



Microsoft Corp / MSFT

Equity | Generated Oct 8, 2026 11:31 PM EDT

Current price	Daily move	Bid / Ask	Previous close
\$523.00	-6.76 -1.28%	\$522.75/\$523.00	\$529.76

Market	NYSE
Industry	Technology
Market data as of	Oct 8, 2026 11:31 PM EDT

JW Intelligence Report

Complete | 3 of 3 sections | Oct 8, 2026 7:50 PM EDT

JW Rank	Rank label	Confidence	IV percentile
83.4 / 100	Strong setup	high	74 / 100
Model reference	Upside scenario	Risk reference	Wheel strategy fit
\$515.00	\$542.00	\$498.00	87 / 100

Options stance	neutral
Tail-risk safety	56 / 100
JW Rank data coverage / as of	100.0% Oct 8, 2026 7:50 PM EDT

Key insight

MSFT Option Market Implies Balanced Outlook

Market read

The MSFT option market shows a balanced outlook with neutral skew and moderate implied volatility. The term structure is in backwardation, suggesting traders expect near-term volatility to be higher than longer-term volatility. Recent price action has been driven by news regarding OpenAI's revenue figures and Microsoft's inclusion in the PERM green-card program suspension. However, these events are not yet reflected in the option pricing.

Strategy context

MSFT options offer a range of strategies for both bullish and bearish traders. The balanced skew allows for potential profit opportunities in both directions.



JW AI conclusions

Short- and medium-term model interpretation

AI context bias

Bearish

AI analysis updated

Oct 8, 2026 1:53 PM EDT

Short-term scenario

Cautious tactical long on weakness toward support, not a chase of the prior \$530 area. The 1-3 week window runs into late-October earnings, so size for a gap. Scenario only: headlines, capacity commentary, or the print can invalidate levels quickly. Not a recommendation.

Three-month outlook

Base case is moderately constructive but uncertain. If Azure is near the ~45% constant-currency guide and backlog outside OpenAI keeps expanding, a grind toward the mid-\$550s and possibly the Street cluster near \$575-\$590 is plausible, with ~\$555 the first major test. That is not assured. Downside paths include a capacity-constrained Azure miss, deeper OpenAI-concentration or ARR concerns compressing the multiple, capex/free-cash-flow disappointment, or a lasting PERM freeze that complicates AI hiring. A sustained break below \$500 would weaken the post-July uptrend. Targets above \$600 need a confirmed breakout and sit outside a high-confidence three-month base case. All levels are scenarios, not forecasts.

Market sentiment

Substantive Oct 8 discussion is cautious, not a thesis break. Traders focused on the OpenAI \$50B vs \$70B ARR gap, with several arguing it is a counting difference rather than lost revenue and that value capture at Microsoft matters more than the headline. The PERM freeze was widely posted; earlier notes had the stock near flat around \$530 before the later slide. A longer window still includes constructive notes such as a Melius upgrade toward a \$665 target, while at least one trader said they were whacked in MSFT today. Raw ticker flow is noisy with promotional spam, so the sentiment read is uncertain.

Supporting evidence

The delta 25 skew is balanced at 1.23 points. | Implied volatility for near-term options (front expiration) is 29.11%, suggesting moderate expected price movement. | The term structure slopes downward, indicating backwardation and expectations of higher near-term volatility. | Recent price action has been driven by news regarding OpenAI's revenue figures and Microsoft's inclusion in the PERM green-card program suspension.

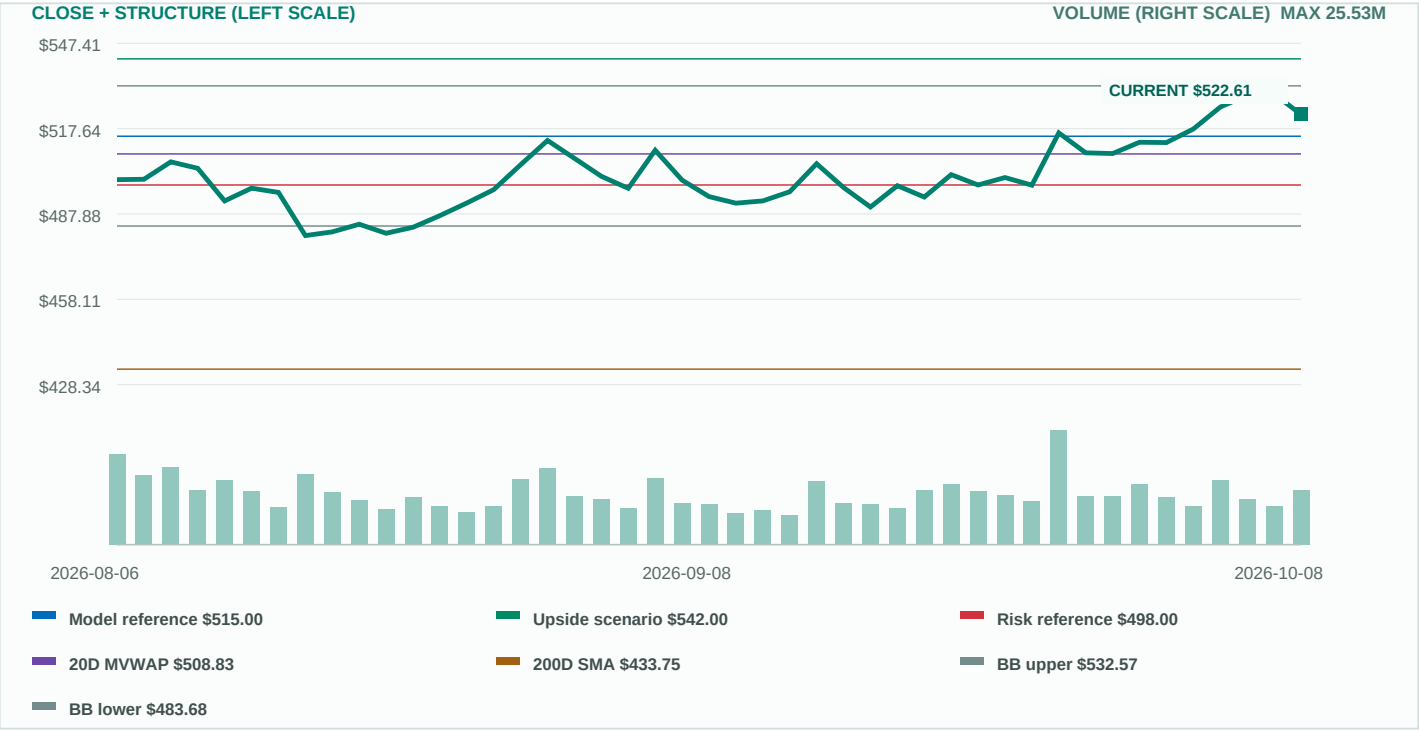
Risk watch

Earnings are scheduled for late October, which could lead to increased volatility. | The impact of the PERM green-card program suspension on Microsoft's hiring and operations remains unclear.



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)	61.36 / 61.70 / 61.43
RSI velocity	-1.49
MACD line / signal / histogram	9.92 / - / 8.75
MACD acceleration	0.43
Stochastic K / D	80.99 / 83.81

Institutional footprints

Volume-weighted cost, price location and flow

Current read	Above institutional MVWAP Accumulation bias
Institutional flow	1.48
20-day MVWAP	\$508.83
Price vs 20-day MVWAP	+2.78%
Daily reference VWAP	\$524.97
Price vs daily reference	-0.38%
Volume	12.16M

Structural context

Long-term trend and volatility boundaries

Current read	Above 200-day trend Positive macro velocity
Macro velocity	1.73
20-day / 200-day SMA	\$508.13 / \$433.75
Bollinger range	\$483.68 - \$532.57
Bollinger position	0.796



Options and volatility intelligence

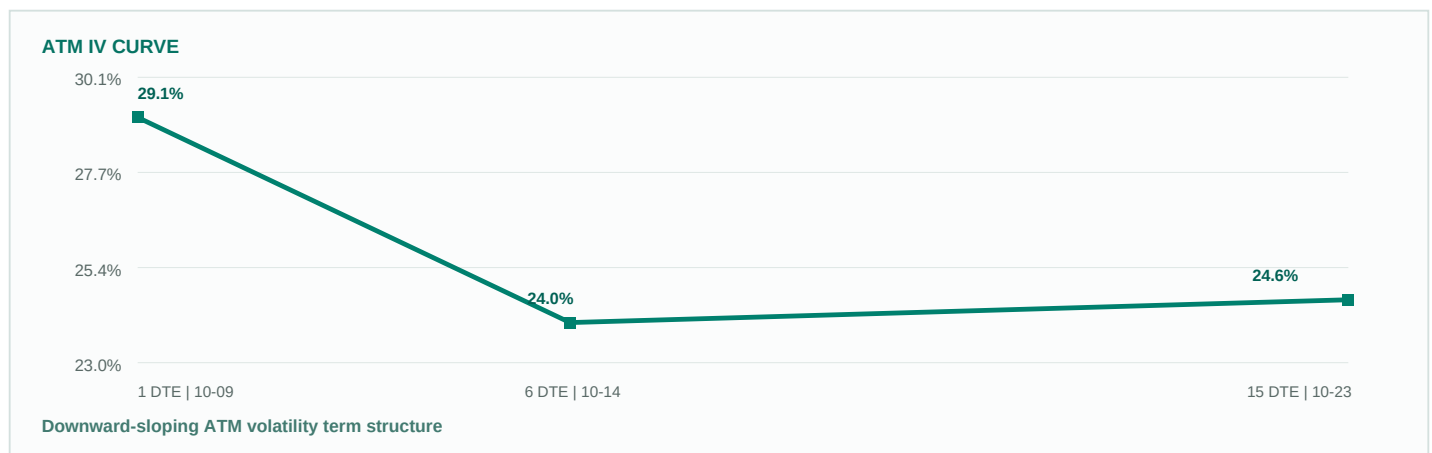
Structure, premium conditions and principal risks

IV rank	IV percentile	VVIX	SKEW
51 / 100	77 / 100	89.18	141.84

Market regime	Calm
Tail-risk regime	NORMAL TAIL RISK
Term structure	backwardation
Term slope	-4.55 pts
Skew read	balanced
Liquidity / quote coverage	99.3%
Options Snapshot IV sources	ATM: option chain Rank/percentile: fundamentals
Options Snapshot IV observed at	Oct 8, 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	1	29.1%	-
2026-10-14	6	24.0%	-
2026-10-23	15	24.6%	-

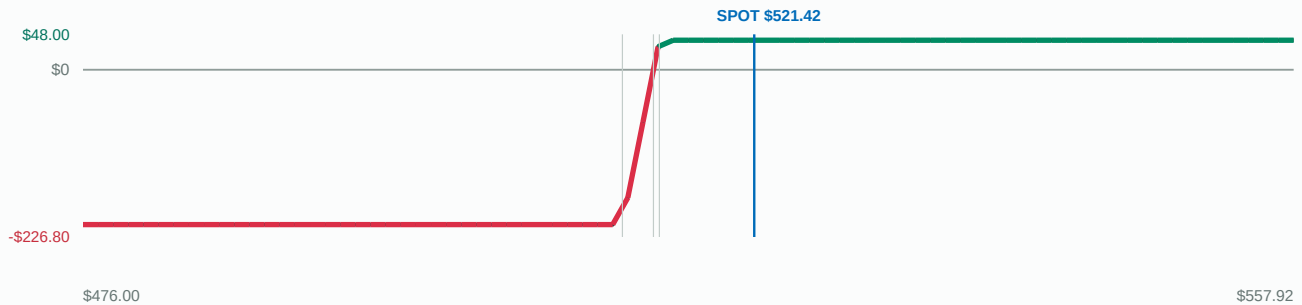


Reference spread payoff

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

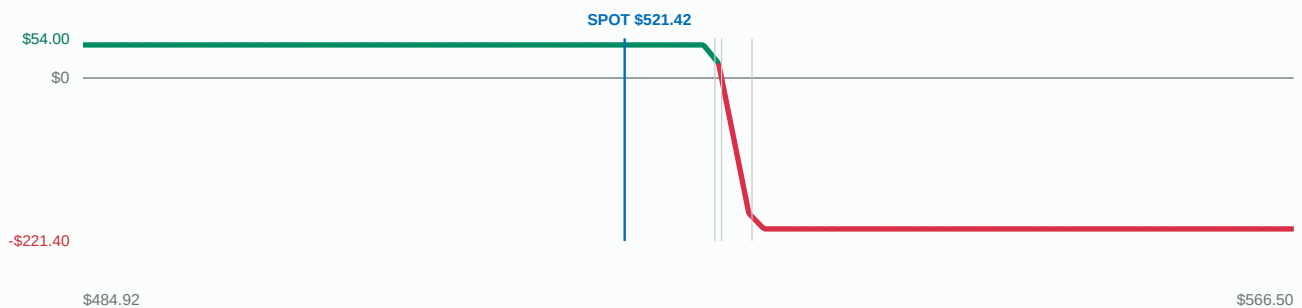
Bull Put Spread reference

Short \$515.00 | Long \$512.50 | Width \$2.50 | Net credit \$0.40



Bear Call Spread reference

Short \$527.50 | Long \$530.00 | Width \$2.50 | Net credit \$0.45



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	15.62
VVIX	89.18
SKEW index	141.84
Observation confidence	high
Option quote quality	reliable
Contracts observed	146



Event and tail-risk context (continued)

Known event windows and broad volatility conditions

FIELD	VALUE
Contracts with quotes	145

Strategy fit

Generalized structure fit; not a personalized recommendation

Market structure

The MSFT option market shows a balanced outlook with neutral skew and moderate implied volatility. The term structure is in backwardation, suggesting traders expect near-term volatility to be higher than longer-term volatility. Recent price action has been driven by news regarding OpenAI's revenue figures and Microsoft's inclusion in the PERM green-card program suspension. However, these events are not yet reflected in the option pricing.

Options context

MSFT Option Market Implies Balanced Outlook

Wheel context

MSFT options offer a range of strategies for both bullish and bearish traders. The balanced skew allows for potential profit opportunities in both directions.

Observed evidence

The delta 25 skew is balanced at 1.23 points. | Implied volatility for near-term options (front expiration) is 29.11%, suggesting moderate expected price movement. | The term structure slopes downward, indicating backwardation and expectations of higher near-term volatility. | Recent price action has been driven by news regarding OpenAI's revenue figures and Microsoft's inclusion in the PERM green-card program suspension.

Principal risks to monitor

Earnings are scheduled for late October, which could lead to increased volatility. | The impact of the PERM green-card program suspension on Microsoft's hiring and operations remains unclear.



Fundamentals and events

Business quality, valuation and upcoming event context

Market capitalization	P/E (TTM)
\$3.93T	29.26
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	0.1%
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 | 2026-10-07

At signal \$528.00 | Current \$523.00

SHORT Option \$530.00 B \$3.90 / A \$4.15

Conservative | CR \$4.03

Oct 5, 2026 9:57 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	\$11.63
ATR as % of price	2.2%
Volatility environment	medium
Current IV	31.8%
IV rank	48 / 100
IV percentile	74 / 100
Technical Snapshot IV source	Private fundamentals snapshot
Technical Snapshot IV observed at	Oct 8, 2026 3:50 PM EDT

Technical health and risk radar

Derived indicator health and event context

Overall health	84 / 100
Trend health	92 / 100
Momentum health	88 / 100
Volatility health	77 / 100
Structure health	70 / 100
Earnings risk / date	medium 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)	\$508.13 / \$498.77 / \$433.75
EMA (9 / 21)	\$519.47 / \$510.35
Bollinger upper / middle / lower	\$532.57 / \$508.13 / \$483.68



Structural indicator levels (continued)

Moving averages, volatility bands and observed trading ranges

FIELD	VALUE
Bollinger %B	0.796
True high / low	\$533.51 / \$518.79
5-day true high / low	\$535.69 / \$512.80

Three-day indicator history

Short-horizon change and the underlying three-session observations

INDICATOR	3-DAY CHANGE	SESSION 1 / 2 / 3
SMA20	1.727	-
SMA50	2.725	-
MVWAP20	1.482	-
MACD	0.430	-
RSI	-1.492	-
Volume	-765838.000	-
ATR	-0.063	-
T1	-	10.12 / 507.36 / 531.73 / 524.69
T2	-	9.51 / 506.07 / 535.69 / 525.18
T3	-	8.63 / 504.39 / 532.35 / 517.53



Detailed options evidence

Supporting option-chain, execution and data-quality observations

Underlying price at observation	\$521.42
Options Snapshot IV sources	ATM: option chain Rank/percentile: fundamentals
Options Snapshot IV observed at	Oct 8, 2026 2:36 PM EDT
Options data coverage	88.9%
SKEW regime	HIGH TAIL RISK SKEW
VVIX regime	VVIX FALLING
Front expiration / DTE	2026-10-09 1 DTE
Front at-the-money IV	29.1%
25-delta skew	1.23
Put / Call 25-delta	\$515.00 Delta -0.217 / \$527.50 Delta 0.231
Median option bid/ask spread	12.3%
Bid/ask spread	-
Contracts observed / quoted	146 / 145

Price context

Last Price: 521.42 | Bid: 521.36 | Ask: 521.48 | Previous Close: 529.76 | Change: -8.34 | Daily change: -1.57% | Update Time: 2026-10-08T14:36:57.879239-04:00 | Latest History Date: 2026-10-08 | Latest History Price: 521.39

Historical context

Trading-day sample: 60 sessions | First Date: 2026-07-16 | Latest Date: 2026-10-08 | Latest Price: 521.39 | Max Drawdown 60d Percent: -5.15%

Fundamental context

Current Iv Percent: 32.38% | Iv Rank: 50.56 | Iv Percentile: 76.89 | 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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