



Microsoft Corp / MSFT

Equity | Generated Oct 7, 2026 11:31 PM EDT

Current price	Daily move	Bid / Ask	Previous close
\$529.41	+0.11 +0.02%	\$529.34/\$529.63	\$529.30

Market	NYSE
Industry	Technology
Market data as of	Oct 7, 2026 11:31 PM EDT

JW Intelligence Report

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

JW Rank	Rank label	Confidence	IV percentile
82.9 / 100	Strong setup	high	76 / 100
Model reference	Upside scenario	Risk reference	Wheel strategy fit
\$523.00	\$545.00	\$512.00	84 / 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

MSFT Option Market Prices in Continued Azure Growth and AI Momentum

Market read

The MSFT option market displays a bullish outlook, reflecting confidence in continued strong Azure growth and the potential of on-device AI. Implied volatility is elevated but not extreme, suggesting anticipation for potentially significant price swings around upcoming events like the Windows/Surface event and earnings release. The term structure exhibits backwardation, indicating a preference for near-term upside.

Strategy context

The market appears to be pricing in continued strong performance from Azure and the potential for on-device AI to drive future growth. However, uncertainty remains around the commercial payoff of this technology.



JW AI conclusions

Short- and medium-term model interpretation

AI context bias

Mixed

AI analysis updated

Oct 7, 2026 1:53 PM EDT

Short-term scenario

Cautious dip-buy or hold for 1-3 weeks; do not chase into the Oct 7 event or the late-October earnings print. Uncertainty is high because event commercial impact is unclear, RSI is elevated, and the Oct 27-28 report (Azure guided near 45% constant-currency) can gap the stock either way.

Three-month outlook

Base case is modestly constructive toward the mid-\$550s to high-\$580s if the late-October report confirms Azure growth near the ~45% constant-currency guide and backlog outside OpenAI keeps expanding, in line with Street targets near \$580. Uncertainty is material and should be treated as the dominant feature: calendar-2026 capex has been discussed around \$175B, free-cash-flow conversion has been pressured, and a large share of the \$678B backlog growth is tied to OpenAI. A guidance miss, slower capacity conversion, or a risk-off move in rates could pull shares toward \$500-\$510. This is scenario analysis, not a certainty; the Oct 27-28 print and macro conditions can override the technical uptrend.

Market sentiment

X tone on Oct 7 is mildly constructive, focused on the Nadella-Huang event, local AI, and the Melius upgrade to a \$665 target, with some posts describing a daily uptrend above the 20- and 50-day averages. Engagement is modest rather than euphoric. Broader posts also flag a market pullback as yields and oil rise. Sentiment has improved versus earlier 2026 skepticism after earnings beats, but it is not uniform and is event-driven.

Supporting evidence

The stock's recent performance has been strong, with a positive MACD and price trading above key moving averages. | Analyst sentiment is overwhelmingly positive, with a consensus target price well above the current level. | Strong Azure growth (reported at +43% in FY26 Q4) continues to be a key driver of optimism. | The upcoming Windows/Surface event centered on local AI agents could further fuel investor enthusiasm.

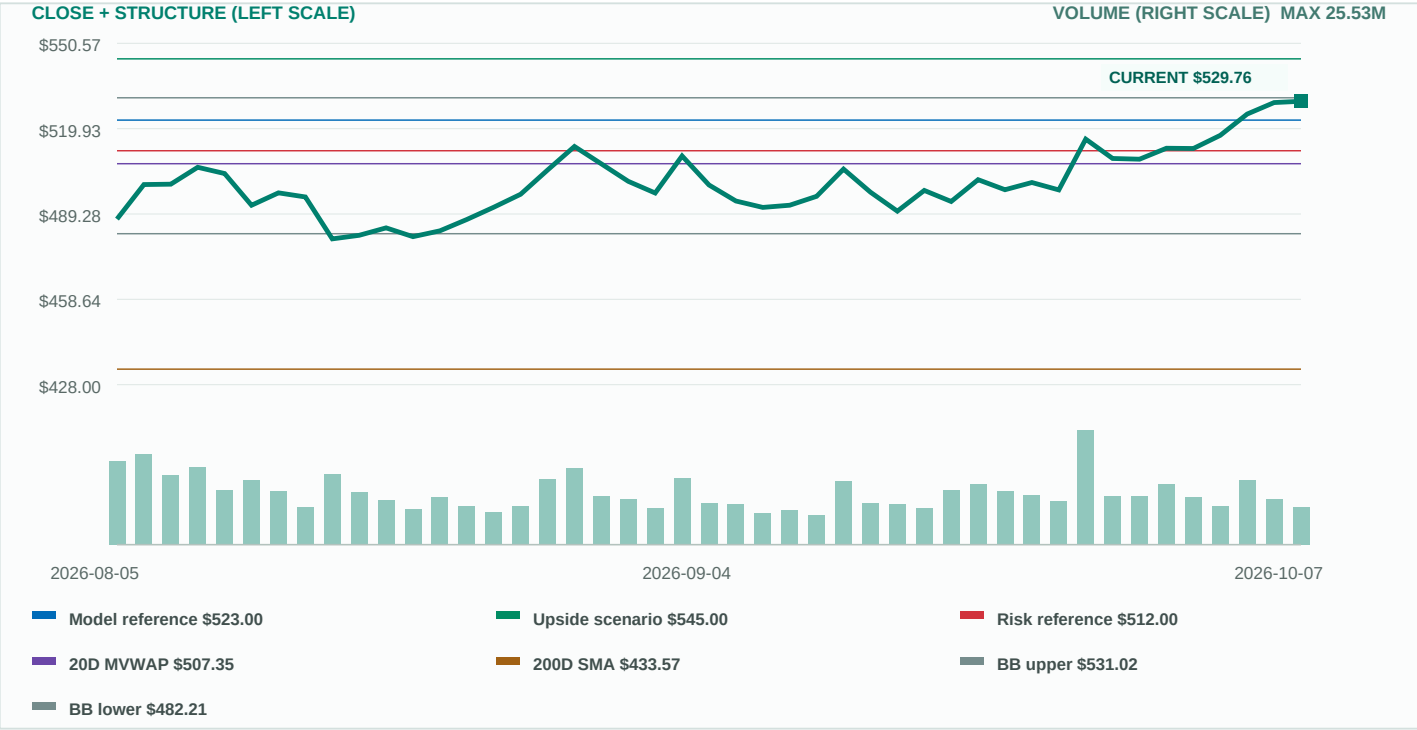
Risk watch

Elevated implied volatility suggests potential for significant price swings around upcoming events. | A weaker than expected earnings report could lead to a pullback in the stock price.



Enhanced price structure

45 trading days with volume, model levels and current technical reference bands

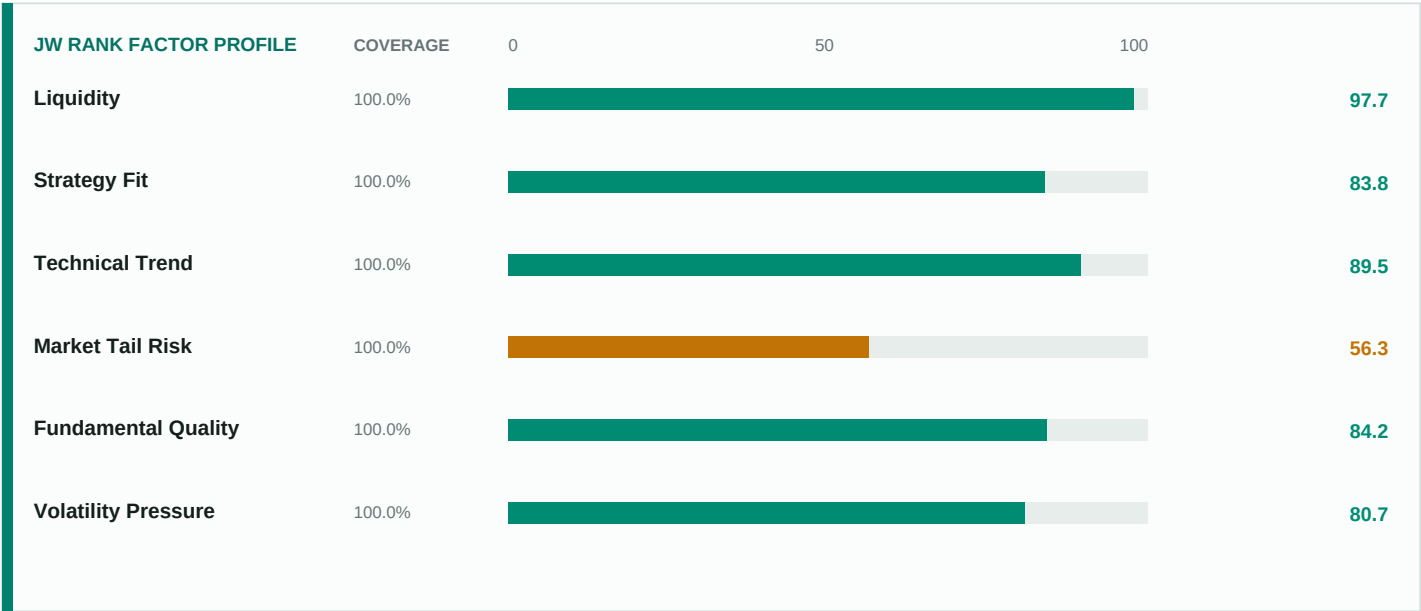


45 complete trading-session observations



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)	77.79 / 68.14 / 65.26
RSI velocity	1.84
MACD line / signal / histogram	10.12 / - / 8.46
MACD acceleration	0.77
Stochastic K / D	85.49 / 83.59

Institutional footprints

Volume-weighted cost, price location and flow

Current read	Above institutional MVWAP Accumulation bias
Institutional flow	1.49
20-day MVWAP	\$507.35
Price vs 20-day MVWAP	+4.35%
Daily reference VWAP	\$528.73
Price vs daily reference	+0.13%
Volume	8.44M

Structural context

Long-term trend and volatility boundaries

Current read	Above 200-day trend Positive macro velocity
Macro velocity	1.65
20-day / 200-day SMA	\$506.62 / \$433.57
Bollinger range	\$482.21 - \$531.02
Bollinger position	0.974



Options and volatility intelligence

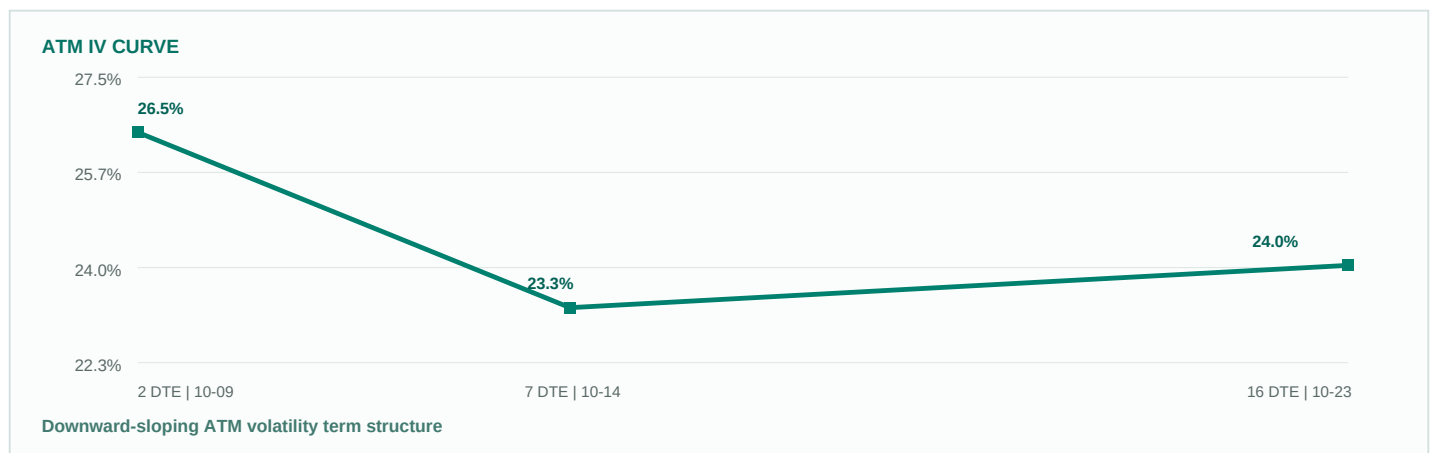
Structure, premium conditions and principal risks

IV rank	IV percentile	VVIX	SKEW
48 / 100	74 / 100	84.45	141.21

Market regime	Calm
Tail-risk regime	NORMAL TAIL RISK
Term structure	backwardation
Term slope	-2.42 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 2:36 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	26.5%	-
2026-10-14	7	23.3%	-
2026-10-23	16	24.0%	-

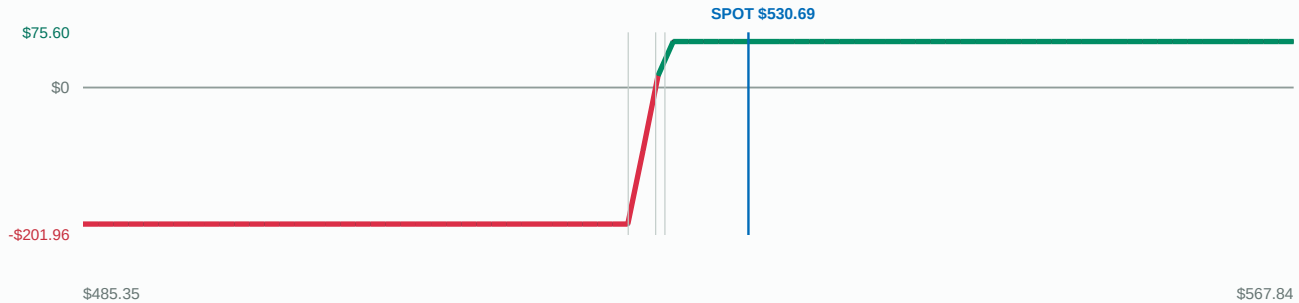


Reference spread payoff

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

Bull Put Spread reference

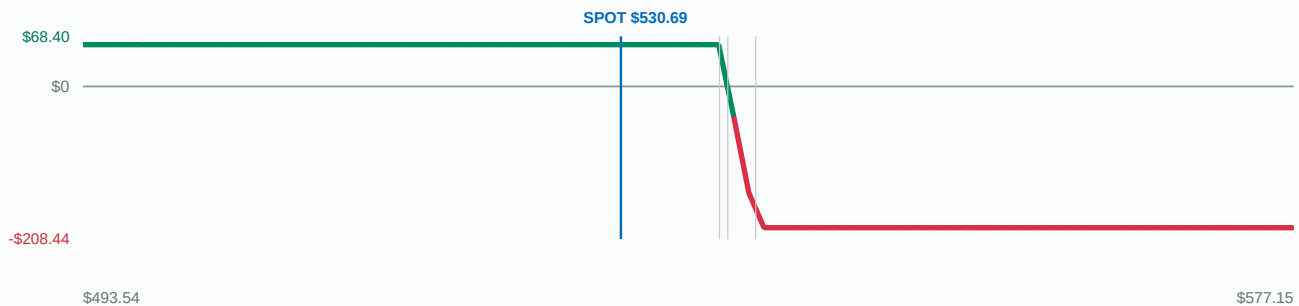
Short \$525.00 | Long \$522.50 | Width \$2.50 | Net credit \$0.63



Max profit \$63.00 | Max loss -\$187.00 | Break-even \$524.37 | Per contract at expiry

Bear Call Spread reference

Short \$537.50 | Long \$540.00 | Width \$2.50 | Net credit \$0.57



Max profit \$57.00 | Max loss -\$193.00 | Break-even \$538.07 | 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	15.13
VVIX	84.45
SKEW index	141.21
Observation confidence	high
Option quote quality	reliable
Contracts observed	142



Event and tail-risk context (continued)

Known event windows and broad volatility conditions

FIELD	VALUE
Contracts with quotes	142

Strategy fit

Generalized structure fit; not a personalized recommendation

Market structure

The MSFT option market displays a bullish outlook, reflecting confidence in continued strong Azure growth and the potential of on-device AI. Implied volatility is elevated but not extreme, suggesting anticipation for potentially significant price swings around upcoming events like the Windows/Surface event and earnings release. The term structure exhibits backwardation, indicating a preference for near-term upside.

Options context

MSFT Option Market Prices in Continued Azure Growth and AI Momentum

Wheel context

The market appears to be pricing in continued strong performance from Azure and the potential for on-device AI to drive future growth. However, uncertainty remains around the commercial payoff of this technology.

Observed evidence

The stock's recent performance has been strong, with a positive MACD and price trading above key moving averages. | Analyst sentiment is overwhelmingly positive, with a consensus target price well above the current level. | Strong Azure growth (reported at +43% in FY26 Q4) continues to be a key driver of optimism. | The upcoming Windows/Surface event centered on local AI agents could further fuel investor enthusiasm.

Principal risks to monitor

Elevated implied volatility suggests potential for significant price swings around upcoming events. | A weaker than expected earnings report could lead to a pullback in the stock price.



Fundamentals and events

Business quality, valuation and upcoming event context

Market capitalization	P/E (TTM)
\$3.93T	29.51
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%	1.06
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	1.5%
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 2026-10-07 At signal \$528.00 Current \$529.41 SHORT Option \$530.00 B \$3.90 / A \$4.15 Conservative CR \$4.03 Oct 5, 2026 9:57 AM EDT
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Complete technical details

Full supporting indicator set used by the symbol detail experience

Volatility and options market

Price movement and premium conditions

ATR	\$11.39
ATR as % of price	2.2%
Volatility environment	medium
Current IV	32.1%
IV rank	49 / 100
IV percentile	76 / 100
Technical Snapshot IV source	Private fundamentals snapshot
Technical Snapshot IV observed at	Oct 7, 2026 7:31 PM EDT

Technical health and risk radar

Derived indicator health and event context

Overall health	77 / 100
Trend health	92 / 100
Momentum health	76 / 100
Volatility health	78 / 100
Structure health	53 / 100
Earnings risk / date	medium 2026-10-28
Macro risk	unknown
Volatility risk	medium
Structure risk	medium

Structural indicator levels

Moving averages, volatility bands and observed trading ranges

SMA (20 / 50 / 200)	\$506.62 / \$496.13 / \$433.57
EMA (9 / 21)	\$518.68 / \$509.12
Bollinger upper / middle / lower	\$531.02 / \$506.62 / \$482.21



Structural indicator levels (continued)

Moving averages, volatility bands and observed trading ranges

FIELD	VALUE
Bollinger %B	0.974
True high / low	\$531.73 / \$524.69
5-day true high / low	\$535.69 / \$512.17

Three-day indicator history

Short-horizon change and the underlying three-session observations

INDICATOR	3-DAY CHANGE	SESSION 1 / 2 / 3
SMA20	1.649	-
SMA50	2.801	-
MVWAP20	1.489	-
MACD	0.773	-
RSI	1.839	-
Volume	-69429.330	-
ATR	-0.066	-
T1	-	9.51 / 506.07 / 535.69 / 525.18
T2	-	8.63 / 504.39 / 532.35 / 517.53
T3	-	7.80 / 502.89 / 522.50 / 512.80



Detailed options evidence

Supporting option-chain, execution and data-quality observations

Underlying price at observation	\$530.69
Options Snapshot IV sources	ATM: option chain Rank/percentile: fundamentals
Options Snapshot IV observed at	Oct 7, 2026 2:36 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	26.5%
25-delta skew	-0.80
Put / Call 25-delta	\$525.00 Delta -0.287 / \$537.50 Delta 0.276
Median option bid/ask spread	10.9%
Bid/ask spread	-
Contracts observed / quoted	142 / 142

Price context

Last Price: 530.69 | Bid: 530.64 | Ask: 530.75 | Previous Close: 529.30 | Change: 1.39 | Daily change: 0.26% | Update Time: 2026-10-07T14:36:56.658789-04:00 | Latest History Date: 2026-10-07 | Latest History Price: 530.63

Historical context

Trading-day sample: 60 sessions | First Date: 2026-07-15 | Latest Date: 2026-10-07 | Latest Price: 530.63 | Max Drawdown 60d Percent: -5.15%

Fundamental context

Current Iv Percent: 31.59% | Iv Rank: 47.75 | Iv Percentile: 74.10 | Next Earnings Date: 2026-10-28 | 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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Options Disclosure Document	theocc.com / Options Disclosure Document