

The Rotation Trade Takes Off, But Tech Is Very Oversold Too

Video: "Livestream 10/15/26: Rotation Trade Takes Off But Tech Is Very Oversold Too"

Thursday, October 15, 2026 · ~104 min

TLDR: SPY and QQQ gap down again, but the hourly RSI and Bollinger Bands show **extreme oversold readings** in the chips (NVDA, MU, SNDK, AMD, INTC, DELL) → a **dead-cat bounce** that closes the gaps and then sells off again. A trade, not a buy. The managers' rotation (healthcare, staples, utilities, real estate, Lowe's, McDonald's) is already **overbought** → a "rotation off the rotation" back into tech today/tomorrow: investors buy the dip in the value names, traders sell them and buy the chips. The one problem: **oil at 97–98** — at 100 the algos panic and the bounce dies; the VIX will respond. The dollar is weakening → gold/silver and GDX. **TLT 78 calls** — book the profit. SPY 0DTE: flip 767, target 770; QQQ: flip 720, target 725.

SPY 0DTE 767 → 770 772–775 if volume builds	QQQ 0DTE 720 → 725 flip at 720	OIL 97–98 100 = algorithmic trigger	VIX toward 17 will respond to oil	TLT 78 CALLS in the money book the profit	GOLD / GDX buy the dollar is weakening
--	---	--	--	--	---

THE PICTURE OF THE DAY oversold bounce vs. rotation

THE DAY'S INDICATORS

- ✗ **Oil** won't give up — 97–98, cup and handle. Above 100 = algorithmic panic; below 100 the bounce can keep going.
- The dollar is slipping, but no weekly reversal → enough for gold/silver, not yet for copper, Alcoa, palladium.
- The 30- and 10-year are dropping (PPI), the 2-year holds → the market prices recession odds. TLT 78 calls — sell.
- ⚠ VIX toward 17; with oil at 100 it pops. VXX is already responding.
- IWM up, RSP in an inverse head-and-shoulders → a rebound day.

0DTE — SPY, QQQ, NVDA

- **SPY**: flip **767** (the sites say 772 — other expirations), target 770; 772–775 only with >100K volume at 771.
- **QQQ**: flip 720, target 725.
- **NVDA tomorrow**: flip 215, wall at 220. He closed the 220 calls for tomorrow; keeps next week's (Options Tracker).
- ⚠ A close at the highs (774–775) → down tomorrow; then an SPY put debit spread before the bell.

THE MEGA CAPS

NAME	PICTURE
Apple	heading down around earnings; "not safety" at this valuation
Google	between 200 and 350; a big move after earnings
Meta	double top; below 711 = a top and lower
Amazon / MSFT	nothing before earnings; for MSFT the question is OpenAI
NVIDIA	closes the gap ~220, then down again; below the 50-day, weekly wedge
Tesla	holds the 50-day → rebound
CoreWeave	the problem name; 60 puts sold / 67 calls bought → dead-cat bounce

CHIPS AND MEMORY — A BOUNCE ONLY

- MU (gap toward ~1,000), SNDK, AMD, Intel, Dell — close gaps and sell again; may last 2 days.
- ⚠ Longer-dated puts still being bought in SNDK and SMH — the bear case isn't over. Fading SMH — too early.

WHAT'S HAPPENING

- After CPI and the CoreWeave news, the managers (a new fiscal quarter) are **selling the winners** — chips, memory, data centers, cyber, even energy — and buying healthcare, staples, utilities, real estate, financials and laggards (Nike +5%, HD, Lowe's, Adobe).
- ⚠ Those names are already hourly overbought (Duke is stalling) → the rotation cools, money flows back to tech.
- **Investor**: buys the dip in McDonald's, Lowe's, Hershey, Abbott, GIS, Conagra.
Trader: sells them today and buys the chips.
- Today the managers have the upper hand; tomorrow — the market maker and the call buyers.

WHAT'S RISING

- Healthcare (Amgen, Gilead, Abbott, Thermo Fisher) — now a sell as a trade; long term only **RSPH**, LLY/JNJ/UNH are dangerous.
- RXX (adding), biotech, Expedia, Nike, Lululemon, Adobe, Wendy's, GIS, Comcast, Smucker, AT&T/Verizon, silver and gold miners.
- Devon 52.5 calls — nat-gas seasonality; UNG cup and handle.

WHAT'S FALLING

- ✗ Tech (chips, memory, CRWV), cyber (CrowdStrike, Palo Alto — don't buy the dip), Snowflake/Datadog.
- ✗ Energy stocks — despite oil; just rotation, they'll be bought again.

THE OPTIONS FLOW

TRADE	HIS READ
SNDK / SMH longer-dated puts	bearish positioning continues
Intel: selling calls, buying puts	the bounce is only a bounce
CRWV 60 puts sold / 67 calls	confirmation of a dead-cat bounce
Oil 110/120 calls through December	a bet on escalation after the election
GDX 90 calls (November)	his trade — adding miners
SPY: closing puts, buying calls	why the VIX isn't reacting — for now

HOW TO TRADE THE OVERBOUGHT

- Gap down + oversold hourly (QQQ today) → sell puts / put credit spread / buy calls. Gap up → sell a call. Works ~7 of 10.
- **Calendar call** for the overbought names (PEP, HD, MCD, Lowe's, RTX): sell a call for tomorrow (PEP 130), buy the same strike for Oct 30. No naked calls.
- ⚠ RSI with default settings (14, 70/30) — that's what the crowd watches.
- ✗ ODTE every day: 18–22% chance of profit → 8 of 10 losers. Trade only a clear setup.

INDICES, VIX AND HEDGES

- **PSQ 25 calls** +200% — book it; don't be a perfectionist, even the best exit early.
- **SPY 769/764 bull put spread** (today) — close on a pullback; **SPY put debit spread** — only if we close at the highs.
- ✗ **VIX Nov/Dec calls** — no: the pop will come around the midterms and needs perfect timing. Better sell a VIX put or buy SPY puts.
- **EWY** — oversold, rebound tomorrow; no 150 trade. **DRAM/EWI puts** closed — correct; DRAM 50 put calendar — close the 16th, keep the 23rd.
- **Carvana** short — stay; hedge only above 70. **ASTS** short closed at 42 — good. **SAM** — keeps the short.
- **MSFT 565/585 call credit** (Nov 20) for 4.5 — out of the money, but the value won't move until earnings; he'd get out.

OIL AND ENERGY

- ⚠ **Chevron** at 182 — don't add, overbought; rather the services (SLB, OIH) or **USO** above 160 as the oil-to-100 play. Tankers — too late.
- **Energy portfolio**: hold, but hedge with puts out to January (tax reasons). The drop in the stocks is rotation, not oil.
- Brent–WTI narrowing: the arbitrage is closing, the market no longer believes the jawboning from the top.
- After the election — in his view logic says cheaper oil, but the White House may escalate with Iran; the flow (120 calls) bets on that.
- ✗ **Bloom** — will bounce; short only on a loss of the 200-day after the bounce.

RATES, GOLD, CRYPTO

- ✗ **TLT** from 80 — sell, "TLT is garbage" until the recession starts. Don't rotate from Verizon/Bristol into TLT — keep the cash flow.
- **Gold > silver** for Q4; for options GDX, not a single miner. **HL 16 calls (Jan 2027)** — keep adding. Sold GDX put — "no-brainer."
- **Copper / FCX short** — premature: the dollar drives them. Recession plays now: GIS, Conagra. Alcoa, uranium, chemicals — not yet; **Olin** — wait for earnings.
- **BTC** 81–82K — trades with the chips, may rebound; IBIT with a stop below 80K; no puts.

SINGLE NAMES

- **Verizon** at 42 — keep. **GIS/Nike** –10% — add alongside the managers.
- **Netflix** +3% (layoffs) — a bounce toward ~80 around earnings, sell there or write covered calls; in a recession it becomes cyclical.
- **Ross** — wait for a pullback; TJX with inverse-ABC risk; **Bank of America** — the managers will close the gap.
- **CRM, Adobe, ServiceNow** — yes (a smaller AI threat if the data-center build-out slows); Shopify, Snowflake — already ran.
- **CAT 600 puts (Nov)** +120% → spread it, or book and re-enter. **Home Depot** — buy the pullback; **SoFi/Nebius** — no; Robinhood on dips.
- **MSG (MSGS/MSGE)** short — a ~\$9–10B valuation on ~\$1B revenue. **SPHR** 95/90 puts — only below 100.