

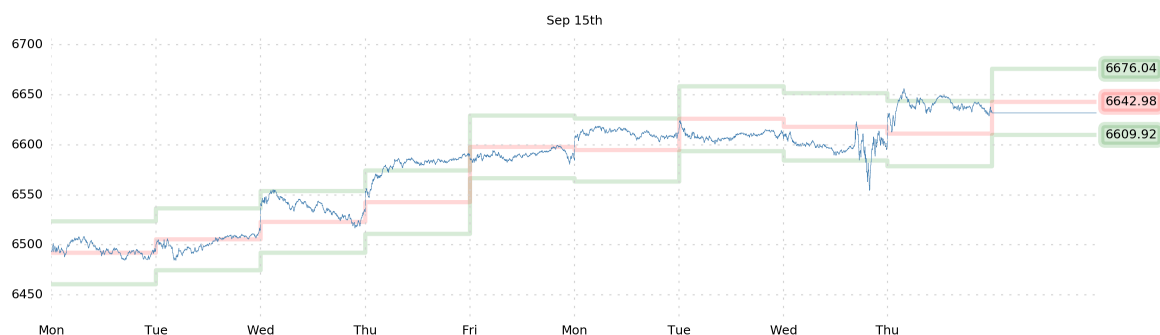
All the charts and data we refer to can be found on the [Yacht Club](#) page.

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Hey everyone,

Yesterday, we said that a larger gap-up (SPX was up 0.75% in premarket) was worth selling, owing to the 0DTE dealer hedging setup.



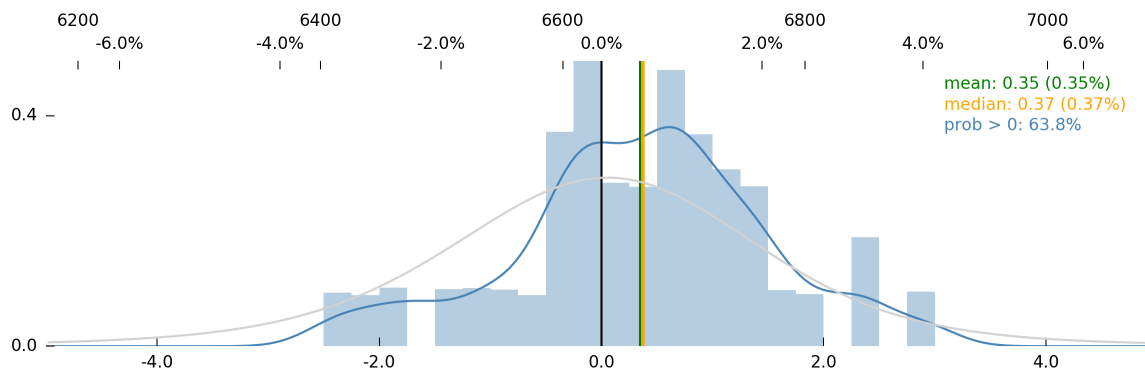
Unfortunately, it got more complex from there. It went down before the open, then up, then ground down again. The index landed up nearly +0.50% after all that, which adhered to our morning expectations—but *why couldn't it have gone down more? There was room for it to go down more!*

We've been asking this question all week, to no avail.

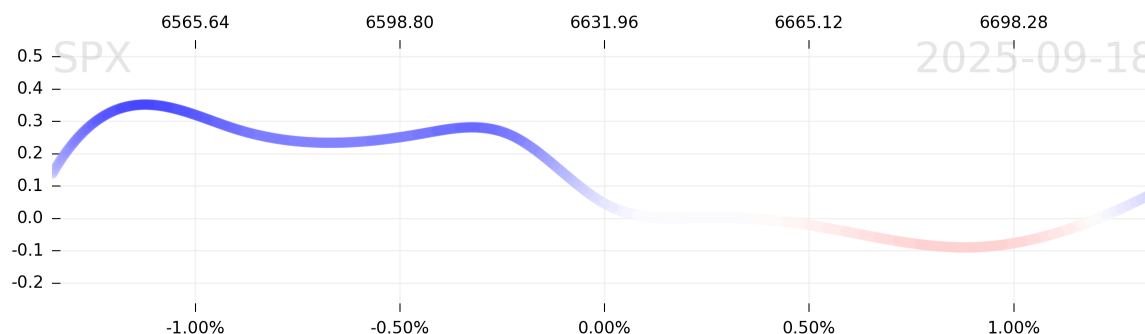
Our theory for the week was that the RISC/VIBE data (low SPX risk premium) and the beginning of AI-unbubbling (sentiment shift) and the approaching OpEx (frontrunnable, lower liquidity incoming) and the FOMC rate decision (buy-rumor-sell-news) would all make for an opportunity, by week-end, for modest downside ("modest" because extant inflation fears maintain *some* equity bid). Our put spread would have a max profit at 6500, so we were looking for something like a 1.25% drop. A little breather.

Since today's the big OpEx (and it actually is pretty big), we were hoping for a *slight* acknowledgement that liquidity is about to become worse—but the index doesn't really seem to care about that right now.

As of this moment, Robot Jim's 1-week forecast looks like this:



We can see from the step-forward that Jim doesn't think too much about the OpEx.



A slight bearish lean is possible in the event of a +0.50% to +1.00% gain today, but otherwise, it's business as usual for Jim.

We expect GEX+ will land below \$1bn after today, in any case, which should lead to larger daily ranges next week. Jim doesn't seem convinced that those will be to the downside, and, well, neither are we.

Can we take another potshot at intraday downside today? Well—we won't bother reproducing the 0DTE dealer re-hedging map for today, since it doesn't seem to be useful on big OpEx days (too much hedging/rolling), so we have nothing in particular to go on.

So let's just coast into the weekend. Our put spread is dead (unless we can cruise below 6600 today). We are defeated. Next week should have broader ranges, but we're not even sure if we can capitalize on that.

Talk Sunday!

The SqueezeMetrics Team