



Applied Materials Inc / AMAT

Equity | Generated Oct 7, 2026 11:30 PM EDT

Current price	Daily move	Bid / Ask	Previous close
\$520.55	-9.72 -1.83%	\$519.21/\$521.00	\$530.27

Market	NYSE
Industry	Semiconductors
Market data as of	Oct 7, 2026 11:30 PM EDT

JW Intelligence Report

Complete | 3 of 3 sections | Oct 7, 2026 6:50 PM EDT

JW Rank	Rank label	Confidence	IV percentile
73.9 / 100	Constructive	high	34 / 100
Model reference	Upside scenario	Risk reference	Wheel strategy fit
\$515.00	\$545.00	\$495.00	72 / 100

Options stance	bullish
Tail-risk safety	56 / 100
JW Rank data coverage / as of	100.0% Oct 7, 2026 6:50 PM EDT

Key insight

AMAT Option Market Implies Continued Upside Potential

Market read

The AMAT option market displays bullish sentiment, pricing in continued upside potential despite recent price weakness. The term structure is in contango, with near-term implied volatility slightly lower than longer-term IV. This suggests traders expect the stock to move higher over time. Additionally, the skew is balanced, indicating a relatively neutral outlook on directionality.

Strategy context

Traders are positioning for potential upside in AMAT, but recent price weakness may create opportunities for buying dips.



JW AI conclusions

Short- and medium-term model interpretation

AI context bias

Bearish

AI analysis updated

Oct 7, 2026 1:56 PM EDT

Short-term scenario

Cautious scale-in or buy-the-dip near support for a potential 1-3 week bounce toward recent resistance, supported by the longer-term technical uptrend and AI demand backdrop. Uncertainty is high: premium valuation, today's weakness, and sensitivity to semi sentiment could extend the pullback. Not financial advice; size positions for volatility and reassess on fresh volume or news.

Three-month outlook

Cautiously constructive but distinctly uncertain over three months. AI-related wafer-fab equipment, DRAM/HBM, and advanced-packaging demand plus raised guidance provide a fundamental tailwind that could support a move toward the \$600+ consensus area if orders and multiples hold. The substantial prior outperformance, however, has left the stock at a rich premium (P/E ~46x, P/S ~9.6x), so any softening in Q4 results (likely mid-November), order visibility, or broader tech risk appetite could trigger meaningful multiple compression. Export-control and macro risks add further uncertainty. Base case is a volatile range with a modest upward bias only if AI capital spending stays robust; downside is material if growth expectations cool.

Market sentiment

Sentiment on X is mixed and cautious rather than euphoric. Prominent posts note that three politicians bought shares this year and remain underwater after the large prior rally, treated by some as a watch item but not clear evidence of an edge. Valuation pushback is visible, including commentary that ~47x trailing earnings looks expensive versus historical chip-equipment multiples and that modeled fair-value ranges sit substantially lower. Offset by bullish technical notes referencing a recent breakout and an initial target near \$560. Recognition of AI demand is widespread, but high expectations after the run-up are a recurring theme.

Supporting evidence

The front-month ATM IV of 48.71% is below the current implied volatility percentile of 34.66%. | The term structure shows contango, with longer-dated options more expensive than near-term options. | The balanced skew suggests a neutral outlook on directionality.

Risk watch

High valuation: AMAT trades at a premium compared to historical multiples and industry peers. | Macroeconomic uncertainty: Global economic slowdown could impact semiconductor demand.



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



Decision summary

Primary model reads before the detailed indicator appendix

Momentum

strong_bull

Institutional flow

Above MVWAP

Structure

Above 200D trend

Volatility

medium



Decision indicators

Detailed momentum, institutional and structural observations

Momentum kinematics

Direction, velocity and oscillator state

Current read	STRONG BULL neutral MACD accelerating
Trend signal	STRONG BULL
RSI signal	neutral
RSI (7 / 14 / 21)	62.19 / 59.98 / 55.83
RSI velocity	-3.07
MACD line / signal / histogram	15.21 / - / 6.65
MACD acceleration	1.42
Stochastic K / D	87.58 / 92.04

Institutional footprints

Volume-weighted cost, price location and flow

Current read	Above institutional MVWAP Accumulation bias
Institutional flow	2.49
20-day MVWAP	\$474.40
Price vs 20-day MVWAP	+9.73%
Daily reference VWAP	\$519.86
Price vs daily reference	+0.13%
Volume	1.94M

Structural context

Long-term trend and volatility boundaries

Current read	Above 200-day trend Positive macro velocity
Macro velocity	3.28
20-day / 200-day SMA	\$478.81 / \$431.81
Bollinger range	\$394.62 - \$563.00
Bollinger position	0.749



Options and volatility intelligence

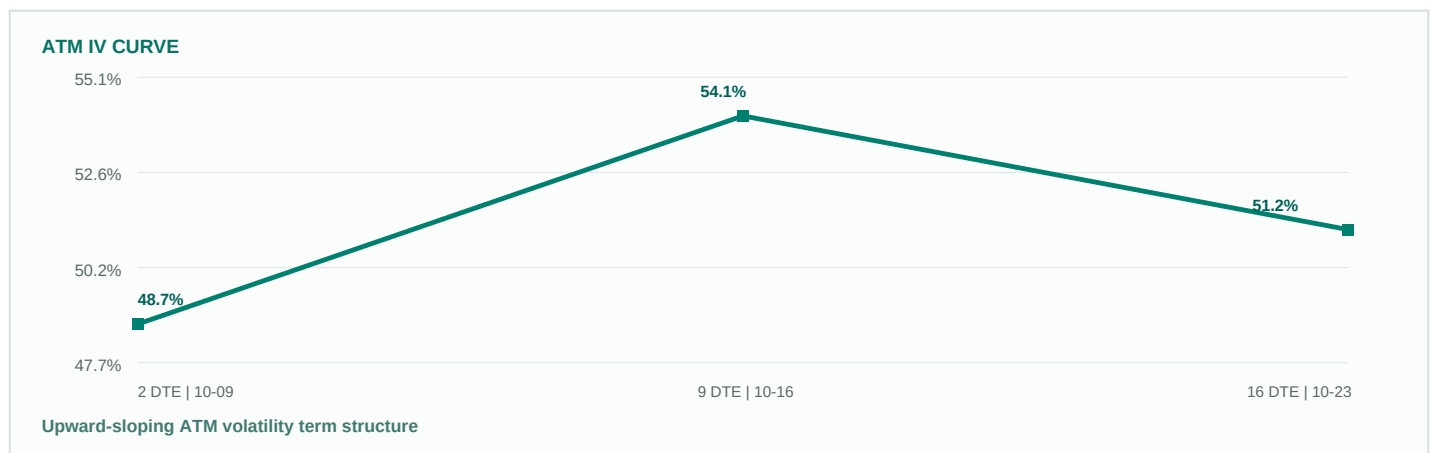
Structure, premium conditions and principal risks

IV rank 26 / 100	IV percentile 35 / 100	VVIX 84.24	SKEW 141.21
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Market regime	Calm
Tail-risk regime	NORMAL TAIL RISK
Term structure	contango
Term slope	+2.45 pts
Skew read	balanced
Liquidity / quote coverage	100.0%
Options Snapshot IV sources	ATM: option chain Rank/percentile: fundamentals
Options Snapshot IV observed at	Oct 7, 2026 2:42 PM EDT
Options data quality	Coverage 88.9%

Option term structure

ATM implied-volatility curve by days to expiration



EXPIRATION	DTE	ATM IV	STATE
2026-10-09	2	48.7%	-
2026-10-16	9	54.1%	-
2026-10-23	16	51.2%	-



Reference spread payoff

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



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	15.14
VVIX	84.24
SKEW index	141.21
Observation confidence	high
Option quote quality	reliable
Contracts observed	136



Event and tail-risk context (continued)

Known event windows and broad volatility conditions

FIELD	VALUE
Contracts with quotes	136

Strategy fit

Generalized structure fit; not a personalized recommendation

Market structure

The AMAT option market displays bullish sentiment, pricing in continued upside potential despite recent price weakness. The term structure is in contango, with near-term implied volatility slightly lower than longer-term IV. This suggests traders expect the stock to move higher over time. Additionally, the skew is balanced, indicating a relatively neutral outlook on directionality.

Options context

AMAT Option Market Implies Continued Upside Potential

Wheel context

Traders are positioning for potential upside in AMAT, but recent price weakness may create opportunities for buying dips.

Observed evidence

The front-month ATM IV of 48.71% is below the current implied volatility percentile of 34.66%. | The term structure shows contango, with longer-dated options more expensive than near-term options. | The balanced skew suggests a neutral outlook on directionality.

Principal risks to monitor

High valuation: AMAT trades at a premium compared to historical multiples and industry peers. | Macroeconomic uncertainty: Global economic slowdown could impact semiconductor demand.



Fundamentals and events

Business quality, valuation and upcoming event context

Market capitalization	P/E (TTM)
\$420.82B	46.44
ROE	Revenue growth
40.4%	3.2%
EPS growth	Operating margin
5.2%	29.6%
Net profit margin	Gross margin
30.1%	-
Free cash flow CAGR	Debt / equity
11.0%	0.32
Dividend yield	Beta
0.9%	1.63
52-week range	
\$203.40 - \$739.67	

Company or fund profile

Issuer identity and classification

Name	Market
Applied Materials Inc	NYSE
Industry	Country
Semiconductors	US
Currency	IPO date
USD	1972-10-05
Shares outstanding	52-week return
793.96M	149.3%
Book value per share	Revenue per share
\$32.29	\$38.55
Website	appliedmaterials.com



Latest strategy observation

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

AMAT Covered Call signal	Oct 2, 2026 10:20 AM EDT
Covered Call 2026-10-09	
At signal \$542.60 Current \$520.55	
SHORT Option \$555.00 B \$8.70 / A \$9.95	
Conservative CR \$9.33	



Complete technical details

Full supporting indicator set used by the symbol detail experience

Volatility and options market

Price movement and premium conditions

ATR	\$18.85
ATR as % of price	3.6%
Volatility environment	medium
Current IV	50.2%
IV rank	25 / 100
IV percentile	34 / 100
Technical Snapshot IV source	Private fundamentals snapshot
Technical Snapshot IV observed at	Oct 7, 2026 7:30 PM EDT

Technical health and risk radar

Derived indicator health and event context

Overall health	81 / 100
Trend health	92 / 100
Momentum health	91 / 100
Volatility health	56 / 100
Structure health	75 / 100
Earnings risk / date	low 2026-11-12
Macro risk	unknown
Volatility risk	medium
Structure risk	low

Structural indicator levels

Moving averages, volatility bands and observed trading ranges

SMA (20 / 50 / 200)	\$478.81 / \$488.37 / \$431.81
EMA (9 / 21)	\$515.57 / \$495.80
Bollinger upper / middle / lower	\$563.00 / \$478.81 / \$394.62



Structural indicator levels (continued)

Moving averages, volatility bands and observed trading ranges

FIELD	VALUE
Bollinger %B	0.749
True high / low	\$530.27 / \$514.01
5-day true high / low	\$547.25 / \$511.38

Three-day indicator history

Short-horizon change and the underlying three-session observations

INDICATOR	3-DAY CHANGE	SESSION 1 / 2 / 3
SMA20	3.281	-
SMA50	0.424	-
MVWAP20	2.490	-
MACD	1.424	-
RSI	-3.068	-
Volume	-486922.330	-
ATR	-0.229	-
T1	-	15.18 / 472.87 / 546.00 / 526.52
T2	-	13.94 / 470.22 / 545.82 / 533.59
T3	-	10.94 / 466.93 / 547.25 / 529.30



Detailed options evidence

Supporting option-chain, execution and data-quality observations

Underlying price at observation	\$518.56
Options Snapshot IV sources	ATM: option chain Rank/percentile: fundamentals
Options Snapshot IV observed at	Oct 7, 2026 2:42 PM EDT
Options data coverage	88.9%
SKEW regime	HIGH TAIL RISK SKEW
VVIX regime	VVIX FLAT
Front expiration / DTE	2026-10-09 2 DTE
Front at-the-money IV	48.7%
25-delta skew	-0.45
Put / Call 25-delta	\$507.50 Delta -0.270 / \$532.50 Delta 0.247
Median option bid/ask spread	2.4%
Bid/ask spread	-
Contracts observed / quoted	136 / 136

Price context

Last Price: 518.56 | Bid: 518.45 | Ask: 518.67 | Previous Close: 530.27 | Change: -11.71 | Daily change: -2.21% | Update Time: 2026-10-07T14:42:35.221426-04:00 | Latest History Date: 2026-10-07 | Latest History Price: 518.56

Historical context

Trading-day sample: 60 sessions | First Date: 2026-07-15 | Latest Date: 2026-10-07 | Latest Price: 518.56 | Max Drawdown 60d Percent: -28.31%

Fundamental context

Current Iv Percent: 50.32% | Iv Rank: 25.50 | Iv Percentile: 34.66 | Next Earnings Date: 2026-11-12 | Ex Dividend Date: 2026-11-18



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.

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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.

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Reference documents

Official product terms and standardized options disclosure

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