Microsoft Corp / MSFT

Equity | Generated Aug 31, 2026 11:31 PM EDT

Current price	Daily move	Bid / Ask	Previous close
$506.52	**-7.01 -1.37%**	**$506.12/$506.75**	**$513.53**

Market	**NYSE**
Industry	**Technology**
Market data as of	**Aug 31, 2026 11:31 PM EDT**

JW Intelligence Report

Complete | 3 of 3 sections | Aug 31, 2026 7:51 PM EDT

JW Rank	Rank label	Confidence	IV percentile
69.5 / 100	**Constructive**	**high**	**22 / 100**

Model reference	Upside scenario	Risk reference	Wheel strategy fit
$505.00	**$530.00**	**$495.00**	**57 / 100**

Options stance	**bullish**
Tail-risk safety	**32 / 100**
JW Rank data coverage / as of	**100.0% | Aug 31, 2026 7:51 PM EDT**

Key insight

MSFT Option Market Implies Continued Upside Potential

Market read

The MSFT option market currently reflects a bullish outlook, driven by strong technical indicators and positive sentiment surrounding the company's recent earnings beat and Azure growth. While short-term overbought conditions exist, the overall trend remains upward with support levels around $505-507 and resistance at $520-530.

Strategy context

The market appears to be pricing in continued growth for MSFT, particularly in its Azure cloud business. Bullish options strategies like call spreads are likely being employed by traders anticipating further price appreciation.

JW AI conclusions

Short- and medium-term model interpretation

AI context bias	**Bullish**
AI analysis updated	**Aug 31, 2026 1:34 PM EDT**

Short-term scenario

Cautious buy-the-dip / hold; wait for a pullback given overbought RSI and post-rally profit-taking risk in 1-3 weeks. High uncertainty from September seasonality, macro (Fed/CPI), and whether the AI/cloud momentum sustains without further capex surprises.

Three-month outlook

Constructive/bullish bias with potential 8-15% upside toward analyst targets (~$560-570) if Azure growth holds near 40%+ and AI monetization (Copilot, Foundry) continues converting the $678B RPO. Strong cash generation and efficiency gains support the thesis, but elevated valuation, heavy capex (~$175B calendar 2026), execution on data-center buildout, and broader tech/macro volatility create meaningful uncertainty. A 10-20% drawdown remains possible if sentiment sours on AI ROI or rates. Not a low-risk setup after the recent surge.

Market sentiment

Mixed-to-cautiously bullish. Traders highlight strong Azure/AI fundamentals, RPO backlog, and relative MAG7 strength (MSFT ~+8% YTD vs. peers mixed) after the earnings-driven rally. Some note overbought conditions, potential exhaustion after 30% monthly gain, and short-term pullback risk (one active bearish swing idea targeting ~$489). Overall tone favors holding quality names on dips rather than chasing; limited high-engagement discussion today beyond MAG7 recaps and promotional posts.

Supporting evidence

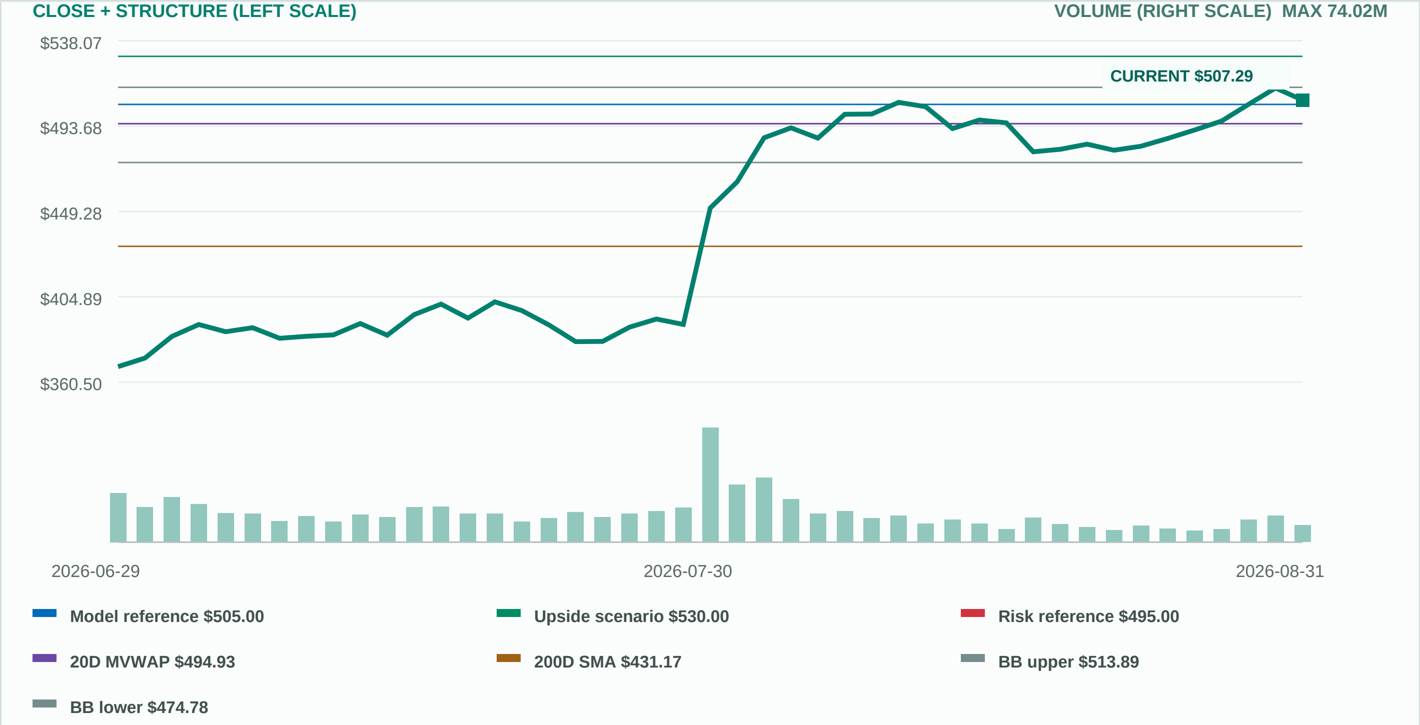
Implied volatility is elevated but trending down slightly, suggesting a balanced market view with potential for continued upside. | The term structure of implied volatility shows a slight negative slope, indicating that near-term options are more expensive than further out options, which could reflect anticipation of upcoming earnings and potential volatility spikes. | Strong technical indicators like the golden cross and bullish moving averages support the bullish sentiment.

Risk watch

Short-term overbought conditions and potential profit-taking risk warrant caution. | September seasonality and broader macro uncertainty could impact the stock's performance.

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%		97.1
Strategy Fit	100.0%		57.4
Technical Trend	100.0%		91.2
Market Tail Risk	100.0%		32.0
Fundamental Quality	100.0%		84.2
Volatility Pressure	100.0%		43.3

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)	**68.61 / 68.27 / 66.54**
RSI velocity	**0.28**
MACD line / signal / histogram	**18.53 / - / 19.68**
MACD acceleration	**0.21**
Stochastic K / D	**80.01 / 69.67**

Institutional footprints

Volume-weighted cost, price location and flow

Current read	**Above institutional MVWAP | Accumulation bias**
Institutional flow	**5.06**
20-day MVWAP	**$494.93**
Price vs 20-day MVWAP	**+2.34%**
Daily reference VWAP	**$508.62**
Price vs daily reference	**-0.41%**
Volume	**10.87M**

Structural context

Long-term trend and volatility boundaries

Current read	**Above 200-day trend | Positive macro velocity**
Macro velocity	**2.04**
20-day / 200-day SMA	**$494.33 / $431.17**
Bollinger range	**$474.78 - $513.89**
Bollinger position	**0.831**

Options and volatility intelligence

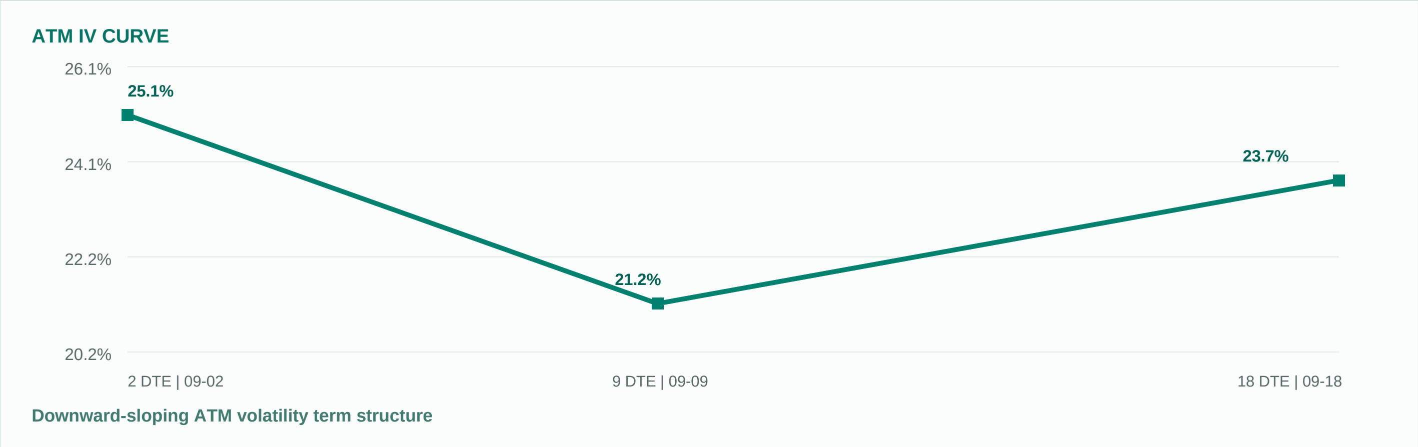
Structure, premium conditions and principal risks

IV rank	IV percentile	VVIX	SKEW
19 / 100	**22 / 100**	**87.63**	**144.05**

Market regime	**DANGER ZONE**
Tail-risk regime	**NORMAL TAIL RISK**
Term structure	**flat**
Term slope	**-1.35 pts**
Skew read	**balanced**
Liquidity / quote coverage	**100.0%**
Options observation	**Aug 31, 2026 4:51 PM EDT | Coverage 88.9%**

Option term structure

ATM implied-volatility curve by days to expiration



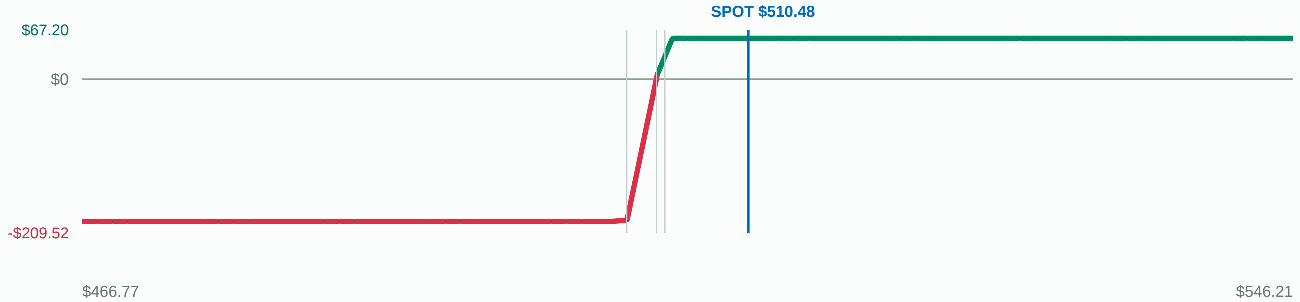
EXPIRATION	DTE	ATM IV	STATE
2026-09-02	2	25.1%	-
2026-09-09	9	21.2%	-
2026-09-18	18	23.7%	-

Reference spread payoff

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

Bull Put Spread reference

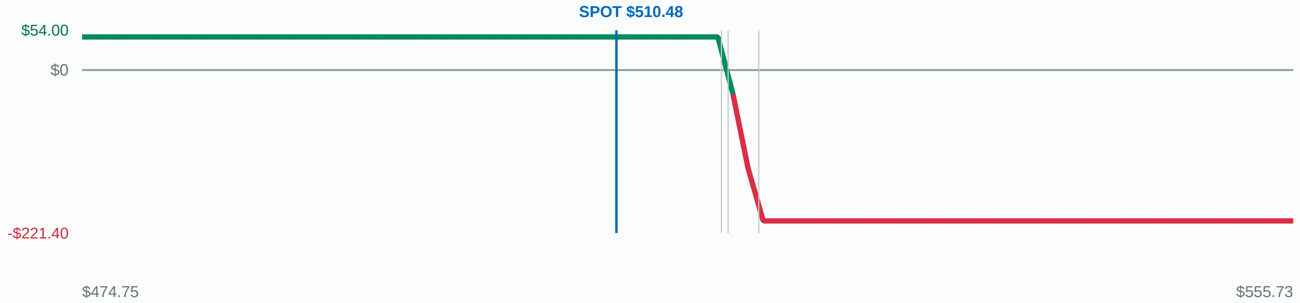
Short $505.00 | Long $502.50 | Width $2.50 | Net credit $0.56



Max profit $56.00 | Max loss -$194.00 | Break-even $504.44 | Per contract at expiry

Bear Call Spread reference

Short $517.50 | Long $520.00 | Width $2.50 | Net credit $0.45



Max profit $45.00 | Max loss -$205.00 | Break-even $517.95 | Per contract at expiry

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	**15.05**
VVIX	**87.63**
SKEW index	**144.05**
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	**127**

Strategy fit

Generalized structure fit; not a personalized recommendation

Market structure

The MSFT option market currently reflects a bullish outlook, driven by strong technical indicators and positive sentiment surrounding the company's recent earnings beat and Azure growth. While short-term overbought conditions exist, the overall trend remains upward with support levels around $505-507 and resistance at $520-530.

Options context

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Wheel context

The market appears to be pricing in continued growth for MSFT, particularly in its Azure cloud business. Bullish options strategies like call spreads are likely being employed by traders anticipating further price appreciation.

Observed evidence

Implied volatility is elevated but trending down slightly, suggesting a balanced market view with potential for continued upside. | The term structure of implied volatility shows a slight negative slope, indicating that near-term options are more expensive than further out options, which could reflect anticipation of upcoming earnings and potential volatility spikes. | Strong technical indicators like the golden cross and bullish moving averages support the bullish sentiment.

Principal risks to monitor

Short-term overbought conditions and potential profit-taking risk warrant caution. | September seasonality and broader macro uncertainty could impact the stock's performance.

Fundamentals and events

Business quality, valuation and upcoming event context

Market capitalization **$3.82T**	P/E (TTM) **27.66**
ROE **33.2%**	Revenue growth **16.1%**
EPS growth **22.8%**	Operating margin **46.7%**
Net profit margin **40.3%**	Gross margin **-**
Free cash flow CAGR **3.6%**	Debt / equity **0.24**
Dividend yield **0.8%**	Beta **1.12**
52-week range **$349.20 - $553.72**	

Company or fund profile

Issuer identity and classification

Name **Microsoft Corp**	Market **NYSE**
Industry **Technology**	Country **US**
Currency **USD**	IPO date **1986-03-13**
Shares outstanding **7.43B**	52-week return **0.8%**
Book value per share **$59.56**	Revenue per share **$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

Aug 31, 2026 9:39 AM EDT

Covered Call | 2026-09-02

At signal $510.14 | Current $506.52

SHORT **Option $510.00 B $4.40 / A $4.95**

High turnover | CR $4.68

Complete technical details

Full supporting indicator set used by the symbol detail experience

Volatility and options market

Price movement and premium conditions

ATR	**$11.72**
ATR as % of price	**2.3%**
Volatility environment	**medium**
Current IV	**23.6%**
IV rank	**19 / 100**
IV percentile	**22 / 100**

Technical health and risk radar

Derived indicator health and event context

Overall health	**80 / 100**
Trend health	**92 / 100**
Momentum health	**76 / 100**
Volatility health	**75 / 100**
Structure health	**67 / 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)	**$494.33 / $433.21 / $431.17**
EMA (9 / 21)	**$498.27 / $482.90**
Bollinger upper / middle / lower	**$513.89 / $494.33 / $474.78**
Bollinger %B	**0.831**
True high / low	**$513.53 / $506.39**

Structural indicator levels (continued)

Moving averages, volatility bands and observed trading ranges

FIELD	VALUE
5-day true high / low	**$517.78 / $484.30**

Three-day indicator history

Short-horizon change and the underlying three-session observations

INDICATOR	3-DAY CHANGE	SESSION 1 / 2 / 3
SMA20	2.040	**-**
SMA50	2.492	**-**
MVWAP20	5.059	**-**
MACD	0.212	**-**
RSI	0.278	**-**
Volume	795463.330	**-**
ATR	0.017	**-**
T1	-	**18.75 / 493.02 / 517.78 / 504.86**
T2	-	**18.11 / 488.20 / 506.48 / 490.08**
T3	-	**17.90 / 479.76 / 497.40 / 487.31**

Detailed options evidence

Supporting option-chain, execution and data-quality observations

Underlying price at observation	**$510.48**
Options intelligence as of	**Aug 31, 2026 4:51 PM EDT**
Options data coverage	**88.9%**
SKEW regime	**HIGH TAIL RISK SKEW**
VVIX regime	**VVIX FLAT**
Front expiration / DTE	**2026-09-02 | 2 DTE**
Front at-the-money IV	**25.1%**
25-delta skew	**1.26**
Put / Call 25-delta	**$505.00 Delta -0.285 / $517.50 Delta 0.243**
Median option bid/ask spread	**11.9%**
Bid/ask spread	**-**
Contracts observed / quoted	**127 / 127**

Price context

Last Price: 510.48 | Bid: 510.45 | Ask: 510.50 | Previous Close: 513.53 | Change: -3.05 | Daily change: -0.59% | Update Time: 2026-08-31T14:34:11.877127-04:00 | Latest History Date: 2026-08-31 | Latest History Price: 510.52

Historical context

Trading-day sample: 60 sessions | First Date: 2026-06-05 | Latest Date: 2026-08-31 | Latest Price: 510.52 | Max Drawdown 60d Percent: -15.32%

Fundamental context

Current Iv Percent: 23.41% | Iv Rank: 18.80 | Iv Percentile: 21.51 | Next Earnings Date: 2026-10-28 | Ex Dividend Date: 2026-08-19 | Dividend Yield: 71.00

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

Jason Wheel	**jasonwheel.com**
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Options Disclosure Document	**theocc.com / Options Disclosure Document**