Is It Time to Invest Outside of Big Tech? – 08/20/2026

Macro Views

Tony Zhang
Chief Strategist and Cofounder
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The markets grew more cautious this week as signs of a slowing consumer and weaker housing market pushed September rate hike odds down to 33%. Despite this, global rates and 30-year Treasury yields climbed to multi-decade highs until Treasury purchases of longer-dated bonds helped calm borrowing cost concerns. Yield rates fell and equities rallied—except for semiconductors—as overall market performance remained bifurcated. The QQQ is pressured by semis and Meta while the equal-weight S&P 500 (RSP) has continued making new highs, reflecting broader market strength. The Nasdaq-100's failure to break above $730 remains a concern and puts pressure on the equity markets as a whole. Leading the markets are oil & gas, health care, communications, and software while semis, industrials, and materials lag. Economic resilience supports a Fed pause in September.

For more information, please watch the replay video.

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Trade Idea

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Netflix (NFLX) has evolved into a profitable, cash-generating media platform with multiple growth drivers. Despite recent concerns, revenue, margins, free cash flow, and advertising trends remain strong. With fundamentals improving and the stock breaking above key resistance, the setup supports further upside. To express a bullish income view while potentially acquiring shares at a discount, I want to sell the Sep 79 put for a $2.11 credit.

NFLX @ $79.90	SELL 1 SEP 18TH 79 PUT AT $2.11
08.20.2026	CREDIT $2.11 * 100 = $211
	$2.11 * 100 = MAX GAIN OF $211
NFLX SHORT PUT	($79 – $2.11) * 100 = MAX RISK OF $7,689

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Northrop Grumman (NOC) is breaking out as investors recognize its record backlog, improving cash flow, and exposure to key US defense programs. With guidance rising and technicals improving, the stock appears positioned for continued strength. To express a bullish view with defined risk, I want to buy the Sep 580/625 call vertical at a debit of $15.05.

NOC @ $584.56	BUY 1 SEP 18TH 580 CALL AT $19.00
	SELL 1 SEP 18TH 625 CALL AT $3.95
08.20.2026	DEBIT ($19.00 – $3.95) * 100 = $1,505
	($625 – $580 – $15.05) * 100 = MAX GAIN OF $2,995
NOC BULL CALL SPREAD	($19.00 – $3.95) * 100 = MAX RISK OF $1,505

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Tony's Lookback

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A few weeks ago, as the travel and consumer sector was starting to outperform, I sold the Booking Holdings (BKNG) Sep 190/175 put spread at $5.85. That spread is now trading at $0.82, which means I've made 80% of the maximum profit potential with roughly 30 days to go. This is a good example of how you can take profits and make adjustments.

BKNG 07.30.2026 $191.51

BUY 1 SEP 18TH 175 PUT AT $4.60
SELL 1 SEP 18TH 190 PUT AT $10.45
NET CREDIT = $585

BKNG BULL PUT SPREAD

BKNG 08.20.2026 $211.09

SELL 1 SEP 18TH 175 PUT AT $0.43
BUY 1 SEP 18TH 190 PUT AT $1.25
CURRENT NET DEBIT = $82
GAIN IF CLOSED = $503

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Tony's Lookback

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I'm looking at rolling up the 210/200 put spread at a $3.80 credit. Worst case, I'm risking $117 and I could potentially make up to $883. This is a prime example of where, by actively managing this trade, I turned a put spread that originally had a negative risk-reward ratio into a put spread that now has a positive risk-reward ratio in my favor.

BKNG @ $211.09	BUY 1 SEP 18TH 200 PUT AT $3.05
	SELL 1 SEP 18TH 210 PUT AT $6.85
08.20.2026	CREDIT ($6.85 – $3.05) * 100 = $380
COMBINED MAX GAIN = $883	($6.85 – $3.05) * 100 = MAX GAIN OF $380
COMBINED MAX RISK = $117	($210 – $200 – $3.80) * 100 = MAX RISK OF $620

BKNG BULL PUT SPREAD

For more information, please watch the replay video.

QQQ (Invesco QQQ Trust)

Quarter-End Average Annual Total Returns as of 06/30/2026

	NAV Return	Market Return
1 Year	+34.10%	+34.13%
3 Year	+26.56%	+26.58%
5 Year	+16.44%	+16.44%
10 Year	+22.07%	+22.07%
Life	+10.96%	+10.96%

Top 10 (46.31% of total holdings as of 07/31/2026)

NVDA	NVIDIA Corp	8.04%
AAPL	Apple Inc	7.51%
MSFT	Microsoft Corp	5.71%
AMZN	Amazon.com Inc	4.83%
MU	Micron Technology Inc	4.24%
AMD	Advanced Micro Devices Inc	3.55%
GOOG L	Alphabet Inc Class A	3.43%
GOOG	Alphabet Inc Class C	3.22%
AVGO	Broadcom Inc	3.05%
META	Meta Platforms Inc Class A	2.73%

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 03/10/1999. 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: 0.18%

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).

Fidelity INVESTMENTS

RSP (Invesco S&P 500 Equal Weight ETF)

Quarter-End Average Annual Total Returns as of 06/30/2026

	NAV Return	Market Return
1 Year	+18.99%	+19.01%
3 Year	+14.30%	+14.30%
5 Year	+8.93%	+8.93%
10 Year	+12.13%	+12.13%
Life	+11.33%	+11.33%

Top 10 (2.54% of total holdings as of 07/31/2026)

PYPL	PayPal Holdings Inc	0.27%
TECH	Bio-Techne Corp	0.26%
ZBRA	Zebra Technologies Corp Ordinary Shares - Class A	0.26%
GPN	Global Payments Inc	0.26%
EXPE	Expedia Group Inc	0.26%
DASH	DoorDash Inc Ordinary Shares - Class A	0.25%
IQV	IQVIA Holdings Inc	0.25%
BAX	Baxter International Inc	0.25%
IP	International Paper Co	0.25%
WTW	Willis Towers Watson PLC	0.24%

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 04/24/2003. 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: 0.20%

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).

Fidelity INVESTMENTS

Past performance is no guarantee of future results.

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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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