Eli Lilly and Co / LLY

Equity | Generated Aug 25, 2026 6:20 PM EDT

Current price	Daily move	Bid / Ask	Previous close
$1,231.39	**-15.54 -1.25%**	**$1,231.25/$1,233.00**	**$1,246.93**

Market	**NYSE**
Industry	**Pharmaceuticals**
Market data as of	**Aug 25, 2026 6:20 PM EDT**

JW Intelligence Report

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

JW Rank	Rank label	Confidence	IV percentile
73.1 / 100	**Constructive**	**high**	**24 / 100**

Model reference	Upside scenario	Risk reference	Wheel strategy fit
$1,240.00	**$1,290.00**	**$1,210.00**	**71 / 100**

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

Key insight

LLY Option Market Implies Continued Growth and Upside Potential

Market read

The US options market for LLY reflects a bullish outlook, driven by strong fundamentals, positive technicals, and anticipation of continued growth. The stock's recent earnings beat, revenue surge, and FDA approvals contribute to investor optimism. While the valuation is high, the market seems confident in LLY's ability to sustain its momentum.

Strategy context

The market appears to be pricing in continued growth and potential upside for LLY. Investors are willing to pay a premium for near-term options, anticipating significant price movement.

JW AI conclusions

Short- and medium-term model interpretation

AI context bias	**Bullish**
AI analysis updated	**Aug 25, 2026 1:43 PM EDT**

Short-term scenario

Cautious accumulate on dips. Fundamentals and longer-term MAs supportive, but elevated valuation, mixed short-term oscillators, and sector softness limit 1-3 week upside. High uncertainty from competition, policy, and sentiment shifts.

Three-month outlook

Constructive on continued GLP-1 volume, raised guidance, and pipeline (orals, new indications) with potential toward $1350-1400 into Oct earnings. Significant uncertainty remains: intense NVO competition, possible pricing legislation, manufacturing scale-up risks, and multiple compression risk at ~42x P/E if growth perceptions change. High-quality compounder but volatile.

Market sentiment

Moderately bullish with notable caution. Some traders buying ~$1250 citing strength and all-time-high momentum; optimism on 2027 oral GLP-1 rollout and retatrutide. Others note limited near-term upside (targets only ~5% higher), high valuation, NVO competition, and pricing/political risks. Mix of genuine analysis and promotional posts; long-term growth story favored but short-term viewed as priced-in.

Supporting evidence

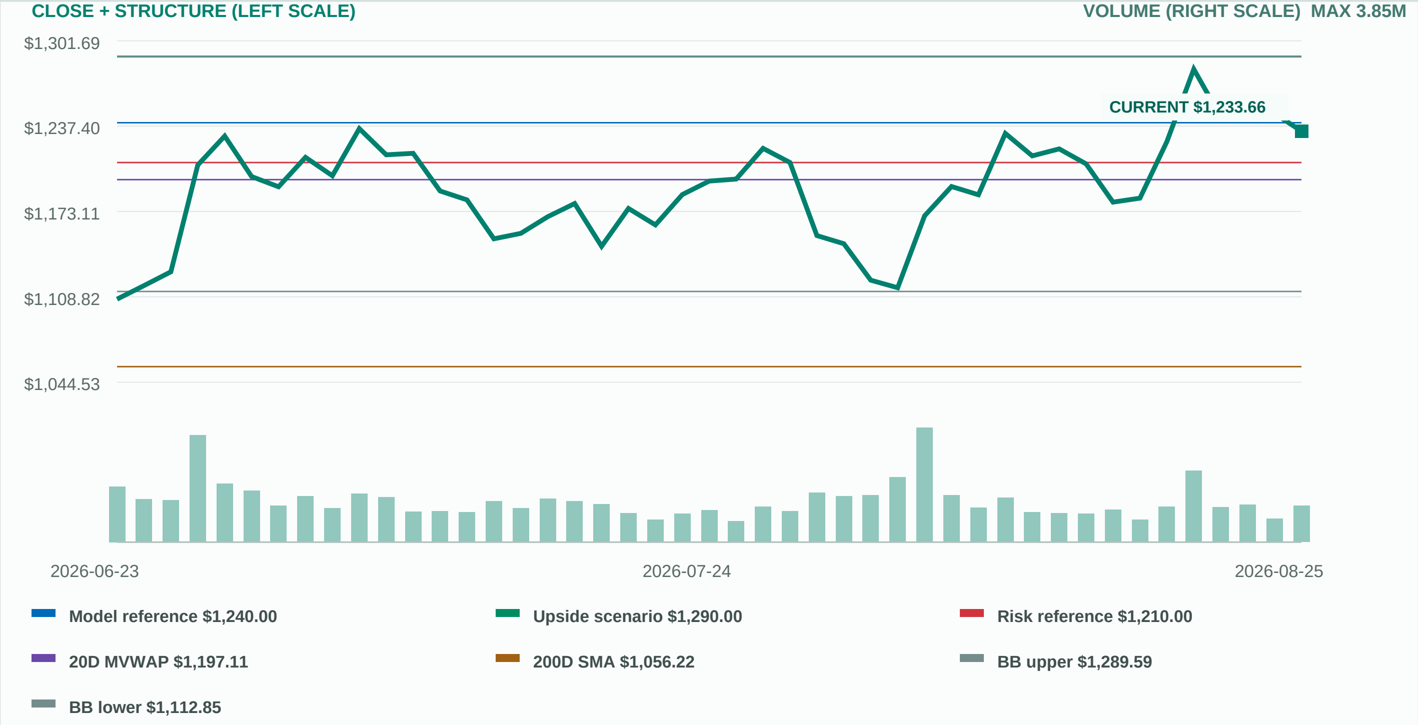
LLY's implied volatility (IV) is elevated at 31.46%, suggesting expectations for significant price movement in the coming months. | The term structure of IV shows a slight downward slope, indicating that near-term options are more expensive than longer-term options, potentially reflecting anticipation of upcoming catalysts like earnings. | The skew is balanced, with both call and put options priced similarly, suggesting a neutral outlook on directionality but high expectations for volatility.

Risk watch

LLY's valuation is high at 41.88x trailing P/E, raising concerns about potential overvaluation and future earnings disappointments.

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	0 50 100
Liquidity	100.0%	92.9
Strategy Fit	100.0%	70.9
Technical Trend	100.0%	90.9
Market Tail Risk	100.0%	56.3
Fundamental Quality	100.0%	84.2
Volatility Pressure	100.0%	39.9

Decision summary

Primary model reads before the detailed indicator appendix

Momentum	Institutional flow	Structure	Volatility
strong_bull	**Above MVWAP**	**Above 200D trend**	**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)	**53.69 / 55.27 / 55.63**
RSI velocity	**-0.92**
MACD line / signal / histogram	**20.49 / - / 16.72**
MACD acceleration	**0.53**
Stochastic K / D	**68.35 / 75.05**

Institutional footprints

Volume-weighted cost, price location and flow

Current read	**Above institutional MVWAP | Accumulation bias**
Institutional flow	**1.63**
20-day MVWAP	**$1,197.11**
Price vs 20-day MVWAP	**+2.86%**
Daily reference VWAP	**$1,242.73**
Price vs daily reference	**-0.91%**
Volume	**1.22M**

Structural context

Long-term trend and volatility boundaries

Current read	**Above 200-day trend | Positive macro velocity**
Macro velocity	**2.03**
20-day / 200-day SMA	**$1,201.22 / $1,056.22**
Bollinger range	**$1,112.85 - $1,289.59**
Bollinger position	**0.684**

Options and volatility intelligence

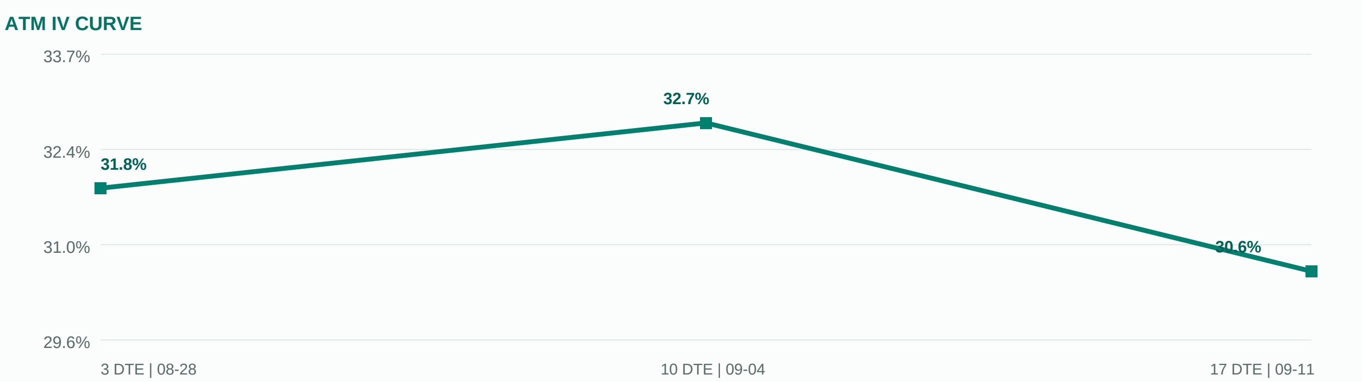
Structure, premium conditions and principal risks

IV rank	IV percentile	VVIX	SKEW
25 / 100	**24 / 100**	**86.19**	**145.64**

Market regime	**Calm**
Tail-risk regime	**NORMAL TAIL RISK**
Term structure	**flat**
Term slope	**-1.21 pts**
Skew read	**balanced**
Liquidity / quote coverage	**100.0%**
Options observation	**Aug 25, 2026 4:25 PM EDT | Coverage 88.9%**

Option term structure

ATM implied-volatility curve by days to expiration



Downward-sloping ATM volatility term structure

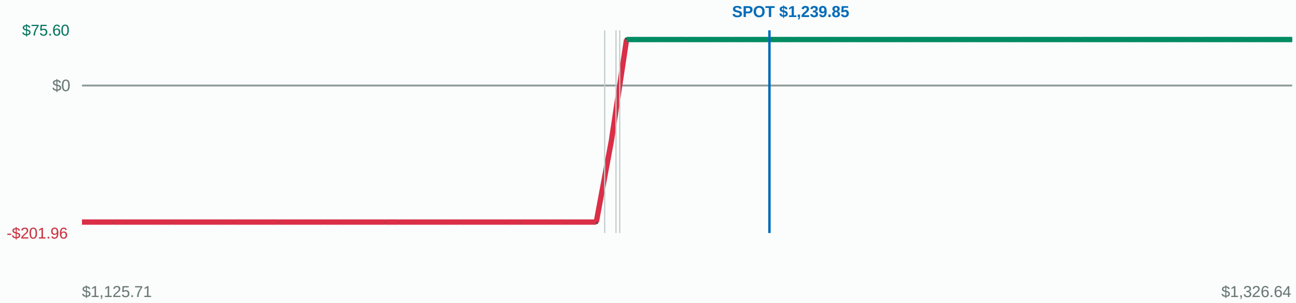
EXPIRATION	DTE	ATM IV	STATE
2026-08-28	3	31.8%	-
2026-09-04	10	32.7%	-
2026-09-11	17	30.6%	-

Reference spread payoff

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

Bull Put Spread reference

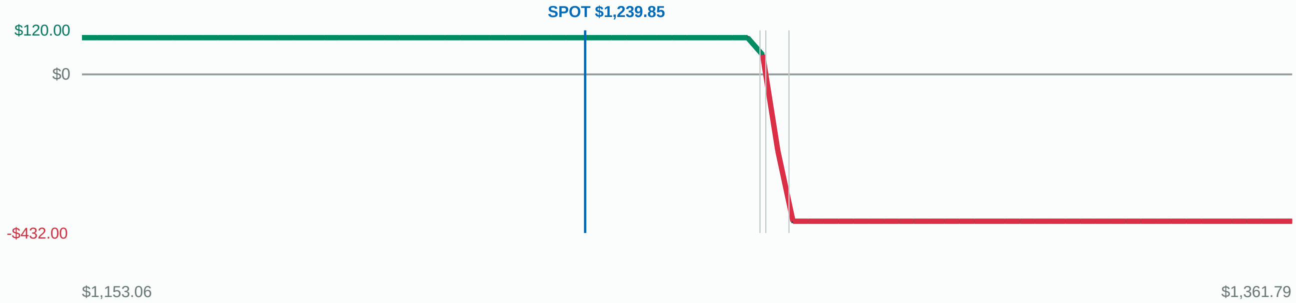
Short $1,215.00 | Long $1,212.50 | Width $2.50 | Net credit $0.63



Max profit $63.00 | Max loss -$187.00 | Break-even $1,214.37 | Per contract at expiry

Bear Call Spread reference

Short $1,270.00 | Long $1,275.00 | Width $5.00 | Net credit $1.00



Max profit $100.00 | Max loss -$400.00 | Break-even $1,271.00 | Per contract at expiry

Event and tail-risk context

Known event windows and broad volatility conditions

Next earnings date	**2026-10-29**
Earnings IV-crush risk	**NOT MEASURED**
VIX	**15.48**
VVIX	**86.19**
SKEW index	**145.64**
Observation confidence	**high**
Option quote quality	**reliable**
Contracts observed	**113**

Event and tail-risk context (continued)

Known event windows and broad volatility conditions

FIELD	VALUE
Contracts with quotes	**113**

Strategy fit

Generalized structure fit; not a personalized recommendation

Market structure

The US options market for LLY reflects a bullish outlook, driven by strong fundamentals, positive technicals, and anticipation of continued growth. The stock's recent earnings beat, revenue surge, and FDA approvals contribute to investor optimism. While the valuation is high, the market seems confident in LLY's ability to sustain its momentum.

Options context

LLY Option Market Implies Continued Growth and Upside Potential

Wheel context

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Observed evidence

LLY's implied volatility (IV) is elevated at 31.46%, suggesting expectations for significant price movement in the coming months. | The term structure of IV shows a slight downward slope, indicating that near-term options are more expensive than longer-term options, potentially reflecting anticipation of upcoming catalysts like earnings. | The skew is balanced, with both call and put options priced similarly, suggesting a neutral outlook on directionality but high expectations for volatility.

Principal risks to monitor

LLY's valuation is high at 41.88x trailing P/E, raising concerns about potential overvaluation and future earnings disappointments.

Fundamentals and events

Business quality, valuation and upcoming event context

Market capitalization **$1.17T**	P/E (TTM) **43.17**
ROE **92.6%**	Revenue growth **31.7%**
EPS growth **49.3%**	Operating margin **42.2%**
Net profit margin **33.5%**	Gross margin **-**
Free cash flow CAGR **5.9%**	Debt / equity **1.60**
Dividend yield **0.8%**	Beta **0.46**
52-week range **$694.23 - $1,292.65**	

Company or fund profile

Issuer identity and classification

Name **Eli Lilly and Co**	Market **NYSE**
Industry **Pharmaceuticals**	Country **US**
Currency **USD**	IPO date **1970-07-09**
Shares outstanding **941.74M**	52-week return **76.9%**
Book value per share **$35.98**	Revenue per share **$89.14**

Website	**lilly.com**

Latest strategy observation

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

LLY Covered Call signal

Aug 25, 2026 10:41 AM EDT

Covered Call | 2026-08-28

At signal $1,254.50 | Current $1,231.39

SHORT **Option $1,300.00 B $3.00 / A $3.35**

High turnover | CR $3.18

Complete technical details

Full supporting indicator set used by the symbol detail experience

Volatility and options market

Price movement and premium conditions

ATR	**$40.70**
ATR as % of price	**3.3%**
Volatility environment	**medium**
Current IV	**31.5%**
IV rank	**25 / 100**
IV percentile	**24 / 100**

Technical health and risk radar

Derived indicator health and event context

Overall health	**86 / 100**
Trend health	**92 / 100**
Momentum health	**100 / 100**
Volatility health	**61 / 100**
Structure health	**82 / 100**
Earnings risk / date	**low | 2026-10-29**
Macro risk	**unknown**
Volatility risk	**medium**
Structure risk	**low**

Structural indicator levels

Moving averages, volatility bands and observed trading ranges

SMA (20 / 50 / 200)	**$1,201.22 / $1,183.32 / $1,056.22**
EMA (9 / 21)	**$1,232.08 / $1,211.91**
Bollinger upper / middle / lower	**$1,289.59 / $1,201.22 / $1,112.85**
Bollinger %B	**0.684**
True high / low	**$1,264.73 / $1,229.79**

Structural indicator levels (continued)

Moving averages, volatility bands and observed trading ranges

FIELD	VALUE
5-day true high / low	**$1,292.65 / $1,225.73**

Three-day indicator history

Short-horizon change and the underlying three-session observations

INDICATOR	3-DAY CHANGE	SESSION 1 / 2 / 3
SMA20	2.030	**-**
SMA50	2.038	**-**
MVWAP20	1.626	**-**
MACD	0.534	**-**
RSI	-0.918	**-**
Volume	15701.330	**-**
ATR	-0.421	**-**
T1	-	**21.35 / 1196.10 / 1262.14 / 1230.95**
T2	-	**20.78 / 1194.69 / 1271.22 / 1230.00**
T3	-	**18.89 / 1192.23 / 1280.34 / 1243.23**

Detailed options evidence

Supporting option-chain, execution and data-quality observations

Underlying price at observation	**$1,239.85**
Options intelligence as of	**Aug 25, 2026 4:25 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	**31.8%**
25-delta skew	**-0.60**
Put / Call 25-delta	**$1,215.00 Delta -0.250 / $1,270.00 Delta 0.234**
Median option bid/ask spread	**25.8%**
Bid/ask spread	**-**
Contracts observed / quoted	**113 / 113**

Price context

Last Price: 1,239.85 | Bid: 1,239.52 | Ask: 1,240.26 | Previous Close: 1,246.93 | Change: -7.08 | Daily change: -0.57% | Update Time: 2026-08-25T14:40:09.685458-04:00 | Latest History Date: 2026-08-25 | Latest History Price: 1,239.85

Historical context

Trading-day sample: 60 sessions | First Date: 2026-06-01 | Latest Date: 2026-08-25 | Latest Price: 1,239.85 | Max Drawdown 60d Percent: -9.70%

Fundamental context

Current Iv Percent: 31.46% | Iv Rank: 25.21 | Iv Percentile: 23.51 | Next Earnings Date: 2026-10-29 | Ex Dividend Date: 2026-08-13 | Dividend Yield: 55.00

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

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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

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