

A Short Tech Bounce, Rotation Into Laggards

TLDR: Money managers are rotating **out of tech and energy** into beaten-down names (NKE, MCD), healthcare and lagging software (NOW, CRM, ADBE). Tech and chips are oversold → a **short bounce** (target around NVDA 220), after which, in his view, they fall again as earnings revive AI financing concerns. The one thing that would break the bounce: **\$100 oil**. The dollar (DXY) is finally giving up — what he's been waiting for: **gold, silver, HL**, a little REMX. The day's framework: the **trader** sells recently oversold names (LOW) and buys calls on September's losers (INTC); the **investor** does the opposite.

SPY GAMMA
FLIP

769

above it → higher

SPY MAX PAIN

770

call demand peaks
at 772

BOUNCE TARGET

NVDA

220

then a stall

THE RISK

\$100 oil

algos sell

DXY

down

"what we waited
for"

GOLD

add

GLD, HL

THE DAY'S PICTURE rotation, indices, tech

THE FRAMEWORK: TRADER VS INVESTOR

- **Watch the 1-hour RSI** on recently oversold names (e.g., LOW) and the **2-hour RSI** on September's winners (e.g., INTC).
- **Trader:** book names like LOW and rotate toward bullish trades on names like INTC.
- **Investor:** the dip in LOW is a chance to buy, and the oversold bounce in INTC is a chance to sell.
- Example: he **holds MCD** because he's in the investor camp; if he were only trading it, he'd sell today.

THE MANAGERS' ROTATION

- ✗ Out of **tech and energy**.
- Into beaten-down names: **NKE** (+6% today — expects more FOMO), **MCD**.
- **Healthcare** — the rotation continues (BMY calls: keep). But many names are short-term overbought → wait for a dip for new buys; RSPH or PPH as a basket.
- **Software:** buying laggards (NOW, CRM, ADBE), selling winners (DDOG, SNOW). NOW — good.
- Once the rotation is done, traders buy tech dips with calls and the market maker pushes them higher until the oversold condition is fixed.

THE INDICES TODAY

- **SPY:** call demand peaks at 772 → a visit there is possible, then back to max pain at 770.
- ⚠ Puts are aggressive and still adding volume, but he thinks they only "win" if oil hits \$100 and triggers the algos.
- As long as SPY is above the **769 gamma flip**, higher prices are likely.
- **Direction:** higher short term (tech is oversold), then down again — earnings will revive financing concerns.
- **QQQ gap ~759:** don't put much stock in index gaps unless the futures show them — the meaningful gaps are on futures.

TECH AND CHIPS

- The bounce continues **unless oil reaches \$100** today or overnight.
- ⚠ Limited strength: target around **NVDA 220**, then a stall and renewed pressure. Hedge accordingly — "falling knives."
- **NVDA:** calls now; puts tomorrow or next week.
- **INTC:** short-term calls — only looking for a dead-cat bounce.
- **DELL** – 10%: technically overdone (1-hour RSI deeply oversold).
- **AAPL:** the put/call ratio is bullish through tomorrow; it flips next week.

TECH, INDICES, HEDGES

TICKER	HIS ANSWER
TSLA	holding the 50-day; while above it — a 370/380 call debit spread (2 weeks out) or 365/375 (next week)
MSFT, META	leave alone — premiums are high ahead of earnings and the stocks won't move much until then
WDC	an overnight drop is unlikely (1h RSI oversold); on a bounce above 350, close the butterfly and book the credit
NVTS	very oversold → a rebound play; before earnings you risk a drop, after them you risk missing the pop
SMH	March 400/350 puts — ~7% chance of profit; only as a lotto, not serious money
SNDQ	hedge with SNXX — at least for tomorrow
EWY	160/155 puts — well closed; 150 by tomorrow — no. Korea likely bounces overnight; redo the trade tomorrow into the close or next week
SPHR	a falling-wedge breakout — can run to the 200-day; he expects it to fail earlier, but for hedging be ready for the 200-day
CVNA	Nov 50 put — ~17% chance; better a 55/50 put spread (~30% chance, ~\$150)
MRNA	don't short — it's squeezing shorts; wait for short float to drop
SPCX	max pain \$150 tomorrow — short-term upside

GOLD, METALS, THE DOLLAR

- **Gold (GLD) and HL:** add — "buying gold here is not a mistake but an opportunity"; DXY is starting to give up.
- **REMX:** too late for puts; extremely oversold → rather average down, nibble with calls. He's more confident in gold and silver.
- **HON, BA, NTR, MOS:** dollar-sensitive → will improve on a weaker dollar; then cut redundancies (HON or BA, MOS or NTR).
- ✗ **Uranium (URA, UUUU):** only for oversold rebounds; not bullish long term.

CONSUMER, HEALTH, DEFENSE

- **MCD** Dec 255/260 call spread: right idea, wrong timing — wait for a pullback and lower strikes.
- **WEN:** a takeover bet — an iconic brand at ~\$1.29B valuation, very undervalued.
- **GILD:** trimming profit — good; buy back on a dip. **ISRG:** technical upside but fundamentally overvalued.
- **Defense:** with EUAD you don't need IDEF → sell IDEF, average down in EUAD. RTX, VVX, LHX — good long-term holds.
- ⚠ **Energy gains (+40%):** don't sell (taxes this year) — hold and buy January puts.

LONG TERM AND MACRO

- **VGLT** ≈ TLT (10–30-year): ~5% yield, but you sell at market price, which may be lower → if you want to hold to maturity, buy bonds directly.
- **His pension portfolio:** RSP, GLD, CHF, SGOV, SHY. Next year he plans to cut RSP to zero and add to gold and the franc.
- ⚠ **Oil and recession:** the market assumes things resolve after the midterms; if proven wrong — panic (his view).