Greenland Demands, Bond Meltdowns, and Trade Wars – 01/22/2026

Macro Views

Tony Zhang
Chief Strategist and Cofounder
OptionsPlay®

Markets started on a sharp risk-off tone with VIX touching 20%, driven by the "Greenland" shock of tariffs on eight NATO allies plus the Japanese bond sell-off. Reignited trade wars resurfaced the "Sell America" trade, which historically has generated a volatility spike and a potential buying opportunity. However, an unwinding of the Japanese carry trade creates less demand for global risk assets and more for safe havens, such as gold. JGB market tremors may have longer-lasting effects as the US 10-year yields have spiked to 4.3% and stocks sell off. Meanwhile, Netflix (NFLX) earnings highlight fragility, where despite a solid beat, the stock is down 5% after hours. After GDP and PCE came in as expected, the focal point going forward will be whether major tech names beat earnings expectations. The Fed likely won't cut interest rates, as the overall economy is seeing some cooling. With the S&P 500 now below the 7,000 level and volatility recently repriced higher, next week is likely to be driven by whether the Fed and incoming data stabilize expectations—or keep risk premium elevated.

For more information, please watch the replay video.

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Trade Idea

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CVS Health (CVS) has transitioned from a multiyear earnings drawdown into a renewed growth phase. After two years of absorbing elevated medical utilization and activist uncertainty, CVS now appears to have put a floor under earnings. With management reasserting guidance and valuation still deeply discounted, the market is starting to reprice CVS for growth. To express a bullish view with defined risk, I want to sell the February 27 weekly option, collecting about $1.80 for this credit spread.

CVS @ $81.57	BUY 1 FEB 27TH 76 PUT AT $1.50
	SELL 1 FEB 27TH 81 PUT AT $3.30
01.22.2026	CREDIT ($3.30 – $1.50) * 100 = $180
	($3.30 – $1.50) * 100 = MAX GAIN OF $180
CVS BULL PUT SPREAD	($81 – $76 – $1.80) * 100 = MAX RISK OF $320

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Affirm's (AFRM) late 2025 rally was fueled by Apple Pay integration, but the stock's unsustained momentum reveals meaningful risks. After failing to hold above the $80 level, price action signals exhaustion. While the Apple partnership boosted transaction volume, it also exposed AFRM to competition at a point when the consumer is increasingly under strain. To express a bearish view with defined risk, I want to sell the February 72/86 call vertical at a $4.10 credit.

AFRM @ $71.66	BUY 1 FEB 20TH 86 CALL AT $2.10
	SELL 1 FEB 20TH 72 CALL AT $6.20
01.22.2026	CREDIT ($6.20 – $2.10) * 100 = $410
	($6.20 – $2.10) * 100 = MAX GAIN OF $410
AFRM BEAR CALL SPREAD	($86 – $72 – $4.10) * 100 = MAX RISK OF $990

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Tony's Lookback

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On December 18, I bought the Amgen (AMGN) February 330/360 call vertical at $8.80. That call spread is now trading at $17.55. Whenever you reach a 100% gain on a debit spread, it's a good time to consider managing that trade. When the market proves your thesis to be correct, you can try to hit a home run if the momentum continues.

AMGN
12.18.2025
$324.97

BUY 1 FEB 20TH 330 CALL AT $12.00
SELL 1 FEB 20TH 360 CALL AT $3.20
NET DEBIT = $880

AMGN BULL CALL SPREAD

AMGN
01.22.2026
$349.00

SELL 1 FEB 20TH 330 CALL AT $23.30
BUY 1 FEB 20TH 360 CALL AT $5.75
CURRENT NET CREDIT = $1,755
GAIN IF CLOSED = $875

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Instead of simply taking profits, I'm looking to roll this trade out to the March expiration (March 350/380 call spread at $10.10), buying another two months of upside potential and recentering the strikes based on where the stock is now trading. The combined risk is only about $135 per contract with a maximum profit potential of more than $2,800 per contract. I like that risk-to-reward ratio and want to take advantage of the momentum that I'm seeing.

AMGN @ $349.00	BUY 1 MAR 20^{TH} 350 CALL AT $13.05
	SELL 1 MAR 20^{TH} 380 CALL AT $2.95
01.22.2026	DEBIT ($13.05 – $2.95) * 100 = $1,010
COMBINED MAX GAIN = $2,865	($380 – $350 – $10.10) * 100 = MAX GAIN OF $1,990
COMBINED MAX RISK = $135	($13.05 – $2.95) * 100 = MAX RISK OF $1,010

AMGN BULL CALL SPREAD

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