

Market Sell-Off Spurred by AI Concerns – 11/20/2025

Macro Views



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Earlier this week, market sentiment suddenly hit a wall as fears spread across risk markets. We saw a combined selling of equities, gold, crypto, and bonds. Multiple factors are at play here, including a weakening labor market, elevated yields despite rate cuts, and concerns regarding the CapEx of tech companies chasing AI dominance. We have two major events this week: NVIDIA's (NVDA) earnings and the delayed October labor data. NVDA's earnings and guidance beat expectations and offset some concerns around AI spending and valuations. This will likely ease some downside concerns in the short run, but it doesn't take away longer-term concerns. The labor market reading is an important calculus for the market's perception of a December rate cut, currently at a 66% probability. With the S&P 500, Nasdaq-100, and Russell 200 indexes all below the 50-day simple moving average, the market is in a much weaker stance since last week. And with the VIX currently retreating from its recent 27.5% high, we could have a buy-the-dip opportunity right now.

For more information, please watch the replay video.

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Trade Idea



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Meta (META) is executing at a level few peers can match: accelerating double-digit ad revenue growth, improving auction pricing, and compounding user engagement. Management is pursuing an ambitious AI-driven product roadmap—underpinned by one of the most advanced data centers in the world. Simultaneously, Meta is expanding its product footprint to Threads and Reels. The current dislocation provides a potential opportunity for investors. That's why I'm buying the January 605/675 call vertical at \$23.45.

META @ \$604.50	BUY 1 JAN 16 TH 605 CALL AT \$32.85
	SELL 1 JAN 16 TH 675 CALL AT \$9.40
11.20.25	DEBIT $(\$32.85 - \$9.40) * 100 = \$2,345$
	$(\$675 - \$605 - \$23.45) * 100 = \text{MAX GAIN OF } \$4,655$
META BULL CALL SPREAD	$(\$32.85 - \$9.40) * 100 = \text{MAX RISK OF } \$2,345$

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Gilead Sciences (GILD) is shifting from legacy COVID sales to sustainable growth driven by advances in treating HIV and liver diseases. Management's reaffirmed outlook and disciplined cost control support earnings resilience. GILD's outperformance of the S&P 500 underscores an attractive combination of stability, fundamentals, and technical confirmation of a new uptrend. I'm buying the GILD January 120 call option at \$10.65.

GILD @ \$127.01	BUY 1 JAN 16 TH 120 CALL AT \$10.65
11.20.25	DEBIT $\$10.65 * 100 = \$1,065$
	MAX GAIN = UNLIMITED
	$\$10.65 * 100 = \text{MAX RISK OF } \$1,065$

GILD LONG CALL

For more information, please watch the replay video.

Tony's Lookback



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A few weeks ago, I laid out a bullish thesis on NVIDIA (NVDA), buying the December 200/235 call vertical at \$12.35. We've seen a lot of weakness in the broader markets that's kept the stock lower since then. Because the earnings announcement was positive, I do want to hold on to this trade. I want to adjust and close out the 235 call option in my vertical spread to construct a new bull call spread by selling a lower strike price.

NVDA

10.30.2025

\$202.36

BUY 1 DEC 19TH 200 CALL AT \$16.60

SELL 1 DEC 19TH 235 CALL AT \$4.25

NET DEBIT = \$1,235

NVDA BULL CALL SPREAD

NVDA

11.20.2025

\$195.45

KEEP 1 DEC 19TH 200 CALL AT \$16.60

BUY TO CLOSE 1 DEC 19TH 235 CALL
AT \$0.79

DEBIT FROM NEW TRADE = \$79

GAIN FROM CLOSING LEG = \$346

Tony's Lookback



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I want to roll out to the 215 strike price to bring in about \$2.78. If NVDA were to recover, this would maintain upside potential while at the same time lowering my total risk on the trade. Because the market has changed since I entered this trade, I want to modify my risk-reward ratio, allowing me to still potentially make a profit on this trade versus holding the original position until expiration.

NVDA @ \$195.45	KEEP 1 DEC 19 TH 200 CALL AT \$16.60
	SELL 1 DEC 19 TH 215 CALL AT \$2.78
11.20.25	CREDIT FROM ROLL = \$278
COMBINED MAX GAIN = \$464	$(\$215 - \$200 - \$13.82) * 100 = \text{MAX GAIN OF } \118
COMBINED MAX RISK = \$1,036	$(\$16.60 - \$2.78) * 100 = \text{MAX RISK OF } \$1,382$

NVDA BULL CALL SPREAD

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