

Stagflation Squeezes Small-Caps—3/12/2026

Macro Views



Tony Zhang

Chief Strategist and Cofounder
OptionsPlay®

The 2nd week of the Iran war delivered a stagflationary shock as the SPX sits just below its key \$6,700 support level. Last week's surging oil prices and unemployment rate sent markets sharply lower. Traffic through the Strait of Hormuz remains down 95% and Iran continues to target the broader region. 10-year yields have reached 4.2% again as only one rate cut is expected for December. AI trade has revived with blowout earnings for Oracle and Broadcom. An elevated VVIX suggests that demand for hedging could continue to grow. Investors are looking toward oil-driven inflation prints. The Federal Open Market Committee (FOMC) meeting will reveal oil's impact on the inflation outlook. Furthermore, NVIDIA will test if the AI spending cycle is immune to war, and retail earnings will show the consumer impact. In my opinion, the market hasn't priced in the potential for oil staying above \$100, which is looking more like a base case. This could benefit certain oil stocks, while squeezing small-caps, transports, and discretionary consumer spending.

For more information, please watch the replay video.

Trade Idea



Tony Zhang

Chief Strategist and Cofounder
OptionsPlay®

For this trade idea, I want to hedge macro risk tied to small-caps during inflation shocks, higher rates, and geopolitical events. The Iran war has the potential to trigger all three. Rather than shorting the market outright, a defined-risk options hedge allows me to help protect downside exposure while limiting committed capital. That's why I'm buying the April 17 245/225 put vertical on IWM at a \$5.30 debit.

IWM @ \$247.61	BUY 1 APR 17 TH 245 PUT AT \$8.45
	SELL 1 APR 17 TH 225 PUT AT \$3.15
03.12.2026	DEBIT $(\$8.45 - \$3.15) * 100 = \$530$
	$(\$245 - \$225 - \$5.30) * 100 = \text{MAX GAIN OF } \$1,470$
IWM BEAR PUT SPREAD	$(\$8.45 - \$3.15) * 100 = \text{MAX RISK OF } \530

For more information, please watch the replay video.

Trade Idea



Tony Zhang

Chief Strategist and Cofounder
OptionsPlay®

When there's disruption in the Middle East liquefied natural gas (LNG) supply, Asian and European buyers turn to US LNG. Cheniere is the largest US LNG exporter. This is as direct as a beneficiary as you'll find. Long-term contracts, like Taiwan's agreement through 2050, lock in value and a \$10 billion buyback was authorized through 2030. I want to sell the April 17 LNG 240/260 put vertical at a \$8.25 credit.

LNG @ \$257.33	BUY 1 APR 17 TH 240 PUT AT \$5.10
	SELL 1 APR 17 TH 260 PUT AT \$13.35
03.12.2026	CREDIT $(\$13.35 - \$5.10) * 100 = \$825$
	$(\$13.35 - \$5.10) * 100 = \text{MAX GAIN OF } \825
LNG BULL CALL SPREAD	$(\$260 - \$240 - \$8.25) * 100 = \text{MAX RISK OF } \$1,175$

For more information, please watch the replay video.

Tony's Lookback



Tony Zhang

Chief Strategist and Cofounder
OptionsPlay®

About a month ago, I sold a bullish put spread on Intel Corporation (INTC), hypothesizing that as long as it stayed where it was or moved higher, I would be profitable. The stock has moved in the opposite direction. But because I sold a put spread, I only lost \$10 per contract. Normally, I'd roll this out. But given the macro conditions on semiconductors, I want to take a little bit of a pause and wait for more stability.

INTC

01.29.2026

\$48.43

BUY 1 MAR 20TH 43 PUT AT \$1.65

SELL 1 MAR 20TH 48 PUT AT \$3.75

NET CREDIT = \$210

BULL PUT SPREAD ON INTC

INTC

03.12.2026

\$45.96

SELL 1 MAR 20TH 43 PUT AT \$0.80

BUY 1 MAR 20TH 48 PUT AT \$3.00

CURRENT NET DEBIT = \$220

LOSS IF CLOSED = \$10

IWM (iShares Russell 2000 ETF)

Quarter-End Average Annual Total Returns as of 12/31/2025

	NAV Return	Market Return
1 Year	+12.69%	+12.66%
3 Year	+12.59%	+12.60%
5 Year	+5.20%	+5.19%
10 Year	+8.84%	+8.86%
Life	+7.32%	+7.29%

Top 10 (5.71% of total holdings as of 2/28/2026)

BE	Bloom Energy Corp Class A	1.11%
FN	Fabrinet	0.64%
CDE	Coeur Mining Inc	0.57%
CRDO	Credo Technology Group Holding Ltd	0.56%
HL	Hecla Mining Co	0.52%
SATS	EchoStar Corp Class A	0.51%
NXT	Nextpower Inc Class A	0.50%
KTOS	Kratos Defense & Security Solutions Inc	0.47%
IONQ	IonQ Inc Class A	0.42%
STRL	Sterling Infrastructure Inc	0.42%

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 5/22/2000. 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: 0.19%

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 of the period indicated. Since ETFs are bought and sold at prices set by the market—which can result in a premium or discount to its net asset value (NAV)—the returns calculated using market price (market return) can differ from those calculated using its NAV (NAV return).



Before investing in any exchange-traded fund, you should consider its investment objectives, risks, charges, and expenses. Contact Fidelity for a prospectus, an offering circular, or, if available, a summary prospectus containing this information. Read it carefully.

Past performance is no guarantee of future results.

Options trading entails significant risk and is not appropriate for all investors. Certain complex options strategies carry additional risk. Before trading options, contact Fidelity Investments by calling 800-544-5115 to receive a copy of Characteristics and Risks of Standardized Options. Supporting documentation for any claims, if applicable, will be furnished upon request.

There are additional costs associated with option strategies that call for multiple purchases and sales of options, such as spreads, straddles, and collars, as compared with a single option trade.

ETFs are subject to market fluctuation and the risks of their underlying investments. ETFs are subject to management fees and other expenses.

Stock markets are volatile and can fluctuate significantly in response to company, industry, political, regulatory, market, or economic developments. Investing in stock involves risks, including the loss of principal.

The securities of smaller, less well known companies can be more volatile than those of larger companies.

Technical analysis focuses on market action — specifically, volume and price. Technical analysis is only one approach to analyzing stocks. When considering which stocks to buy or sell, you should use the approach that you're most comfortable with. As with all your investments, you must make your own determination as to whether an investment in any particular security or securities is right for you based on your investment objectives, risk tolerance, and financial situation. Past performance is no guarantee of future results.

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

Indexes are unmanaged. It is not possible to invest directly in an index.

Views expressed are as of the date indicated, based on the information available at that time, and may change based on market or other conditions. Unless otherwise noted, the opinions provided are those of OptionsPlay and not necessarily those of Fidelity Investments or its affiliates. Fidelity does not assume any duty to update any of the information.



News, commentary, market data and research reports are from third-party sources unaffiliated with Fidelity, unless otherwise noted, and are provided for informational purposes only. Fidelity does not endorse or adopt third party content. Fidelity makes no guarantees that information supplied is accurate, complete, or timely, and does not provide any warranties regarding results obtained from their use.

Any screenshots, charts, or company trading symbols mentioned are provided for illustrative purposes only and should not be considered an offer to sell, a solicitation of an offer to buy, or a recommendation for the security.

OptionsPlay and Fidelity Investments are independent entities and are not legally affiliated.

The third-party trademarks appearing herein are the property of their respective owners.

Fidelity Brokerage Services LLC, Member NYSE SIPC. © 2026 FMR LLC. All rights reserved. 1253733.1.0

