

Market Strength or AI Hype? – 10/30/2025

Macro Views



Tony Zhang

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Equity markets are currently riding on a bit of a high. A lower-than-expected inflation print last week locked in a rate cut, and the market is currently expecting three more by July 2026. Earnings season has also been off to a great start and optimism is high with tech names reporting this week. However, market breadth is poor and warrants caution from this overly optimistic market sentiment. As AI hype continues, it's easy to get caught up in the headlines and forget the underlying economic weakness that is driving the need for these rate cuts.

For more information, please watch the replay video.

Trade Idea



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NVIDIA (NVDA) remains the dominant force in AI computing, transforming from a chipmaker into the essential platform powering the global shift toward accelerated computing and generative AI. With management guiding to another record quarter and visibility into a \$2T+ AI infrastructure opportunity, NVDA continues to combine exceptional growth, profitability, and execution at a valuation that remains attractive relative to its earnings trajectory. With an IV rank of 40%, options premiums are moderately priced, offering attractive risk/reward through defined-risk debit spreads. I'm buying the December 19, 2025, 200/235 call vertical at a debit of \$12.35.

NVDA @ \$202.36	BUY 1 DEC 19 TH 200 CALL AT \$16.60
	SELL 1 DEC 19 TH 235 CALL AT \$4.25
	DEBIT $(\$16.60 - \$4.25) * 100 = \$1,235$
	$(\$235 - \$200 - \$12.35) * 100 = \text{MAX GAIN OF } \$2,265$
10.30.25	$(\$16.60 - \$4.25) * 100 = \text{MAX RISK OF } \$1,235$
NVDA CALL VERTICAL	

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Tony's Lookback

I bought the December 360/420 call vertical on Elevance Health (ELV) at a \$20.50 debit. This is now trading at \$5.15, and it's time to cut my losses and move on to the next trade.



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ELV
10.09.2025 \$361.00

BUY 1 DEC 19TH 360 CALL AT \$28.50

SELL 1 DEC 19TH 420 CALL AT \$8.00

NET DEBIT = \$2,050

ELV CALL SPREAD

ELV
10.30.2025 \$332.38

SELL 1 DEC 19TH 360 CALL AT \$6.15

BUY 1 DEC 19TH 420 CALL AT \$1.00

CURRENT NET CREDIT = \$515

LOSS IF CLOSED = \$1,535

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