Potential Opportunity in Edge Computing – 12/11/2025

Macro Views

Tony Zhang
Chief Strategist and Cofounder
OptionsPlay®

The Fed delivered a third rate cut; however, expectations signal volatility ahead. This is likely due to a surprising number of dissenting votes with no more cuts expected until June 2026. On the other hand, equity investors remain optimistic about an incoming Fed president who'll likely support lower rates. Powell indicated tariff-driven inflation effects could fade next year, assuming no major announcements are made. Markets took this as a less hawkish cut and SPX rose 0.7% while 2-year yields drifted to 3.5%. Unemployment rose to 4.4% and inflation is at 2.8%. It’s also worth noting the recent rotation into small caps as the iShares Russell 2000 ETF (IWM) has outperformed the S&P 500. On the economic front, the release of delayed data on payrolls, CPI, and retail sales may affect rate cuts for next year. We’re keeping an eye on if SPX can break out above its double top and generate a new buy signal or if it will reverse back below its recent support and trade back towards 6,500.

For more information, please watch the replay video.

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Trade Idea

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Akamai (AKAM) is emerging as an AI beneficiary with a transformation that's materially reshaping its long-term growth trajectory. Historically a content-delivery provider, Akamai has recently repositioned itself as an edge-native cloud and AI compute platform. This is finally showing up in the numbers as compute revenue grew nearly 40% year over year, and operating margins expanded despite elevated AI investment. With an IV Rank of 10%, options remain attractively priced for potentially bullish directional exposure. I'm buying the January 85/95 call vertical at a $3.40 debit.

AKAM @ $86.26	BUY 1 JAN 16TH 85 CALL AT $4.05
	SELL 1 JAN 16TH 95 CALL AT $0.65
12.11.25	DEBIT ($4.05 – $0.65) * 100 = $340
	($95 – $85 – $3.40) * 100 = MAX GAIN OF $660
AKAM BULL CALL SPREAD	($4.05 – $0.65) * 100 = MAX RISK OF $340

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Tony's Lookback

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A few weeks ago, I laid out a bullish thesis on Meta, buying the January 605/675 call spread at a $23.45 debit. The stock has rallied a fair amount, although it hasn't quite reached our 675 level. Given the fact that I'm up about 67%, I think it's time to close out the January leg of this trade. Because my thesis remains intact from a valuation perspective, I want to roll the trade out.

META 11.20.2025 $604.50

BUY 1 JAN 16TH 605 CALL AT $32.85
SELL 1 JAN 16TH 675 CALL AT $9.40
NET DEBIT = $2,345

META BULL CALL SPREAD

META 12.11.2025 $652.71

SELL 1 JAN 16TH 605 CALL AT $51.65
BUY 1 JAN 16TH 675 CALL AT $12.45
CURRENT NET CREDIT = $3,920
GAIN IF CLOSED = $1,575

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Tony's Lookback

I want to buy the February 655/740 call spread. This allows me to roll my profits from the first trade into this extension trade, which will give me more time and recenter the trade with the potential to fill the gap created by the last earnings announcement. If it does get back to $740 by February, I'll have a really compelling risk-to-reward ratio.

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META @ $652.71	BUY 1 FEB 20TH 655 CALL AT $43.25 SELL 1 FEB 20TH 740 CALL AT $14.70
12.11.25	DEBIT ($43.25 – $14.70) * 100 = $2,855
COMBINED MAX GAIN = $7,220	($740 – $655 – $28.55) * 100 = MAX GAIN OF $5,645
COMBINED MAX RISK = $1,280	($43.25 – $14.70) * 100 = MAX RISK OF $2,855

META BULL CALL SPREAD

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IWM (iShares Russell 2000 ETF)

Quarter-End Average Annual Total Returns as of 09/30/2025

	NAV Return	Market Return
1 Year	+10.64%	+10.73%
3 Year	+15.08%	+15.12%
5 Year	+11.43%	+11.43%
10 Year	+9.70%	+9.71%
Life	+8.06%	+8.04%

Top 10 (5.53% of total holdings as of 11/30/2025)

CRDO	Credo Technology Group Holding Ltd	0.91%
BE	Bloom Energy Corp Class A	0.81%
	Russell 2000 EMINI CME DEC 25	0.62%
FN	Fabrinet	0.57%
IONQ	IonQ Inc Class A	0.47%
NXT	Nextpower Inc Class A	0.46%
G	Guardant Health Inc	0.45%
KTOS	Kratos Defense & Security Solutions Inc	0.44%
	BlackRock Cash Funds Treasury SL Agency	0.42%
BBIO	BridgeBio Pharma Inc	0.39%

The performance data featured represents past performance, which is no guarantee of future results. Investment return and principal value of an investment will fluctuate; therefore, you may have a gain or loss when you sell your shares. Current performance may be higher or lower than the performance data quoted.

All Life of Fund returns are as of 05/22/2000. Market returns are based on the closing price on the listed exchange at 4 p.m. ET and do not represent the returns an investor would receive if shares were traded at other times.

Gross Expense Ratio: 0.19%

Average annual total returns are historical and include change in share value and reinvestment of dividends and capital gains, if any. Cumulative total returns are reported as of the period indicated. Life of fund figures are reported as of the commencement date to the period indicated. Since ETFs are bought and sold at prices set by the market - which can result in a premium or discount to NAV- the returns calculated using market price (market return) can differ from those calculated using NAV (NAV return).

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Greeks are mathematical calculations used to determine the effect of various factors on options.

Indexes are unmanaged. It is not possible to invest directly in an index.

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