Applied Materials Inc / AMAT

Equity | Generated Aug 25, 2026 6:19 PM EDT

Current price	Daily move	Bid / Ask	Previous close
$480.60	-3.59 -0.74%	$480.55/$481.22	$484.19

Market	**NYSE**
Industry	**Semiconductors**
Market data as of	**Aug 25, 2026 6:19 PM EDT**

JW Intelligence Report

Complete | 3 of 3 sections | Aug 25, 2026 5:30 PM EDT

JW Rank	Rank label	Confidence	IV percentile
60.3 / 100	Balanced	high	58 / 100

Model reference	Upside scenario	Risk reference	Wheel strategy fit
$475.00	$515.00	$455.00	68 / 100

Options stance	**neutral**
Tail-risk safety	**56 / 100**
JW Rank data coverage / as of	**100.0% | Aug 25, 2026 5:30 PM EDT**

Key insight

AMAT Option Market Shows Mixed Sentiment After Earnings

Market read

The AMAT option market displays a neutral stance following recent earnings. While strong results and guidance exceeded expectations, the stock price declined due to profit-taking after a significant rally. The term structure is in backwardation with near-term IV higher than longer-term IV. Skew is balanced, suggesting no strong directional bias. The implied volatility of 54.91% reflects market uncertainty surrounding future performance.

Strategy context

The option market shows mixed sentiment following earnings. While the company delivered strong results, the stock price decline indicates some profit-taking and uncertainty about future performance.

JW AI conclusions

Short- and medium-term model interpretation

AI context bias	**Bullish**
AI analysis updated	**Aug 25, 2026 1:41 PM EDT**

Short-term scenario

Cautious dip-buy or wait-and-see over the next 1-3 weeks given post-earnings selling, fading momentum and still-elevated expectations; high uncertainty around whether support holds. Consider accumulating only if price stabilizes near current levels or lower with confirmation of buying interest; not a high-conviction entry while technicals remain weak.

Three-month outlook

Moderately constructive but with significant uncertainty. Strong Q4 guidance, accelerating AI-related demand across DRAM, foundry-logic and packaging, plus continued margin expansion and shareholder returns, could support a recovery toward the $550-$600 area or higher if the broader semiconductor complex stabilizes. Consensus analyst targets near $640 imply substantial upside. However, the stock has already corrected more than 25 percent from its peak, short-term technicals are weak, and the market has shown it will sell even excellent results if they fail to exceed an extremely high bar. Additional risks include further profit-taking, a wider tech or semi correction, execution on ambitious growth, geopolitical factors and valuation compression. A rebound is possible but far from guaranteed; the next 1-2 quarters of results and any shift in AI-capex narratives will be decisive.

Market sentiment

Cautious and mixed with a near-term skeptical tilt. Multiple posts highlight that record earnings and strong guidance were punished because expectations had become extreme after the huge rally, with comments that the market is now pricing perfection and that good results are no longer enough. Some traders flag semiconductor-sector weakness, cycle-risk concerns and include AMAT on short or fade lists while calling for a move toward $480. Others view the dip as a potential long-term AI-infrastructure opportunity given the company's moat, margins and capital-return policy, though they advise waiting for stabilization. Overall tone is wait-and-see rather than aggressively bullish.

Supporting evidence

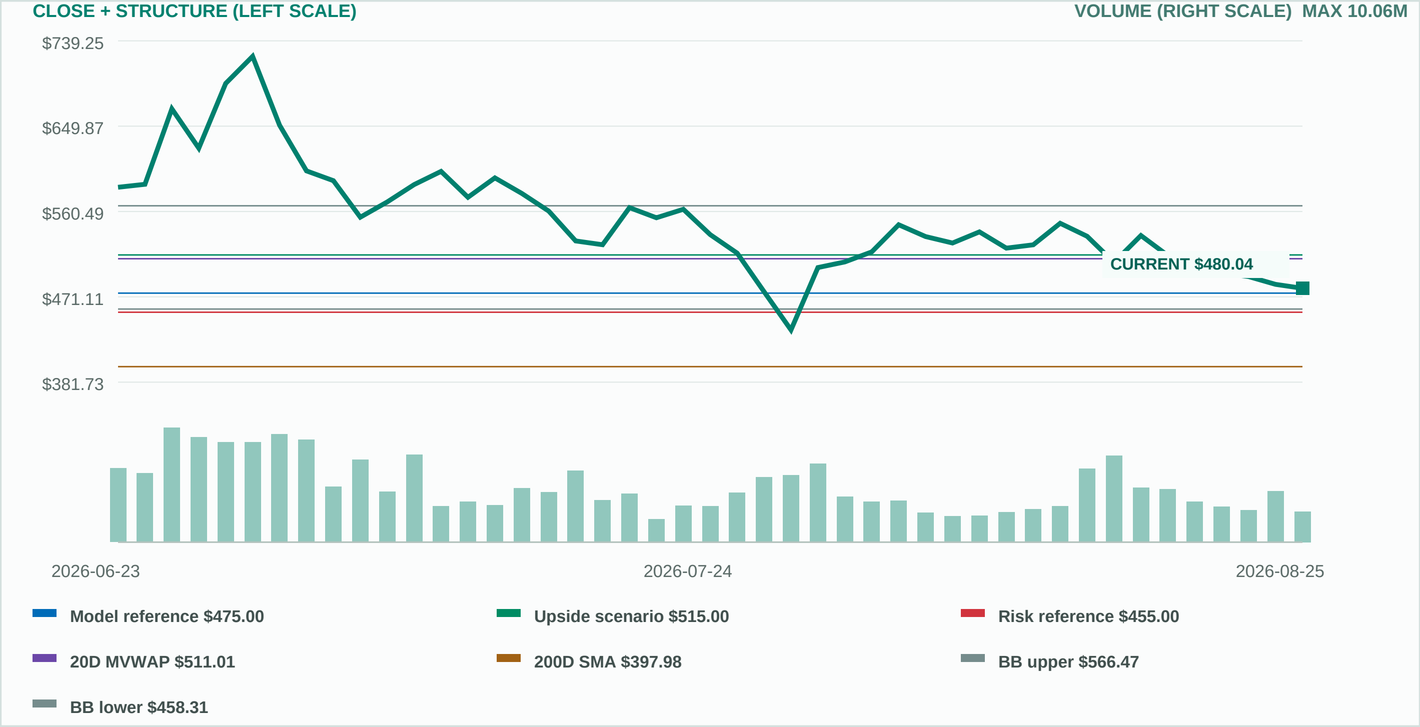
AMAT's recent earnings beat estimates but the stock price declined due to profit-taking after a significant rally. | The term structure is in backwardation, indicating near-term volatility expectations are higher than longer-term expectations. | Balanced skew suggests no strong directional bias in the market.

Risk watch

Profit-taking after a significant rally could continue to weigh on the stock price.

Enhanced price structure

45 trading days with volume, model levels and current technical reference bands



45 complete trading-session observations

JW Rank factors

Score, source coverage and interpretation for each decision factor

JW RANK FACTOR PROFILE	COVERAGE	Score (0–100)
Liquidity	100.0%	94.9
Strategy Fit	100.0%	68.1
Technical Trend	100.0%	45.6
Market Tail Risk	100.0%	56.3
Fundamental Quality	100.0%	75.7
Volatility Pressure	100.0%	48.0

Decision summary

Primary model reads before the detailed indicator appendix

Momentum	Institutional flow	Structure	Volatility
bullish_recovery	**Below MVWAP**	**Above 200D trend**	**high**

Decision indicators

Detailed momentum, institutional and structural observations

Momentum kinematics

Direction, velocity and oscillator state

Current read	**BULLISH RECOVERY | neutral | MACD decelerating**
Trend signal	**BULLISH RECOVERY**
RSI signal	**neutral**
RSI (7 / 14 / 21)	**33.03 / 40.98 / 44.21**
RSI velocity	**-0.92**
MACD line / signal / histogram	**-14.38 / - / -10.87**
MACD acceleration	**-1.38**
Stochastic K / D	**10.05 / 10.85**

Institutional footprints

Volume-weighted cost, price location and flow

Current read	**Below institutional MVWAP | Distribution bias**
Institutional flow	**-0.85**
20-day MVWAP	**$511.01**
Price vs 20-day MVWAP	**-5.95%**
Daily reference VWAP	**$482.74**
Price vs daily reference	**-0.44%**
Volume	**2.69M**

Structural context

Long-term trend and volatility boundaries

Current read	**Above 200-day trend | Negative macro velocity**
Macro velocity	**-1.22**
20-day / 200-day SMA	**$512.39 / $397.98**
Bollinger range	**$458.31 - $566.47**
Bollinger position	**0.201**

Options and volatility intelligence

Structure, premium conditions and principal risks

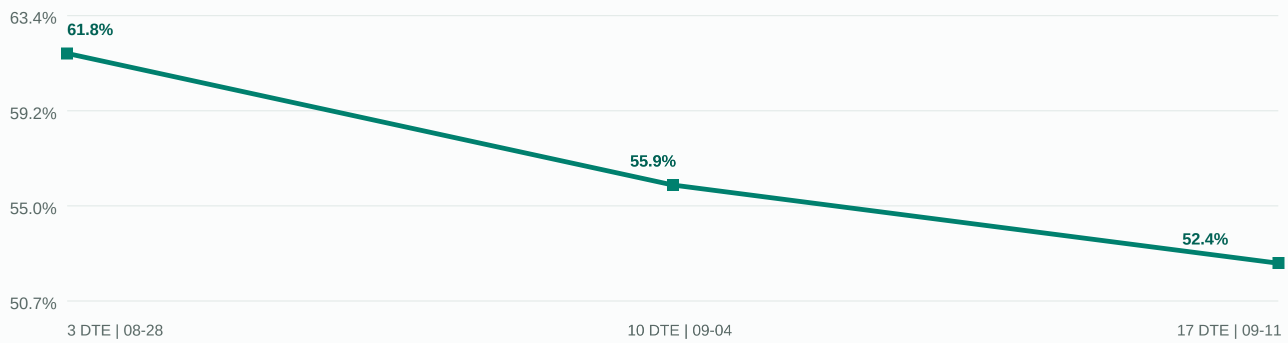
IV rank	IV percentile	VVIX	SKEW
39 / 100	**58 / 100**	**86.49**	**145.64**

Market regime	**Calm**
Tail-risk regime	**NORMAL TAIL RISK**
Term structure	**backwardation**
Term slope	**-9.36 pts**
Skew read	**balanced**
Liquidity / quote coverage	**100.0%**
Options observation	**Aug 25, 2026 4:20 PM EDT | Coverage 88.9%**

Option term structure

ATM implied-volatility curve by days to expiration

ATM IV CURVE



Downward-sloping ATM volatility term structure

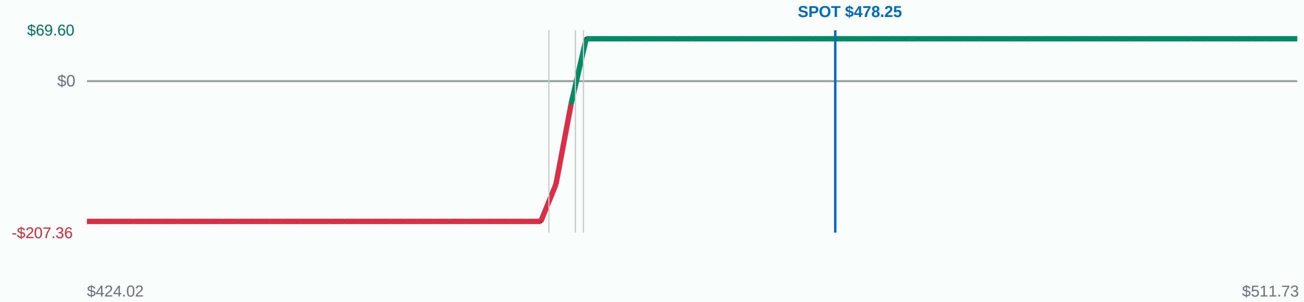
EXPIRATION	DTE	ATM IV	STATE
2026-08-28	3	61.8%	-
2026-09-04	10	55.9%	-
2026-09-11	17	52.4%	-

Reference spread payoff

Illustrative expiry profit/loss per one-lot structure, including quoted net credit

Bull Put Spread reference

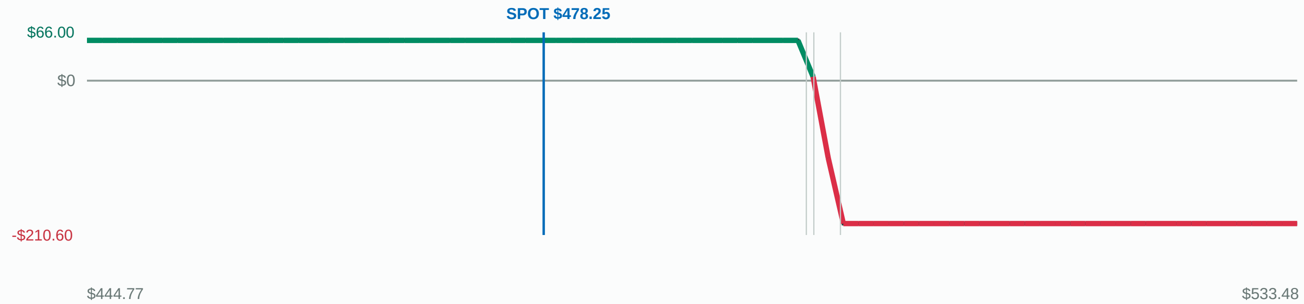
Short $460.00 | Long $457.50 | Width $2.50 | Net credit $0.58



Max profit $58.00 | Max loss -$192.00 | Break-even $459.42 | Per contract at expiry

Bear Call Spread reference

Short $497.50 | Long $500.00 | Width $2.50 | Net credit $0.55



Max profit $55.00 | Max loss -$195.00 | Break-even $498.05 | Per contract at expiry

Event and tail-risk context

Known event windows and broad volatility conditions

Next earnings date	**2026-11-12**
Earnings IV-crush risk	**NOT MEASURED**
VIX	**15.55**
VVIX	**86.49**
SKEW index	**145.64**
Observation confidence	**high**
Option quote quality	**reliable**
Contracts observed	**138**

Event and tail-risk context (continued)

Known event windows and broad volatility conditions

FIELD	VALUE
Contracts with quotes	**138**

Strategy fit

Generalized structure fit; not a personalized recommendation

Market structure

The AMAT option market displays a neutral stance following recent earnings. While strong results and guidance exceeded expectations, the stock price declined due to profit-taking after a significant rally. The term structure is in backwardation with near-term IV higher than longer-term IV. Skew is balanced, suggesting no strong directional bias. The implied volatility of 54.91% reflects market uncertainty surrounding future performance.

Options context

AMAT Option Market Shows Mixed Sentiment After Earnings

Wheel context

The option market shows mixed sentiment following earnings. While the company delivered strong results, the stock price decline indicates some profit-taking and uncertainty about future performance.

Observed evidence

AMAT's recent earnings beat estimates but the stock price declined due to profit-taking after a significant rally. | The term structure is in backwardation, indicating near-term volatility expectations are higher than longer-term expectations. | Balanced skew suggests no strong directional bias in the market.

Principal risks to monitor

Profit-taking after a significant rally could continue to weigh on the stock price.

Fundamentals and events

Business quality, valuation and upcoming event context

Market capitalization **$384.25B**	P/E (TTM) **45.80**
ROE **39.8%**	Revenue growth **3.2%**
EPS growth **5.2%**	Operating margin **29.6%**
Net profit margin **30.1%**	Gross margin **-**
Free cash flow CAGR **11.0%**	Debt / equity **0.32**
Dividend yield **0.9%**	Beta **1.61**
52-week range **$154.47 - $739.67**	

Company or fund profile

Issuer identity and classification

Name **Applied Materials Inc**	Market **NYSE**
Industry **Semiconductors**	Country **US**
Currency **USD**	IPO date **1972-10-05**
Shares outstanding **793.96M**	52-week return **208.0%**
Book value per share **$30.13**	Revenue per share **$38.55**

Website	**appliedmaterials.com**

Latest strategy observation

Most recent shared general market signal available when this report was generated

AMAT Covered Call signal

Aug 25, 2026 9:57 AM EDT

Covered Call | 2026-08-28

At signal $486.77 | Current $480.60

SHORT **Option $470.00 B $20.55 / A $23.55**

High turnover | CR $22.05

Complete technical details

Full supporting indicator set used by the symbol detail experience

Volatility and options market

Price movement and premium conditions

ATR	**$30.38**
ATR as % of price	**6.3%**
Volatility environment	**high**
Current IV	**54.9%**
IV rank	**39 / 100**
IV percentile	**58 / 100**

Technical health and risk radar

Derived indicator health and event context

Overall health	**63 / 100**
Trend health	**78 / 100**
Momentum health	**75 / 100**
Volatility health	**15 / 100**
Structure health	**70 / 100**
Earnings risk / date	**low | 2026-11-12**
Macro risk	**unknown**
Volatility risk	**high**
Structure risk	**low**

Structural indicator levels

Moving averages, volatility bands and observed trading ranges

SMA (20 / 50 / 200)	**$512.39 / $557.60 / $397.98**
EMA (9 / 21)	**$500.10 / $515.15**
Bollinger upper / middle / lower	**$566.47 / $512.39 / $458.31**
Bollinger %B	**0.201**
True high / low	**$492.30 / $475.88**

Structural indicator levels (continued)

Moving averages, volatility bands and observed trading ranges

FIELD	VALUE
5-day true high / low	**$514.33 / $473.67**

Three-day indicator history

Short-horizon change and the underlying three-session observations

INDICATOR	3-DAY CHANGE	SESSION 1 / 2 / 3
SMA20	-1.218	**-**
SMA50	-1.069	**-**
MVWAP20	-0.852	**-**
MACD	-1.384	**-**
RSI	-0.925	**-**
Volume	-146724.670	**-**
ATR	-0.987	**-**
T1	-	**-13.01 / 509.76 / 492.32 / 473.67**
T2	-	**-11.50 / 511.75 / 503.85 / 483.13**
T3	-	**-10.23 / 513.57 / 499.89 / 487.47**

Detailed options evidence

Supporting option-chain, execution and data-quality observations

Underlying price at observation	**$478.25**
Options intelligence as of	**Aug 25, 2026 4:20 PM EDT**
Options data coverage	**88.9%**
SKEW regime	**HIGH TAIL RISK SKEW**
VVIX regime	**VVIX FLAT**
Front expiration / DTE	**2026-08-28 | 3 DTE**
Front at-the-money IV	**61.8%**
25-delta skew	**-0.17**
Put / Call 25-delta	**$460.00 Delta -0.240 / $497.50 Delta 0.255**
Median option bid/ask spread	**15.9%**
Bid/ask spread	**-**
Contracts observed / quoted	**138 / 138**

Price context

Last Price: 478.25 | Bid: 478.11 | Ask: 478.36 | Previous Close: 484.19 | Change: -5.94 | Daily change: -1.23% | Update Time: 2026-08-25T14:36:24.451313-04:00 | Latest History Date: 2026-08-25 | Latest History Price: 478.25

Historical context

Trading-day sample: 60 sessions | First Date: 2026-06-01 | Latest Date: 2026-08-25 | Latest Price: 478.25 | Max Drawdown 60d Percent: -39.63%

Fundamental context

Current Iv Percent: 54.91% | Iv Rank: 39.28 | Iv Percentile: 57.77 | Next Earnings Date: 2026-11-12 | Ex Dividend Date: 2026-08-19 | Dividend Yield: 44.00

Important disclosures

Scope, limitations, risk and permitted interpretation

General market information only

This report is general quantitative research and market commentary. It is not investment, legal, tax or accounting advice; it is not an offer, solicitation, order, recommendation or promise of performance. It does not consider any reader's holdings, objectives, financial circumstances, risk tolerance or suitability.

Model observations - not instructions

JW Rank, strategy fit, model reference, upside scenario and risk reference levels are model observations. They are not entries, price targets, stops, position sizes or instructions to buy, sell, open, close or hold a security or option. A higher score does not imply lower risk or a guaranteed favorable outcome.

Data, AI and model limitations

Prices, volumes, fundamentals, options data, news-derived context and model outputs reflect the timestamps shown and may be delayed, incomplete, revised or inaccurate. AI-generated explanations can omit context or produce errors. Models can fail when volatility, liquidity, correlations or market regimes change.

Performance and scenario limitations

Past, hypothetical, back-tested, simulated and model-derived results are not indicative of future results. Strategy statistics may exclude commissions, fees, taxes, slippage, early assignment, execution constraints and other costs unless expressly stated. Actual outcomes may differ materially.

Options risk

Options are complex and are not suitable for all investors. They may involve total or substantial loss, assignment, early exercise, margin calls, liquidity and spread risk, volatility and Greek exposure, event risk, regime shifts and expiration risk. Multi-leg positions may not execute or close at modeled prices.

Investor responsibility and ODD

Use current market information, assess suitability independently and consult qualified professionals when appropriate. Before trading listed options, read Characteristics and Risks of Standardized Options (ODD) available from the Options Clearing Corporation at theocc.com.

Reference documents

Official product terms and standardized options disclosure

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