

Making Sense of a Volatile Market – 3/6/2025

Macro Views



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Chief Strategist and Cofounder
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A significant uptick in volatility from shifting economic data and uncertainty regarding tariffs has driven a flight to safety. Equities have suffered as a result, and the recent imposition of tariffs on Canada, Mexico, and China has driven the VIX above 22%. However, despite this volatility, we're not seeing a sell-off across all sectors. This suggests that we're currently in a consolidation phase rather than investors simply panic selling.

For more information, please watch the replay video.

Trade Idea



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Baidu Inc. (BIDU) stands out as a potential opportunity to gain exposure to a global leader in AI at a compelling valuation—with minimal risks from tariffs. As China's leading search engine, Baidu has evolved into a powerhouse in AI innovation, with initiatives such as the ERNIE Bot chatbot, Baidu AI Cloud, and autonomous-driving projects gaining significant traction. Trading at a potential discount to its industry, BIDU offers an attractive risk to reward for investors seeking exposure to the AI revolution with a long-term growth horizon. To capitalize on their long-term growth potential, I'm using a cash-secured put to generate potential income as a stock acquisition strategy.

BIDU @ \$92.30	SELL 1 APR 4 TH 90 PUT AT \$3.70
03.06.25	CREDIT $\$3.70 * 100 = \370
	$\$3.70 * 100 = \text{MAX GAIN OF } \370
BIDU Cash-Secured Put	$(\$90 - \$3.70) * 100 = \text{MAX RISK OF } \$8,630$

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Tony's Lookback



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A couple of weeks ago, I laid out a bearish thesis on Apple—noting concerns with its high valuation and trading premium. The rule of thumb with these types of trades is that once you collect about 50% of the maximum gain, it's time to consider closing the trade. So first, we're going to close out this trade and take the profits.

AAPL \$ 245.00
02.20.2025

BUY 1 APR 4TH 260 CALL AT \$2.10

SELL 1 APR 4TH 245 CALL AT \$7.90

NET CREDIT = \$580

AAPL Call Vertical

AAPL \$ 234.90
03.06.2025



SELL 1 APR 4TH 260 CALL AT \$0.73

BUY 1 APR 4TH 245 CALL AT \$3.63

CURRENT NET DEBIT = \$290

GAIN IF CLOSED = \$290

Tony's Lookback

After closing the initial AAPL trade, I'd also like to roll it into a new trade because my view of AAPL remains unchanged. But now we have profits from the previous trade and can get new downside exposure in AAPL with some slight adjustments.



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AAPL @ \$234.90	BUY 1 APR 17TH 250 CALL AT \$3.18
	SELL 1 APR 17TH 235 CALL AT \$9.57
03.06.25	CREDIT $(\\$9.57 - \\$3.18) * 100 = \\$639$
COMBINED MAX GAIN = \$929	$(\\$9.57 - \\$3.18) * 100 = \text{MAX GAIN OF } \\639
COMBINED MAX RISK = \$571	$(\\$250 - \\$235 - \\$6.39) * 100 = \text{MAX RISK OF } \\861

AAPL Call Vertical

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