Market Risk or Healthy Consolidation? – 06/11/2026

Macro Views

Tony Zhang
Chief Strategist and Cofounder
OptionsPlay®

Despite the hot inflation print and pressure on equities, we continue to see a silent rotation underneath the surface that suggests that the longer-term bullish uptrend remains intact and that what we're seeing is a healthy consolidation period after what has been a substantial run. With further escalation in the Middle East, energy remains the best hedge against the war. Lastly, we have the biggest IPO in history lined up on Friday that is nearly 4x oversubscribed with 30% retail participation. We've definitely seen growth and AI stocks under a bit of pressure, partly because $75b is being pulled out to fund this IPO. With pre-IPO premiums compressing over the last few weeks, my expectations are for a mild run up to the $2T mark.

For more information, please watch the replay video.

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Trade Idea

Tony Zhang
Chief Strategist and Cofounder
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Energy stocks have pulled back, but the macro setup still argues for a durable floor. Currently, the Middle East conflict remains unresolved, and the EIA's latest outlook assumes the Strait remains effectively closed with shipments not returning to pre-conflict traffic until 2027. My thesis assumes that geopolitical risk, tight inventories, and lingering supply disruption keep crude oil supported enough to prevent a deeper breakdown in energy equities. Against that backdrop, selling downside premium in State Street Energy Select Sector SPDR ETF (XLE) offers a way to monetize elevated energy volatility, while potentially acquiring the sector at a discount near a major support level. To express a bullish income view, consider: I'm selling the July 17 $57 put for a credit of $1.35.

XLE @ $58.59	SELL 1 JUL 17TH 57 PUT AT $1.35
06.11.2026	CREDIT $1.35 * 100 = $135
	$1.35 * 100 = MAX GAIN OF $135
XLE SHORT PUT	($57 – $1.35) * 100 = MAX RISK OF $5,565

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Trade Idea

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GE Aerospace (GE) has become one of the most reliable growth stories in industrials, and the chart is finally catching up to the fundamentals. Shares have cleared a major resistance level and are pressing toward new highs on accelerating relative strength versus the broader market. This is a business with a structural tailwind few companies can match: a massive installed base of jet engines that throws off high-margin, recurring service revenue for decades after each engine is sold. With orders surging, a record backlog, and management executing cleanly, GE is positioned to extend its leadership, and we are considering a long position. To express this bullish view with defined risk, I am selling the GE July 17 320/300 put vertical for a credit of $7.15.

GE @ $323.96	BUY 1 JUL 17^{TH} 300 PUT AT $7.83
	SELL 1 JUL 17^{TH} 320 PUT AT $14.98
06.11.2026	CREDIT ($14.98 – $7.83) * 100 = $715
	($14.98 – $7.83) * 100 = MAX GAIN OF $715
GE BULL PUT SPREAD	($320 – $300 – $7.15) * 100 = MAX RISK OF $1,285

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Tony's Lookback

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I bought the SPY June 745/710 put vertical at $7.88, which is now trading about $16.35. I'm looking to close out this trade and take profit.

SPY
05.14.2026
$748.66

BUY 1 JUN 18TH 745 PUT AT $12.18
SELL 1 JUN 18TH 710 PUT AT $4.30
NET DEBIT = $788

SPY BEAR PUT SPREAD

SPY
06.11.2026
$727.95

SELL 1 JUN 18TH 745 PUT AT $20.40
BUY 1 JUN 18TH 710 PUT AT $4.05
CURRENT NET CREDIT = $1,635
GAIN IF CLOSED = $847

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 (74.92% of total holdings as of 05/31/2026)

XOM	Exxon Mobil Corp	22.12%
CVX	Chevron Corp	16.60%
COP	ConocoPhillips	6.78%
SLB	SLB Ltd	4.69%
WMB	Williams Companies Inc	4.33%
VLO	Valero Energy Corp	4.30%
MPC	Marathon Petroleum Corp	4.22%
EOG	EOG Resources Inc	4.16%
PSX	Phillips 66	4.08%
BKR	Baker Hughes Co Class A	3.63%

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).

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SPY (State Street SPDR S&P 500 ETF Trust)

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

	NAV Return	Market Return
1 Year	+17.68%	+17.59%
3 Year	+18.18%	+18.19%
5 Year	+11.96%	+11.94%
10 Year	+14.06%	+14.06%
Life	+10.46%	+10.43%

Top 10 (39.21% of total holdings as of 05/31/2026)

NVDA	NVIDIA Corp	7.89%
AAPL	Apple Inc	7.05%
MSFT	Microsoft Corp	5.14
AMZN	Amazon.com Inc	4.07%
GOOG L	Alphabet Inc Class A	3.41%
AVGO	Broadcom Inc	3.26%
GOOG	Alphabet Inc Class C	2.71%
META	Meta Platforms Inc Class A	2.13%
TSLA	Tesla Inc	1.88%
MU	Micron Technology Inc	1.68%

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 01/22/1993. 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: 0.09%

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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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.

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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