Since v1.0 you can toggle word wrap:

- with the new command `editor.action.toggleWordWrap` , or
- from the `view` menu (View > Toggle Word Wrap), or
- using the `ALT` + `z` keyboard shortcut (for Mac: `⌥` + `z`).

It can also be controlled with the following settings:

- `editor.wordWrap`
- `editor.wordWrapColumn`
- `editor.wrappingIndent`