

Fragile Market; Handle with Care – 05/14/2026

Macro Views



Tony Zhang

Chief Strategist and Cofounder
OptionsPlay®

Equity markets have split as inflation data came in hotter than expected. While some markets ultimately rallied yesterday, the tape remains fragile as the equal-weight S&P 500 Index highlights underlying weakness in this rally. The single most important upcoming catalyst is the Trump-Xi summit in Beijing, a CEO-attended state visit covering AI/chips, rare earths, Taiwan, and the Iran war, that could deliver the first concrete export-framework deliverable in more than a year. Secondary catalysts include more CapEx earnings and inflation data that will test whether the AI narrative can continue to carry the Nasdaq independent of the rate-cut tailwind that just disappeared.

For more information, please watch the replay video.

Trade Idea



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As highlighted in the macro discussion, the equity rally is starting to look more fragile than just a few weeks ago. As markets sit near all-time highs and the macro backdrop deteriorates, a hedge on SPY could make sense. The market appears overbought and increasingly dependent on perfect outcomes. The S&P 500 is stretched after a sharp rally off the April lows, with momentum still positive but increasingly extended. To express a bearish hedge with defined risk, I'm looking to buy the June 18 745/710 put vertical at a debit of \$7.88.

SPY @ \$748.66	BUY 1 JUN 18 TH 745 PUT AT \$12.18
	SELL 1 JUN 18 TH 710 PUT AT \$4.30
05.14.2026	DEBIT $(\$12.18 - \$4.30) * 100 = \$788$
	$(\$745 - \$710 - \$7.88) * 100 = \text{MAX GAIN OF } \$2,712$
SPY BEAR PUT SPREAD	$(\$12.18 - \$4.30) * 100 = \text{MAX RISK OF } \788

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Trade Idea



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Sea Limited (SE) is starting to look like one of the more compelling bullish setups in global internet and e-commerce as both the chart and the fundamentals begin to inflect at the same time. After spending much of the past two years rebuilding investor confidence around profitability and capital discipline, the company now appears to be entering a new phase where growth and earnings expansion are reinforcing each other rather than competing for priority. That shift matters, because SE is no longer being viewed as a cash-burning emerging-market platform, and it's increasingly being re-rated as a scaled, profitable consumer internet leader across Southeast Asia and Brazil. To express a bullish view with defined risk, I'm looking to sell the June 26 87/80 put vertical at a credit of \$3.20.

SE @ \$87.78	BUY 1 JUN 26 TH 80 PUT AT \$2.40
	SELL 1 JUN 26 TH 87 PUT AT \$5.60
05.14.2026	CREDIT $(\$5.60 - \$2.40) * 100 = \$320$
	$(\$5.60 - \$2.40) * 100 = \text{MAX GAIN OF } \320
SE BULL PUT SPREAD	$(\$87 - \$80 - \$3.20) * 100 = \text{MAX RISK OF } \380

For more information, please watch the replay video.

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Tony's Lookback

I sold the May 150 puts on ARM for a credit of \$7.70, and it's now nearly worthless at \$0.05. It's time to close out this trade, and I'm looking to roll it into a new one to take profit while continuing to capitalize on the thesis.



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ARM
04.16.2026 \$158.60

SELL 1 MAY 15TH 150 PUT AT \$7.70

NET CREDIT = \$770

ARM SHORT PUT

ARM
05.14.2026 \$222.66

BUY 1 MAY 15TH 150 PUT AT \$0.05

CURRENT NET DEBIT = \$5

GAIN IF CLOSED = \$765



For more information, please watch the replay video.

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Tony's Lookback

I'm looking to roll the ARM trade to the June 200 puts for a \$10.05 credit. Taking profit on the initial trade reduces our overall downside risk.



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ARM @ \$222.66	SELL 1 JUN 18 TH 200 PUT AT \$10.05
05.14.2026	CREDIT $\$10.05 * 100 = \$1,005$
COMBINED MAX GAIN = \$1,770	$\$10.05 * 100 = \text{MAX GAIN OF } \$1,005$
COMBINED MAX RISK = \$18,230	$(\$200 - \$10.05) * 100 = \text{MAX RISK OF } \$18,995$

ARM SHORT PUT

For more information, please watch the replay video.

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 (38.43% of total holdings as of 04/30/2026)

NVDA	NVIDIA Corp	7.85%
AAPL	Apple Inc	6.45%
MSFT	Microsoft Corp	4.90%
AMZN	Amazon.com Inc	4.19%
GOOGL	Alphabet Inc Class A	3.63%
AVGO	Broadcom Inc	3.20%
GOOG	Alphabet Inc Class C	2.89%
META	Meta Platforms Inc Class A	2.17%
TSLA	Tesla Inc	1.74%
BRK/B	Berkshire Hathaway Inc Class B	1.41%

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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Greeks are mathematical calculations used to determine the effect of various factors on options.

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