) and rotating into the laggards (Olin, Comcast, BSX).