

Tech and Fed Concerns Raise Volatility – 02/05/2026

# Macro Views



**Tony Zhang**

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The new Fed chair nomination triggered a historic flash crash in precious metals before staging a volatility-fueled rebound. After oscillating earlier in the week, the S&P reinforced a clear rejection of the 7,000 level. Small caps and equal-weight ETFs continued to outperform. Implied volatility has ticked up, reflecting demand for short-dated hedges and tactical trades around this key range, but it remains far from stress territory. The stability of the labor market has driven the 10-year Treasury yield above 4.2%, and AI tools have forced a rotation out of high-valuation software stocks. As a result, the “no landing” economic narrative has gained traction. All eyes turn to tech for the final act of earnings season with Alphabet and Amazon reporting, as investors seek confirmation that AI capital expenditures are accelerating revenue and guidance. Following Monday’s hot manufacturing data, a strong hiring number from the nonfarm payrolls report could be the catalyst that breaks the bond market’s fragile stability and sends yields soaring.

*For more information, please watch the replay video.*

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# Trade Idea



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The S&P 500 has entered February hovering near the 7,000 level, but the momentum of the recent bull run has been slowing for quite some time. We see minor support at 6,700 and major support at 6,550. Several short-term cracks suggest that a period of consolidation, or a healthy pullback, is not just possible but necessary for the market's longevity. I want to buy the SPY March 675/645 put vertical at a \$7.45 debit.

SPY @ \$676.22	BUY 1 MAR 20 <sup>TH</sup> 675 PUT AT \$15.58
	SELL 1 MAR 20 <sup>TH</sup> 645 PUT AT \$8.13
02.05.2026	DEBIT $(\$15.58 - \$8.13) * 100 = \$745$
	$(\$675 - \$645 - \$7.45) * 100 = \text{MAX GAIN OF } \$2,255$
SPY BEAR PUT SPREAD	$(\$15.58 - \$8.13) * 100 = \text{MAX RISK OF } \$745$

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After consolidating in 2024 and early 2025, CME Group Inc. (CME) has now broken above its long-term resistance to all-time highs. This breakout signals that investors are viewing CME as capable of monetizing geopolitical risk, rate uncertainty, and commodity dislocations. As trading volumes reset at higher levels, CME's exchange model is asserting its long-term dominance. I want to buy the April 300/330 call vertical at a \$9.45 debit.

CME @ \$300.32	BUY 1 APR 17 <sup>TH</sup> 300 CALL AT \$11.20
	SELL 1 APR 17 <sup>TH</sup> 330 CALL AT \$1.75
02.05.2026	DEBIT $(\$11.20 - \$1.75) * 100 = \$945$
	$(\$330 - \$300 - \$9.45) * 100 = \text{MAX GAIN OF } \$2,055$
CME BULL CALL SPREAD	$(\$11.20 - \$1.75) * 100 = \text{MAX RISK OF } \$945$

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# Tony's Lookback



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A few weeks ago, I sold the Airbnb, Inc. (ABNB) February 133/123 put spread at \$3.55. It's now trading at \$5.85. As we approach 3 weeks from expiration with the stock below the short strike, this is a trade that I will close at a loss. I'm better off managing this loss now rather than waiting and losing up to \$650.

**ABNB** \$133.81  
01.15.2026

BUY 1 FEB 27<sup>TH</sup> 123 PUT AT \$2.80

SELL 1 FEB 27<sup>TH</sup> 133 PUT AT \$6.35

NET CREDIT = \$355

ABNB BULL PUT SPREAD

**ABNB** \$121.53  
02.05.2026

SELL 1 FEB 27<sup>TH</sup> 123 PUT AT \$7.25

BUY 1 FEB 27<sup>TH</sup> 133 PUT AT \$13.10

CURRENT NET DEBIT = \$585

LOSS IF CLOSED = \$230

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