Microsoft Corp / MSFT

Equity | Generated Sep 8, 2026 11:32 PM EDT

Current price	Daily move	Bid / Ask	Previous close
$494.74	**-4.96 -0.99%**	**$494.31/$494.78**	**$499.70**

Market	**NYSE**
Industry	**Technology**
Market data as of	**Sep 8, 2026 11:32 PM EDT**

JW Intelligence Report

Complete | 3 of 3 sections | Sep 8, 2026 6:50 PM EDT

JW Rank	Rank label	Confidence	IV percentile
69.5 / 100	**Constructive**	**high**	**26 / 100**

Model reference	Upside scenario	Risk reference	Wheel strategy fit
$490.00	**$510.00**	**$478.00**	**64 / 100**

Options stance	**bullish**
Tail-risk safety	**32 / 100**
JW Rank data coverage / as of	**100.0% | Sep 8, 2026 6:50 PM EDT**

Key insight

MSFT Option Market Implies Continued Growth Potential Despite Recent Dip

Market read

The MSFT option market currently reflects a cautiously bullish outlook despite recent price weakness. While the stock dipped 1.43% on September 8th, driven by broader market concerns and news regarding AI lawsuits against Microsoft, implied volatility remains elevated, suggesting anticipation of continued volatility in the near term. Strong fundamentals, including Azure's robust growth exceeding $100B annualized revenue and a substantial commercial backlog, continue to support long-term bullish sentiment.

Strategy context

The market appears to be pricing in both potential risks (AI lawsuits, capex concerns) and opportunities (Azure growth, AI monetization).

JW AI conclusions

Short- and medium-term model interpretation

AI context bias	**Bullish**
AI analysis updated	**Sep 8, 2026 1:40 PM EDT**

Short-term scenario

Cautious buy-the-dip for a 1-3 week bounce; short-term technicals mixed with fading momentum but oversold relative to longer MAs and supported by strong fundamentals/news. High uncertainty from broader market volatility, AI lawsuit developments, and capex scrutiny.

Three-month outlook

Moderately bullish with potential 8-16% upside toward $530-573 as Azure growth (guided ~45%) and Copilot/AI monetization continue, supported by large backlog. Analyst consensus targets average ~$573. Significant uncertainty remains around elevated capex (~$50B quarterly) delaying FCF, possible legal outcomes from AI training lawsuits, competitive dynamics, and macro/tech-sector volatility; range could span 450-550 depending on execution.

Market sentiment

Cautiously bullish overall. Recent posts emphasize Azure re-acceleration, $678B backlog visibility, and reiterating analyst ratings (Outperform $641, Overweight $600). Concerns focus on capex timing versus free-cash-flow conversion and valuation. Today's decline viewed as part of broader market weakness rather than company-specific. Long-term conviction high on earnings power and AI monetization, with mixed near-term views.

Supporting evidence

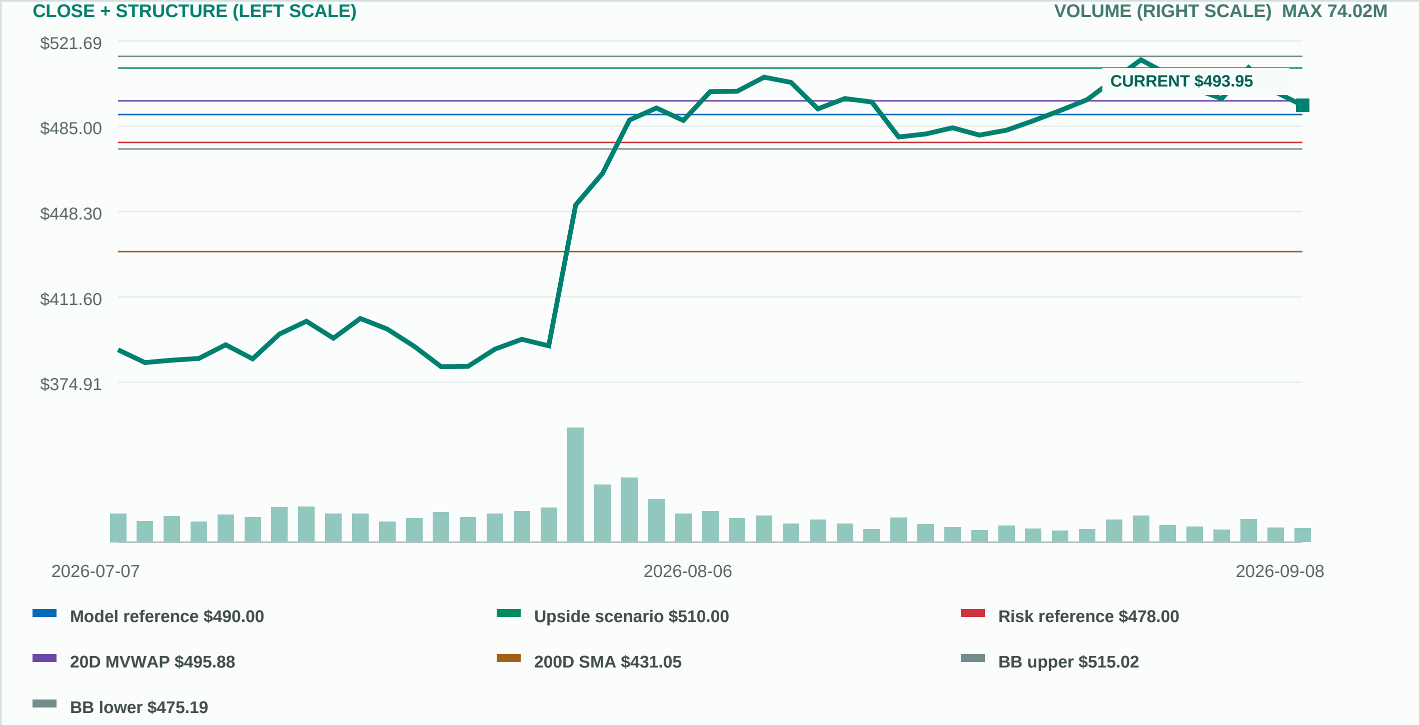
Implied volatility is currently at 24.9%, suggesting market participants expect continued price movement in the coming weeks. | The term structure of implied volatility shows a slight downward slope (-1.24 points), indicating that near-term options are priced with slightly higher volatility than longer-term options. | The skew is balanced, meaning put and call options are priced similarly for the same strike price and expiration date. | Analysts remain optimistic about MSFT's future, with a consensus target price of $573, representing a 16% upside from current levels.

Risk watch

Ongoing legal challenges related to the use of journalism data for AI training could pose a risk to Microsoft's reputation and future product development. | Elevated capital expenditures may impact free cash flow conversion in the near term.

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%	99.4
Strategy Fit	100.0%	63.7
Technical Trend	100.0%	84.9
Market Tail Risk	100.0%	32.0
Fundamental Quality	100.0%	84.2
Volatility Pressure	100.0%	47.7

Decision summary

Primary model reads before the detailed indicator appendix

Momentum	Institutional flow	Structure	Volatility
strong_bull	**Below 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 decelerating**
Trend signal	**STRONG BULL**
RSI signal	**neutral**
RSI (7 / 14 / 21)	**46.47 / 55.97 / 58.57**
RSI velocity	**-1.62**
MACD line / signal / histogram	**13.78 / - / 16.87**
MACD acceleration	**-0.88**
Stochastic K / D	**58.64 / 61.03**

Institutional footprints

Volume-weighted cost, price location and flow

Current read	**Below institutional MVWAP | Distribution bias**
Institutional flow	**-0.08**
20-day MVWAP	**$495.88**
Price vs 20-day MVWAP	**-0.23%**
Daily reference VWAP	**$493.10**
Price vs daily reference	**+0.33%**
Volume	**9.02M**

Structural context

Long-term trend and volatility boundaries

Current read	**Above 200-day trend | Negative macro velocity**
Macro velocity	**-0.04**
20-day / 200-day SMA	**$495.10 / $431.05**
Bollinger range	**$475.19 - $515.02**
Bollinger position	**0.471**

Options and volatility intelligence

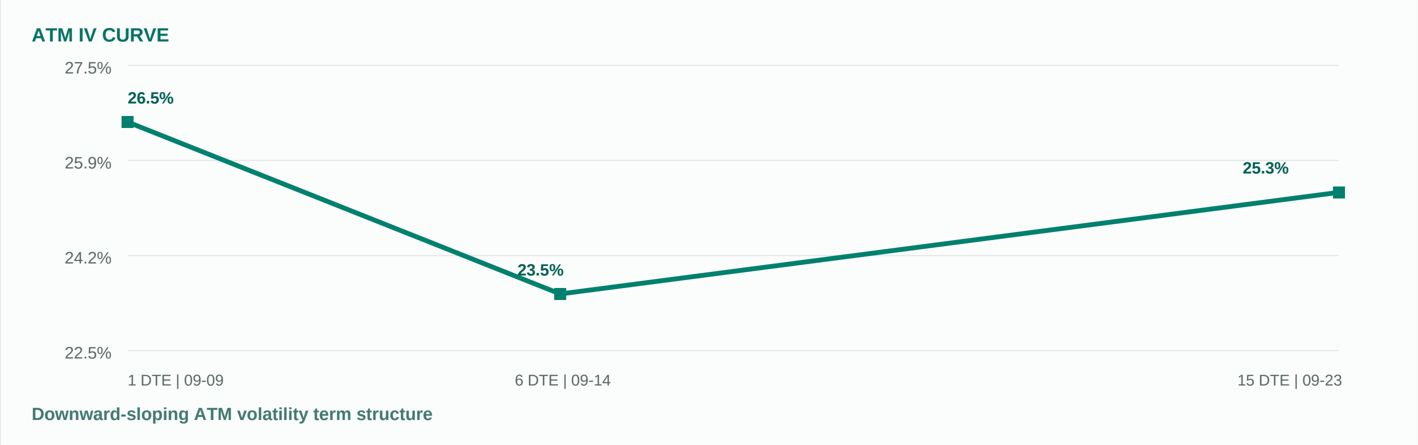
Structure, premium conditions and principal risks

IV rank	IV percentile	VVIX	SKEW
24 / 100	26 / 100	87.47	151.58

Market regime	**DANGER ZONE**
Tail-risk regime	**NORMAL TAIL RISK**
Term structure	**flat**
Term slope	**-1.24 pts**
Skew read	**balanced**
Liquidity / quote coverage	**96.7%**
Options Snapshot IV sources	**ATM: option chain | Rank/percentile: fundamentals**
Options Snapshot IV observed at	**Sep 8, 2026 2:33 PM EDT**
Options data quality	**Coverage 88.9%**

Option term structure

ATM implied-volatility curve by days to expiration



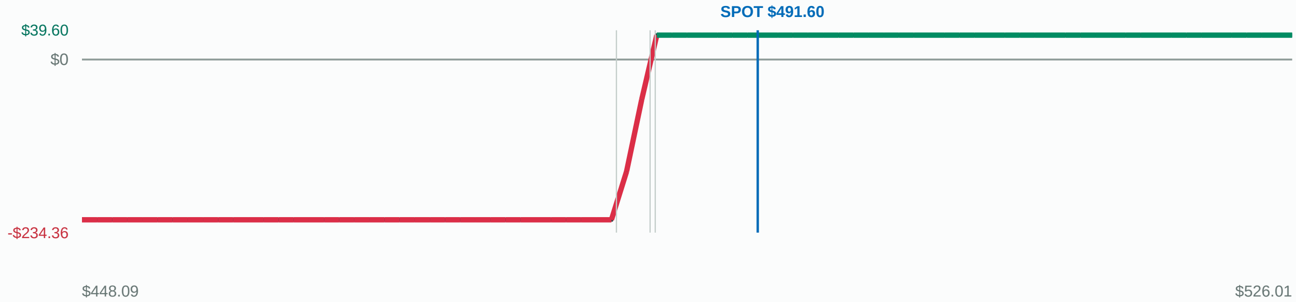
EXPIRATION	DTE	ATM IV	STATE
2026-09-09	1	26.5%	-
2026-09-14	6	23.5%	-
2026-09-23	15	25.3%	-

Reference spread payoff

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

Bull Put Spread reference

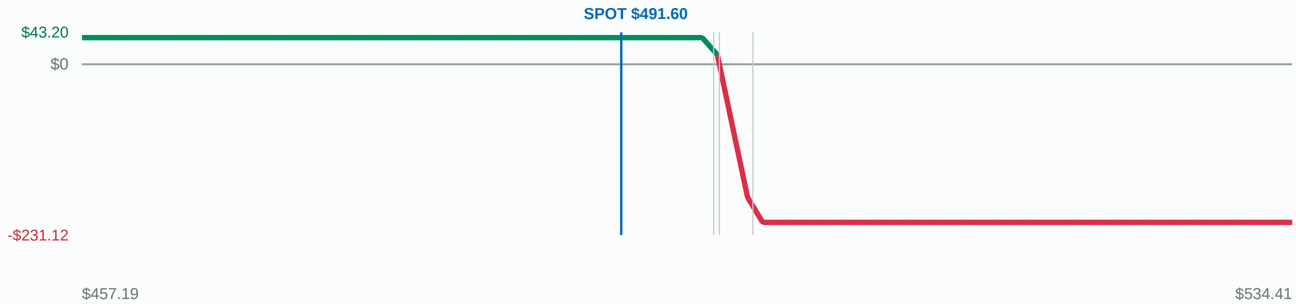
Short $485.00 | Long $482.50 | Width $2.50 | Net credit $0.33



Max profit $33.00 | Max loss -$217.00 | Break-even $484.67 | Per contract at expiry

Bear Call Spread reference

Short $497.50 | Long $500.00 | Width $2.50 | Net credit $0.36



Max profit $36.00 | Max loss -$214.00 | Break-even $497.86 | 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	**15.29**
VVIX	**87.47**
SKEW index	**151.58**
Observation confidence	**high**
Option quote quality	**reliable**
Contracts observed	**91**

Event and tail-risk context (continued)

Known event windows and broad volatility conditions

FIELD	VALUE
Contracts with quotes	**88**

Strategy fit

Generalized structure fit; not a personalized recommendation

Market structure

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Options context

MSFT Option Market Implies Continued Growth Potential Despite Recent Dip

Wheel context

The market appears to be pricing in both potential risks (AI lawsuits, capex concerns) and opportunities (Azure growth, AI monetization).

Observed evidence

Implied volatility is currently at 24.9%, suggesting market participants expect continued price movement in the coming weeks. | The term structure of implied volatility shows a slight downward slope (-1.24 points), indicating that near-term options are priced with slightly higher volatility than longer-term options. | The skew is balanced, meaning put and call options are priced similarly for the same strike price and expiration date. | Analysts remain optimistic about MSFT's future, with a consensus target price of $573, representing a 16% upside from current levels.

Principal risks to monitor

Ongoing legal challenges related to the use of journalism data for AI training could pose a risk to Microsoft's reputation and future product development. | Elevated capital expenditures may impact free cash flow conversion in the near term.

Fundamentals and events

Business quality, valuation and upcoming event context

Market capitalization **$3.71T**	P/E (TTM) **27.74**
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 **1.06**
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 **0.9%**
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

Sep 8, 2026 9:58 AM EDT

Covered Call | 2026-09-09

At signal $493.31 | Current $494.74

SHORT **Option $492.50 B $3.60 / A $4.00**

High turnover | CR $3.80

Complete technical details

Full supporting indicator set used by the symbol detail experience

Volatility and options market

Price movement and premium conditions

ATR	**$11.68**
ATR as % of price	**2.4%**
Volatility environment	**medium**
Current IV	**24.8%**
IV rank	**24 / 100**
IV percentile	**26 / 100**
Technical Snapshot IV source	**Private fundamentals snapshot**
Technical Snapshot IV observed at	**Sep 8, 2026 7:32 PM EDT**

Technical health and risk radar

Derived indicator health and event context

Overall health	**91 / 100**
Trend health	**92 / 100**
Momentum health	**98 / 100**
Volatility health	**75 / 100**
Structure health	**97 / 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)	**$495.10 / $446.59 / $431.05**
EMA (9 / 21)	**$499.23 / $489.42**
Bollinger upper / middle / lower	**$515.02 / $495.10 / $475.19**

Structural indicator levels (continued)

Moving averages, volatility bands and observed trading ranges

FIELD	VALUE
Bollinger %B	**0.471**
True high / low	**$499.70 / $490.15**
5-day true high / low	**$515.65 / $490.15**

Three-day indicator history

Short-horizon change and the underlying three-session observations

INDICATOR	3-DAY CHANGE	SESSION 1 / 2 / 3
SMA20	-0.036	**-**
SMA50	2.750	**-**
MVWAP20	-0.081	**-**
MACD	-0.884	**-**
RSI	-1.622	**-**
Volume	283996.000	**-**
ATR	0.119	**-**
T1	-	**15.26 / 496.85 / 511.00 / 499.36**
T2	-	**16.34 / 496.89 / 515.65 / 496.82**
T3	-	**16.43 / 496.13 / 501.02 / 493.81**

Detailed options evidence

Supporting option-chain, execution and data-quality observations

Underlying price at observation	**$491.60**
Options Snapshot IV sources	**ATM: option chain | Rank/percentile: fundamentals**
Options Snapshot IV observed at	**Sep 8, 2026 2:33 PM EDT**
Options data coverage	**88.9%**
SKEW regime	**HIGH TAIL RISK SKEW**
VVIX regime	**VVIX FLAT**
Front expiration / DTE	**2026-09-09 | 1 DTE**
Front at-the-money IV	**26.5%**
25-delta skew	**-0.60**
Put / Call 25-delta	**$485.00 Delta -0.175 / $497.50 Delta 0.217**
Median option bid/ask spread	**10.9%**
Bid/ask spread	**-**
Contracts observed / quoted	**91 / 88**

Price context

Last Price: 491.60 | Bid: 491.55 | Ask: 491.63 | Previous Close: 499.70 | Change: -8.10 | Daily change: -1.62% | Update Time: 2026-09-08T14:33:57.158551-04:00 | Latest History Date: 2026-09-08 | Latest History Price: 491.63

Historical context

Trading-day sample: 60 sessions | First Date: 2026-06-12 | Latest Date: 2026-09-08 | Latest Price: 491.63 | Max Drawdown 60d Percent: -11.74%

Fundamental context

Current Iv Percent: 24.90% | Iv Rank: 24.09 | Iv Percentile: 25.90 | Next Earnings Date: 2026-10-28 | Ex Dividend Date: 2026-08-19

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.

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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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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.

Reference documents

Official product terms and standardized options disclosure

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