

Could High Bond Yields Affect the Housing Market? – 10/01/2026

Macro Views



Tony Zhang

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With the Middle East relatively calm, yields remained the market's primary driver and its biggest headwind. Inflation cooled, with core PCE at 3.0% vs. the expected 3.3% and headline at 3.4% vs. 3.7%. Yet yields stayed near multi-decade highs, rate-sensitive sectors sold off, and equities gave back early gains to finish flat. I'm selectively optimistic as the S&P 500 and Nasdaq remain near record highs, with early leadership in health care, industrials, airlines, and consumer travel. The S&P is holding major support at 7,600. A break below that level targets 7,370, then potentially 7,100. On the Nasdaq-100 (NDX), 29,500 to 29,700 is the major support. If that cracks, there's little support until the low 25,000s, leaving meaningful downside risk.

For more information, please watch the replay video.

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Trade Idea



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The AI trade hit a bump after leaders of the top AI labs called for slower model development, pressuring chip stocks and raising concerns about future AI spending. As those concerns spread, Applied Materials (AMAT) fell more than 40% from its July highs despite record earnings and stronger guidance. With the stock now above \$500, I want to use a bull put spread to target upside toward \$615 with defined risk. That's why I'm selling the Nov. 510/490 put vertical for a credit of \$8.75.

AMAT @ \$527.17	BUY 1 NOV 20 TH 490 PUT AT \$26.40
	SELL 1 NOV 20 TH 510 PUT AT \$35.15
	CREDIT $(\$35.15 - \$26.40) * 100 = \$875$
	$(\$35.15 - \$26.40) * 100 = \text{MAX GAIN OF } \875
10.01.2026	$(\$510 - \$490 - \$8.75) * 100 = \text{MAX RISK OF } \$1,125$
AMAT BULL PUT SPREAD	

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Long-term rates just hit levels we haven't seen since before the dot-com boom. The 10-year yield closed at 5.26%, pushing mortgage rates above 7% and increasing pressure on homebuilders like D.R. Horton (DHI). After breaking support last month and failing a retest of former support as resistance, the stock has been showing weak relative strength and offers a defined-risk bearish trade setup. That said, I want to buy the Nov. 135/115 put vertical at a \$6.55 debit.

DHI @ \$132.44	BUY 1 NOV 20 TH 135 PUT AT \$8.00
	SELL 1 NOV 20 TH 115 PUT AT \$1.45
10.01.2026	DEBIT $(\$8.00 - \$1.45) * 100 = \$655$
	$(\$135 - \$115 - \$6.55) * 100 = \text{MAX GAIN OF } \$1,345$
DHI BEAR PUT SPREAD	$(\$8.00 - \$1.45) * 100 = \text{MAX RISK OF } \655

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Tony's Lookback



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About a month ago, I laid out a bullish thesis on Gilead Sciences (GILD). I sold the Oct. 150/145 put vertical collecting a \$2.15 credit. The stock has moved about a dollar lower with a \$5 per contract net loss. A credit spread like this can still work in our favor. Because the overall thesis still holds true, I want to roll this trade out to a later expiration.

GILD
09.03.2026 \$149.58

BUY 1 OCT 16TH 145 PUT AT \$3.65

SELL 1 OCT 16TH 150 PUT AT \$5.80

NET CREDIT = \$215

GILD BULL PUT SPREAD



GILD
10.01.2026 \$148.50

SELL 1 OCT 16TH 145 PUT AT \$1.95

BUY 1 OCT 16TH 150 PUT AT \$4.15

CURRENT NET DEBIT = \$220

LOSS IF CLOSED = \$5

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I'm closing out the original trade and selling the Nov. 6 147/142 put vertical, essentially moving the strikes lower and recentering the trade. Now, my new break-even price is around \$145, allowing me to, essentially, be profitable if GILD stays just above \$145 between now and the Nov. 6 weekly expiration.

GILD @ \$148.50

BUY 1 NOV 6TH 142 PUT AT \$3.30

SELL 1 NOV 6TH 147 PUT AT \$5.30

10.01.2026

CREDIT $(\$5.30 - \$3.30) * 100 = \$200$

COMBINED MAX GAIN = \$195

$(\$5.30 - \$3.30) * 100 = \text{MAX GAIN OF } \200

COMBINED MAX LOSS = \$305

$(\$147 - \$142 - \$2.00) * 100 = \text{MAX RISK OF } \300

GILD BULL PUT SPREAD

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