How Is the Strait of Hormuz Affecting the Stock Market? – 7/23/2026

Macro Views

Tony Zhang

Chief Strategist and Cofounder

OptionsPlay®

Uncertainty over diplomacy and traffic at a standstill in the Red Sea are driving energy prices higher. Despite this, markets appear to be shrugging off the risks and are perhaps a bit too optimistic about a resolution that puts oil back toward $70. Notably, gold has finally caught a bid, breaking out above $4,150 as momentum turned positive in early July. Equities seem willing to look past the tensions in the Middle East, with semis roaring back to life while earnings season is carrying the rest of the market. Major tech companies reporting this week and next will be the next key market indicator.

For more information, please watch the replay video.

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Trade Idea

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Gold spent the spring at record highs as the Iran conflict pushed investors into the classic geopolitical hedge, then spent the early summer correcting on rate-hike fears. Now, the picture is shifting back. The conflict is deepening rather than resolving, diplomacy has hardened, and two energy chokepoints are under simultaneous pressure. The conditions that originally made gold the hedge are reasserting themselves. To express a bullish view with defined risk, I'm looking to buy the September 370 call at a debit of $15.95.

GLD @ $372.34	BUY 1 SEP 18TH 370 CALL AT $15.95
07.23.2026	DEBIT $15.95 * 100 = $1,595
	MAX GAIN = UNLIMITED
GLD LONG CALL	$15.95 * 100 = MAX RISK OF $1,595

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Home Depot (HD) is a high-quality franchise stuck inside a macro trap it cannot break out of on its own. The core homeowner is still engaged for smaller, essential work, but keeps deferring the large remodel projects that drive their best growth. Every month that mortgage rates stay elevated and gas prices climb, that deferral extends a little further, and the big-ticket demand that would power a breakout stays on the sidelines. To express a bearish view with defined risk, I'm looking to sell the August 28 330/350 call vertical for a credit of $7.10.

HD @ $325.97	BUY 1 AUG 28TH 350 CALL AT $4.70
	SELL 1 AUG 28TH 330 CALL AT $11.80
07.23.2026	CREDIT ($11.80 – $4.70) * 100 = $710
	($11.80 – $4.70) * 100 = MAX GAIN OF $710
HD BEAR CALL SPREAD	($350 – $330 – $7.10) * 100 = MAX RISK OF $1,290

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Tony's Lookback

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I sold the Philip Morris (PM) August 185/175 put vertical for a credit of $3.85, and it's now trading at $1.95. Instead of holding until expiration, I'm looking to secure a profit and roll this into a new trade to continue taking advantage of the setup while minimizing downside risk.

PM 07.09.2026 $185.71

BUY 1 AUG 21ST 175 PUT AT $3.60
SELL 1 AUG 21ST 185 PUT AT $7.45
NET CREDIT = $385

PM BULL PUT SPREAD

PM 07.23.2026 $192.73

SELL 1 AUG 21ST 175 PUT AT $1.45
BUY 1 AUG 21ST 185 PUT AT $3.40
CURRENT NET DEBIT = $195
GAIN IF CLOSED = $190

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Tony's Lookback

I still believe in the original thesis, so I'm looking to roll the trade to the August 21 192.5/182.5 put vertical for a credit of $3.40.

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PM @ $192.73	BUY 1 AUG 21ST 182.50 PUT AT $2.80
	SELL 1 AUG 21ST 192.50 PUT AT $6.20
07.23.2026	CREDIT ($6.20 – $2.80) * 100 = $340
COMBINED MAX GAIN = $530	($6.20 – $2.80) * 100 = MAX GAIN OF $340
COMBINED MAX RISK = $470	($192.50 – $182.50 – $3.40) * 100 = MAX RISK OF $660

PM BULL PUT SPREAD

For more information, please watch the replay video.

GLD (SPDR Gold Shares)

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

	NAV Return	Market Return
1 Year	+21.99%	+20.85%
3 Year	+27.67%	+27.37%
5 Year	+17.49%	+17.34%
10 Year	+11.35%	+11.28%
Life	+10.32%	+10.29%

Top 1 (100.00% of total holdings as of 12/31/2025)

--	Gold	100%

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 11/18/2004. 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: 0.40%

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.

Options trading entails significant risk and is not appropriate for all investors. Certain complex options strategies carry additional risk. Before trading options, contact Fidelity Investments by calling 800-544-5115 to receive a copy of Characteristics and Risks of Standardized Options. Supporting documentation for any claims, if applicable, will be furnished upon request.

There are additional costs associated with option strategies that call for multiple purchases and sales of options, such as spreads, straddles, and collars, as compared with a single option trade.

The precious metals market can be significantly affected by international monetary and political developments such as currency devaluations or revaluations, central bank movements, economic and social conditions within a country, trade imbalances, or trade or currency restrictions between countries. Fluctuations in the price of precious metals often dramatically affect the profitability of companies in the precious metals sector. The precious metals market is extremely volatile, and investing directly in physical precious metals may not be appropriate for most investors. Bullion and coin investments in FBS accounts are not covered by either the SIPC or insurance "in excess of SIPC" coverage of FBS or NFS.

Stop loss orders do not guarantee the execution price you will receive and have additional risks that may be compounded in periods of market volatility. Stop loss orders could be triggered by price swings and could result in an execution well below your trigger price.

A covered call writer forgoes participation in any increase in the stock price above the call exercise price, and continues to bear the downside risk of stock ownership if the stock price decreases more than the premium received.

Stock markets are volatile and can fluctuate significantly in response to company, industry, political, regulatory, market, or economic developments. Investing in stock involves risks, including the loss of principal.

Technical analysis focuses on market action — specifically, volume and price. Technical analysis is only one approach to analyzing stocks. When considering which stocks to buy or sell, you should use the approach that you're most comfortable with. As with all your investments, you must make your own determination as to whether an investment in any particular security or securities is right for you based on your investment objectives, risk tolerance, and financial situation. Past performance is no guarantee of future results.

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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