All Eyes on the Strait of Hormuz – 04/09/2026

Macro Views

Tony Zhang
Chief Strategist and Cofounder
OptionsPlay®

A ceasefire for the war in Iran sent oil crashing and equities rallying on the hopes that the conflict will end and the Strait of Hormuz will reopen. However, if this ceasefire follows the same path as previous ones, with deadlines passing, rhetoric escalating, and the strait remaining effectively closed, my thesis remains intact: oil at $150 to $200 is a plausible outcome with 20% of global supply offline, and the knock-on effects to consumer spending, corporate margins, and Fed policy could drive equities meaningfully lower from here. In the very early unpredictable days of a ceasefire, I prefer to stay defensive.

For more information, please watch the replay video.

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Trade Idea

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Alphabet (GOOGL) has quietly become one of the highest-quality cash-flow franchises in the market just as the macro backdrop may be turning back in favor of quality growth. What still looks to many investors like a "search company under threat" is increasingly revealing itself as the most vertically integrated AI company in the world. Against that backdrop, the recent recovery looks less like a temporary bounce and more like an opportunity to accumulate a high-quality AI leader, particularly if lower oil helps stabilize inflation expectations and rates. To express a bullish view while defining downside risk, I'm looking to sell the May 310/290 put vertical for a credit of $6.70.

GOOGL @ $311.78	BUY 1 MAY 15TH 290 PUT AT $5.98
	SELL 1 MAY 15TH 310 PUT AT $12.68
04.09.2026	CREDIT ($12.68 – $5.98) * 100 = $670
	($12.68 – $5.98) * 100 = MAX GAIN OF $670
GOOGL BULL PUT SPREAD	($310 – $290 – $6.70) * 100 = MAX RISK OF $1,330

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Trade Idea

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The energy sector has been the single biggest beneficiary of the Iran conflict, with State Street Energy Select Sector SPDR ETF (XLE) rallying more than 50% from its pre-war levels as oil surged past $110. Tuesday night's two-week ceasefire announcement sent crude crashing, but oil remains at $94–$95, roughly 30% above where it started the year. A rapid return to pre-war pricing is unlikely even in the best-case diplomatic outcome. We have seen multiple deadline extensions and diplomatic signals throughout this conflict, and each prior one ultimately failed. If this ceasefire breaks down, oil re-accelerates violently and energy equities reprice higher. I'm looking to express a bullish view through a cash-secured put strategy by selling the May 22, 2026, 56.5 put for a credit of approximately $1.26.

XLE @ $58.95	SELL 1 MAY 22ND 56.5 PUT AT $1.26
04.09.2026	CREDIT $1.26 * 100 = $126
	$1.26* 100 = MAX GAIN OF $126
XLE SHORT PUT	($56.50 – $1.26) * 100 = MAX RISK OF $5,524

For more information, please watch the replay video.

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Tony's Lookback

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I sold the Cheniere Energy (LNG) April 260/240 put vertical for a $8.25 credit, and it's now trading at $1.50. Coming off the de-escalation rally, I'm looking to close this trade and rolling the profits to a new trade.

LNG 03.12.2026 $257.33

BUY 1 APR 17TH 240 PUT AT $5.10
SELL 1 APR 17TH 260 PUT AT $13.35
NET CREDIT = $825

LNG BULL PUT SPREAD

LNG 04.09.2026 $275.23

SELL 1 APR 17TH 240 PUT AT $0.45
BUY 1 APR 17TH 260 PUT AT $1.95
CURRENT NET DEBIT = $150
GAIN IF CLOSED = $675

For more information, please watch the replay video.

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Tony's Lookback

I remain bullish on this trade and want continued exposure in a high-volatility environment, so I'm looking to roll this to the May 22 275/255 put spread, generating about $7.50 in premium and improving the risk-reward profile by risking roughly $575 to potentially earn more than $1,400 per contract.

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OptionsPlay®

LNG @ $275.23	BUY 1 MAY 22ND 255 PUT AT $5.80
	SELL 1 MAY 22ND 275 PUT AT $13.30
04.09.2026	CREDIT ($13.30 – $5.80) * 100 = $750
COMBINED MAX GAIN = $1,425	($13.30 – $5.80) * 100 = MAX GAIN OF $750
COMBINED MAX RISK = $575	($275 – $255 – $7.50) * 100 = MAX RISK OF $1,250

LNG BULL PUT SPREAD

For more information, please watch the replay video.

XLE (State Street Energy Select Sector SPDR ETF)

Quarter-End Average Annual Total Returns as of 03/31/2026

	NAV Return	Market Return
1 Year	+35.31%	+35.32%
3 Year	+17.70%	+17.70%
5 Year	+24.61%	+24.58%
10 Year	+11.51%	+11.51%
Life	+9.01%	+9.07%

Top 10 (75.68% of total holdings as of 03/31/2026)

XOM	Exxon Mobil Corp	23.74%
CVX	Chevron Corp	17.30%
COP	ConocoPhillips	7.21%
EOG	EOG Resources Inc	4.15%
SLB	SLB Ltd	4.06%
WMB	Williams Companies Inc	4.06%
VLO	Valero Energy Corp	3.99%
PSX	Phillips 66	3.88%
MPC	Marathon Petroleum Corp	3.81%
KMI	Kinder Morgan Inc Class P	3.47%

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 12/16/1998. 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: 0.08%

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

Before investing in any exchange-traded fund, you should consider its investment objectives, risks, charges, and expenses. Contact Fidelity for a prospectus, an offering circular, or, if available, a summary prospectus containing this information. Read it carefully.

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 energy industries can be significantly affected by fluctuations in energy prices and supply and demand of energy fuels, energy conservation, the success of exploration projects, and tax and other government regulations.

ETFs are subject to market fluctuation and the risks of their underlying investments. ETFs are subject to management fees and other expenses.

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.

The securities of smaller, less well known companies can be more volatile than those of larger companies.

Investing in bonds involves risk, including interest rate risk, inflation risk, credit and default risk, call risk, and liquidity risk.

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.