

# AAPL and NVDA Event Trades

## Split-topia, WWDC and SPY/SPX adjustments

### VOLATILITY SUMMARY

(I suggest that regular readers shift to my substack: <https://volatilitywiz.substack.com/>. You will get my recent notes immediately in that forum. If you want the pdfs as well, you can surely receive both without an additional cost. **Simply send me an email request to be added to Substack.**)

Everyone is asking the same question, what happens next week post split? If you recall, last week I said NVDA had a first class ticket to split-topia, and here we are, it took the concorde to AAPL's market cap and can see MSFT's skyline. It literally held the market up through horrible breadth the last two days and now that the discarded junk stocks bounce today, QQQ/SPX immediately making fresh all-time highs.

Anyway, who knows how things will go post-split-topia. The comical part is that retail will be able to buy calls at much cheaper prices, as [Jason Polansky](#) pointed out to me today, I had forgotten that little wrinkle.

It could go either way; in a note a couple weeks ago, [NVDA Spike Party Afterparty Is the Split Soiree](#), I put up a few charts, like TSLA/NVDA/AAPL prior hot stock splits where the split slammed the break on things for a while, yet, we all know that we are dealing with a different animal here.

I'm taking a different tack on this, a cheap SMH put condor. SMH is holding at least 25% NVDA after today:

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### Daily Holdings (%)

as of 06/04/2024

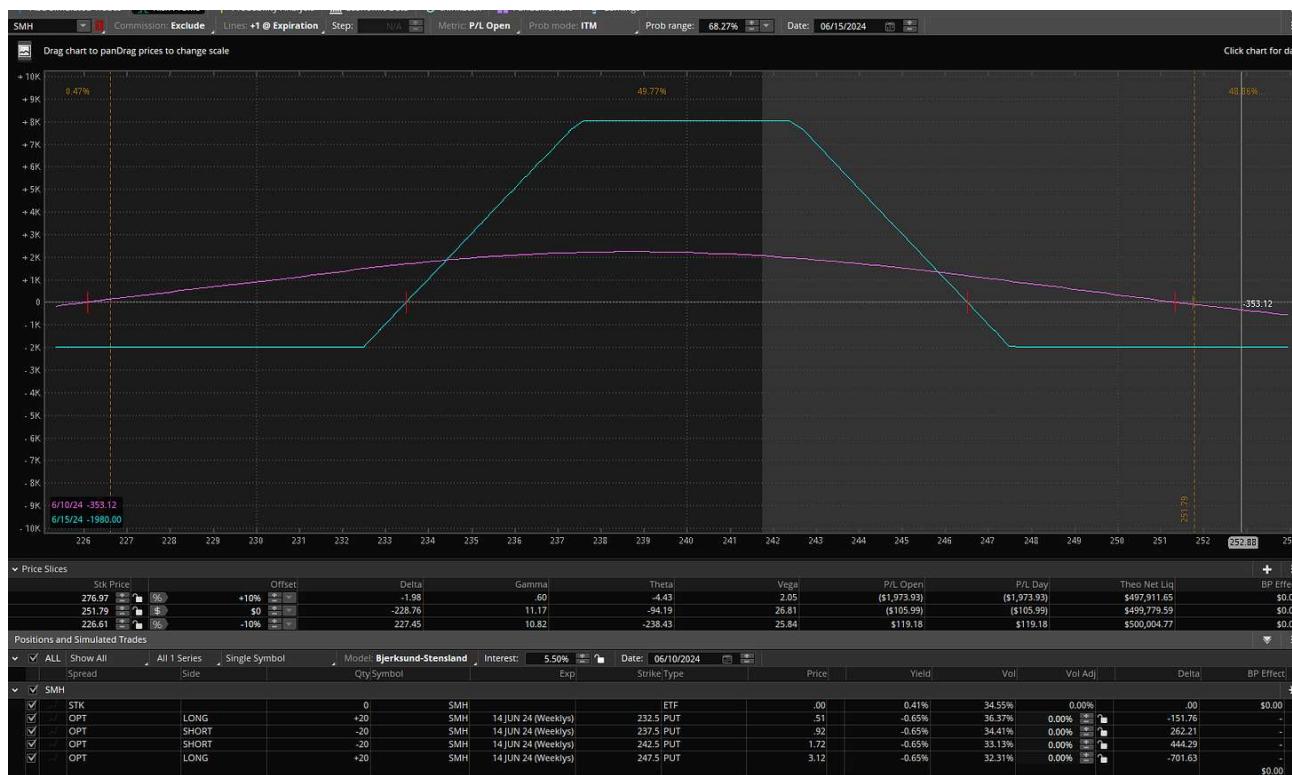
Total Holdings : 26

[Download XLS](#)

Ticker	Holding Name	% of Net Assets	Identifier (FIGI)	Shares	Asset Class	Market Value (US\$)	Notional Value
NVDA US	Nvidia Corp	24.55	BBG000BBJQV0	4,337,767	Stock	5,050,765,762	--
TSM US	Taiwan Semiconductor Manufacturing Co L	12.32	BBG000BD8ZK0	16,627,498	Stock	2,535,194,620	--
AVGO US	Broadcom Inc	7.16	BBG00KHYS569	1,106,374	Stock	1,472,384,647	--
QCOM US	Qualcomm Inc	5.12	BBG000CCG1X8	5,156,444	Stock	1,053,822,460	--
TXN US	Texas Instruments Inc	4.73	BBG000BVV7G1	5,036,934	Stock	973,639,342	--
ASML US	Asml Holding Nv	4.43	BBG000K6MRN4	958,119	Stock	910,989,126	--
MU US	Micron Technology Inc	4.40	BBG000C5Z1S3	7,139,505	Stock	904,146,913	--
AMAT US	Applied Materials Inc	4.21	BBG000BPPFB9	4,080,247	Stock	865,910,018	--
LRCX US	Lam Research Corp	3.96	BBG000BNFLM9	881,697	Stock	813,568,273	--
ADI US	Analog Devices Inc	3.88	BBG000BB6G37	3,457,166	Stock	797,326,195	--
AMD US	Advanced Micro Devices Inc	3.55	BBG000BBQCY0	4,566,752	Stock	730,634,652	--
KLAC US	Kla Corp	3.44	BBG000BMTFR4	942,764	Stock	707,600,948	--

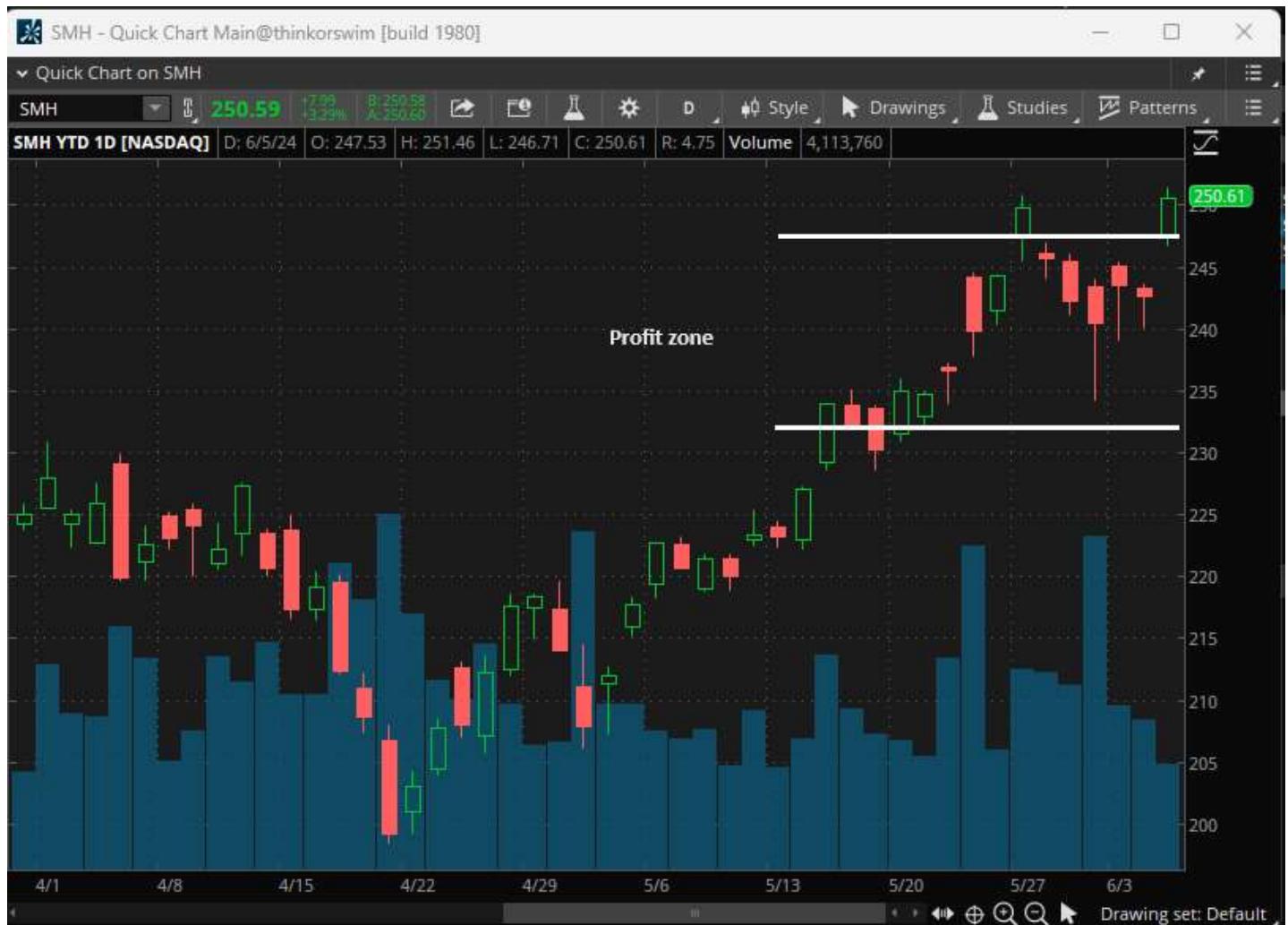
SMH 247.5/242.5/237.5/232.5 June 14th put condor

Debit: .99 (filled)



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If you think NVDA, TSM et al keep running through next week with no retracement, avoid this. It's clearly a bearish post-split trade and there is no telling how ridiculous things will get.



Now, AAPL is apparently going to get it together and amaze everyone that Siri won't suck anymore. Well color me unconvinced, it's Tim Cook we are talking about, and his bailiwick is incinerating cash on buybacks, not moving the company into unchartered territory. So, thinking AAPL's 7 week run into WWDC might take a breather.

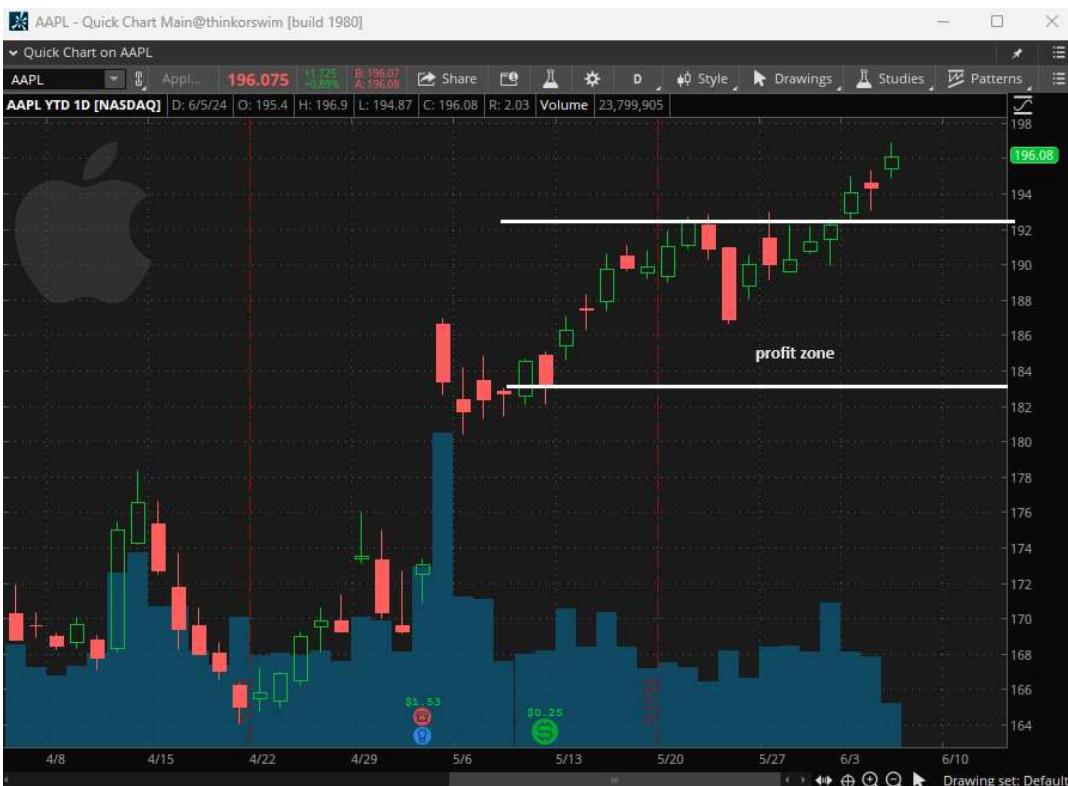
AAPL Jun14/21 \$185/182.5 put diagonal

Credit: -.02 (filled)

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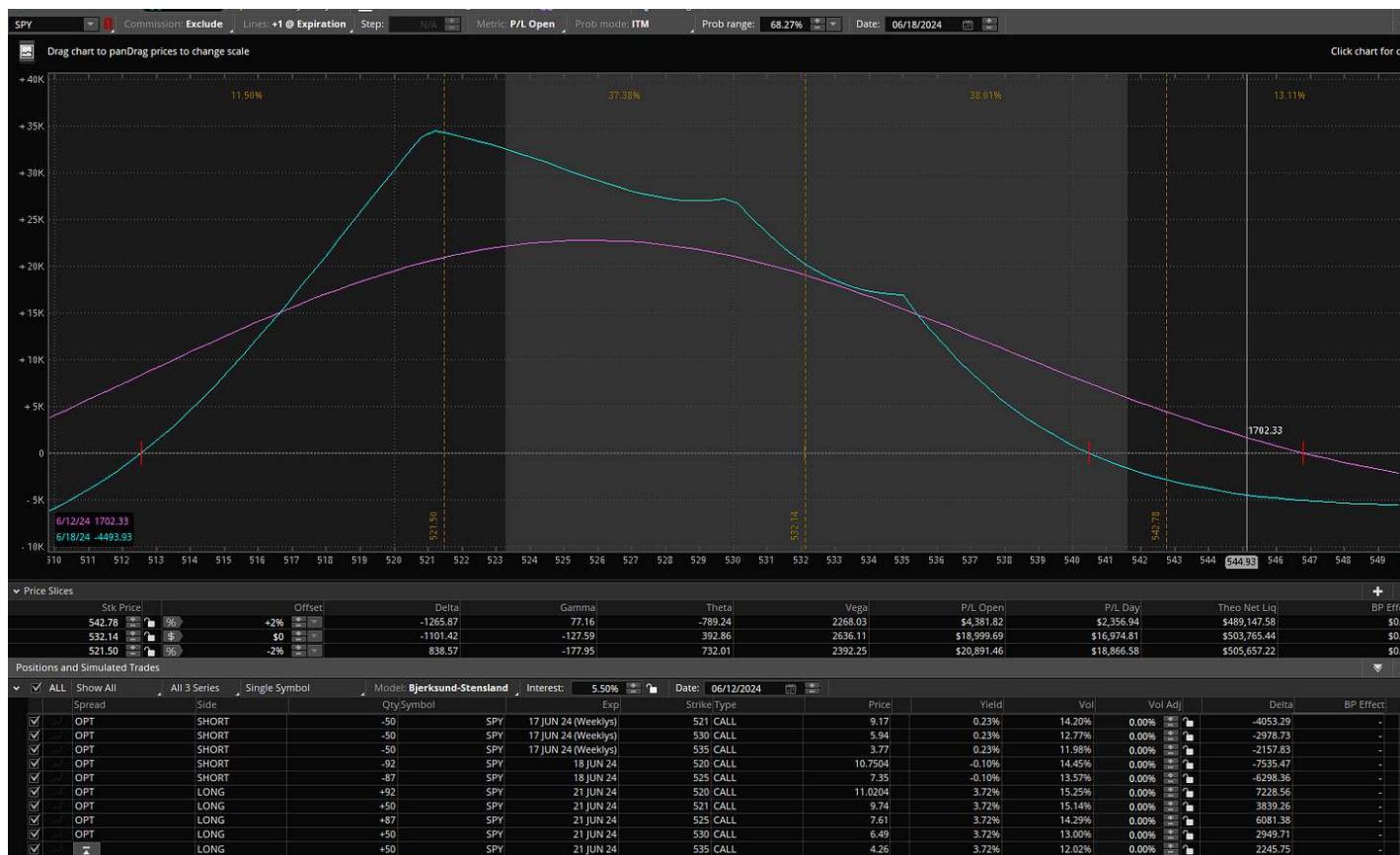
The risk here is that it tanks more than 6% post presentation. But, in this zone, turning a credit into .30-40 is more than realistic:



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A few more SPY and SPX adjustments today:

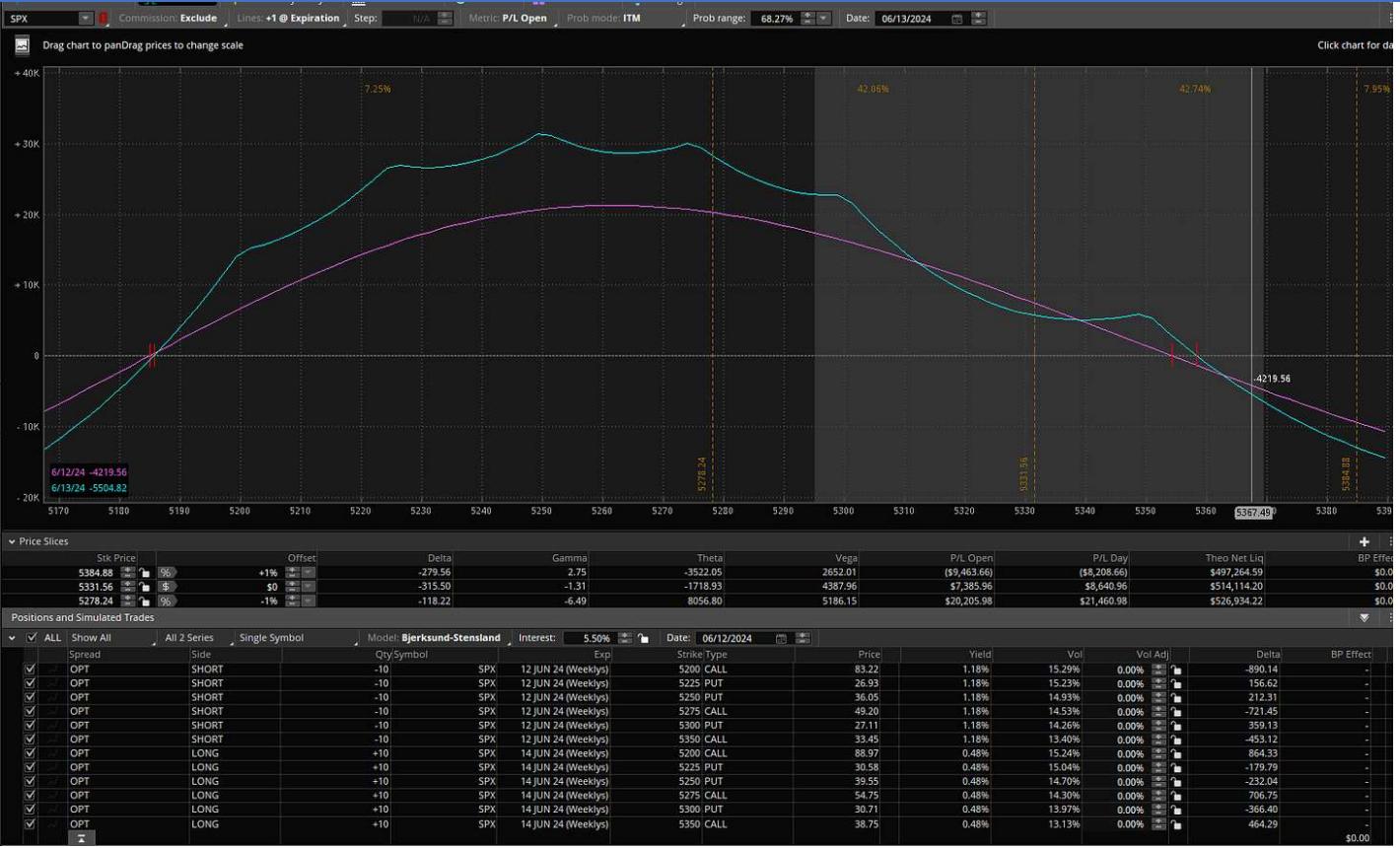
SPY June 17/21 call calendars at \$530 and \$535 for .55 and .49



SPX 5300 June 12/14 put calendars for 3.60

SPX 5350 June 12/14 call calendars for 5.30

# VOLATILITY ANALYTICS NEWSLETTER – JUNE 5TH



# SPY Quarterly Trade is Back in Town

## VOLATILITY SUMMARY

Today begins revisiting the SPY trade I've been doing for more quarters than I can count. (I believe Wednesday expirations were added to Friday weeklies in 2016.) They can't be entered until today because they only list SPY options two weeks out now, that is a recent change. I would do these a 3-4 weeks ahead in the past.

I've often remarked, if I can do only one trade per quarter, this is it. And with the addition of Thursday options, the volumes around quarterly OPEX SPY options continue to astound in the sheer magnitude of volume growth. And thus the late quarterly OPEX week price action of SPY/SPX becomes more ridiculous.

And now we have a new wrinkle, Juneteenth. The markets are closed on Wednesday of quarterly OPEX week, but from what I am seeing in prices for these spreads, this surface anomaly is only making these trades even cheaper. (This doesn't only apply to SPY, there will be more similar set ups coming soon.)

Let's start at the top, these are ex-div vol SPY pairs. Here are excerpts from recent posts on the topic:

First, [the premise](#):

## SPY Ex-dividend

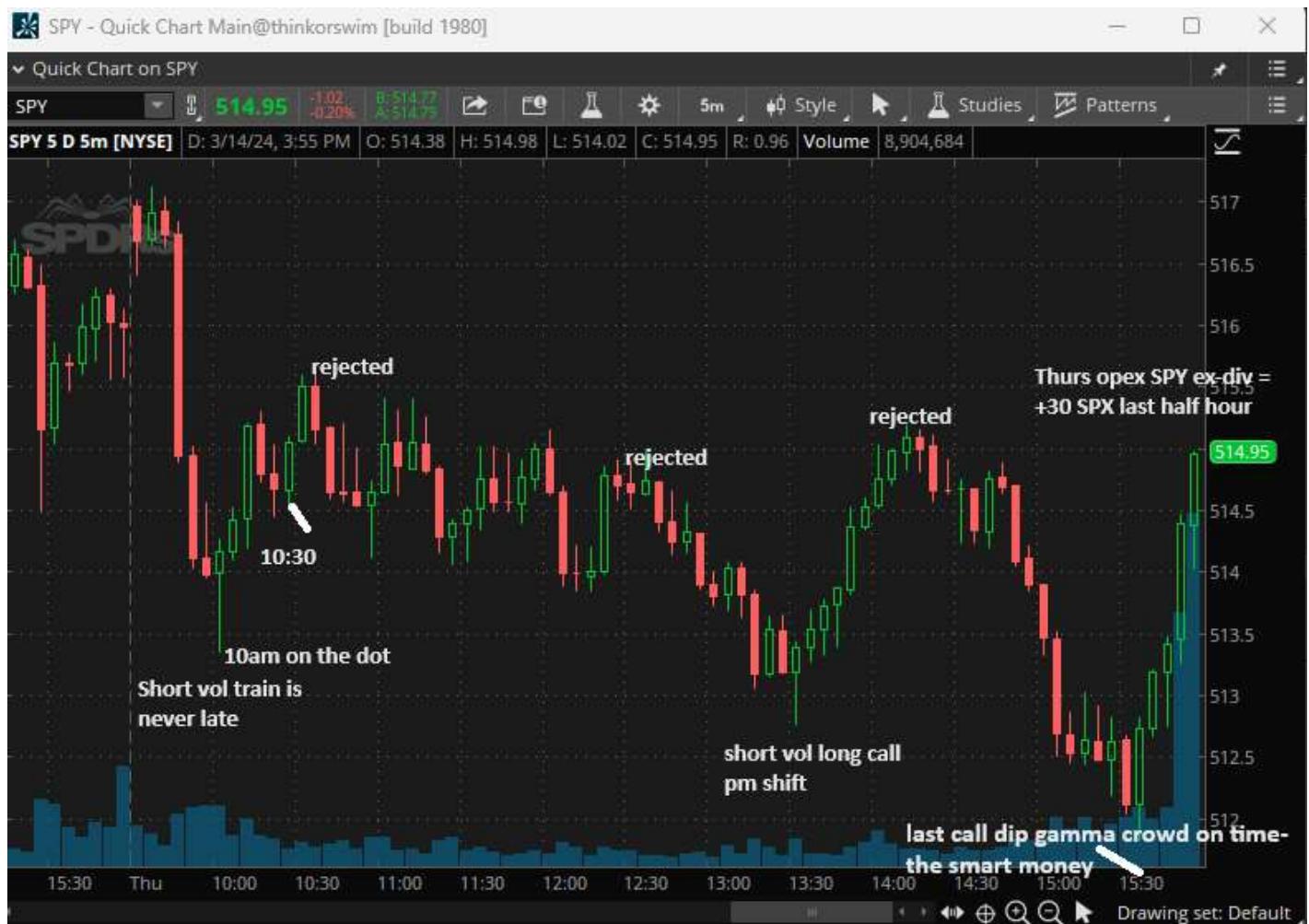
This is a vol event in and of itself that no one seems to know about. What has been happening the last few quarters, is that the ex-dividend capture trade has spurred on huge call activity in SPY on the Thursday before SPY goes ex-div. Here are the comments I post on this every quarter about what transpires with div capture:

*This is a unique situation and a trade I do every quarter. The premise is that the options in the back leg are priced low versus the Wednesday before because the ETF goes ex-dividend on Friday morning, and that is incorporated into prices in the back leg. But when you get there, there is demand for the Thursday and Friday calls due to folks attempting the dividend capture trade; people buy the calls, take SPY away from unsuspecting short call folks and collect the dividend, then dump the ETF on Friday morning. Quaint, eh? And if there is volatility during*

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*quarterly opex week, this trade could really balloon, and you're paying next to nothing for the opportunity.*

Now, here is [how March div capture played out](#), punctuated by one of those magical last half hour ramps on OPEX Thursday:



*Now, I've spoken repetitively how this dividend capture trade is growing. As a reminder, those long in the money calls can remove SPY from unsuspecting short call/overwriting folks and force them to pay the dividend, which you collect with your freshly pilfered long SPY. Then you dump it and move on. You will see the SPY trade down about 1.60-1.80 around 8pm.*

*Well, volume was berzerker ([Clerks song](#)). Keep in mind, this is a Thursday expiration.*

*Here is last week, SPY call volume:*

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▼ Option Chain		Filter: Off	Spread: Single	Layout: Net Change, Delta, % Change, Impl Vol, ...							Strikes: 20	
		Net Chng	Delta	%Change	Impl Vol	Volume	Open.Int	Last X	Bid X	Ask X	Exp	Strike
▼ 7 MAR 24	(0) 100	<b>Last Thursday SPY call volume</b>										
+4.34	.89	+81.89%	80.66%	49	5,294	9.64 C	8.80 N	9.68 C		7 MAR 24	505	
+4.08	.82	+91.69%	81.19%	37	4,183	8.53 D	7.80 N	9.01 N		7 MAR 24	506	
+3.96	.80	+109.39%	75.94%	55	5,170	7.58 M	6.80 N	8.01 N		7 MAR 24	507	
+3.80	.79	+135.23%	70.48%	88	5,341	6.61 I	5.80 N	7.01 N		7 MAR 24	508	
+3.33	.75	+160.87%	66.31%	227	7,394	5.40 C	4.92 Q	6.02 N		7 MAR 24	509	
+2.52	.74	+170.27%	58.88%	1,050	12,079	4.00 Q	3.81 N	5.02 N		7 MAR 24	510	
+2.48	.79	+248.00%	47.59%	924	11,316	3.48 B	2.81 N	3.67 C		7 MAR 24	511	
+1.83	.61	+281.54%	49.42%	2,399	13,713	2.48 M	2.37 Q	2.88 C		7 MAR 24	512	
+1.11	.52	+284.62%	43.00%	9,603	11,415	1.50 N	1.42 N	2.04 C		7 MAR 24	513	
+36	.30	+156.52%	32.30%	14,402	12,480	.59 N	.50 Q	.68 C		7 MAR 24	514	
+.03	.09	+25.00%	30.64%	27,328	10,653	.15 P	.15 N	.16 Q		7 MAR 24	515	
-.04	.02	-57.14%	30.18%	25,193	16,808	.03 N	.03 N	.04 X		7 MAR 24	516	
-.03	.01	-75.00%	30.12%	20,463	5,696	.01 A	.01 N	.02 P		7 MAR 24	517	
-.02	.00	-66.67%	30.04%	19,653	3,715	.01 B	0 X	.01 Z		7 MAR 24	518	
0	.00	0.00%	30.14%	1,308	6,921	.01 U	0 H	.01 N		7 MAR 24	519	
-.01	.00	-50.00%	30.32%	451	4,983	.01 A	0 H	.01 E		7 MAR 24	520	
0	.00	0.00%	30.66%	1,154	4,826	.01 N	0 H	.01 E		7 MAR 24	521	
0	.00	0.00%	31.27%	16	1,625	.01 C	0 X	.01 E		7 MAR 24	522	
0	.00	0.00%	32.24%	15	2,269	.01 B	0 X	.01 E		7 MAR 24	523	
0	.00	0.00%	33.49%	0	1,558	.01 A	0 X	.01 E		7 MAR 24	524	

Now, last December opex Thursday ex-div capture call volume:

▼ Option Chain		Filter: Off	Spread: Single	Layout: Net Change, Delta, % Change, Impl Vol, ...							Strikes: 14	
		Net Chng	Delta	%Change	Impl Vol	Volume	Open.Int	Last X	Bid X	Ask X	Exp	Strike
▼ 14 DEC 23 (0) 100 <b>Dec div capture volume</b>												
+36	.84	+6.03%	78.19%	2,504	13,261	6.33 M	5.93 T	7.15 N		14 DEC 23	465	
+28	.82	+5.53%	71.92%	823	10,204	5.34 M	4.93 T	6.15 N		14 DEC 23	466	
+47	.80	+11.30%	65.27%	2,201	12,170	4.63 H	3.93 T	5.15 N		14 DEC 23	467	
+33	.77	+9.88%	58.15%	2,408	5,055	3.67 C	2.93 T	4.15 N		14 DEC 23	468	
-.02	.72	-0.79%	50.50%	10,782	8,249	2.52 N	1.93 T	3.15 Q		14 DEC 23	469	
-.15	.56	-7.98%	48.63%	33,728	16,277	1.73 C	1.50 N	2.15 C		14 DEC 23	470	
-.75	.24	-55.56%	37.47%	102,468	10,807	.60 D	.31 Q	.65 N		14 DEC 23	471	
-.91	.01	-97.85%	36.17%	191,056	14,849	.02 T	.02 Z	.03 N		14 DEC 23	472	
-.62	.00	-98.41%	36.11%	182,045	19,880	.01 A	0 Z	.01 X		14 DEC 23	473	
-.40	.00	-97.56%	36.14%	126,728	21,468	.01 M	0 H	.01 N		14 DEC 23	474	
-.25	.00	-96.15%	36.17%	73,095	9,057	.01 A	0 X	.01 N		14 DEC 23	475	
-.17	.00	-94.44%	36.24%	37,517	6,414	.01 I	0 H	.01 E		14 DEC 23	476	
-.12	.00	-92.31%	36.35%	30,646	7,384	.01 I	0 X	.01 E		14 DEC 23	477	
-.10	.00	-90.91%	36.55%	8,893	12,689	.01 A	0 X	.01 E		14 DEC 23	478	
▼ 15 DEC 23 (1) 100												
+.73	.87	+12.46%	32.98%	76,075	40,503	6.59 W	6.50 D	6.55 Q		15 DEC 23	465	
+.49	1.00	+9.61%	--	28,298	27,787	5.59 I	4.60 Q	6.20 N		15 DEC 23	466	
+.35	.72	+8.24%	32.01%	42,920	31,514	4.60 W	3.99 Q	5.78 T		15 DEC 23	467	
+1.09	.70	+31.32%	27.56%	21,406	15,830	4.57 N	3.00 Q	4.64 T		15 DEC 23	468	
-.08	.65	-3.01%	23.95%	6,272	69,212	2.58 N	2.30 Q	3.39 N		15 DEC 23	469	
-.46	.71	-22.12%	15.73%	40,881	55,670	1.62 J	1.40 H	1.70 N		15 DEC 23	470	
-.66	.47	-42.31%	14.78%	62,352	32,379	.90 Q	.88 Z	.91 N		15 DEC 23	471	
-.56	.29	-49.56%	15.17%	85,596	31,168	.57 E	.55 P	.57 I		15 DEC 23	472	
-.49	.18	-58.33%	15.36%	80,736	19,377	.35 N	.34 N	.35 T		15 DEC 23	473	
-.39	.12	-63.93%	15.79%	47,367	17,350	.22 Q	.22 W	.23 Z		15 DEC 23	474	
-.30	.08	-68.18%	16.21%	55,539	76,524	.14 E	.14 N	.16 P		15 DEC 23	475	
-.23	.05	-69.70%	16.76%	17,093	19,645	.10 N	.10 Q	.11 N		15 DEC 23	476	
-.17	.04	-68.00%	17.49%	19,926	13,641	.08 T	.07 Q	.09 W		15 DEC 23	477	
-.13	.03	-65.00%	18.34%	8,719	5,549	.07 C	.06 Q	.07 N		15 DEC 23	478	

Ok, now cue the Tom and Jerry eyes popping out GIF:

CALLS											Strikes: 14		
	Mark	Last X	Net ...	%Ch...	Impl...	Delta	Gam...	Volu...	Ope...	Bid X	Ask X	Exp	Strike
<b>March opex div capture volume</b>													
▼ 14 MAR 24 (0) 100													
	6.375	4.67 Q	-3.52	-42.98%	--	1.00	.00	262	2,357	4.34 C	8.41 B	14 MAR 24	508
	5.455	5.79 E	-1.68	-22.49%	--	1.00	.00	802	4,045	3.50 Q	7.41 B	14 MAR 24	509
	4.540	4.22 A	-2.09	-33.12%	--	1.00	.00	3,429	4,452	2.54 Z	6.54 B	14 MAR 24	510
	3.520	4.10 D	-1.37	-25.05%	--	1.00	.00	6,616	5,278	1.33 I	5.71 B	14 MAR 24	511
	2.405	2.38 Q	-2.33	-49.47%	--	1.00	.00	55,266	2,574	.33 P	4.48 B	14 MAR 24	512
	1.705	1.82 E	-2.02	-52.60%	--	1.00	.00	160,496	4,748	1.64 I	1.77 N	14 MAR 24	513
	.750	.76 N	-2.32	-75.32%	14.81%	.90	.02	314,631	6,688	.70 Q	.80 I	14 MAR 24	514
	.035	.03 P	-2.33	-98.73%	8.38%	.20	.05	482,427	9,567	.03 Q	.04 P	14 MAR 24	515
	.005	.03 W	-1.68	-98.25%	16.22%	.02	.08	360,538	16,860	0 H	.01 Z	14 MAR 24	516
	.005	.01 A	-1.17	-99.15%	26.54%	.01	.03	280,574	19,057	0 I	.01 H	14 MAR 24	517
	.005	.01 A	-.75	-98.68%	36.35%	.01	.02	199,669	13,982	0 M	.01 N	14 MAR 24	518
	.005	.01 W	-.47	-97.92%	45.84%	.01	.01	92,509	12,169	0 C	.01 I	14 MAR 24	519
	.005	.01 M	-.26	-96.30%	55.10%	.01	.01	88,961	19,058	0 C	.01 N	14 MAR 24	520
	.005	.01 A	-.13	-92.86%	64.16%	.01	.01	40,084	9,614	0 Q	.01 I	14 MAR 24	521
▼ 15 MAR 24 (1) 100													
	5.765	6.79 T	-1.62	-19.26%	--	1.00	.00	26,906	10,264	4.50 D	7.03 D	15 MAR 24	508
	5.010	5.11 X	-2.50	-32.85%	--	1.00	.00	26,226	9,342	3.32 I	6.70 N	15 MAR 24	509
	4.315	4.65 I	-1.98	-29.86%	--	1.00	.00	26,405	29,122	3.42 D	5.21 B	15 MAR 24	510
	3.625	3.74 I	-1.77	-32.12%	--	1.00	.00	12,746	13,180	3.00 D	4.25 N	15 MAR 24	511
	2.645	2.71 U	-3.09	-43.54%	--	1.00	.00	46,799	21,521	2.50 Q	2.79 E	15 MAR 24	512
	1.825	1.84 I	-2.11	-53.42%	4.78%	.92	.02	97,822	13,282	1.80 N	1.85 Q	15 MAR 24	513
	1.145	1.13 T	-2.07	-64.69%	6.42%	.67	.01	163,387	12,885	1.13 W	1.16 W	15 MAR 24	514
	.730	.74 T	-1.75	-70.28%	7.80%	.46	.09	249,641	29,661	.72 W	.74 Z	15 MAR 24	515
	.450	.45 I	-1.43	-76.06%	8.72%	.30	.05	208,216	31,001	.44 Z	.46 Z	15 MAR 24	516
	.275	.28 A	-1.10	-79.71%	9.53%	.19	.01	129,421	23,230	.27 Q	.28 P	15 MAR 24	517
	.145	.14 T	-.83	-85.57%	9.84%	.11	.07	78,826	24,616	.14 Z	.15 Z	15 MAR 24	518
	.075	.08 C	-.56	-87.50%	10.21%	.06	.05	33,550	17,394	.07 Z	.08 Z	15 MAR 24	519
	.045	.05 U	-.35	-87.50%	10.89%	.04	.03	84,953	77,567	.04 W	.05 N	15 MAR 24	520
	.035	.03 C	-.21	-87.50%	12.03%	.03	.02	16,995	19,772	.03 Z	.04 Z	15 MAR 24	521

A lot of folks will wake up to a giant margin call and owe the dividend. The moral of this story, never, never, never sell Thursday or Friday of opex week SPY calls unless you are sure they will end up well out of the money. Spread traders beware.

There were some large moves during March OPEX week, not just on Thursday, so don't let the holiday stuck in middle there elicit the idea a quiet week is to be assumed. **This is not July 4th week!** What does that mean? It means the prices for these trades are too cheap and the odds of success are high.

SPY ex-div capture call calendar spreads

Sell SPY Jun 17th 521 call

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Buy SPY June 21st 521 call

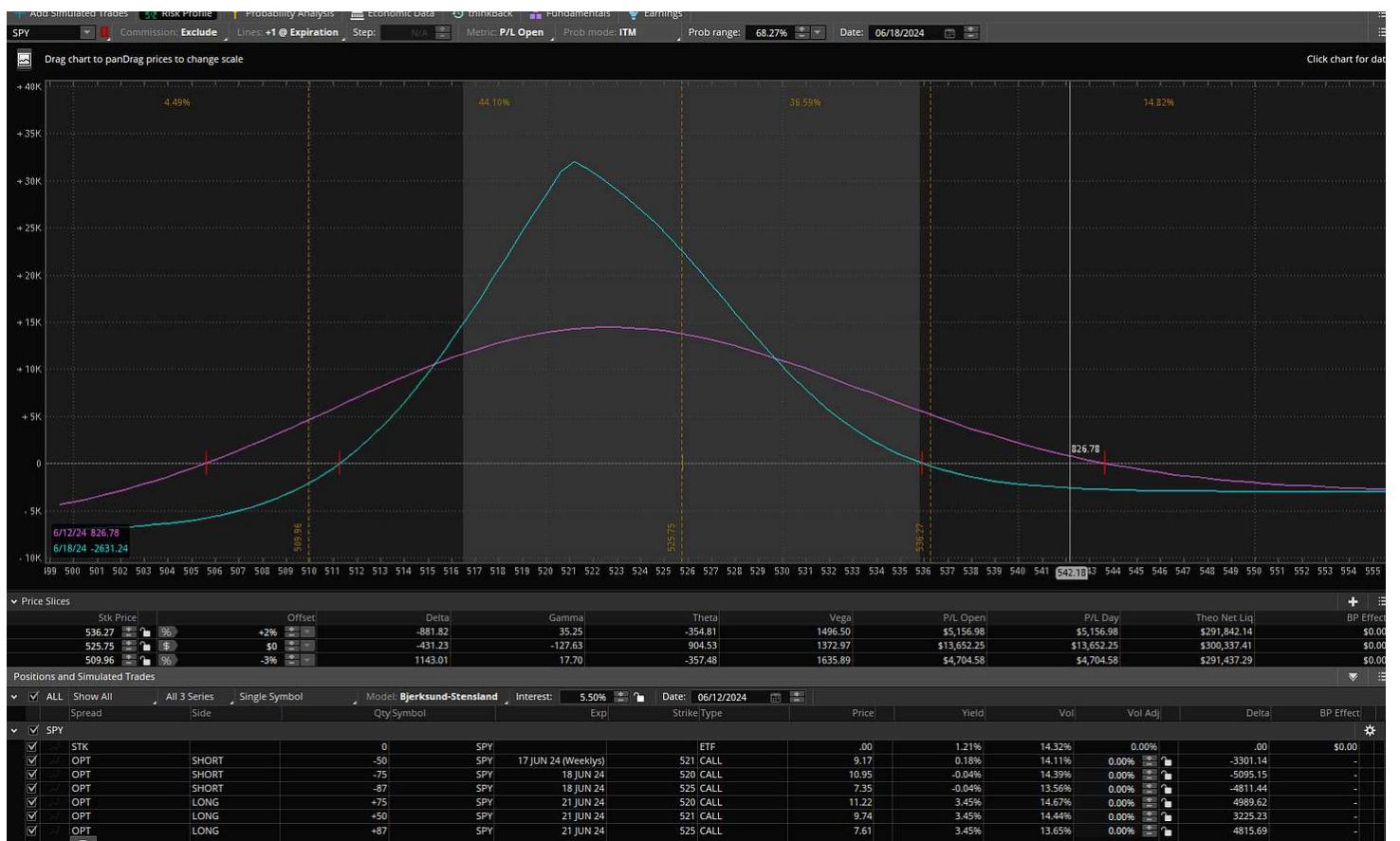
Net debit: .56-.58 (.57 filled)

Sell SPY Jun 18th 525 and 520 call (two sets of pairs)

Buy SPY Jun 21st 525 and 520 call

Net debit: .25-.27 (filled .25 and .26)

Here is what we get:



When you simply consider the fact that you are getting two days with quarterly opeX vol in the back leg for 2.5 SPX points, you can see how cheap these are. And the 3-day 17/21s for 5.7 SPX points, quite the bargain. Don't believe me, here is a look at March OPEX two-day pairs on Tuesday, not even Wednesday:

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CALLS								Strikes:	14
Last X	Net Chng	Impl Vol	Volume	Open.Int	Mark	Bid X	Ask X	Strike	
> 13 MAR 24/14 MAR 24 (0/7) 100									
✓ 13 MAR 24/15 MAR 24 (1/3) 100 (Weeklys)	.36	.22	14.38%	40	5,643	.480	.34	.62	510 / 510
	2.33	1.73	13.51%	301	6,287	.515	.38	.65	511 / 511
	.66	.07	13.11%	807	5,459	.620	.49	.75	512 / 512
	1.10	.59	12.50%	1,431	6,584	.695	.57	.82	513 / 513
	.81	.32	11.97%	917	4,952	.755	.65	.86	514 / 514
	.80	.30	11.58%	2,699	7,971	.805	.76	.85	515 / 515
	.88	.44	11.19%	1,853	3,949	.850	.83	.87	516 / 516
	.94	.54	10.89%	1,216	4,871	.865	.85	.88	517 / 517
	.85	.48	10.59%	1,109	7,178	.835	.82	.85	518 / 518
	.81	.50	10.39%	447	6,536	.760	.75	.77	519 / 519
	.66	.38	10.25%	1,936	7,405	.650	.64	.66	520 / 520
	.54	.31	10.19%	282	4,751	.520	.51	.53	521 / 521
	.41	.22	10.22%	295	5,151	.400	.39	.41	522 / 522
	.29	.13	10.49%	203	6,764	.300	.28	.30	523 / 523

The point is, again, you are paying 2.5 SPX points. Here are the 3-day wide pairs at the close on Monday:

CALLS								Strikes:	16
Last X	Net Chng	Impl Vol	Volume	Open.Int	Mark	Bid X	Ask X	Strike	
> 11 MAR 24/14 MAR 24 (0/3) 100 (Weeklys)									
✓ 12 MAR 24/15 MAR 24 (1/4) 100	2.57	.14	17.59%	1	776	.875	.68	1.07	503 / 503
	1.57	.52	17.30%	1	734	.935	.81	1.06	504 / 504
	.58	1.96	17.12%	4	772	.985	.86	1.11	505 / 505
	1.40	2.26	16.85%	4	2,665	1.035	.93	1.14	506 / 506
	1.19	2.61	16.68%	27	2,593	1.040	.98	1.10	507 / 507
	.18	-.89	16.51%	29	3,172	1.070	1.03	1.11	508 / 508
	1.25	.13	16.32%	252	2,741	1.070	1.04	1.10	509 / 509
	1.05	-.10	16.14%	2,449	3,485	1.060	1.04	1.08	510 / 510
	1.16	.11	15.92%	1,370	4,044	1.025	1.01	1.04	511 / 511
	1.13	.14	15.72%	843	7,201	.985	.97	1.00	512 / 512
	.95	-.05	15.54%	276	7,104	.930	.92	.94	513 / 513
	1.12	.18	15.39%	240	5,240	.865	.85	.88	514 / 514
	.80	-.11	15.25%	600	6,841	.790	.78	.80	515 / 515
	.67	-.17	15.10%	203	5,327	.720	.71	.73	516 / 516
	.78	.02	14.97%	152	5,177	.625	.61	.64	517 / 517
	.55	-.12	14.93%	303	4,806	.530	.52	.54	518 / 518

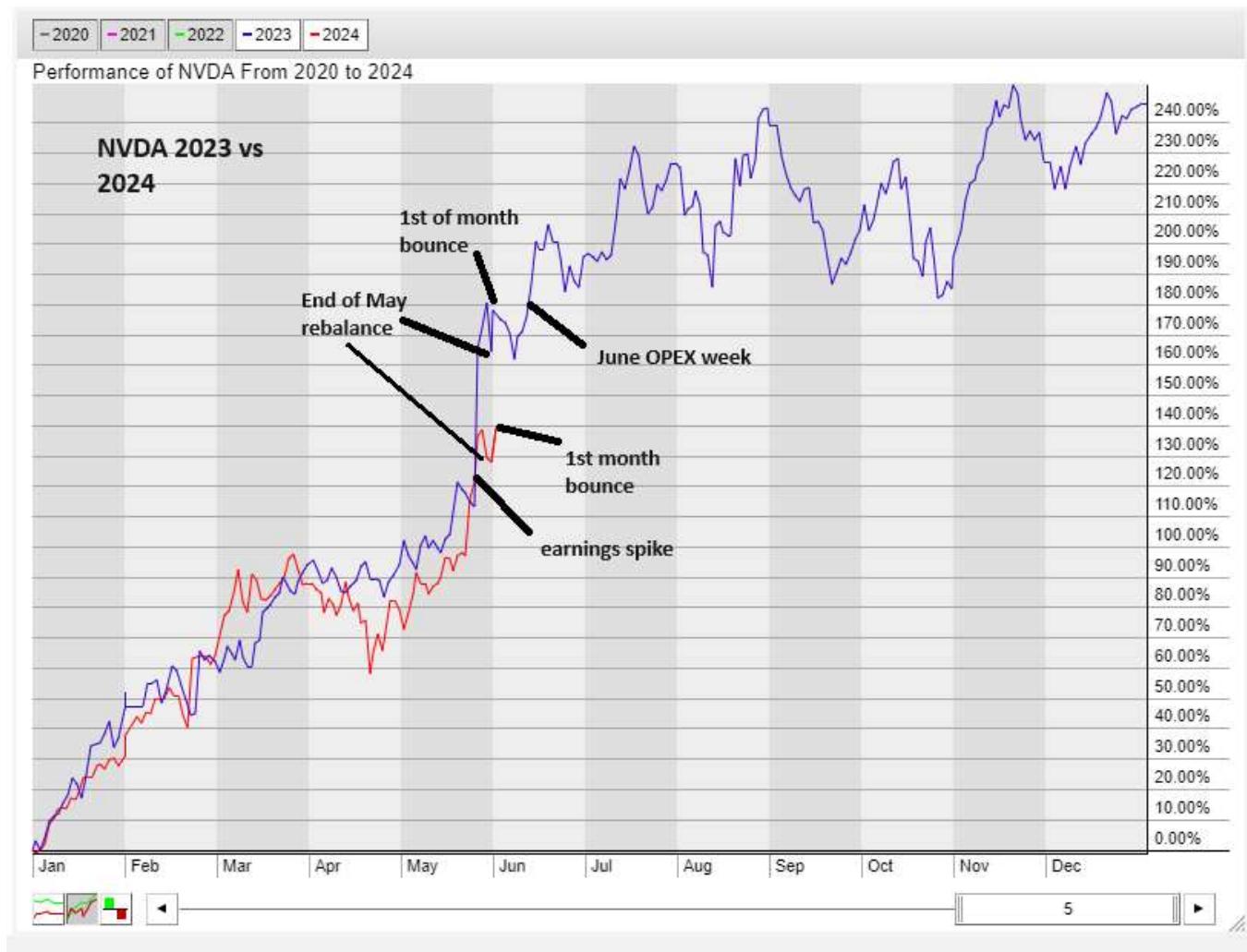
I turned .65 into 1.20 on these in March.

The risks are leaving the range, news that breaks SPY out higher or lower. As usual, I'll be flexible and go with the market and adjust as necessary.

## NVDA June Pattern

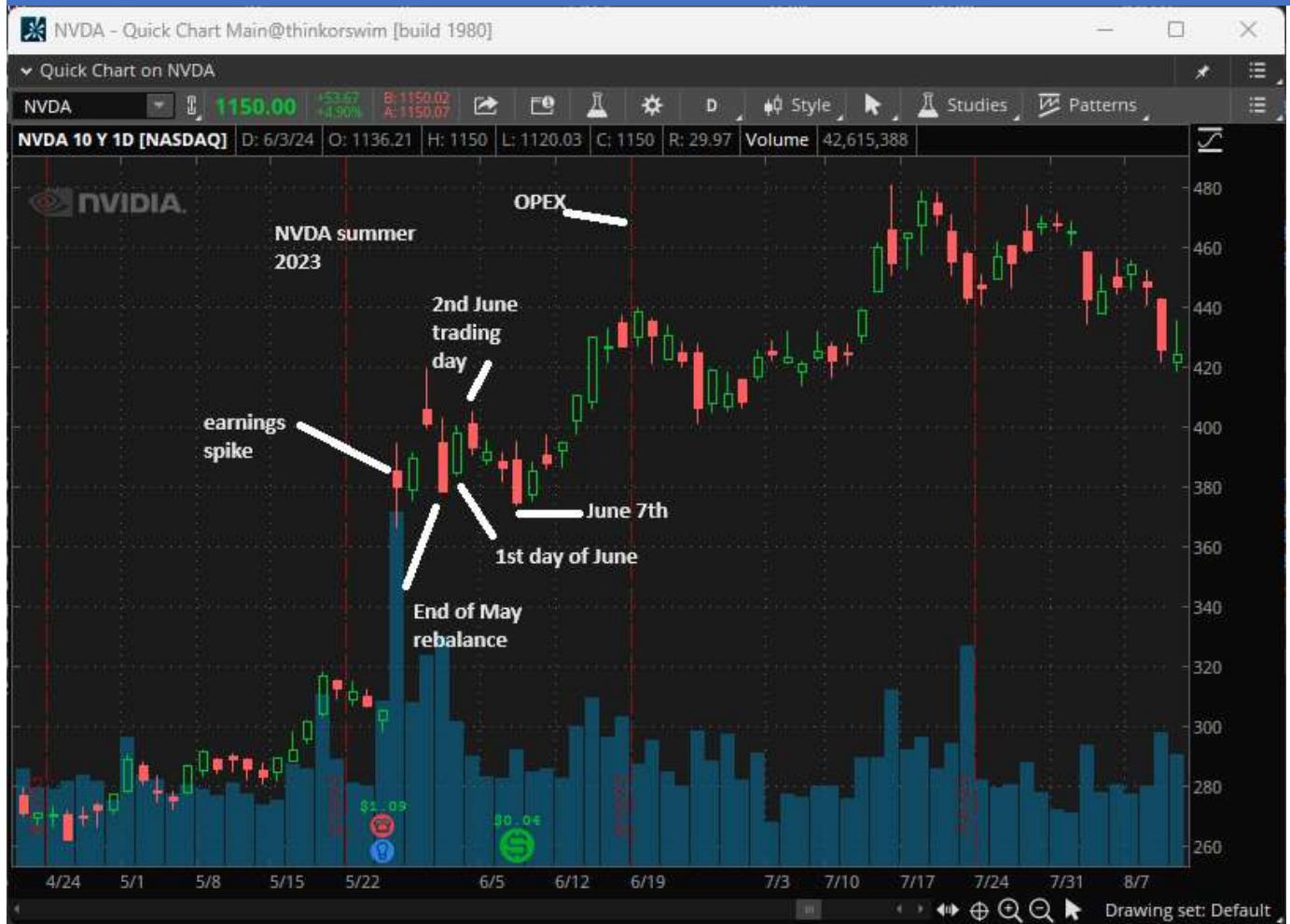
### And SPX Fed/CPI vol adjustment trades

The pattern continues, and since [my last NVDA post](#) six days ago it most certainly has followed it precisely; end of month rebalance weakness as I suggested and first day of the month bounce:



Here you can see 2023 day by day in early June. Today it made a new high and faded through June 7th, and I shouldn't need to tell you what happens on that day this week:

## VOLATILITY ANALYTICS NEWSLETTER – JUNE 5TH



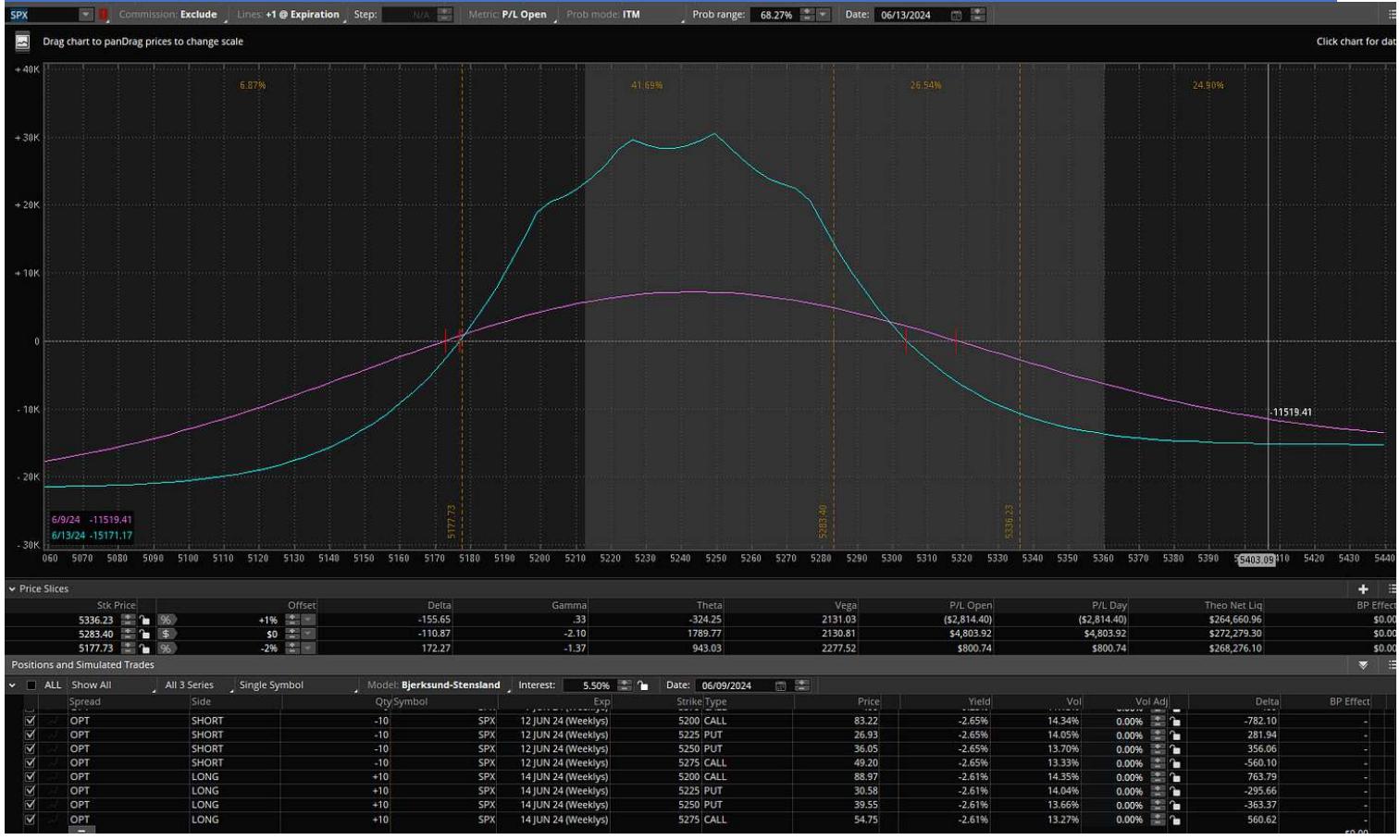
OPEX is a week later this year, so in the above chart the next ramp was June 12-15 during 2023 OPEX week; harder to tell how it's going to behave post split and no large standard OPEX open interest to influence it this early in the OPEX cycle.

I made the following adjustments to the SPX 5200 call calendar/SPX 5225 put calendar near the close yesterday:

SPX 5250 Jun 12/14 put calendar spread for 3.50

SPX 5275 Jun 12/14 call calendar spread for 5.50

## VOLATILITY ANALYTICS NEWSLETTER – JUNE 5TH



More air in the tent, wider range of positive outcomes. Will remain flexible, if we head lower for a day or two, this is just fine, if we break out higher, will move up quickly.

I will have more trade ideas later today around SPY ex-dividend and next week's AAPL event.

# Fed + CPI = Bargain Spreads

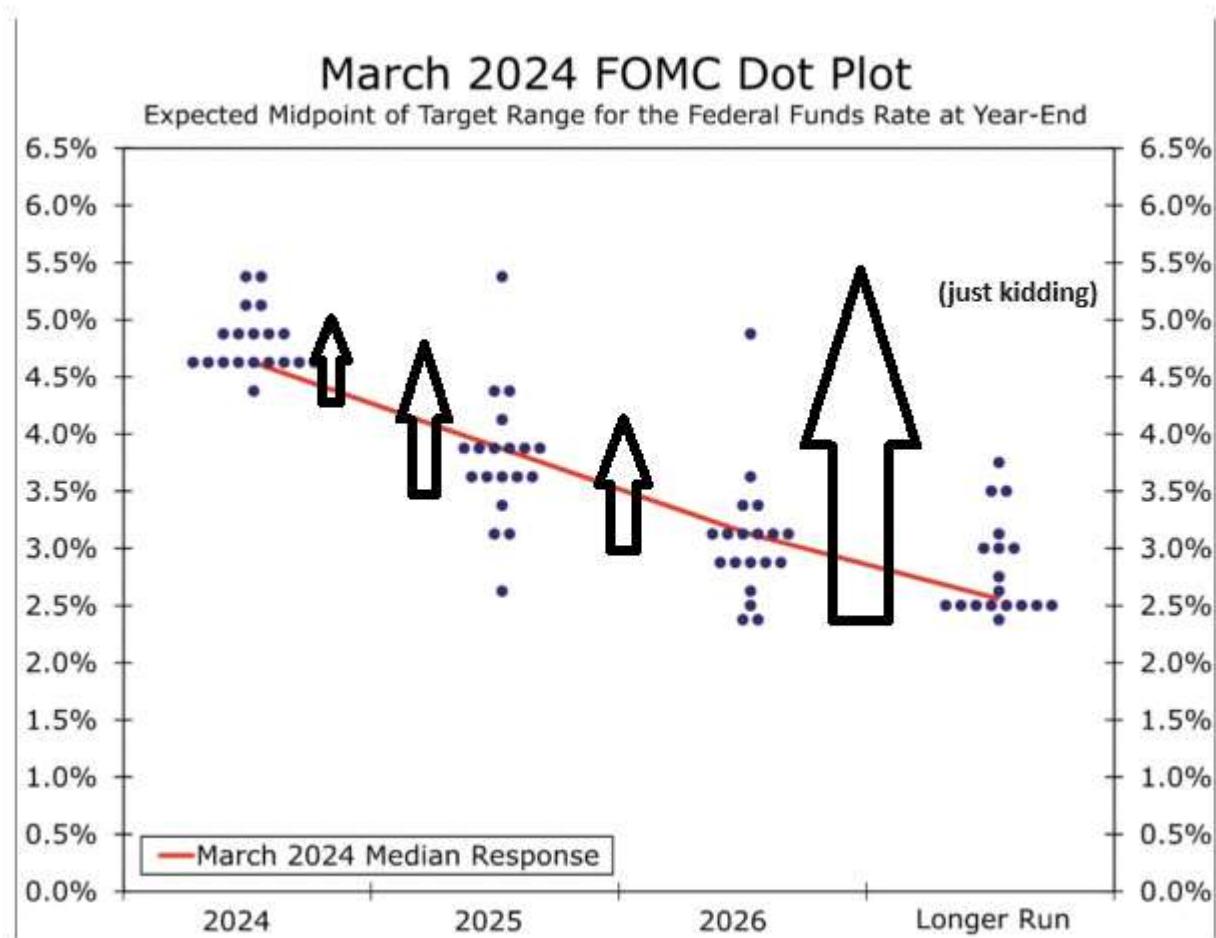
## Ye Olde Dot Plot's Plot Thickens

### VOLATILITY SUMMARY

The constant nuisance called the Federal Reserve is finally in a blackout period, the only time you are relieved from the endless parade of speaker prattle on a nearly daily basis. Who wastes more time? Fed speak analysts, stock analysts, political analysts or sports analysts? (I'll let you decide; I've turned off the BBG/CNBC Fed networks for the day already, healthy for the trading process IMO.)

But, the Fed serves one important purpose, trading vol and thus it's time to dig back into some trade ideas for this meeting, which you probably noticed coincides with CPI next Wednesday.

I could say we might be in for another dot plot shock, a larger than expected shift higher, but that would be the kind of crap I'll leave to the above TV analysts. You know deep down that would just bring the short vol mafia out for the millionth time to force some tithing.



So, instead of wasting your time on that, here are a couple trades I started today:

SPX CPI/Fed put calendar spread

Sell Jun 12th SPX 5225 put

Buy Jun 14th 5225 put

Net debit: 3.50-3.75 (3.65 filled)

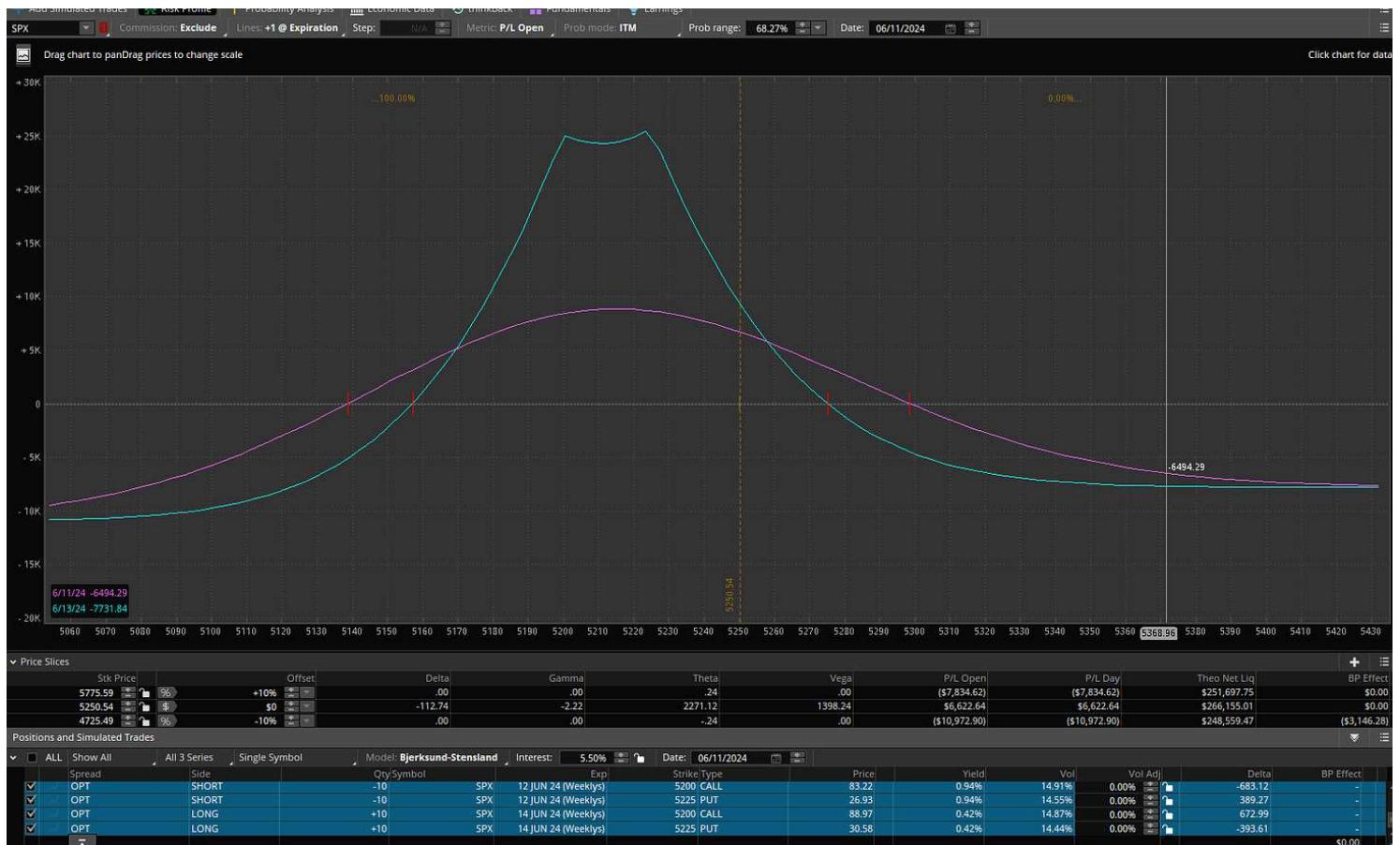
SPX CPI/Fed call calendar spread

Sell Jun 12th 5200 call

Buy Jun 14th 5200 call

## VOLATILITY ANALYTICS NEWSLETTER – JUNE 5TH

Net debit: 5.50-5.80 (5.75 filled)



The last time around, these were already inflated by Tuesday's close:

Option Chain		Filter: Off	Spread: Calendar	Mark, Last X, Net Change, Impl Vol, Vol...																				
					CALLS												PUTS							
					Mark	Last X	Net Chng	Impl Vol	Volume	Open.Int	Bid X	Ask X					Strike	Bid X	Ask X	Mark	Last X	Net Chng	Impl Vol	Vol
>	30 APR 24/2 MAY 24	(D/2)	100 (Weekly)														Strikes: 25							
▼	1 MAY 24/3 MAY 24	(I/3)	100 (Weekly)		12.450	17.47	3.27	22.44%	1	4,065	11.70	13.20					5000 / 5000	10.40	10.80	10.600	10.48	5.99	16.24%	
					13.000	10.25	-20.57	21.74%	6	89	13.20	14.40					5005 / 5005	11.00	11.40	11.200	10.85	5.95	16.15%	
					14.100	26.49	-35.61	21.61%	10	103	13.50	14.70					5010 / 5010	11.40	11.90	11.650	11.96	6.81	16.10%	
					14.600	14.79	9.17	21.45%	6	65	14.10	15.10					5015 / 5015	11.70	12.00	11.850	12.27	6.76	16.16%	
					14.850	14.84	-31.97	21.27%	5	71	14.40	15.30					5020 / 5020	11.80	12.20	12.000	13.00	7.20	15.95%	
					15.050	19.91	9.26	21.13%	7	202	14.70	15.40					5025 / 5025	11.90	12.30	12.100	12.61	6.17	15.96%	
					15.200	14.65	-4.82	21.01%	17	120	14.90	15.50					5030 / 5030	12.40	12.80	12.600	13.93	7.24	15.97%	
					15.450	20.17	5.38	20.84%	9	99	15.10	15.80					5035 / 5035	12.50	12.90	12.700	12.70	5.90	15.92%	
					15.550	17.90	6.29	20.71%	20	98	15.30	15.80					5040 / 5040	12.50	13.00	12.750	14.28	6.87	15.81%	
					15.550	25.80	-19.65	20.58%	7	64	15.30	15.80					5045 / 5045	12.60	13.00	12.800	12.87	4.87	15.67%	
					15.550	15.70	14.75	20.43%	25	575	15.30	15.80					5050 / 5050	12.50	13.00	12.750	14.63	6.43	15.53%	
					15.500	18.90	17.69	20.29%	20	130	15.30	15.70					5055 / 5055	12.50	12.90	12.700	13.43	4.69	15.35%	
					15.350	14.90	5.70	20.16%	31	226	15.10	15.60					5060 / 5060	12.40	12.90	12.650	14.58	5.78	15.12%	
					15.200	14.50	7.05	20.01%	65	148	15.00	15.40					5065 / 5065	11.90	12.30	12.100	12.04	-3.56	14.78%	
					15.050	14.50	.57	19.85%	42	341	14.80	15.30					5070 / 5070	12.00	12.50	12.250	11.13	1.96	14.61%	
					14.750	17.72	4.47	19.69%	60	569	14.50	15.80					5075 / 5075	11.70	12.20	11.950	14.33	4.72	14.25%	
					14.450	14.67	-7.18	19.54%	57	274	14.20	14.70					5080 / 5080	11.40	11.90	11.650	7.20	-2.85	13.78%	
					14.100	14.23	1.36	19.35%	74	236	13.90	14.30					5085 / 5085	11.10	11.60	11.350	11.90	2.16	13.22%	
					13.700	12.98	.13	19.23%	33	301	13.50	13.90					5090 / 5090	10.60	11.20	10.900	11.85	1.83	12.33%	
					13.250	12.14	-.46	19.04%	29	391	13.10	13.40					5095 / 5095	10.20	10.80	10.500	10.20	-5.90	8.25%	
					12.750	11.58	-1.25	18.89%	753	1,871	12.50	13.80					5100 / 5100	9.70	10.40	10.050	4.99	-6.07	8.17%	
					12.250	13.23	-.64	18.71%	65	628	12.10	12.40					5105 / 5105	9.00	9.90	9.450	8.73	-2.12	8.07%	
					11.900	12.80	-2.36	18.64%	82	1,172	11.70	12.10					5110 / 5110	8.30	9.40	8.850	4.75	-5.29	7.98%	
					11.150	12.10	-1.22	18.57%	441	832	11.00	11.30					5115 / 5115	8.00	9.80	8.900	3.92	-7.13	7.85%	
					10.300	11.22	-3.58	18.32%	91	535	10.10	10.50					5120 / 5120	7.60	8.30	7.650	-.13	-16.90	7.75%	

As always, this is just the beginning; flexibility and adjusting trades will be part of setting the vol tent poles in the proper locations. If we go back to 5300+, I will move up and set more below price and if we head lower, I will move down with it.

# Are You Not Amazed?

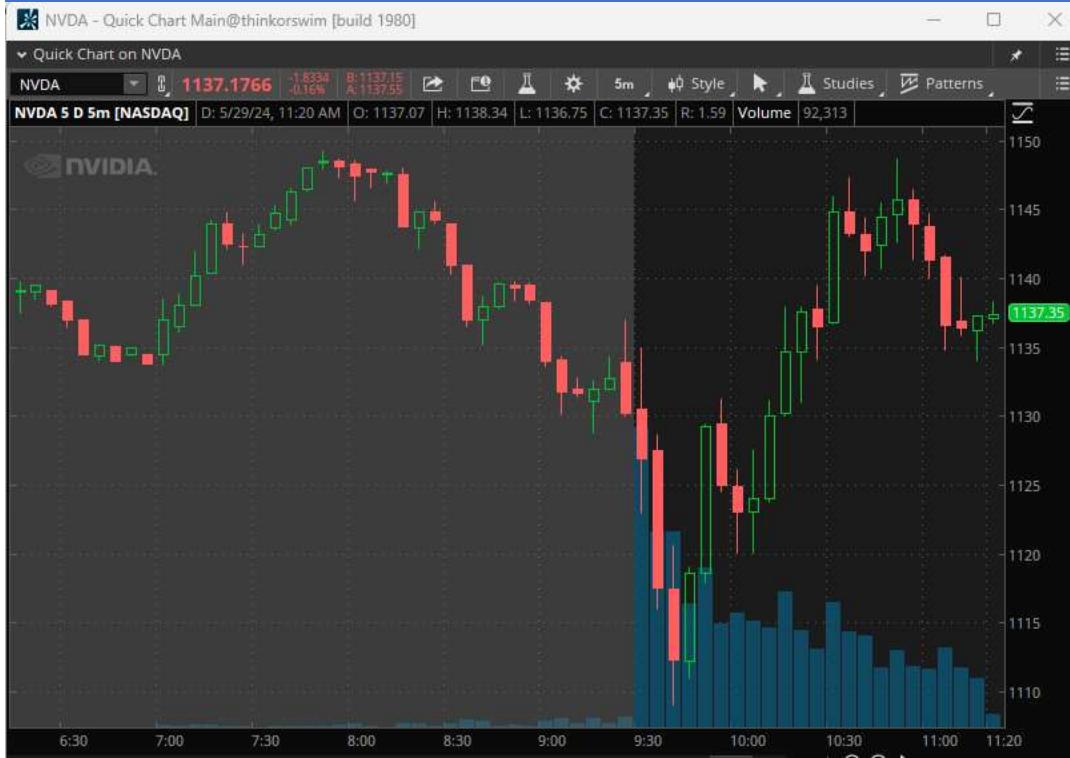
NVDA A.I. algos are learning to trade itself

## VOLATILITY SUMMARY



Even I didn't truly believe it was capable of this ludicrous correlation, but I most certainly didn't bet against it. And, for a Wednesday ([Wobbly Wednesday](#)), it immediately did a 180° at 9:44am:

## VOLATILITY ANALYTICS NEWSLETTER – JUNE 5TH



Nothing about what I said late last week is stale. This is more proof that it has a first class ticket to Split-topia. Just like all the other best companies had.

Is there an end of month rebalance component to the next couple days? Potentially, but it's not like PCE is going to get in the way of this. It's sort of like SPX; if it's down at 9:45, puts will be smashed, and you get your almost daily QE alpha. (Dealers long puts are then long stock = bounce)

This is where it may take a couple days off, which is sort of a risky thing to say, being short tech ahead of Thursday is not a good way to go about things (The new 'short' is not buying calls). But I will stick my neck out:

## VOLATILITY ANALYTICS NEWSLETTER – JUNE 5TH



If you are looking to do something (I'm trying to get a vacation in and not trade much, but you know, it's not like I can look the other way completely) then call flies and chill still applies, but in this case, this is another inexpensive idea for split vol:

NVDA split vol call diagonal spread

Sell Jun 14th 1150 call

Buy June 21st 1160 call

Net debit: \$1.55-1.70. Target, \$5

## VOLATILITY ANALYTICS NEWSLETTER – JUNE 5TH

Option Chain		Filter: Off	Spread: Diagonal	Layout: Last X, Net Change, % Change, Mark, Imp...							Strikes: 10	Strike	
		Last X	Net Chng	%Change	Mark	Impl Vol	Volume	Open.Int	Bid X	Ask X			
<b>31 MAY 24/7 JUN 24 (2/9) 100 (Weekly)</b>													
-1.55	-2.70	+23.47%	<b>6.875</b>	53.56%	468	2,120	5.95	7.80			1100 / 1090		
1.05	1.74	+23.17%	<b>8.875</b>	52.90%	1,301	1,909	8.05	9.70			1110 / 1100		
3.65	1.83	+20.40%	<b>10.725</b>	52.33%	3,465	2,231	10.15	11.30			1120 / 1110		
5.20	2.00	+19.70%	<b>12.100</b>	52.21%	3,943	2,129	11.70	12.50			1130 / 1120		
7.67	2.48	+22.52%	<b>13.225</b>	52.25%	4,184	1,978	12.80	13.65			1140 / 1130		
8.75	1.74	+14.61%	<b>13.800</b>	52.38%	10,435	4,094	13.45	14.15			1150 / 1140		
14.00	1.25	+8.47%	<b>15.975</b>	52.62%	970	1,848	15.70	16.25			1155 / 1150		
15.70	1.18	+8.13%	<b>15.800</b>	52.81%	2,024	1,215	15.50	16.10			1160 / 1155		
15.47	1.42	+10.11%	<b>15.475</b>	53.09%	904	645	15.20	15.75			1165 / 1160		
15.22	1.23	+8.79%	<b>15.100</b>	53.35%	1,987	1,698	14.80	15.40			1170 / 1165		
<b>&gt; 7 JUN 24/14 JUN 24 (9/16) 100 (Weekly)</b>													
<b>14 JUN 24/21 JUN 24 (16/23) 100 (Weekly)</b>		POS	BUY										
-3.53	-4.25	-590.28%	<b>-3.775</b>	49.25%	75	349	-4.90	-2.65			1040 / 1030		
-6.12	-6.58	-1430.43%	<b>-3.200</b>	49.06%	163	622	-4.10	-2.30			1050 / 1040		
.54	3.89	-116.12%	<b>-2.650</b>	48.84%	118	3,101	-3.50	-1.80			1060 / 1050		
-2.15	3.15	-59.43%	<b>-2.125</b>	48.73%	177	856	-2.80	-1.20			1070 / 1060		
<b>-4.13</b>	.28	-6.35%	<b>-1.625</b>	48.61%	292	453	-2.40	-0.85			1080 / 1070		
<b>SELL</b>	1.90	1.09	+134.57%	<b>1.575</b>	48.74%	316	2,143	1.00	2.15			1160 / 1150	
.25	-.45	-64.29%	<b>1.825</b>	48.86%	306	460	1.35	2.30			1170 / 1160		
2.12	-.34	-13.82%	<b>2.050</b>	48.96%	348	371	1.50	2.50			1180 / 1170		
3.25	2.75	+550.00%	<b>2.100</b>	49.14%	203	532	1.65	2.55			1190 / 1180		
2.61	-.19	-6.79%	<b>2.225</b>	49.28%	220	254	1.80	2.65			1200 / 1190		

This shows the \$10 wide diagonals, thinking about today's high. And here are the current \$10 wide diagonals, this week/next:

Option Chain		Filter: Off	Spread: Diagonal	Layout: Last X, Net Change, % Change, Mark, Imp...							Strikes: 10	Strike	
		Last X	Net Chng	%Change	Mark	Impl Vol	Volume	Open.Int	Bid X	Ask X			
<b>31 MAY 24/7 JUN 24 (2/9) 100 (Weekly)</b>													
-1.55	-2.70	+234.78%	<b>-1.550</b>	53.83%	739	4,497	-2.65	.45			1100 / 1080		
1.05	1.70	-261.54%	<b>.800</b>	53.25%	468	1,909	-.20	1.80			1110 / 1090		
3.65	1.84	+101.66%	<b>3.075</b>	52.66%	3,468	2,231	2.00	4.15			1120 / 1100		
5.20	2.13	+69.38%	<b>5.425</b>	52.43%	3,970	2,129	4.00	5.00			1130 / 1110		
7.67	2.87	+59.79%	<b>7.375</b>	52.31%	4,194	1,978	6.90	7.85			1140 / 1120		
8.75	1.89	+27.55%	<b>8.875</b>	52.30%	10,510	3,421	8.50	9.25			1150 / 1130		
14.00	1.28	+10.06%	<b>14.150</b>	52.51%	2,033	1,215	13.85	14.45			1160 / 1150		
14.07	1.92	+15.80%	<b>14.000</b>	52.77%	904	645	13.65	14.35			1165 / 1155		
14.00	1.46	+11.64%	<b>13.700</b>	53.15%	1,989	1,698	13.40	14.00			1170 / 1160		
13.30	1.33	+11.11%	<b>13.100</b>	53.74%	1,372	1,449	12.85	13.35			1180 / 1170		
<b>&gt; 7 JUN 24/14 JUN 24 (9/16) 100 (Weekly)</b>													
<b>14 JUN 24/21 JUN 24 (16/23) 100 (Weekly)</b>		POS	BUY										
-1.65	-1.57	+1962.50%	<b>-.575</b>	48.68%	236	757	-1.30	.15			1100 / 1090		
.40	1.45	-138.10%	<b>-.175</b>	48.65%	336	1,280	-.80	.45			1110 / 1100		
1.48	1.56	-1950.00%	<b>.325</b>	48.42%	512	1,393	-.40	1.05			1120 / 1110		
.58	-.62	-51.67%	<b>.700</b>	48.67%	958	1,491	.10	1.30			1130 / 1120		
.70	-.25	-26.32%	<b>.925</b>	48.70%	1,337	857	.35	1.50			1140 / 1130		
1.56	1.06	+212.00%	<b>1.325</b>	48.76%	1,712	1,047	.80	1.85			1150 / 1140		
<b>SELL</b>	-2.70	.67	-19.88%	<b>-2.375</b>	48.90%	310	1,985	-2.75	-2.00			1170 / 1150	
-2.37	1.57	-39.85%	<b>-1.825</b>	49.01%	361	460	-2.20	-1.45			1180 / 1160		
-1.05	.25	-19.23%	<b>-1.350</b>	49.01%	203	371	-1.85	-1.85			1190 / 1170		
-1.52	-.22	+16.92%	<b>-1.025</b>	49.27%	690	532	-1.40	-.65			1200 / 1180		

The premise as stated above, a bit of time for this to chill, with the risk being that it just keeps ascending on a moon and stars-like trajectory. If that is what you expect, and I don't blame you, avoid this.

# NVDA Spike Party Afterparty Is the Split Soiree

## Split vol trade ideas

### VOLATILITY SUMMARY

Today reminds me of when AAPL would report as the last of the giga techs, and the overnight forced dealer dynamic re-hedging continually vortexed the futures higher but then transformed into a call smash, next day reversal. Some folks dump their long calls, some folks overwrite, and some funds systematically do it. There was a lot of call vol smash today in different forms.

But now, NVDA is like a Kardashian or Tom Brady, whatever it takes to remain in the bright spotlight, and so they drop the split card. I think they wasted it frankly, they had plenty enough momentum. Did Brady need to do the roast? I mean, he's already still going to be on TV every Sunday. NVDA could have used that card for a bump when their numbers weren't blowing 'analysts' lack of decent analysis away.

Whatever, so another event which means more decent trade opportunities. Most of the earnings trades worked, closed for \$9 for the \$950 7th/21st put calendar and a double/\$8 on the call condor. The put diagonal and strangle could have been closed for flat near the open, and are small losses. When a red hot stock blows things away, you have to act quickly, it takes days for it to come in, it won't happen today or tomorrow.

Lots of TV donkeys claim it adds no value to the stock. Apparently they are in a coma, it most certainly does, *if* you are a hot/popular stock, most of the time. Anyway, here is how NVDA and other giga tech stocks handled recent split announcements and subsequent ramps:

## VOLATILITY ANALYTICS NEWSLETTER – JUNE 5TH



And this is how hot stocks approach splits. I'm not talking about AMZN or GOOG, they were just languishing, but if you look at AAPL, when it was the hottest thing, on CNBC every day all day, it followed this pattern:

## VOLATILITY ANALYTICS NEWSLETTER – JUNE 5TH



Even AMZN managed a 20% ramp into the split in a year the stock was scuffling miserably:

## VOLATILITY ANALYTICS NEWSLETTER – JUNE 5TH



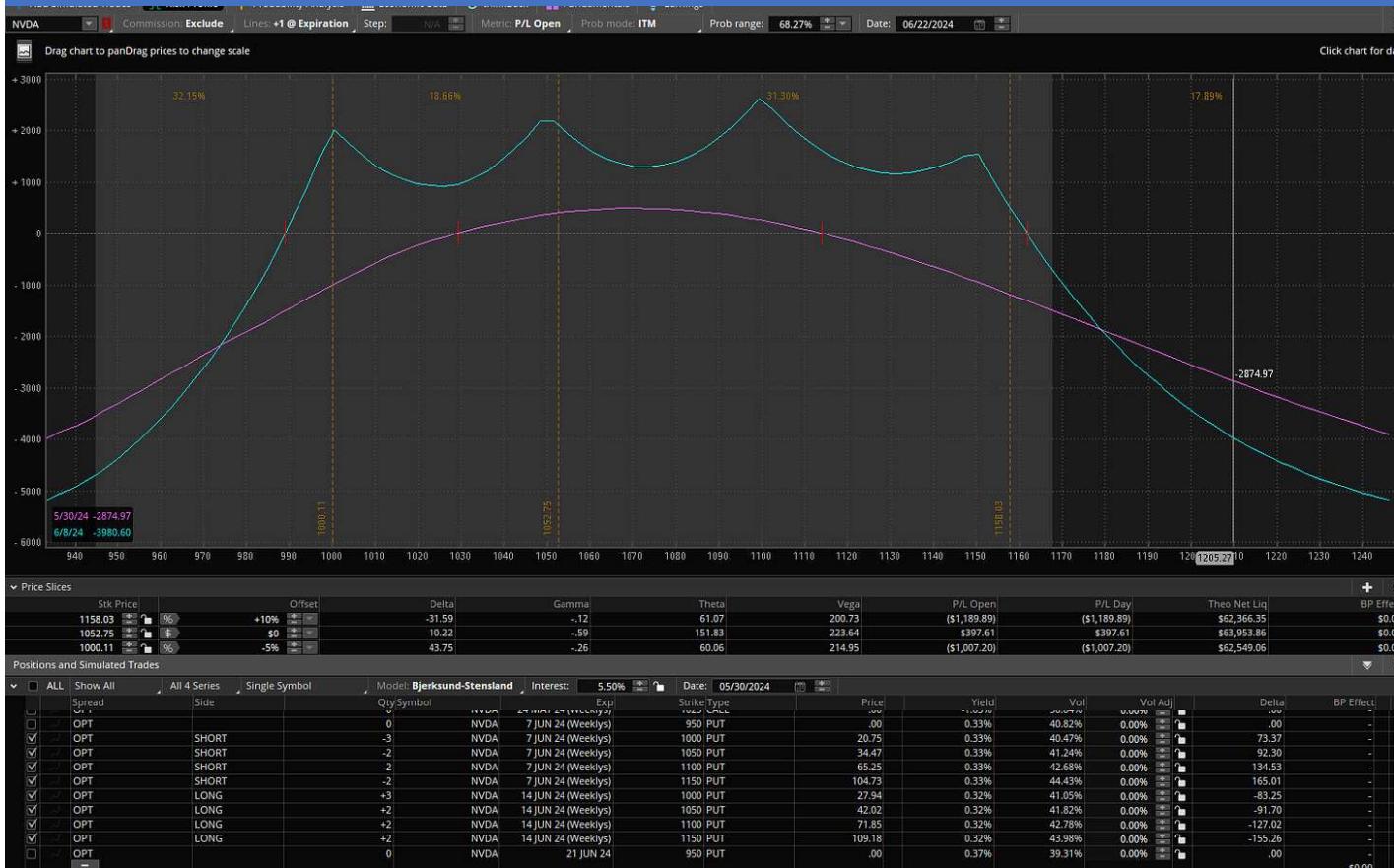
When TSLA was a hot stock, it got a huge ramp into the split:

## VOLATILITY ANALYTICS NEWSLETTER – JUNE 5TH



The NVDA split date is effective June 7th, so I see that as when implied vol in the back leg may increase. I mean, every chart above shows a fade after the ramp and the market will obviously know that when we get there and vol should be bid. So today I started a vol tent for the 7th/14th put calendar pairs:

## VOLATILITY ANALYTICS NEWSLETTER – JUNE 5TH



I did 4 strikes 1000/1050/1100/1150, and the prices as of 1pm:

VOLATILITY ANALYTICS NEWSLETTER – JUNE 5TH

Strike	PUTS								42.23% (±53.058)
	Bid X	Ask X	Last X	Net Chng	%Change	Impl Vol	Volume	Open.Int	
<b>June 7/14th put calendar spreads</b>									43.30% (±74.283)
980 / 980	4.95	5.50	5.07	.32	+6.74%	40.47%	215	20	
985 / 985	5.15	5.75	5.93	-1.15	-16.24%	40.51%	49	15	
990 / 990	5.35	6.00	5.80	1.58	+37.44%	40.49%	92	13	
995 / 995	5.60	6.30	5.75	9.21	-266.18%	40.56%	46	5	
1000 / 1000	5.85	6.55	6.65	3.23	+94.44%	40.58%	624	178	Pos.
1005 / 1005	6.05	6.75	7.08	10.36	-315.85%	40.64%	52	42	
1010 / 1010	6.25	6.95	6.80	1.60	+30.77%	40.70%	109	6	
1015 / 1015	6.40	7.15	7.71	-2.54	-24.78%	40.75%	34	12	
1020 / 1020	6.55	7.35	6.75	10.12	-300.30%	40.82%	80	25	
1025 / 1025	6.70	7.50	7.25	11.02	-292.31%	40.90%	133	28	
1030 / 1030	6.75	7.55	7.64	-.86	-10.12%	40.97%	185	49	
1035 / 1035	6.85	7.65	6.84	7.92	-733.33%	41.07%	102	67	
1040 / 1040	6.90	7.75	6.80	-.06	-0.87%	41.14%	167	45	
1045 / 1045	6.95	7.85	7.30	.47	+6.88%	41.24%	174	39	
1050 / 1050	6.90	7.90	7.70	11.33	-312.12%	41.34%	319	38	Pos.
1055 / 1055	6.90	7.85	8.33	12.28	-310.89%	41.45%	51	47	
1060 / 1060	6.85	7.90	8.24	10.46	-471.17%	41.54%	45	19	
1065 / 1065	6.80	7.85	18.35	24.89	-380.58%	41.64%	14	27	
1070 / 1070	6.70	7.85	9.15	1.70	+22.82%	41.75%	25	17	
1075 / 1075	6.65	7.75	6.67	-2.13	-24.20%	41.86%	43	10	
1080 / 1080	6.50	7.70	9.58	11.83	-525.78%	41.96%	40	24	
1090 / 1090	6.25	7.50	-5.03	-5.27	-2195.83%	42.19%	15	10	
1100 / 1100	5.85	7.20	6.60	3.76	+132.39%	42.41%	76	7	Pos.
1110 / 1110	5.55	6.90	14.15	5.75	+68.45%	42.65%	3	10	
1120 / 1120	5.10	6.50	7.31	5.31	+265.50%	42.91%	6	4	
1130 / 1130	4.65	6.15	-1.43	-4.08	-153.96%	43.17%	1	4	
1140 / 1140	3.15	7.25	1.15	5.90	-124.21%	43.26%	3	1	
1150 / 1150	2.95	5.90	4.45	5.10	-784.62%	43.80%	3	2	Pos.
1160 / 1160	1.25	6.75	6.40	0	0.00%	43.73%	N/A	1	

So, the magic of this fincom chart from March still lives:

Seasonality of

NVDA

Go

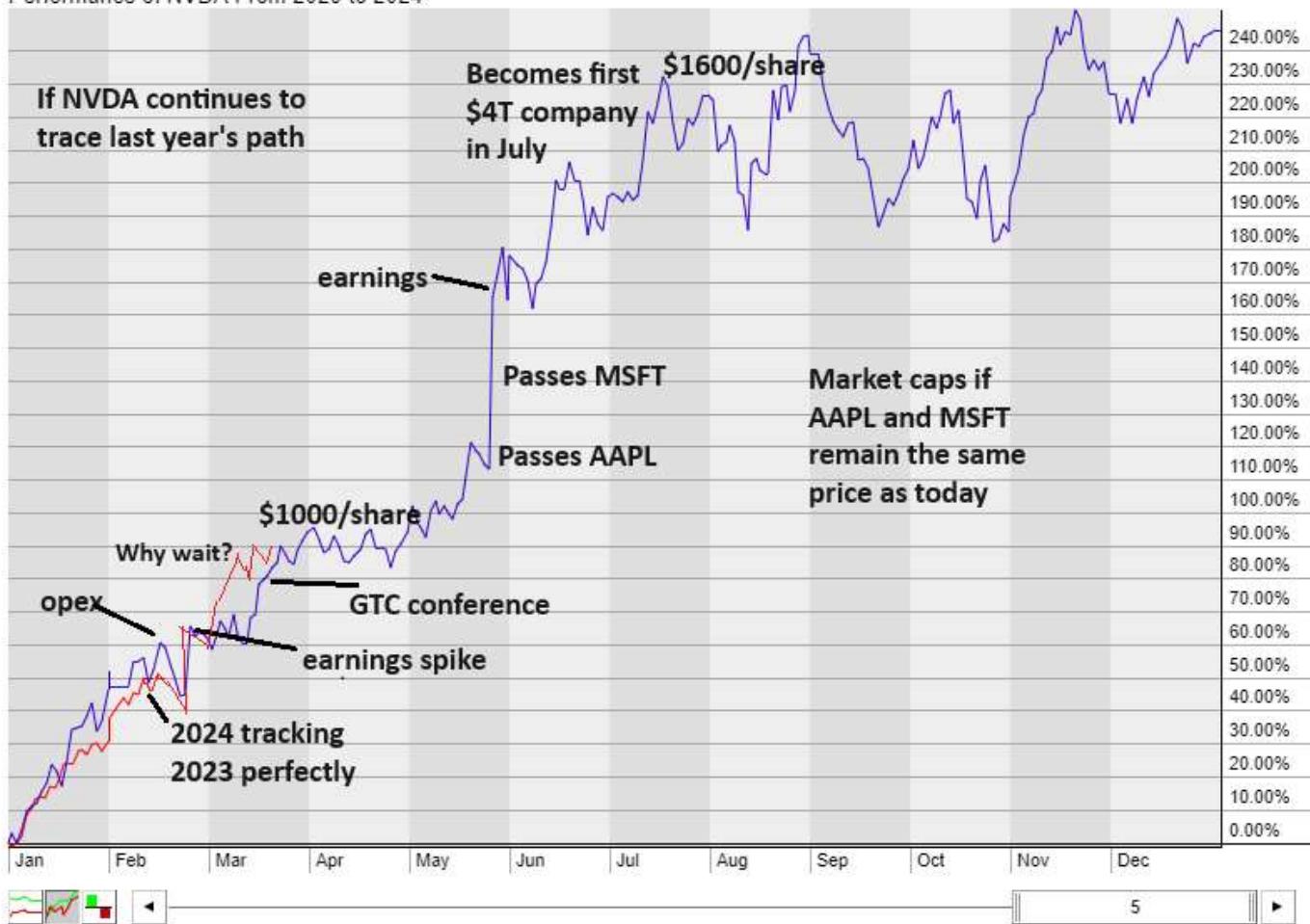
Compare to

Enter Symbol

Go

-2020 - 2021 - 2022 - 2023 - 2024

Performance of NVDA From 2020 to 2024



And, if you think about it, 10% of so from here, it passes AAPL (should AAPL stagnate of course):

## VOLATILITY ANALYTICS NEWSLETTER – JUNE 5TH

Filters: 2				Descriptive (2)	Fundamental	Technical	ETF	All (2)
Exchange	Any	Index	Any	Sector	Any	Industry	Any	
Market Cap.	+Large (over \$10bln)	Dividend Yield	Any	Float Short	Any	Analyst Recom.	Any	
Earnings Date	Any	Average Volume	Any	Relative Volume	Any	Current Volume	Any	
Price	Any	Target Price	Any	IPO Date	Any	Shares Outstanding	Any	
<a href="#">Overview</a>	<a href="#">Valuation</a>	<a href="#">Financial</a>	<a href="#">Ownership</a>	<a href="#">Performance</a>	<a href="#">Technical</a>	<a href="#">ETF</a>	<a href="#">ETF Perf</a>	<a href="#">Custom</a>
#1 / 806 Total				save as portfolio   create alert	Refresh: 3min   off			
No.	Ticker	Company	Sector	Industry	Country	Market Cap	P/E	
1	MSFT	Microsoft Corporation	Technology	Software - Infrastructure	USA	3209.20B	37.43	
2	AAPL	Apple Inc	Technology	Consumer Electronics	USA	2905.12B	29.46	
3	NVDA	NVIDIA Corp	Technology	Semiconductors	USA	2622.75B	61.37	
4	GOOG	Alphabet Inc	Communication Services	Internet Content & Information	USA	2197.13B	27.27	
5	GOOGL	Alphabet Inc	Communication Services	Internet Content & Information	USA	2177.23B	27.03	
6	AMZN	Amazon.com Inc.	Consumer Cyclical	Internet Retail	USA	1913.20B	51.63	
7	META	Meta Platforms Inc	Communication Services	Internet Content & Information	USA	1195.80B	27.00	

An event that I may trade next week would be MRVL earnings, and will post something on that topic after the holiday. Have a great long weekend everyone.

# NVDA Is Finally Here and Its Back is Sore

## A few trade scenarios

### VOLATILITY SUMMARY

I'll spare you any NVDA fundamental analysis; today's markets are much past that. It's option vol, ODTE short vol, first and last hour ODTE gamma, the opex cycle, incinerating cash on buybacks, CTAs, vol control funds, risk parity, Fed policy, Treasury twisting, debt spending.....anything but valuations. That old timey analysis and CFA church of finance stuff is dead. Just ask Einhorn.

So, free from the nonsense of wondering how much NVDA should be worth (imagine how much time is wasted on that) let's examine a few earnings vol trades.

Firstly, folks expect a big move tonight/tomorrow. But there is a very good chance it's not a move with the magnitude of three recent earnings releases:

Stock Price Performance - Last 12 Quarterly Earnings										
	Before Earnings (Not Including Day of Earnings)					Day of Earnings				
Date	2 Weeks	1 Week	3 Days	2 Days	1 Day	Earnings Move	Opening Gap	Open-to-High	Open-to-Low	Drift Open-to-Close
21-Feb-2024 AMC	-3.8%	-8.7%	-7.1%	-7.1%	-2.9%	+16.4%	+11.2%	+4.7%	-1.1%	+4.7%
21-Nov-2023 AMC	+8.7%	+0.6%	+0.9%	+1.3%	-0.9%	-2.5%	-0.2%	+0.9%	-4.4%	-2.3%
23-Aug-2023 AMC	+10.7%	+8.4%	+8.8%	+0.3%	+3.2%	+0.1%	+6.6%	+0.1%	-6.1%	-6.1%
24-May-2023 AMC	+5.7%	+1.2%	-2.3%	-2.1%	-0.5%	+24.4%	+26.1%	+2.5%	-4.9%	-1.4%
22-Feb-2023 AMC	-6.5%	-8.8%	-5.7%	-3.0%	+0.5%	+14.0%	+13.0%	+1.9%	-1.8%	+0.9%
16-Nov-2022 AMC	+20.4%	+15.5%	-2.6%	-2.4%	-4.5%	-1.5%	-1.3%	+3.6%	-1.1%	-0.2%
24-Aug-2022 AMC	-4.8%	-6.1%	-3.5%	+1.1%	+0.2%	+4.0%	-2.2%	+6.5%	-0.1%	+6.3%
25-May-2022 AMC	+2.1%	+0.2%	+1.7%	+0.5%	+5.1%	+5.2%	-5.6%	+12.9%	0.0%	+11.4%
16-Feb-2022 AMC	+5.0%	-0.7%	+10.7%	+9.3%	+0.1%	-7.6%	-3.4%	+0.7%	-5.6%	-4.3%
17-Nov-2021 AMC	+10.0%	-0.7%	-3.7%	-2.5%	-3.1%	+8.3%	+10.6%	+1.3%	-3.2%	-2.1%
18-Aug-2021 AMC	-6.1%	-3.4%	-5.7%	-4.6%	-2.2%	+4.0%	+2.4%	+5.1%	-3.8%	+1.5%
26-May-2021 AMC	+14.1%	+11.6%	+4.7%	+0.6%	+0.3%	-1.4%	0.0%	+0.3%	-1.5%	-1.4%
Simple Average Returns - Last 12 Earnings										
Avg Return	+4.6%	+0.8%	-0.3%	-0.7%	-0.4%	+5.3%	+4.8%	+3.4%	-2.8%	+0.6%
Pos Occurrences	67%	50%	42%	50%	50%	67%	50%			42%
Neg Occurrences	33%	50%	58%	50%	50%	33%	42%			58%
Absolute Average Returns - Last 12 Earnings										
Abs Avg Return	± 8.2%	± 5.5%	± 4.8%	± 2.9%	± 2.0%	± 7.4%	± 6.9%	± 3.4%	± 2.8%	± 3.5%

The 8% implied move is around the absolute average return of the last 12 earnings releases, which is seems reasonable. But, there have been more duds than upside uber-spike surprises in recent times as you can see above.

## VOLATILITY ANALYTICS NEWSLETTER – JUNE 5TH

And a big hidden story of this particular NVDA spike party pregame-palooza is how it has carried SMH stocks significantly higher going in:

The screenshot shows a software interface for stock analysis. At the top, there are several dropdown menus and filters. The 'Stock Ideas' dropdown is highlighted with a yellow box and contains the text 'SMH - Semiconductors'. Below this, there are filters for 'Shares Outstanding', 'Share Float', and two dropdowns both set to '-Any-'.

Below the header, there's a navigation bar with tabs: 'Summary', 'Price Performance' (which is selected and highlighted in blue), 'Technical', 'Options', 'Security Info', and 'Dividends'. There's also a 'Download' button.

The main area displays a table of 25 stock entries, each with a small icon next to the symbol. The columns represent various time periods: Price, % Chg, 2 Day, 3 Day, 4 Day, 5 Day, 6 Day, 7 Day, and 2 Week. The table shows significant price movements for many stocks, particularly in the 2 Day, 3 Day, and 4 Day columns.

Symbol	Price	% Chg	2 Day	3 Day	4 Day	5 Day	6 Day	7 Day	2 Week
NVDA	947.67	-0.6%	0.0%	+2.5%	+0.4%	+0.1%	+3.7%	+4.8%	+4.7%
TSM	156.35	+1.7%	+1.8%	+3.1%	+2.7%	+0.5%	+2.9%	+6.8%	+10.8%
AVGO	1397.45	-0.1%	-1.2%	+0.2%	-1.0%	-2.7%	+1.3%	+4.5%	+7.2%
ASML	928.93	+0.4%	-1.1%	+0.4%	+1.0%	-0.9%	+1.5%	+1.3%	+2.3%
AMD	167.46	+1.7%	+0.7%	+1.8%	+3.0%	+4.9%	+9.3%	+11.2%	+8.4%
QCOM	202.59	+0.9%	+2.4%	+4.5%	+4.8%	+4.1%	+7.2%	+10.0%	+12.5%
TXN	203.20	+2.1%	+2.0%	+4.2%	+4.2%	+3.9%	+6.3%	+8.2%	+11.2%
AMAT	219.79	+0.2%	-0.1%	+3.6%	+2.7%	+1.1%	+4.8%	+6.4%	+6.0%
MU	127.29	-0.2%	-1.3%	+1.6%	-0.5%	-0.4%	+2.0%	+3.5%	+6.8%
INTC	32.00	+0.8%	-0.3%	+0.5%	-0.1%	+2.3%	+3.1%	+4.9%	+4.3%
LRCX	965.53	+0.2%	+2.5%	+5.9%	+2.4%	+1.9%	+5.8%	+6.8%	+5.5%
ADI	231.90	+7.0%	+6.6%	+8.3%	+8.3%	+7.5%	+9.4%	+11.3%	+13.9%
KLAC	770.16	+0.7%	-0.3%	+3.0%	+2.8%	+1.4%	+5.5%	+8.1%	+8.0%
SNPS	578.86	+1.3%	+0.8%	+2.1%	+1.7%	-0.2%	+3.4%	+3.9%	+5.3%
CDNS	294.17	+1.4%	+0.6%	+1.9%	+1.8%	+0.4%	+3.8%	+3.4%	+3.6%
NXPI	278.07	+1.3%	+1.6%	+3.9%	+3.1%	+2.2%	+3.9%	+5.4%	+7.5%
MRVL	73.82	+0.7%	-0.9%	+2.6%	+1.0%	+5.2%	+8.5%	+7.0%	+7.5%
MCHP	98.03	+2.4%	+2.1%	+3.9%	+4.0%	+2.8%	+4.4%	+5.9%	+7.0%
STM	41.73	+1.9%	-0.7%	+0.2%	-0.5%	-2.6%	-0.3%	+3.0%	+2.6%
MPWR	761.11	+0.6%	+0.7%	+4.3%	+4.5%	+2.7%	+6.6%	+8.3%	+8.4%
ON	74.97	+2.9%	+0.9%	+2.5%	+2.7%	+0.3%	+2.7%	+3.7%	+5.9%
TER	141.15	+0.6%	+1.3%	+7.0%	+7.4%	+7.0%	+11.1%	+13.1%	+16.7%
SWKS	93.63	+1.3%	-0.4%	+0.7%	-0.5%	-0.8%	-0.8%	-0.3%	+1.9%
QRVO	99.26	+1.3%	+0.6%	+0.8%	-0.2%	-0.6%	+0.2%	+0.9%	+2.6%
OLED	178.23	+1.8%	+1.5%	+2.9%	+2.6%	+1.6%	+1.9%	+3.0%	+1.7%

So, a few trade scenarios:

SMH fade post NVDA put calendar/diagonal spreads:

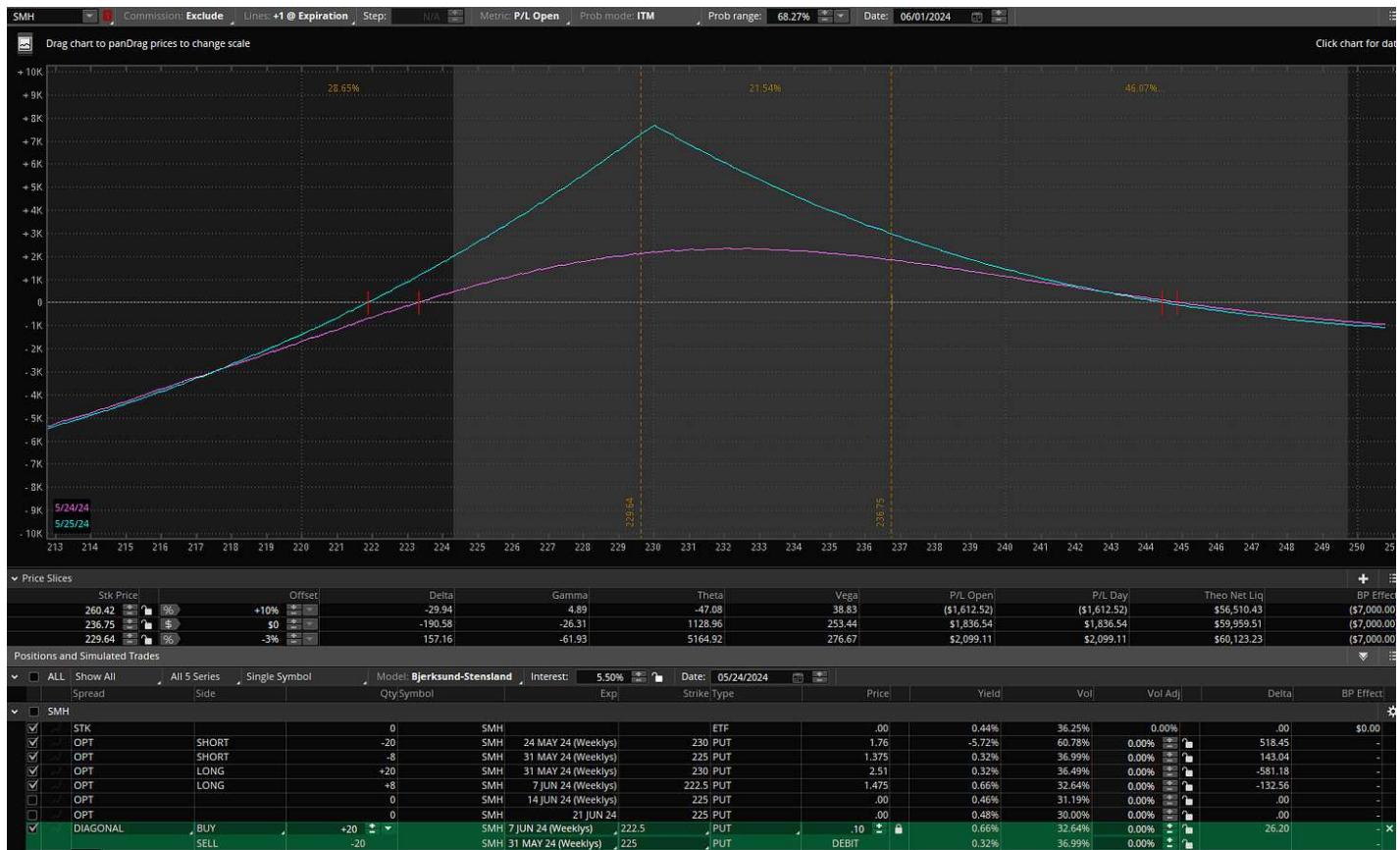
May 24th/May 31st \$230 put calendar spread

Debit: .75 (filled)

## VOLATILITY ANALYTICS NEWSLETTER – JUNE 5TH

May 31st/June 7th 225/222.5 put diagonal spread

Debit: .10 (partial fill) - .12



Sure, we haven't had a down day in May, and these stocks have outperformed, but you could have some post NVDA rebalance out of these names into end of month. A reason to avoid this, a repeat of last May:

## VOLATILITY ANALYTICS NEWSLETTER – JUNE 5TH

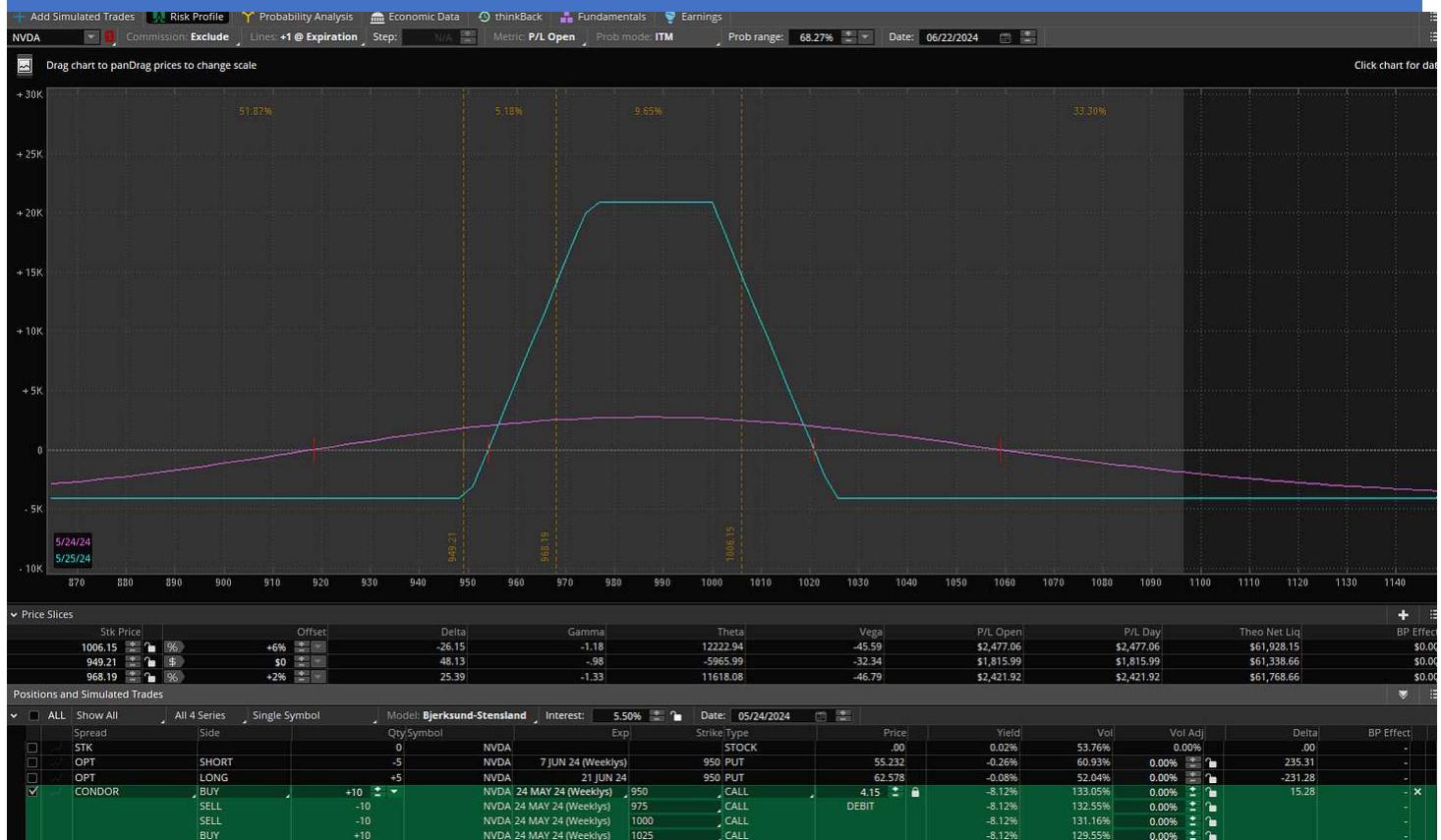


NVDA earnings spike of 2-7%:

Buy May 24th 950/975/1000/1025 call condor

Debit: \$4.15-4.30

VOLATILITY ANALYTICS NEWSLETTER – JUNE 5TH



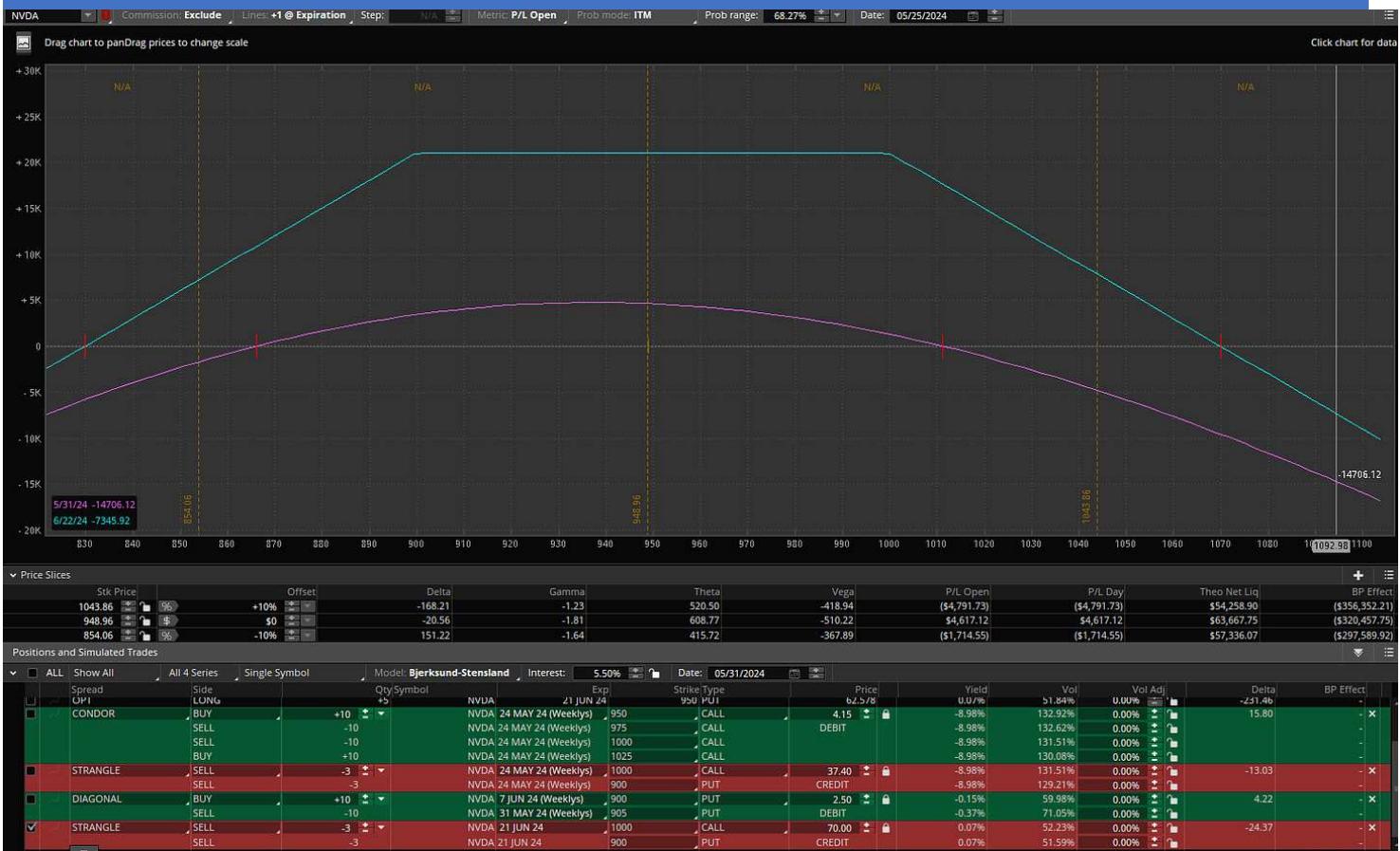
If you expect +15% again, avoid this. But it's reasonable to imagine a large supply of calls at \$1000 providing resistance.

NVDA going nowhere fast for a while, short June strangle

## Sell \$900/\$1000 June 21st strangle

Net credit: \$70

VOLATILITY ANALYTICS NEWSLETTER – JUNE 5TH



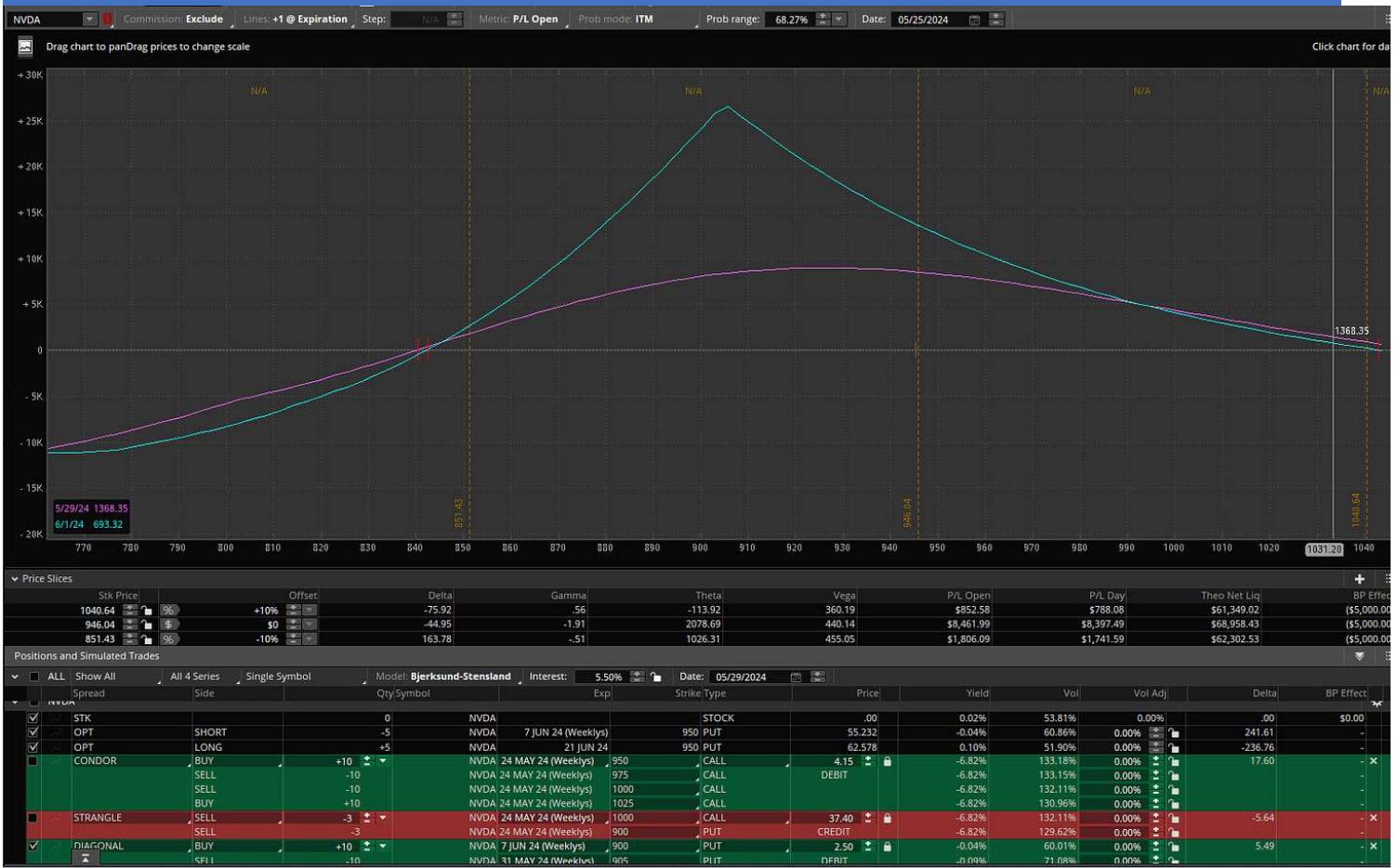
This gives you more than +-12% and will bleed with speed if NVDA goes nowhere post earnings.

NVDA -3-6% fade into end of month/post earnings:

Long NVDA put 905/900 diagonal spread May31st/June 7th

Net debit: \$2.50

## VOLATILITY ANALYTICS NEWSLETTER – JUNE 5TH



You would imagine this stock is nearly impervious to a real drop; folks have been buyers of every dip for some time and it's a gamma option target for round strikes seemingly every Thursday.

The interesting thing about these trades is that they all can work together. The call condor for the spike, the NVDA/SMH hangover fade a bit later on, and the vol drain if it is inside the expected move.

# Unclench May Be NVDA

## Vixpiration arrives with NVDA Earnings

### VOLATILITY SUMMARY

With chip stocks like AMD rallying off invites to the NVDA spike party next Wednesday, that sort of watershed market moment will arrive with another event receiving no fanfare. In the meantime, the pregame cocktails at the SMH lounge are flowing heavily:

Filters: 3		Descriptive (3)		Fundamental		Technical		ETF		All (3)		Industry		Country		Any			
Exchange	Any	Index	Any	Sector	Any	Float Short	Any	Relative Volume	Any	IPO Date	Any	Shares Outstanding	Any	Analyst Recom.	Any	Current Volume	Any	Trades	Elite 0
Market Cap.	+Large (over \$10bln)	Dividend Yield	Any	Float Short	Any	Relative Volume	Any	IPO Date	Any	Shares Outstanding	Any	Analyst Recom.	Any	Current Volume	Any	Option/Short	Option		
Earnings Date	Any	Average Volume	Any	Relative Volume	Any	IPO Date	Any	Shares Outstanding	Any	Analyst Recom.	Any	Current Volume	Any	Option/Short	Option	Trades	Elite 0		
Price	Any	Target Price	Any	IPO Date	Any	Shares Outstanding	Any	Analyst Recom.	Any	Current Volume	Any	Option/Short	Any	Trades	Elite 0 <th>Float</th> <td>Any</td>	Float	Any		
Overview	Valuation	Financial	Ownership	Performance	Technical	ETF	ETF Perf	Custom	Charts	Tickers	Basic	TA	News	Snapshot	Maps				
#1 / 21 Total																			
save as portfolio   create alert   Timeframe: Intraday   Daily   Refresh: 3min   off																			
No.	Ticker	Perf Week	Perf Month	Perf Quart	Perf Half	Perf Year	Perf YTD	Volatility W	Volatility M	Recom	Avg Volume	Rel Volume	Price	Change					
1	NVDA	7.00%	13.00%	30.69%	91.24%	225.06%	91.75%	3.01%	4.30%	1.35	51.29M	0.69	949.60	0.35%					
2	TSM	8.10%	11.02%	19.62%	56.05%	79.73%	48.41%	2.31%	2.91%	1.37	15.41M	0.66	154.35	-0.79%					
3	AVGO	10.03%	12.01%	13.56%	47.66%	123.97%	28.70%	3.02%	3.31%	1.63	2.87M	0.73	1436.66	0.03%					
4	AMD	9.49%	8.33%	-5.60%	39.18%	64.42%	13.19%	2.80%	3.61%	1.50	61.52M	1.46	166.85	4.50%					
5	QCOM	8.26%	18.95%	25.31%	53.47%	88.32%	35.14%	1.87%	2.45%	1.95	8.15M	0.57	195.46	0.44%					
6	TXN	5.64%	18.14%	21.81%	30.57%	19.82%	14.85%	1.44%	2.01%	2.75	5.43M	0.61	195.76	0.12%					
7	MU	9.75%	11.15%	58.40%	67.55%	102.89%	51.51%	2.18%	3.26%	1.54	22.95M	0.62	129.30	1.17%					
8	INTC	5.80%	-10.78%	-27.73%	-19.22%	8.95%	-36.65%	2.26%	2.31%	2.72	50.05M	0.67	31.83	1.81%					
9	ARM	10.98%	6.88%	-14.00%	115.16%	-	52.99%	5.47%	6.01%	2.09	11.50M	0.68	114.96	1.14%					
10	ADI	5.03%	13.55%	14.69%	21.12%	17.67%	8.32%	1.43%	2.03%	1.91	3.29M	0.42	215.09	-0.31%					
11	NXPI	4.69%	20.32%	16.44%	40.09%	64.58%	18.87%	1.54%	2.53%	2.06	2.28M	0.28	273.03	0.38%					
12	MRVL	8.33%	10.29%	8.72%	28.56%	75.95%	21.57%	2.55%	3.17%	1.36	13.40M	0.95	73.32	4.52%					
13	MCHP	-4.04%	11.88%	15.36%	17.10%	28.53%	5.54%	1.52%	2.68%	1.79	5.31M	0.53	95.18	-0.19%					
14	STM	4.53%	4.50%	-6.99%	-3.65%	-0.81%	-15.93%	1.54%	1.93%	1.88	3.34M	0.55	42.15	-1.65%					
15	MPWR	4.39%	15.90%	0.65%	38.03%	83.61%	17.17%	2.29%	3.57%	1.73	527.53K	0.23	739.11	-0.30%					
16	ON	3.73%	14.65%	-8.32%	5.65%	-10.99%	-11.51%	2.50%	3.36%	1.97	6.66M	0.43	73.92	-1.10%					
17	GFS	5.22%	14.64%	-0.07%	-2.68%	0.12%	-10.41%	2.78%	2.75%	2.11	1.47M	0.41	54.29	-0.33%					
18	ASX	3.31%	0.10%	10.07%	24.71%	51.65%	12.65%	1.64%	2.26%	1.85	5.99M	0.37	10.60	-1.21%					
19	UMC	2.67%	7.40%	4.51%	6.28%	3.32%	-3.64%	1.27%	2.10%	2.00	7.78M	0.39	8.15	-0.47%					
20	SWKS	2.97%	-3.53%	-10.02%	2.30%	-1.49%	-15.50%	1.66%	2.32%	2.71	2.50M	0.43	94.99	0.64%					

Lest we forget, vixpiration is next Wednesday and what is different about it this month is that it arrives post OPEX, a situation that happens four times per year when the OPEX cycle is five weeks instead of four:

**Cboe® 2024 OPTIONS EXPIRATION CALENDAR**

I frequently write about vixpiration and the often out of the blue change in market behavior:

# What Is it About Wobbly Wednesdays?

# SCOTT MURRAY

APR 4

## VOLATILITY ANALYTICS NEWSLETTER – JUNE 5TH



Back in December, you may recall a sleepy Wednesday afternoon after quarterly opex... Twas vixpiration and the stockings were full of NVDA/AMD/META leap calls when out of nowhere while folks were already 3 nogs in, this happened: The ‘wha happened’ fincom, being a reference to the great

[Read full story](#)

So, when unclench comes it might be more interesting than usual. You recall, with the market under pressure in April, I expected and unclench up and that occurred, so the question is, will unclench come Tuesday, Wednesday or Thursday. (Not at all is a possibility, but as an RVol enthusiast, those thoughts can reside with negative swing thoughts, not in the front of brain please.)

Thus, a couple unclench trade ideas.

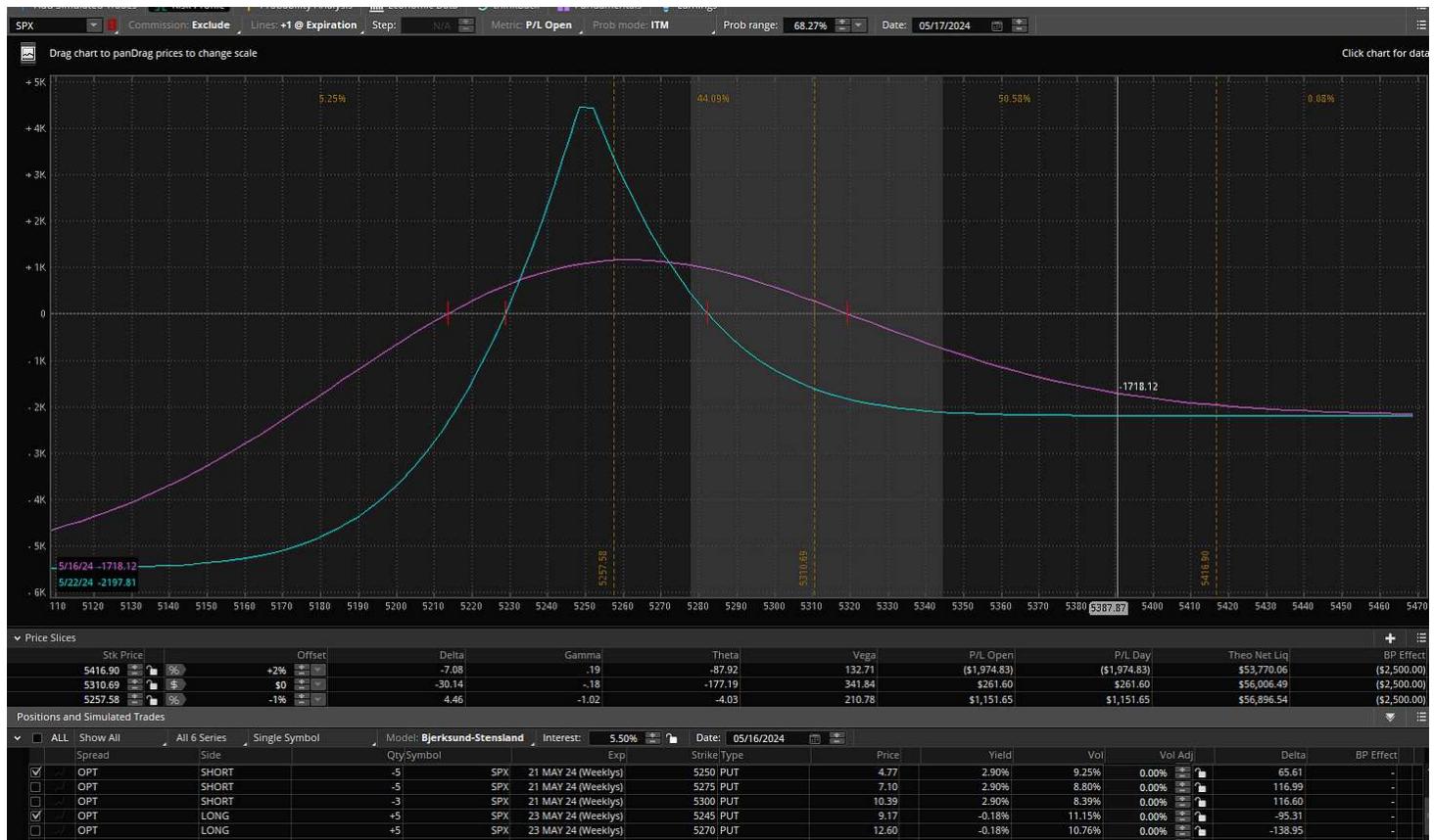
SPX Put diagonal spread

Sell May 21st put

## VOLATILITY ANALYTICS NEWSLETTER – JUNE 5TH

Buy May 23rd put

Net debit, 4.35 (filled) - 4.55



Short Tuesday and long Thursday captures vixpiration and NVDA earnings vol, precisely what I'm looking for. Target, \$10

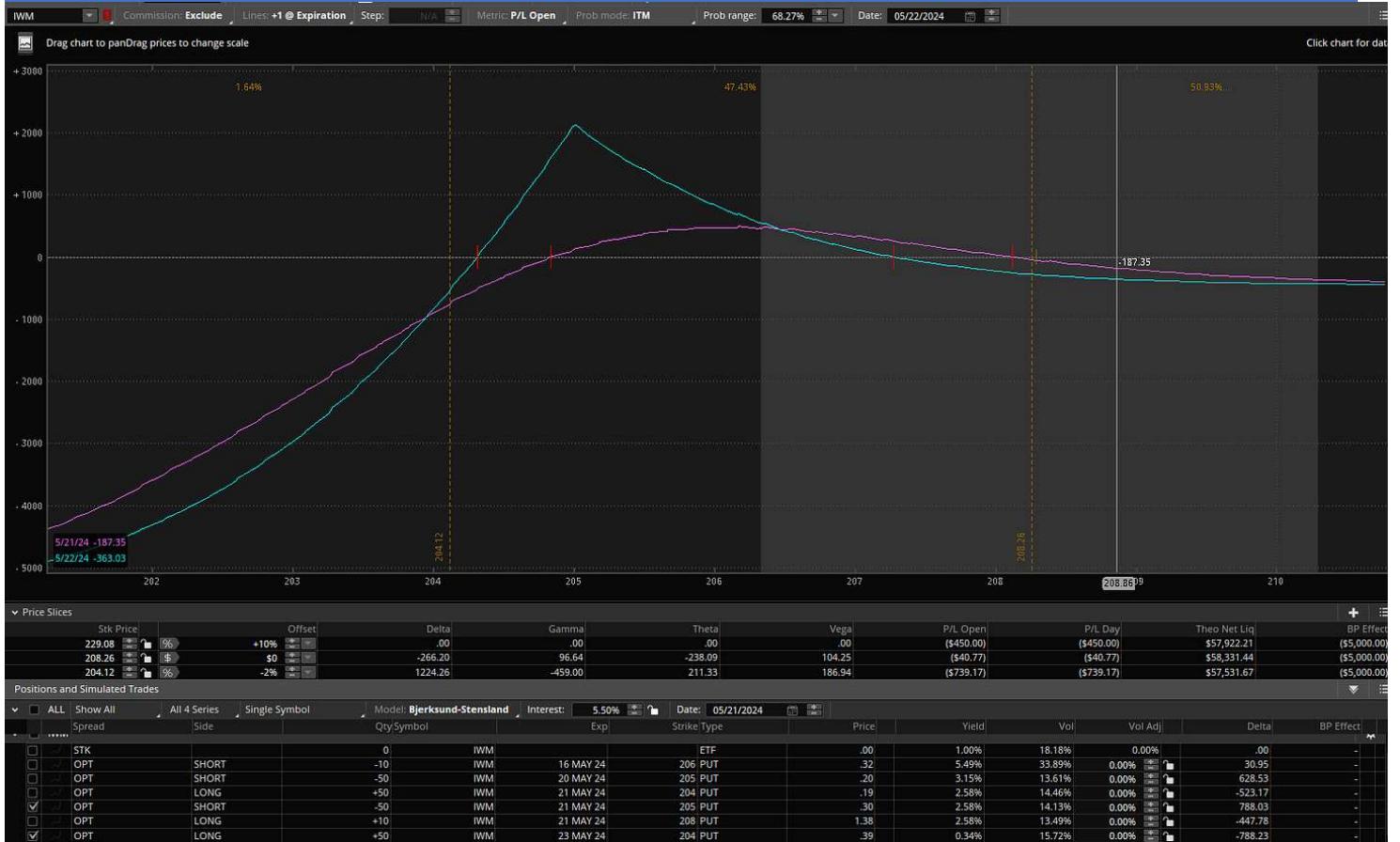
IWM put diagonal spread

Sell May 21st \$205 put

Buy May 23rd \$204 put

Net debit: .09 (filled) - Target, .30

## VOLATILITY ANALYTICS NEWSLETTER – JUNE 5TH



Same premise, 9 cents for two days is quite a deal. Now, you can do 20/21, 21/22, 22/23 for credits, and I've started some of those as well:

## VOLATILITY ANALYTICS NEWSLETTER – JUNE 5TH

Strike	PUTS							
	Bid X	Ask X	Last X	Net Chng	%Change	Impl Vol	Volume	Open.Int
205 / 204								26.85% ( $\pm 0.771$ )
206 / 205								19.39% ( $\pm 1.775$ )
207 / 206	-.12	-.09	-.12	-.05	+71.43%	13.31%	65	412
208 / 207	-.22	-.18	-.25	-.05	+25.00%	13.10%	36	200
209 / 208	-.36	-.30	-.26	-.04	+18.18%	12.99%	158	122
210 / 209	-.52	-.43	-.32	-.06	+23.08%	12.89%	14	75
211 / 210	-.72	-.58	-.68	-.32	+88.89%	12.92%	5	36
212 / 211	-.87	-.70	-.30	.51	-62.96%	13.11%	6	25
205 / 204								14.38% ( $\pm 2.826$ )
206 / 205								137 [Post]
207 / 206	-.13	-.10	-.09	-.06	+200.00%	14.13%	36	94
208 / 207	-.22	-.18	-.20	.02	-9.09%	14.01%	84	122 [Post]
209 / 208	-.34	-.28	-.32	-.06	+23.08%	13.94%	112	75
210 / 209	-.48	-.38	-.18	.18	-50.00%	13.82%	5	66
211 / 210	-.64	-.50	-.68	-.69	-6900.00%	13.81%	4	25
212 / 211	-.78	-.63	-.31	0	0.00%	13.98%	N/A	19
205 / 204								15.38% ( $\pm 3.306$ )
206 / 205								67 289
207 / 206	-.13	-.10	-.22	-.15	+214.29%	14.91%	84	245
208 / 207	-.29	-.24	-.31	-.28	+933.33%	14.82%	71	154
209 / 208	-.40	-.33	-.20	.03	-13.04%	14.73%	38	66
210 / 209	-.53	-.43	-.56	.18	-24.32%	14.66%	4	27
211 / 210	-.66	-.53	-.29	.51	-63.75%	14.69%	N/A	12
212 / 211	-.79	-.62	0	0	N/A	14.70%	N/A	0

The risk with these is the market blowing past the long strike, in which case it becomes painful, but that would take -2%+ from spot price today. Ideally, if we get a 1-2% drop and implied vol rises then you can turn a credit into .20.

# NVDA Spike Party Invites Sent

**Call flies and chill this summer?**

## VOLATILITY SUMMARY

Look at how organized folks were in buying SMCI today, aren't you impressed by managers/traders as synchronized swimmers:



We know the deal. (It's the OPEX stupid.) And it's time for the world's most important company to welcome you to the quarterly super soiree known as NVDA's earnings spike party. And SMCI and most things SMH are invited.

This one will be particularly interesting; remember this chart, one that I started months ago:

Seasonality of

NVDA

Go

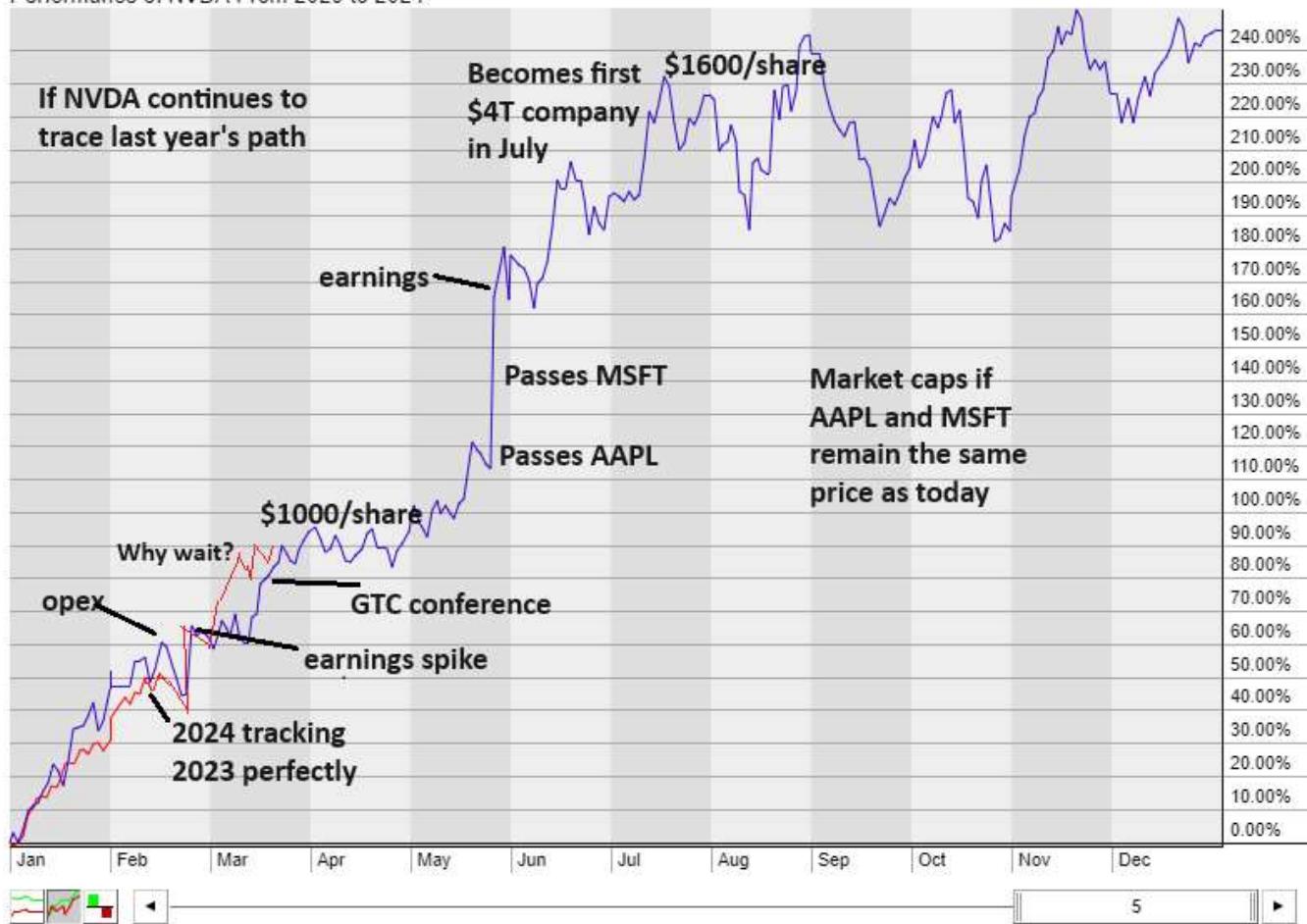
Compare to

Enter Symbol

Go

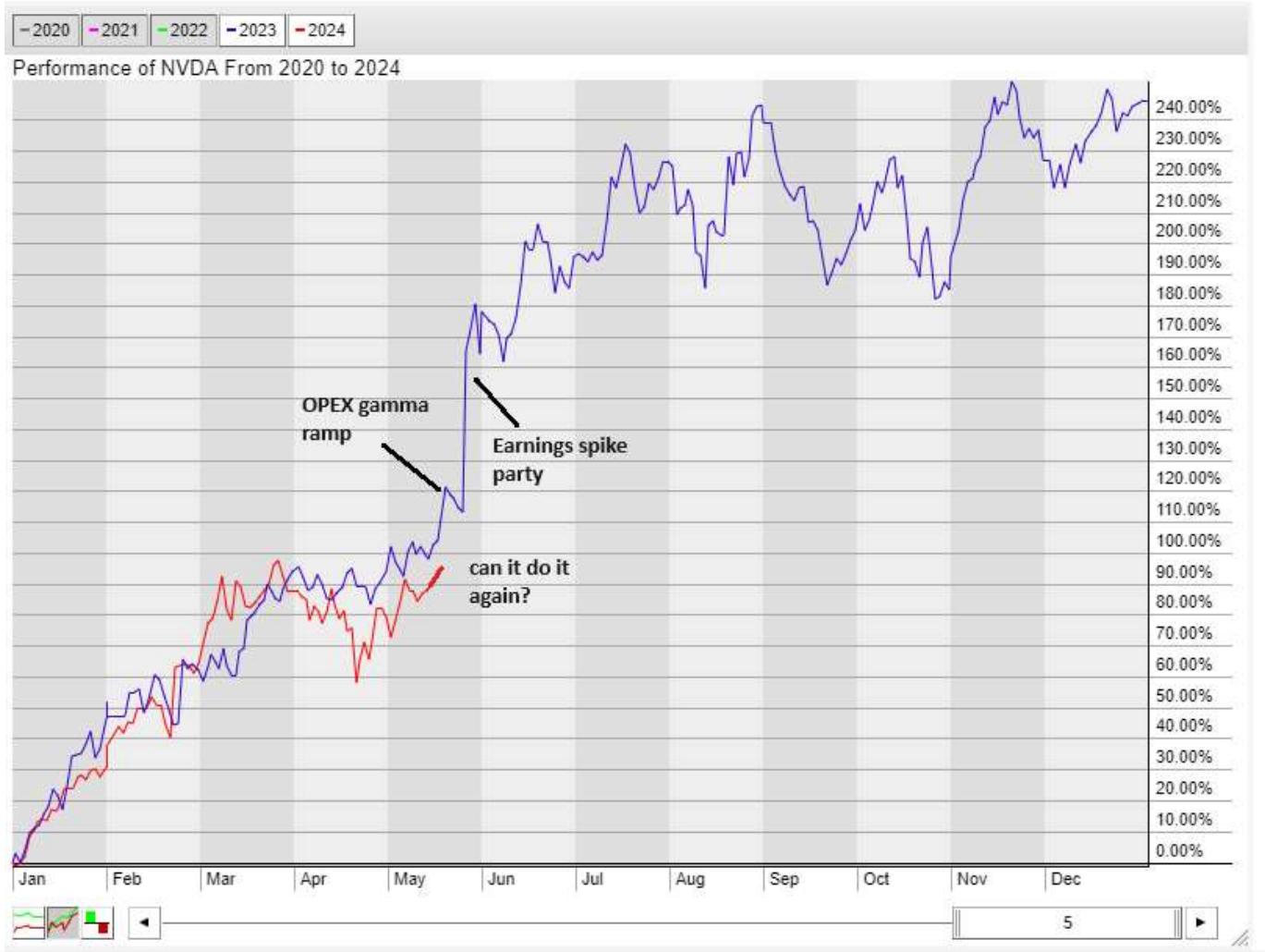
- 2020 | - 2021 | - 2022 | - 2023 | - 2024

Performance of NVDA From 2020 to 2024



Well, it's time to find out as that analog is still on track, but it has awfully big shoes to fill:

## VOLATILITY ANALYTICS NEWSLETTER – JUNE 5TH



It obviously doesn't make much sense for this outcome to repeat due to the sheer market cap involved, but it will be quite entertaining nonetheless.

But, looking at SMH, it clearly has an impact on most things semi, as you can see here, keep in mind, NVDA is 20% of this ETF:

## VOLATILITY ANALYTICS NEWSLETTER – JUNE 5TH



But as you can see, SMH companies screen amazingly well in May:

## VOLATILITY ANALYTICS NEWSLETTER – JUNE 5TH

▼ Close Filters ▲ Clear

Descriptive				Statistics					
In My Watchlist	-Not Selected-	Earnings Date	-Any-	Years of Obs	Above 5	Avg Stock Volume	-Any-		
Market Cap	Over \$10 Billion	Earnings Confirmed?	-Any-	% Positive Obs	Above 70%	Avg Option Volume	-Any-		
In ETF	SMH - Semiconductors	Sector	-Any-	% Negative Obs	-Any-	Return Std Dev	-Any-		
Calendar Month	May	Industry	-Any-	Avg Return	-Any-	Sharpe Ratio	-Any-		
Stock Type	-Any-			Median Return	-Any-				

Load Existing:  Reload Preset Save Changes Delete Filter ► Save New Preset

Search:

Seasonal Period			Frequency of Returns			Returns by Calendar Month					Magnitude of Returns By Calendar Month		
Symbol	Calendar Month	Yrs of Obs	% Positive Obs	% Negative Obs	Average	Median	Best	Worst	Std Dev	Sharpe Ratio	Absolute Avg	Absolute Max	Absolute Min
NVDA	May	10	80%	20%	+12.6%	+10.2%	38.4%	-25.2%	20%	0.64	17.7%	38.4%	0.3%
MVRV	May	10	70%	30%	+9.1%	+4.7%	48.2%	-10.9%	16%	0.55	11.6%	48.2%	0.1%
AVGO	May	10	90%	10%	+8.6%	+7.8%	29.0%	-21.0%	14%	0.63	12.8%	29.0%	3.5%
AMAT	May	10	90%	10%	+7.1%	+6.1%	19.3%	-12.2%	9%	0.77	9.6%	19.3%	1.7%
SNPS	May	10	90%	10%	+7.0%	+4.7%	22.5%	-3.8%	8%	0.91	7.8%	22.5%	1.6%
LRCK	May	10	90%	10%	+6.5%	+7.4%	17.7%	-15.8%	9%	0.75	9.6%	17.7%	4.7%
NXPI	May	10	80%	20%	+5.5%	+9.0%	16.8%	-16.5%	9%	0.58	9.5%	16.8%	3.5%
MU	May	10	70%	30%	+5.3%	+7.1%	25.3%	-22.5%	13%	0.41	10.4%	25.3%	0.0%
TER	May	10	90%	10%	+5.1%	+5.3%	16.5%	-14.0%	9%	0.59	7.9%	16.5%	0.7%
ON	May	10	80%	20%	+4.9%	+6.2%	16.4%	-23.0%	13%	0.39	11.0%	23.0%	2.7%
CNS	May	10	80%	20%	+4.7%	+6.4%	12.5%	-8.4%	6%	0.73	7.1%	12.5%	1.9%
MCHP	May	10	90%	10%	+4.5%	+5.4%	16.4%	-19.9%	10%	0.46	8.4%	19.9%	0.1%
KLAC	May	10	90%	10%	+4.3%	+5.1%	14.6%	-19.1%	10%	0.44	8.1%	19.1%	0.5%
ASML	May	7	85%	14%	+4.3%	+4.4%	14.2%	-9.9%	8%	0.51	7.1%	14.2%	0.1%
ADI	May	10	80%	20%	+4.1%	+5.7%	12.5%	-16.9%	9%	0.48	7.7%	16.9%	1.2%
MPWR	May	10	80%	20%	+3.6%	+6.0%	14.8%	-25.2%	11%	0.32	9.7%	25.2%	4.9%
TXN	May	10	90%	10%	+3.2%	+3.9%	10.3%	-11.5%	6%	0.57	5.5%	11.5%	3.1%
TSM	May	10	70%	30%	+1.6%	+1.5%	17.0%	-12.5%	8%	0.21	5.3%	17.0%	0.5%
INTC	May	10	70%	30%	+1.3%	+2.1%	6.9%	-13.7%	6%	0.22	4.2%	13.7%	0.1%
STM	May	10	70%	30%	+1.3%	+2.2%	9.8%	-18.0%	8%	0.16	5.8%	18.0%	0.1%
QCOM	May	10	70%	30%	+1.1%	+2.5%	13.9%	-22.4%	10%	0.11	6.8%	22.4%	2.2%

Showing 1 to 21 of 21 entries (filtered from 124,489 total entries)

Previous  Next

As well as in July:

▼ Close Filters ▲ Clear

Descriptive				Statistics					
In My Watchlist	-Not Selected-	Earnings Date	-Any-	Years of Obs	Above 5	Avg Stock Volume	-Any-		
Market Cap	Over \$10 Billion	Earnings Confirmed?	-Any-	% Positive Obs	Above 70%	Avg Option Volume	-Any-		
In ETF	SMH - Semiconductors	Sector	-Any-	% Negative Obs	-Any-	Return Std Dev	-Any-		
Calendar Month	Jul	Industry	-Any-	Avg Return	-Any-	Sharpe Ratio	-Any-		
Stock Type	-Any-			Median Return	-Any-				

Load Existing:  Reload Preset Save Changes Delete Filter ► Save New Preset

Search:

Seasonal Period			Frequency of Returns			Returns by Calendar Month					Magnitude of Returns By Calendar Month		
Symbol	Calendar Month	Yrs of Obs	% Positive Obs	% Negative Obs	Average	Median	Best	Worst	Std Dev	Sharpe Ratio	Absolute Avg	Absolute Max	Absolute Min
AMD	Jul	10	80%	20%	+12.3%	+11.1%	47.2%	-19.6%	20%	0.62	17.6%	47.2%	0.3%
LRCK	Jul	10	80%	20%	+8.3%	+10.7%	17.4%	-5.5%	8%	1.09	9.8%	17.4%	2.0%
ASML	Jul	7	71%	29%	+8.2%	+8.1%	20.7%	-3.9%	9%	0.94	9.6%	20.7%	1.2%
MPWR	Jul	10	80%	20%	+7.7%	+6.3%	21.0%	-2.6%	8%	0.95	8.4%	21.0%	0.7%
STM	Jul	10	70%	30%	+7.4%	+5.5%	24.3%	-7.3%	11%	0.68	10.2%	24.3%	1.9%
NVDA	Jul	10	70%	30%	+7.3%	+6.9%	21.5%	-5.6%	9%	0.79	9.1%	21.5%	0.8%
QCOM	Jul	10	70%	30%	+6.5%	+7.9%	16.8%	-5.9%	9%	0.72	9.3%	16.8%	2.8%
CNS	Jul	10	70%	30%	+6.4%	+5.5%	24.0%	-3.8%	8%	0.77	7.4%	24.0%	0.2%
KLAC	Jul	10	80%	20%	+6.4%	+4.7%	20.2%	-5.6%	8%	0.78	7.8%	20.2%	1.2%
ON	Jul	10	70%	30%	+6.3%	+5.2%	32.7%	-9.2%	12%	0.53	9.6%	32.7%	0.8%
SWKS	Jul	10	70%	30%	+5.3%	+6.2%	17.5%	-8.1%	8%	0.65	8.1%	17.5%	2.1%
TER	Jul	10	70%	30%	+5.2%	+3.4%	16.3%	-7.0%	9%	0.61	7.7%	16.3%	0.2%
SNPS	Jul	10	90%	10%	+4.2%	+3.5%	21.0%	-2.7%	6%	0.65	4.7%	21.0%	0.1%
AMAT	Jul	10	70%	30%	+4.1%	+5.9%	16.5%	-9.7%	8%	0.51	7.8%	16.5%	1.7%
NXPI	Jul	10	70%	30%	+3.1%	+1.9%	24.2%	-12.7%	10%	0.31	7.0%	24.2%	0.3%
AVGO	Jul	10	70%	30%	+0.9%	+1.3%	10.2%	-8.6%	6%	0.15	4.5%	10.2%	0.4%

Showing 1 to 16 of 16 entries (filtered from 124,489 total entries)

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## VOLATILITY ANALYTICS NEWSLETTER – JUNE 5TH

And why stop there, since the spike party pregaming which began today seems to usher in the [obligatory summer rally](#), looking at QQQ, all the who's who companies screen quite well in July:

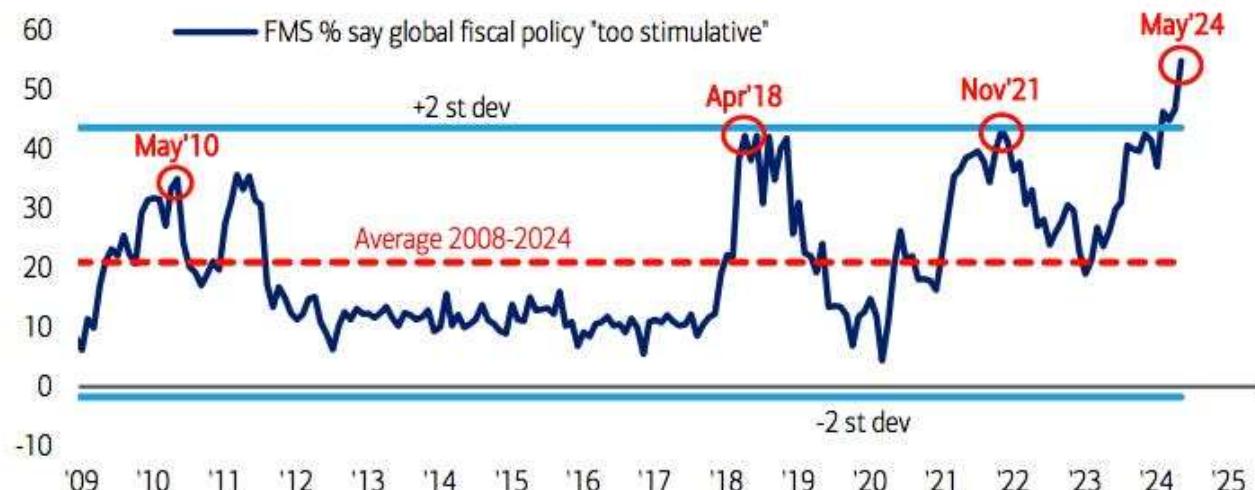
In My Watchlist	-Not Selected-	Earnings Date	-Any-	Years of Obs	Above 5	Avg Stock Volume	-Any-																																																																																																																																																																																																																																																																																																																																																																																	
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<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="2">Seasonal Period</th> <th colspan="2">Frequency of Returns</th> <th colspan="5">Returns by Calendar Month</th> <th colspan="3">Magnitude of Returns By Calendar Month</th> </tr> <tr> <th>Symbol</th> <th>Calendar Month</th> <th>Yrs of Obs</th> <th>% Positive Obs</th> <th>% Negative Obs</th> <th>Average</th> <th>Median</th> <th>Best</th> <th>Worst</th> <th>Std Dev</th> <th>Sharpe Ratio</th> <th>Absolute Avg</th> <th>Absolute Max</th> <th>Absolute Min</th> </tr> </thead> <tbody> <tr><td>AMD</td><td>Jul</td><td>10</td><td>80%</td><td>20%</td><td>+12.3%</td><td>+11.1%</td><td>47.2%</td><td>-19.6%</td><td>20%</td><td>0.62</td><td>17.6%</td><td>47.2%</td><td>0.3%</td></tr> <tr><td>LRCX</td><td>Jul</td><td>10</td><td>80%</td><td>20%</td><td>+8.3%</td><td>+10.7%</td><td>17.4%</td><td>-5.5%</td><td>8%</td><td>1.09</td><td>9.8%</td><td>17.4%</td><td>2.0%</td></tr> <tr><td>GOOGL</td><td>Jul</td><td>10</td><td>90%</td><td>10%</td><td>+8.9%</td><td>+9.5%</td><td>21.8%</td><td>-0.9%</td><td>6%</td><td>1.40</td><td>9.1%</td><td>21.8%</td><td>0.9%</td></tr> <tr><td>GOOG</td><td>Jul</td><td>10</td><td>90%</td><td>10%</td><td>+8.4%</td><td>+8.5%</td><td>20.2%</td><td>-0.6%</td><td>6%</td><td>1.46</td><td>8.5%</td><td>20.2%</td><td>0.6%</td></tr> <tr><td>HETA</td><td>Jul</td><td>10</td><td>80%</td><td>20%</td><td>+5.1%</td><td>+8.2%</td><td>12.1%</td><td>-11.2%</td><td>7%</td><td>0.69</td><td>7.6%</td><td>12.1%</td><td>0.6%</td></tr> <tr><td>ASML</td><td>Jul</td><td>7</td><td>71%</td><td>29%</td><td>+8.2%</td><td>+8.1%</td><td>20.7%</td><td>-3.9%</td><td>9%</td><td>0.94</td><td>9.6%</td><td>20.7%</td><td>1.2%</td></tr> <tr><td>QCOM</td><td>Jul</td><td>10</td><td>70%</td><td>30%</td><td>+6.5%</td><td>+7.9%</td><td>16.8%</td><td>-6.9%</td><td>9%</td><td>0.72</td><td>9.3%</td><td>16.8%</td><td>2.8%</td></tr> <tr><td>ISRG</td><td>Jul</td><td>10</td><td>80%</td><td>20%</td><td>+7.0%</td><td>+7.0%</td><td>20.3%</td><td>-5.1%</td><td>8%</td><td>0.91</td><td>8.2%</td><td>20.3%</td><td>0.3%</td></tr> <tr><td>NVDA</td><td>Jul</td><td>10</td><td>70%</td><td>30%</td><td>+7.3%</td><td>+6.9%</td><td>21.5%</td><td>-5.6%</td><td>9%</td><td>0.79</td><td>9.1%</td><td>21.5%</td><td>0.8%</td></tr> <tr><td>BKNG</td><td>Jul</td><td>10</td><td>90%</td><td>10%</td><td>+5.3%</td><td>+6.2%</td><td>10.7%</td><td>-0.4%</td><td>4%</td><td>1.25</td><td>5.4%</td><td>10.7%</td><td>0.1%</td></tr> <tr><td>AMAT</td><td>Jul</td><td>10</td><td>70%</td><td>30%</td><td>+4.1%</td><td>+5.9%</td><td>16.5%</td><td>-9.7%</td><td>8%</td><td>0.51</td><td>7.8%</td><td>16.5%</td><td>1.7%</td></tr> <tr><td>COST</td><td>Jul</td><td>10</td><td>90%</td><td>10%</td><td>+5.7%</td><td>+5.6%</td><td>12.9%</td><td>-0.9%</td><td>4%</td><td>1.51</td><td>5.9%</td><td>12.9%</td><td>0.9%</td></tr> <tr><td>MSFT</td><td>Jul</td><td>10</td><td>90%</td><td>10%</td><td>+4.9%</td><td>+5.3%</td><td>10.8%</td><td>-1.4%</td><td>4%</td><td>1.28</td><td>5.1%</td><td>10.8%</td><td>0.7%</td></tr> <tr><td>AAPL</td><td>Jul</td><td>10</td><td>90%</td><td>10%</td><td>+6.5%</td><td>+4.9%</td><td>18.9%</td><td>-3.3%</td><td>7%</td><td>0.96</td><td>7.2%</td><td>18.9%</td><td>1.3%</td></tr> <tr><td>AMGN</td><td>Jul</td><td>10</td><td>90%</td><td>10%</td><td>+5.5%</td><td>+4.6%</td><td>15.0%</td><td>-0.9%</td><td>5%</td><td>1.04</td><td>5.7%</td><td>15.0%</td><td>0.9%</td></tr> <tr><td>INTU</td><td>Jul</td><td>10</td><td>80%</td><td>20%</td><td>+5.7%</td><td>+4.2%</td><td>18.4%</td><td>-0.6%</td><td>6%</td><td>0.99</td><td>5.8%</td><td>18.4%</td><td>0.0%</td></tr> <tr><td>CIMCSA</td><td>Jul</td><td>10</td><td>90%</td><td>10%</td><td>+4.1%</td><td>+3.7%</td><td>9.8%</td><td>-4.4%</td><td>5%</td><td>0.91</td><td>5.0%</td><td>9.8%</td><td>0.1%</td></tr> <tr><td>AMZN</td><td>Jul</td><td>10</td><td>70%</td><td>30%</td><td>+7.2%</td><td>+3.6%</td><td>27.1%</td><td>-3.6%</td><td>11%</td><td>0.66</td><td>8.9%</td><td>27.1%</td><td>1.4%</td></tr> <tr><td>REGN</td><td>Jul</td><td>10</td><td>80%</td><td>20%</td><td>+5.2%</td><td>+3.1%</td><td>21.7%</td><td>-2.6%</td><td>7%</td><td>0.71</td><td>6.1%</td><td>21.7%</td><td>0.1%</td></tr> <tr><td>PEP</td><td>Jul</td><td>10</td><td>80%</td><td>20%</td><td>+2.5%</td><td>+3.0%</td><td>5.9%</td><td>-2.5%</td><td>3%</td><td>0.86</td><td>3.3%</td><td>5.9%</td><td>1.0%</td></tr> <tr><td>AZN</td><td>Jul</td><td>10</td><td>70%</td><td>30%</td><td>+2.4%</td><td>+2.7%</td><td>13.1%</td><td>-11.5%</td><td>7%</td><td>0.32</td><td>6.0%</td><td>13.1%</td><td>0.2%</td></tr> <tr><td>HON</td><td>Jul</td><td>10</td><td>70%</td><td>30%</td><td>+2.8%</td><td>+2.6%</td><td>10.8%</td><td>-6.4%</td><td>5%</td><td>0.51</td><td>4.5%</td><td>10.8%</td><td>0.0%</td></tr> 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Min	AMD	Jul	10	80%	20%	+12.3%	+11.1%	47.2%	-19.6%	20%	0.62	17.6%	47.2%	0.3%	LRCX	Jul	10	80%	20%	+8.3%	+10.7%	17.4%	-5.5%	8%	1.09	9.8%	17.4%	2.0%	GOOGL	Jul	10	90%	10%	+8.9%	+9.5%	21.8%	-0.9%	6%	1.40	9.1%	21.8%	0.9%	GOOG	Jul	10	90%	10%	+8.4%	+8.5%	20.2%	-0.6%	6%	1.46	8.5%	20.2%	0.6%	HETA	Jul	10	80%	20%	+5.1%	+8.2%	12.1%	-11.2%	7%	0.69	7.6%	12.1%	0.6%	ASML	Jul	7	71%	29%	+8.2%	+8.1%	20.7%	-3.9%	9%	0.94	9.6%	20.7%	1.2%	QCOM	Jul	10	70%	30%	+6.5%	+7.9%	16.8%	-6.9%	9%	0.72	9.3%	16.8%	2.8%	ISRG	Jul	10	80%	20%	+7.0%	+7.0%	20.3%	-5.1%	8%	0.91	8.2%	20.3%	0.3%	NVDA	Jul	10	70%	30%	+7.3%	+6.9%	21.5%	-5.6%	9%	0.79	9.1%	21.5%	0.8%	BKNG	Jul	10	90%	10%	+5.3%	+6.2%	10.7%	-0.4%	4%	1.25	5.4%	10.7%	0.1%	AMAT	Jul	10	70%	30%	+4.1%	+5.9%	16.5%	-9.7%	8%	0.51	7.8%	16.5%	1.7%	COST	Jul	10	90%	10%	+5.7%	+5.6%	12.9%	-0.9%	4%	1.51	5.9%	12.9%	0.9%	MSFT	Jul	10	90%	10%	+4.9%	+5.3%	10.8%	-1.4%	4%	1.28	5.1%	10.8%	0.7%	AAPL	Jul	10	90%	10%	+6.5%	+4.9%	18.9%	-3.3%	7%	0.96	7.2%	18.9%	1.3%	AMGN	Jul	10	90%	10%	+5.5%	+4.6%	15.0%	-0.9%	5%	1.04	5.7%	15.0%	0.9%	INTU	Jul	10	80%	20%	+5.7%	+4.2%	18.4%	-0.6%	6%	0.99	5.8%	18.4%	0.0%	CIMCSA	Jul	10	90%	10%	+4.1%	+3.7%	9.8%	-4.4%	5%	0.91	5.0%	9.8%	0.1%	AMZN	Jul	10	70%	30%	+7.2%	+3.6%	27.1%	-3.6%	11%	0.66	8.9%	27.1%	1.4%	REGN	Jul	10	80%	20%	+5.2%	+3.1%	21.7%	-2.6%	7%	0.71	6.1%	21.7%	0.1%	PEP	Jul	10	80%	20%	+2.5%	+3.0%	5.9%	-2.5%	3%	0.86	3.3%	5.9%	1.0%	AZN	Jul	10	70%	30%	+2.4%	+2.7%	13.1%	-11.5%	7%	0.32	6.0%	13.1%	0.2%	HON	Jul	10	70%	30%	+2.8%	+2.6%	10.8%	-6.4%	5%	0.51	4.5%	10.8%	0.0%	TMUS	Jul	10	70%	30%	+2.8%	+2.4%	7.5%	-2.0%	4%	0.78	3.4%	7.5%	0.4%	ADBE	Jul	10	90%	10%	+3.6%	+2.1%	12.0%	-4.3%	5%	0.72	4.5%	12.0%	0.4%	ADP	Jul	10	70%	30%	+3.8%	+1.6%	16.1%	-10.7%	8%	0.45	6.7%	16.1%	0.6%
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Sure, every fund manager is mega long, CTAs are getting longer, vol control is gobbling at the highs, Ivol in the indices is trashed, buybacks are constant, it's just a full on bull stampeed regardless of the economy cracking at the edges. People losing jobs, bullish of course. I'm not here to fight Jay Yellen.

And if you can believe it, managers are even unhappy with that duo's orchestration of this bullish bash:

**Chart 1: FMS perception of global fiscal policy...most stimulative on record**

% FMS investors saying global fiscal policy is "too stimulative"



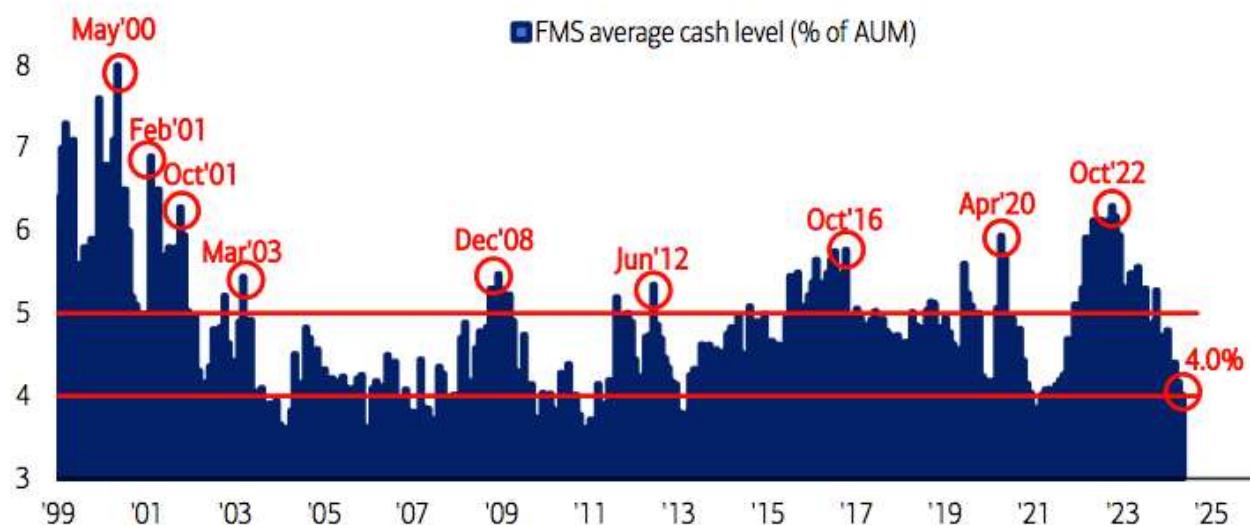
Source: BofA Global Fund Manager Survey

BofA GLOBAL RESEARCH

I mean, they've had their arms twisted by the endless ramp they started last fall and are running low on cash:

**Chart 3: FMS cash level falls to 4.0% from 4.2% of AUM**

FMS average cash level (% of AUM)



Source: BofA Global Fund Manager Survey

BofA GLOBAL RESEARCH

So with this as a backdrop, understanding that folks are more than ‘in’, what other conclusions are you supposed to take looking forward to this summer:



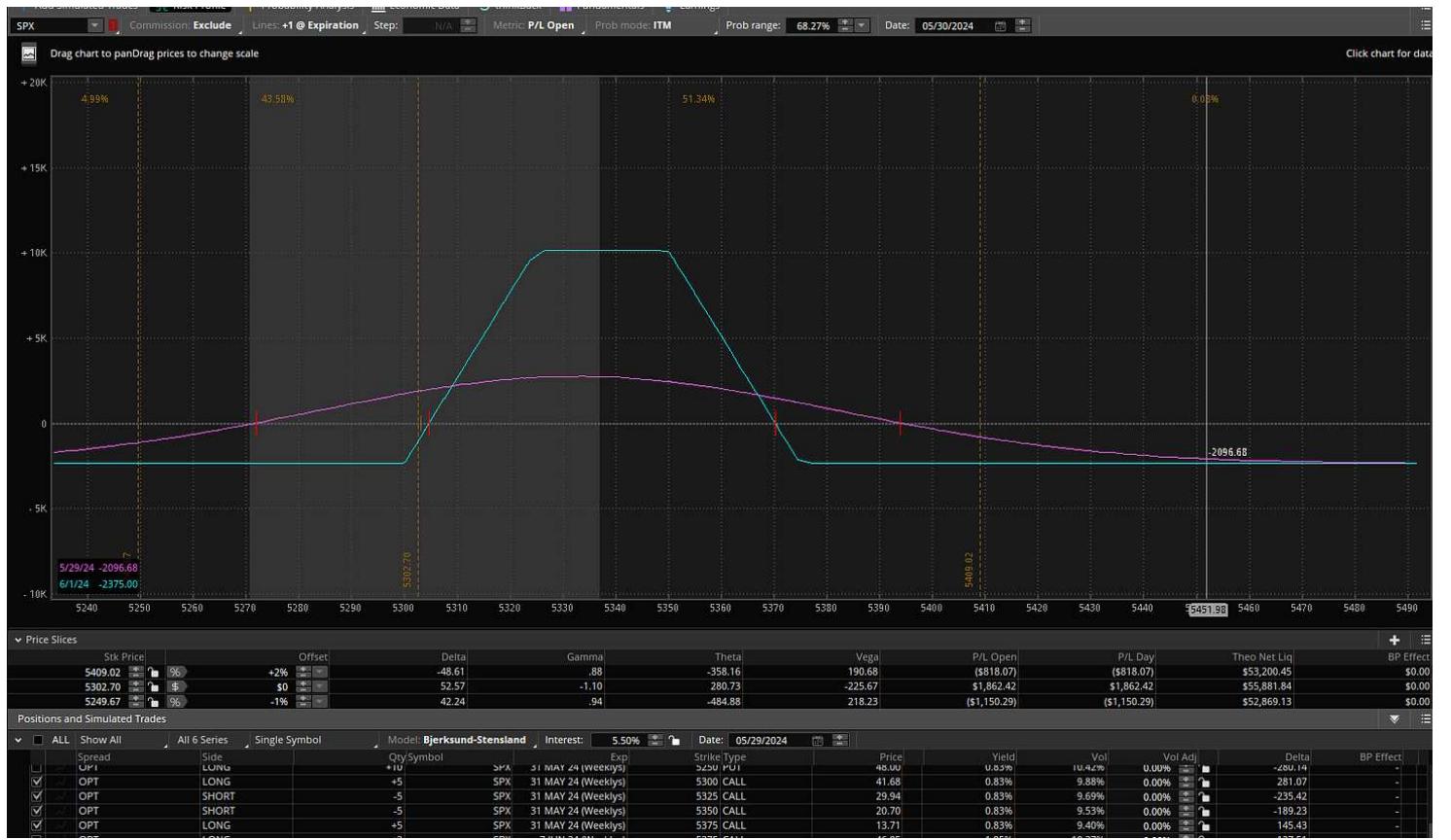
Until I see a red day, in a May where the bulls are literally undefeated on a daily basis thus far, there's no other logical assumption I can make. Can you? I'm calling it the call flies and chill summer.

Sure, unclench is coming, but that is a topic for later this week. In the meantime, it's about gamma and NVDA.

SPX May 31st 5300/5325/5350/5375 call condor spread

Net debit: \$4.75-4.85 (4.75 filled) Target, \$10-15.

## VOLATILITY ANALYTICS NEWSLETTER – JUNE 5TH



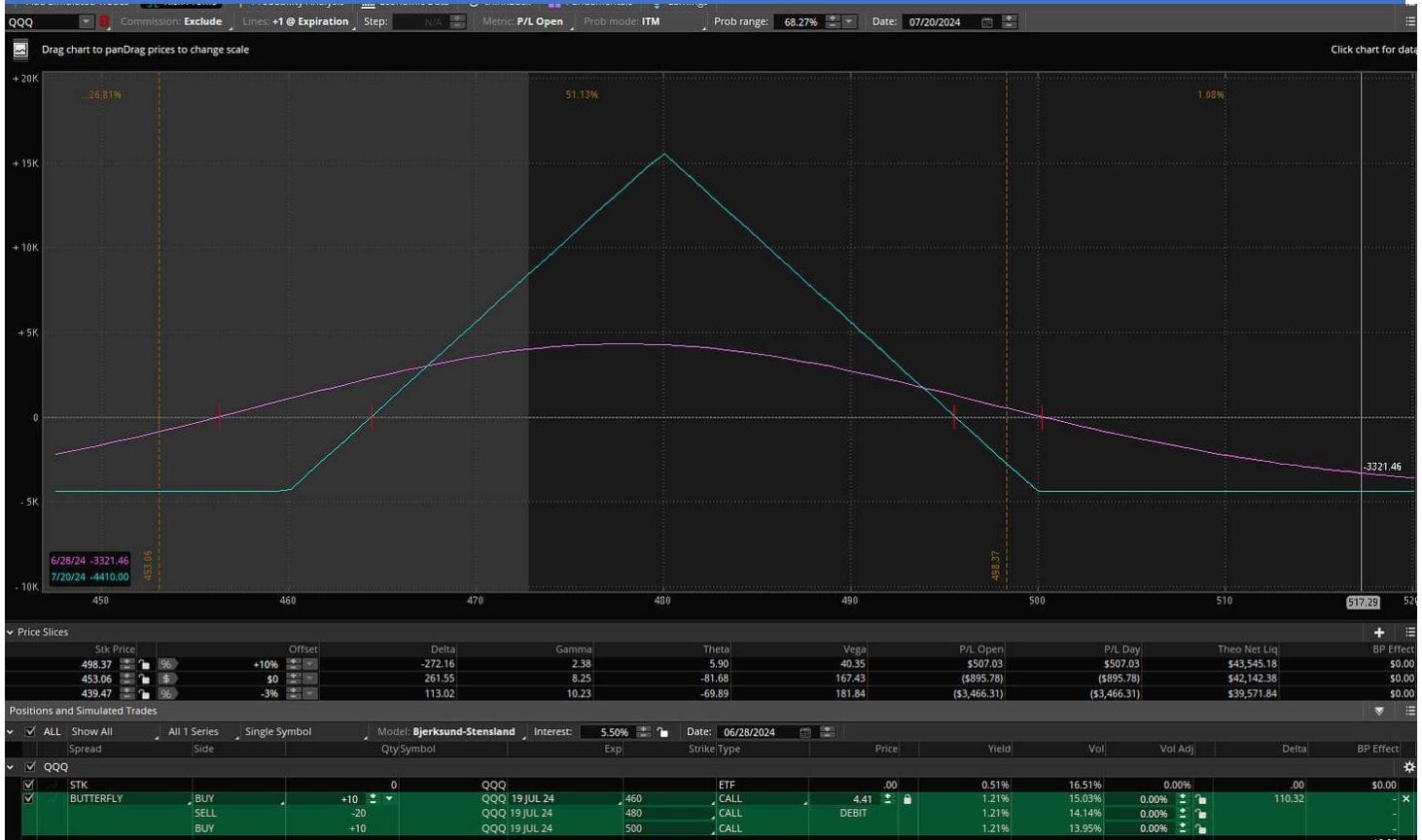
Sure, it's rather conservative to the upside, but I do expect a down day sometime in May.

QQQ July OPEX call butterfly spread

QQQ July 19th \$460/480/500

Net debit: \$3.50-4, Target \$10

## VOLATILITY ANALYTICS NEWSLETTER – JUNE 5TH



This is more of a trade I will look to add on dips if we see down days in May, thus I have not started it as yet. Call flies and chill trade for summer.

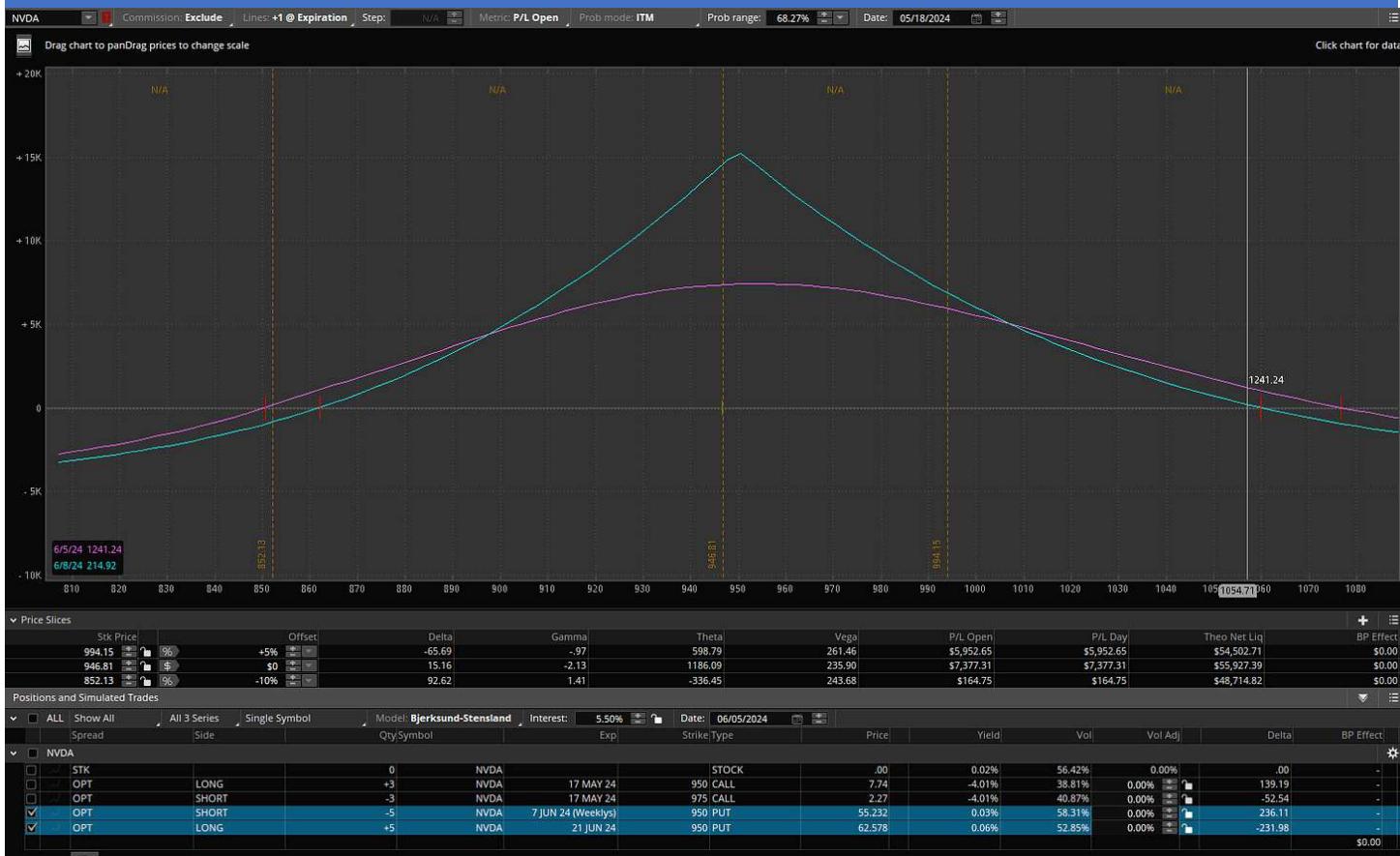
NVDA put calendar spread

Sell June 7th \$950 put

Buy June 21st \$950 put

Net debit: \$7.35 (filled) Target \$15-20

## VOLATILITY ANALYTICS NEWSLETTER – JUNE 5TH



Taking a stab here that the spike won't be like 20% again, and then it will rest in early June like last year:

## VOLATILITY ANALYTICS NEWSLETTER – JUNE 5TH



# Welcome Back GME IVol Fans

The vol surface again offers amazing value

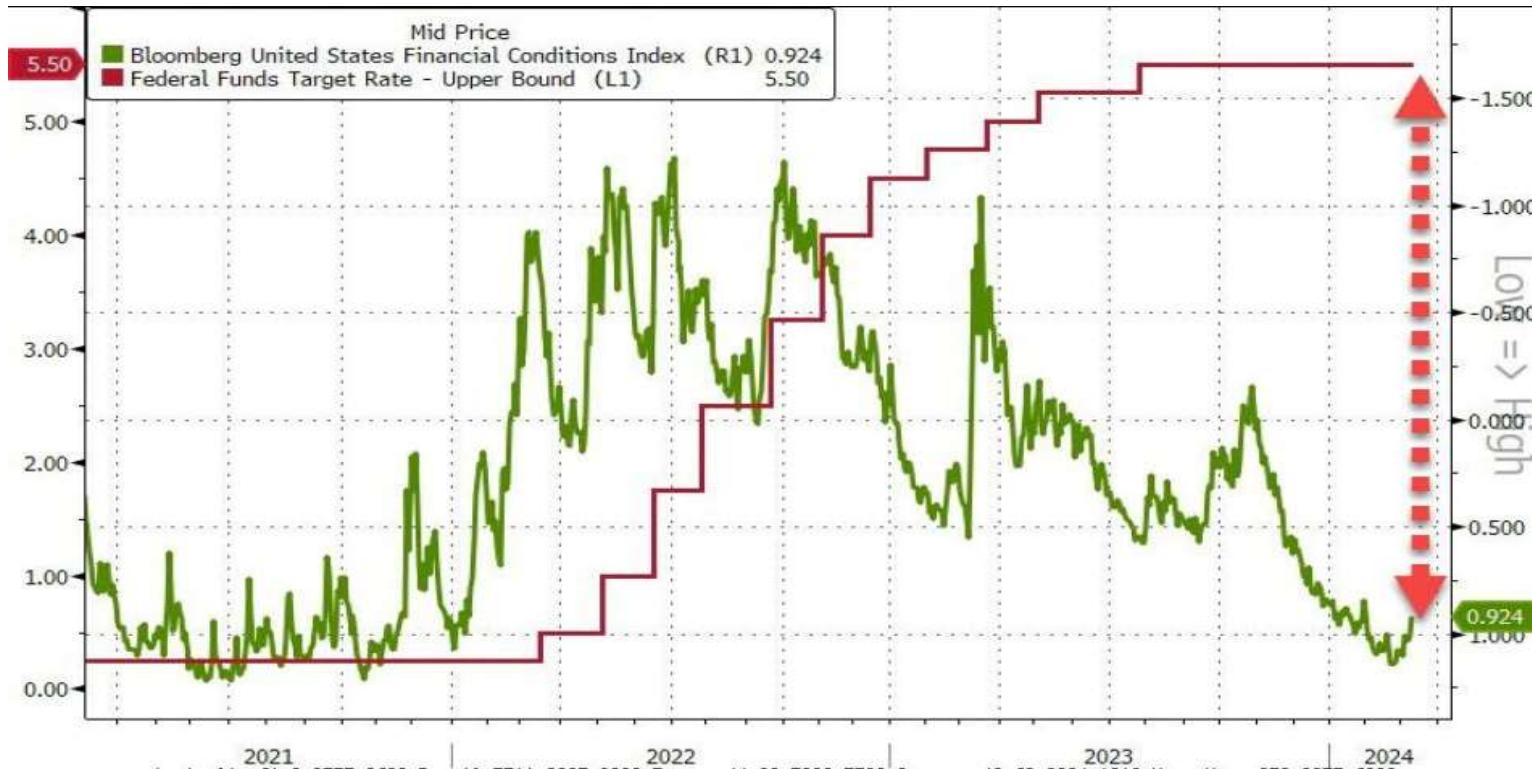
## VOLATILITY SUMMARY

Ahhh yes, the juice is loose again in GME. Recently I have been posting charts here about odd comparisons to 2021, like SPX/SPY:

Powell Engineering Stealth QE Already?

SCOTT MURRAY

MAR 13



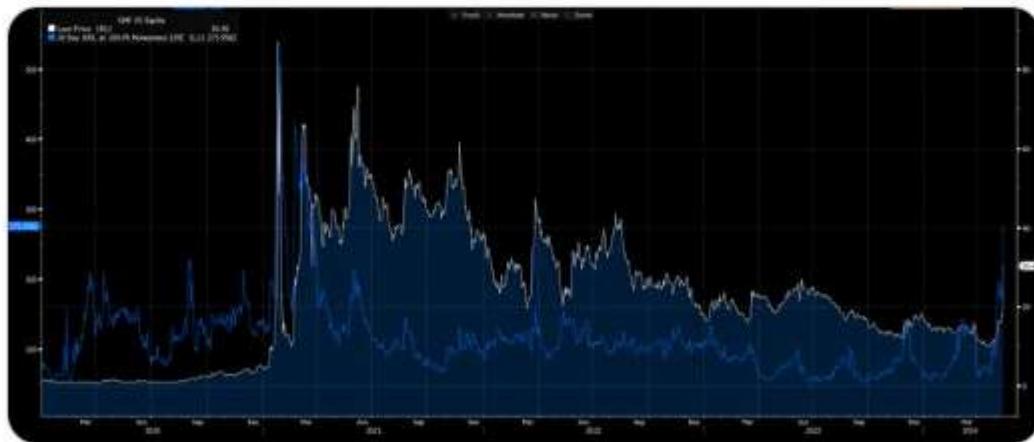
Once again, the articles are making the rounds about financial conditions being so loose as to potentially cause consternation among Fed officials averse to the re-inflammation of inflation:  
<https://www.bloomberg.com/news/newsletters/2024-03-08/odd-lots-newsletter-it-s-time-to-talk-about-looser-financial-conditions?sref=1zvx5xkq>

[Read full story](#)

Well, I certainly didn't expect looser conditions to revamp the meme stonk phase of easing. By revamp, I mean the lvol didn't take as long to get fully ripe and juicy as @spotgamma points out:

 **SpotGamma**  @spotgamma · 1h ...  
IV in \$GME seemed to react much faster than in '21. As you can see here at-the-money IV's are near 300%.

I think this may work against '21 style memeing as higher IV's deter call buyers.



5

5

61

9.1K

↑

And the vol surface/term structure, a beautiful mess, clearly affected by short interest:

## VOLATILITY ANALYTICS NEWSLETTER – JUNE 5TH



Inverted and you can see with the put skew, the opposite of a normal situation where implied vol rises at lower strikes. Lots of things going on, the calls, demanded by shorts so they can call you away from your short call in those verticals or a fly spreads or covered calls you put on and get thus get their short covered.

And with borrow rates so high now, then the long put vertical used as a short substitute, buying near and shorting out of the money, affecting the put skew. On top of the fact, if you want to naked short put vol, you want to do it at lower strikes.

So, this presents some nice/cheap opportunities:

GME put diagonal spread

May 24th/31st \$25/\$24 for .20 (filled)

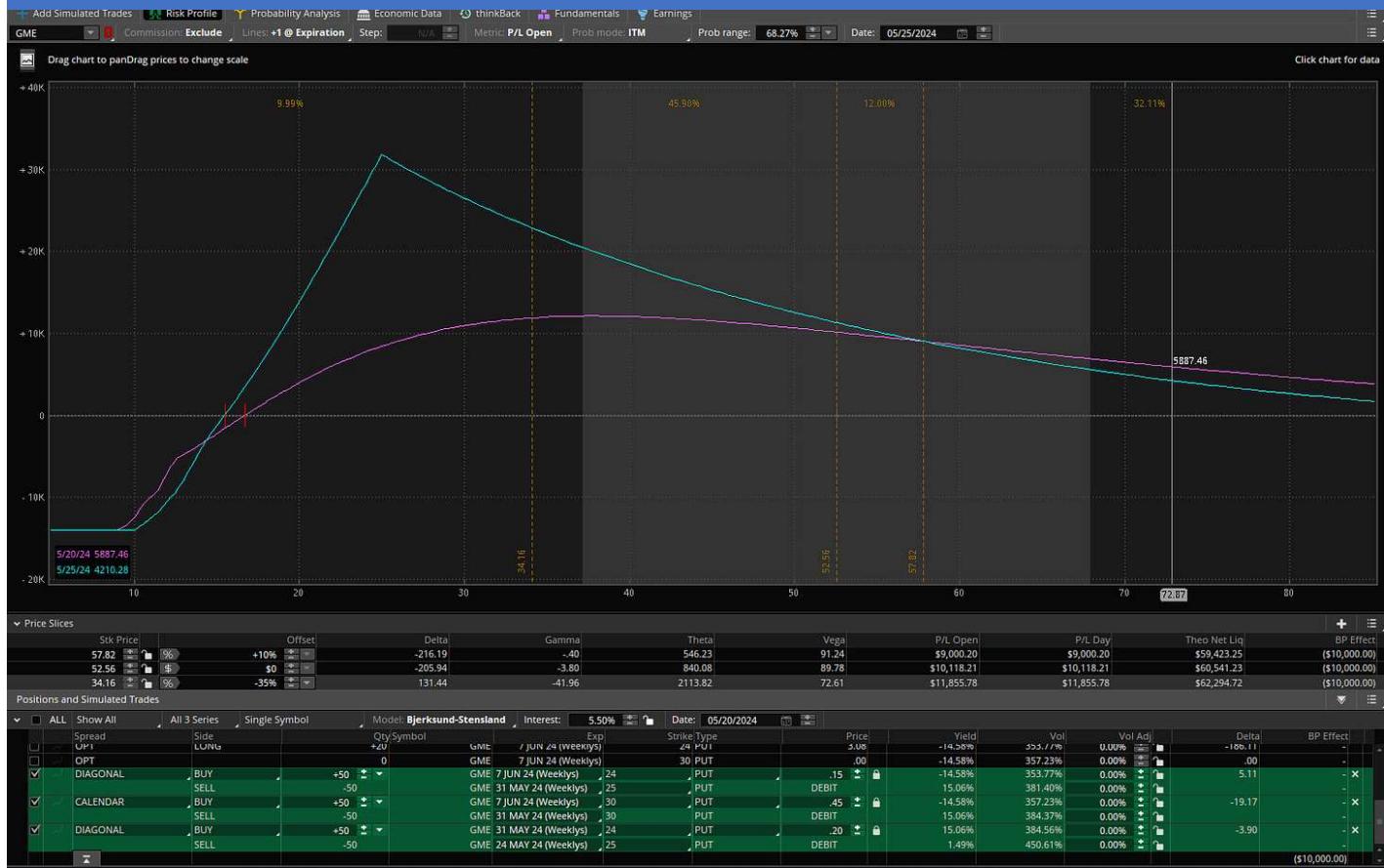
GME Holiday/Earnings put diagonal spread

May 31st/June 7th \$25/\$24 for .13-.15 (.13 filled)

GME Holiday/Earnings put calendar spread

May 31st/June 7th \$30 strike for .45 (.43 filled)

## VOLATILITY ANALYTICS NEWSLETTER – JUNE 5TH



A P/L chart doesn't get much prettier than that. Keep in mind though, it's based on current vol, and if somehow it just churned around 50 for a while as unlikely as that seems, it would deflate.

Now, the 24/31s, you can set them higher, but if post OPEX GME retraces the entire move, and you know it is OPEX call option triggered in the first place, than a 30/29 will sting at \$25. Which is why I went with the \$25, where it opened yesterday.

Regarding the 31/7s, you can't ask for a better set up. The 31s are during Memorial Day shortened week and the 7s have the earnings release vol. This is a function of the vol surface being so inverted.

VOLATILITY ANALYTICS NEWSLETTER – JUNE 5TH