



Microsoft Corp / MSFT

Equity | Generated Aug 28, 2026 12:25 AM EDT

Current price	Daily move	Bid / Ask	Previous close
\$503.10	-1.96 -0.39%	\$503.89/\$504.60	\$505.06

Market	NYSE
Industry	Technology
Market data as of	Aug 28, 2026 12:25 AM EDT

JW Intelligence Report

Complete | 3 of 3 sections | Aug 27, 2026 7:50 PM EDT

JW Rank	Rank label	Confidence	IV percentile
73.4 / 100	Constructive	high	23 / 100
Model reference	Upside scenario	Risk reference	Wheel strategy fit
\$492.00	\$525.00	\$478.00	69 / 100

Options stance	bullish
Tail-risk safety	56 / 100
JW Rank data coverage / as of	100.0% Aug 27, 2026 7:50 PM EDT

Key insight

MSFT Shows Bullish Signs Despite Near-Term Uncertainty

Market read

MSFT's price action and technical indicators suggest a bullish outlook, supported by strong Azure growth and AI product roadmap developments. However, near-term caution is warranted due to overbought conditions, mixed MACD signals, and concerns about high capital expenditures.

Strategy context

The term structure is backwardated, suggesting a preference for near-term options.



JW AI conclusions

Short- and medium-term model interpretation

AI context bias	Bullish
AI analysis updated	Aug 27, 2026 1:35 PM EDT

Short-term scenario

Cautious wait-for-dip / hold; overbought RSI and mixed MACD plus capex debates create high near-term uncertainty despite AI momentum. Avoid chasing current levels.

Three-month outlook

Constructive but uncertain: Azure/AI growth and \$678B RPO support potential move toward \$550-\$570 analyst range (8-13% upside) if monetization continues. Risks include \$175B+ capex execution, competition, rates, and possible 10-15% correction if sentiment sours or earnings miss. High uncertainty from AI spend vs cash flow debates and technical overbought status after July rally. Monitor Q1 FY2027 earnings late October.

Market sentiment

Mixed-to-bullish among investors. Traders view break above \$500 as constructive for software/AI names, citing NVDA/CRM positivity and enterprise strength. Some project \$555-\$634 near-term with later correction risk to \$349. Analyst consensus ~\$548 implies modest upside; sentiment trackers show recent climbs from lows but variability. Long-term Azure/AI confidence high, short-term caution on valuation and profit-taking after 40% rally from lows. Crypto/onchain mentions peripheral. Uncertainty from conflicting sentiment scores. display display display display display

Supporting evidence

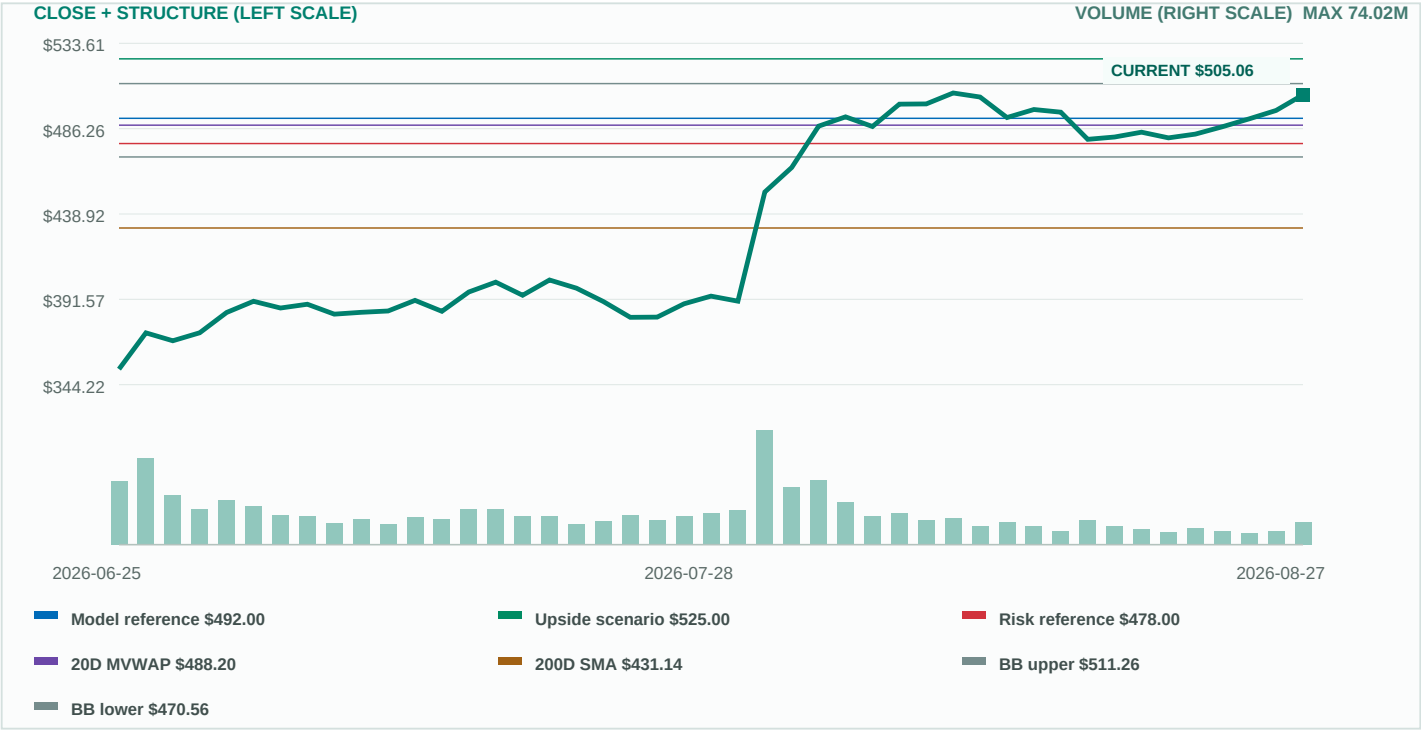
Price above all major moving averages with a golden cross formation. | Strong upward momentum indicated by the ADX trend. | Positive sentiment from investors driven by Azure growth and AI product roadmap. | Analyst consensus price target of \$569.45, implying 13% upside potential.

Risk watch

Overbought RSI and mixed MACD signals indicate potential for short-term pullback. | High capital expenditures raise concerns about cash flow and profitability.

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

bullish_recovery

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	BULLISH RECOVERY overbought MACD decelerating
Trend signal	BULLISH RECOVERY
RSI signal	overbought
RSI (7 / 14 / 21)	75.43 / 70.45 / 67.62
RSI velocity	2.15
MACD line / signal / histogram	18.11 / - / 20.28
MACD acceleration	-0.27
Stochastic K / D	56.21 / 41.44

Institutional footprints

Volume-weighted cost, price location and flow

Current read	Above institutional MVWAP Accumulation bias
Institutional flow	5.95
20-day MVWAP	\$488.20
Price vs 20-day MVWAP	+3.05%
Daily reference VWAP	\$500.54
Price vs daily reference	+0.51%
Volume	14.69M

Structural context

Long-term trend and volatility boundaries

Current read	Above 200-day trend Positive macro velocity
Macro velocity	4.30
20-day / 200-day SMA	\$490.91 / \$431.14
Bollinger range	\$470.56 - \$511.26
Bollinger position	0.848

Options and volatility intelligence

Structure, premium conditions and principal risks

IV rank 22 / 100	IV percentile 23 / 100	VVIX 83.45	SKEW 142.96
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Market regime	Calm
Tail-risk regime	NORMAL TAIL RISK
Term structure	backwardation
Term slope	-5.97 pts
Skew read	balanced
Liquidity / quote coverage	99.2%
Options observation	Aug 27, 2026 4:40 PM EDT Coverage 88.9%

Option term structure

ATM implied-volatility curve by days to expiration



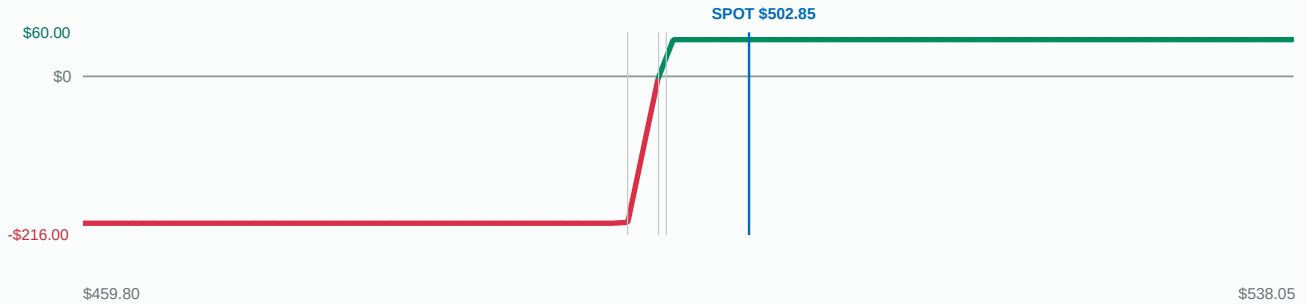
EXPIRATION	DTE	ATM IV	STATE
2026-08-28	1	30.8%	-
2026-09-02	6	24.6%	-
2026-09-11	15	24.9%	-

Reference spread payoff

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

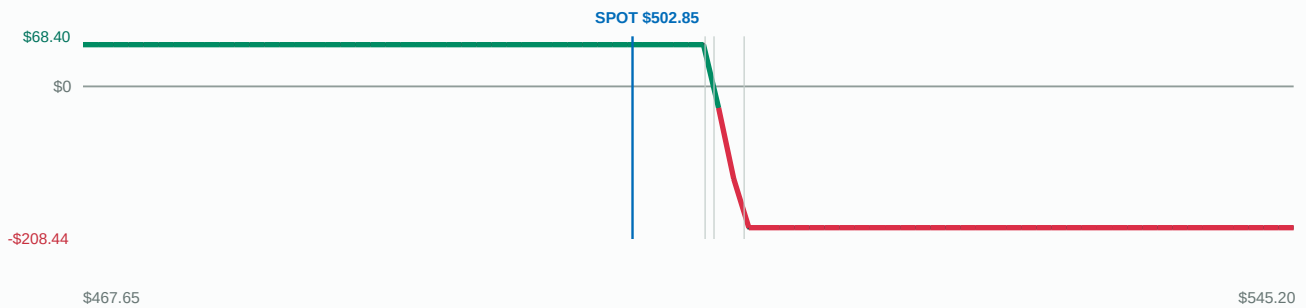
Bull Put Spread reference

Short \$497.50 | Long \$495.00 | Width \$2.50 | Net credit \$0.50



Bear Call Spread reference

Short \$507.50 | Long \$510.00 | Width \$2.50 | Net credit \$0.57



Event and tail-risk context

Known event windows and broad volatility conditions

Next earnings date	2026-10-28
Earnings IV-crush risk	NOT MEASURED
VIX	14.68
VVIX	83.45
SKEW index	142.96
Observation confidence	high
Option quote quality	reliable
Contracts observed	127

Event and tail-risk context (continued)

Known event windows and broad volatility conditions

FIELD	VALUE
Contracts with quotes	126

Strategy fit

Generalized structure fit; not a personalized recommendation

Market structure

MSFT's price action and technical indicators suggest a bullish outlook, supported by strong Azure growth and AI product roadmap developments. However, near-term caution is warranted due to overbought conditions, mixed MACD signals, and concerns about high capital expenditures.

Options context

MSFT Shows Bullish Signs Despite Near-Term Uncertainty

Wheel context

The term structure is backwardated, suggesting a preference for near-term options.

Observed evidence

Price above all major moving averages with a golden cross formation. | Strong upward momentum indicated by the ADX trend. | Positive sentiment from investors driven by Azure growth and AI product roadmap. | Analyst consensus price target of \$569.45, implying 13% upside potential.

Principal risks to monitor

Overbought RSI and mixed MACD signals indicate potential for short-term pullback. | High capital expenditures raise concerns about cash flow and profitability.

Fundamentals and events

Business quality, valuation and upcoming event context

Market capitalization	P/E (TTM)
\$3.71T	27.66
ROE	Revenue growth
33.2%	16.1%
EPS growth	Operating margin
22.8%	46.7%
Net profit margin	Gross margin
40.3%	-
Free cash flow CAGR	Debt / equity
3.6%	0.24
Dividend yield	Beta
0.8%	1.11
52-week range	
\$349.20 - \$553.72	

Company or fund profile

Issuer identity and classification

Name	Market
Microsoft Corp	NYSE
Industry	Country
Technology	US
Currency	IPO date
USD	1986-03-13
Shares outstanding	52-week return
7.43B	-1.1%
Book value per share	Revenue per share
\$59.56	\$44.60
Website	microsoft.com / En In



Latest strategy observation

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

MSFT Covered Call signal

Covered Call | 2026-08-28

At signal \$493.44 | Current \$503.10

SHORT Option \$492.50 B \$3.80 / A \$4.35

High turnover | CR \$4.08

Aug 27, 2026 9:38 AM EDT

Complete technical details

Full supporting indicator set used by the symbol detail experience

Volatility and options market

Price movement and premium conditions

ATR	\$12.01
ATR as % of price	2.4%
Volatility environment	medium
Current IV	23.7%
IV rank	22 / 100
IV percentile	23 / 100

Technical health and risk radar

Derived indicator health and event context

Overall health	73 / 100
Trend health	78 / 100
Momentum health	72 / 100
Volatility health	74 / 100
Structure health	65 / 100
Earnings risk / date	low 2026-10-28
Macro risk	unknown
Volatility risk	medium
Structure risk	low

Structural indicator levels

Moving averages, volatility bands and observed trading ranges

SMA (20 / 50 / 200)	\$490.91 / \$427.96 / \$431.14
EMA (9 / 21)	\$491.63 / \$477.16
Bollinger upper / middle / lower	\$511.26 / \$490.91 / \$470.56
Bollinger %B	0.848
True high / low	\$506.48 / \$490.08

Structural indicator levels (continued)

Moving averages, volatility bands and observed trading ranges

FIELD	VALUE
5-day true high / low	\$506.48 / \$478.53

Three-day indicator history

Short-horizon change and the underlying three-session observations

INDICATOR	3-DAY CHANGE	SESSION 1 / 2 / 3
SMA20	4.303	-
SMA50	2.059	-
MVWAP20	5.951	-
MACD	-0.266	-
RSI	2.148	-
Volume	2026285.000	-
ATR	-0.022	-
T1	-	17.90 / 479.76 / 497.40 / 487.31
T2	-	18.25 / 474.56 / 492.44 / 484.30
T3	-	18.91 / 470.34 / 490.61 / 481.86

Detailed options evidence

Supporting option-chain, execution and data-quality observations

Underlying price at observation	\$502.85
Options intelligence as of	Aug 27, 2026 4:40 PM EDT
Options data coverage	88.9%
SKEW regime	HIGH TAIL RISK SKEW
VVIX regime	VVIX FLAT
Front expiration / DTE	2026-08-28 1 DTE
Front at-the-money IV	30.8%
25-delta skew	0.48
Put / Call 25-delta	\$497.50 Delta -0.256 / \$507.50 Delta 0.293
Median option bid/ask spread	9.0%
Bid/ask spread	-
Contracts observed / quoted	127 / 126

Price context

Last Price: 502.85 | Bid: 502.81 | Ask: 502.89 | Previous Close: 496.37 | Change: 6.48 | Daily change: 1.31% | Update Time: 2026-08-27T14:33:45.833806-04:00 | Latest History Date: 2026-08-27 | Latest History Price: 502.83

Historical context

Trading-day sample: 60 sessions | First Date: 2026-06-03 | Latest Date: 2026-08-27 | Latest Price: 502.83 | Max Drawdown 60d Percent: -17.57%

Fundamental context

Current Iv Percent: 23.76% | Iv Rank: 21.93 | Iv Percentile: 23.11 | Next Earnings Date: 2026-10-28 | Ex Dividend Date: 2026-08-19 | Dividend Yield: 73.00

Important disclosures

Scope, limitations, risk and permitted interpretation

General market information only

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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.

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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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