



Microsoft Corporation / MSFT

Equity | Generated Oct 29, 2026 11:31 PM EDT

Current price	Daily move	Bid / Ask	Previous close
\$524.25	-6.76 -1.27%	\$523.97/\$524.50	\$531.01

Market	NYSE
Industry	Technology
Market data as of	Oct 29, 2026 11:31 PM EDT

JW Intelligence Report

Complete | 3 of 3 sections | Oct 29, 2026 6:50 PM EDT

JW Rank	Rank label	Confidence	IV percentile
72.2 / 100	Constructive	high	22 / 100
Model reference	Upside scenario	Risk reference	Wheel strategy fit
\$520.00	\$545.00	\$512.00	75 / 100

Options stance	neutral
Tail-risk safety	56 / 100
JW Rank data coverage / as of	100.0% Oct 29, 2026 6:50 PM EDT

Key insight

MSFT Option Market Shows Mixed Sentiment Following Earnings Beat

Market read

The MSFT option market displays a neutral stance following its recent earnings report. While the company beat revenue and EPS estimates, shares reversed lower after an initial post-earnings jump due to concerns about AI spending and a downgrade from Griffin Research. The term structure is in backwardation with near-term IV higher than longer-dated IV. Skew is balanced.

Strategy context

The market appears to be digesting the earnings report and weighing the positive aspects of the beat against concerns about AI spending.



JW AI conclusions

Short- and medium-term model interpretation

AI context bias

Bullish

AI analysis updated

Oct 29, 2026 1:52 PM EDT

Short-term scenario

Cautious dip-buy / hold for 1-3 weeks only. The beat and guide are supportive, but today's reversal shows the market is not paying up for AI spend yet. Prefer a pullback entry near support; do not chase. Uncertainty is high if support breaks or capex fears broaden.

Three-month outlook

Moderately constructive but uncertain. Azure acceleration, backlog, and above-consensus Q2 guide can support a grind toward the mid-to-high \$500s if capacity arrives and free cash flow stays positive, with Street targets still clustered near \$600+. Offsetting risks are quarterly capex staying above \$50B, margin/FCF pressure, valuation that is not cheap, and contagion from Big Tech AI-spend skepticism. A break and hold below ~515 would weaken the near-term bull case; this is not a high-conviction momentum setup after the failed hold of gains.

Market sentiment

Mixed and cautious rather than euphoric. Earnings-day discussion highlights the Azure and cash-flow beat alongside capex above \$50B next quarter and delayed capacity. Aggregator-style reads near 55-58% bullish versus low-teens bearish, but posts also note the fade of the overnight pop and peer AI-spending anxiety. Noise is high; sample is not a clean bullish consensus.

Supporting evidence

The option market shows mixed sentiment following the earnings beat, with some brokers raising targets while others express caution due to AI spending concerns. | The term structure of implied volatility is in backwardation, suggesting a belief that near-term volatility will be higher than longer-term volatility. | Skew is balanced, indicating that both call and put options are relatively equally priced.

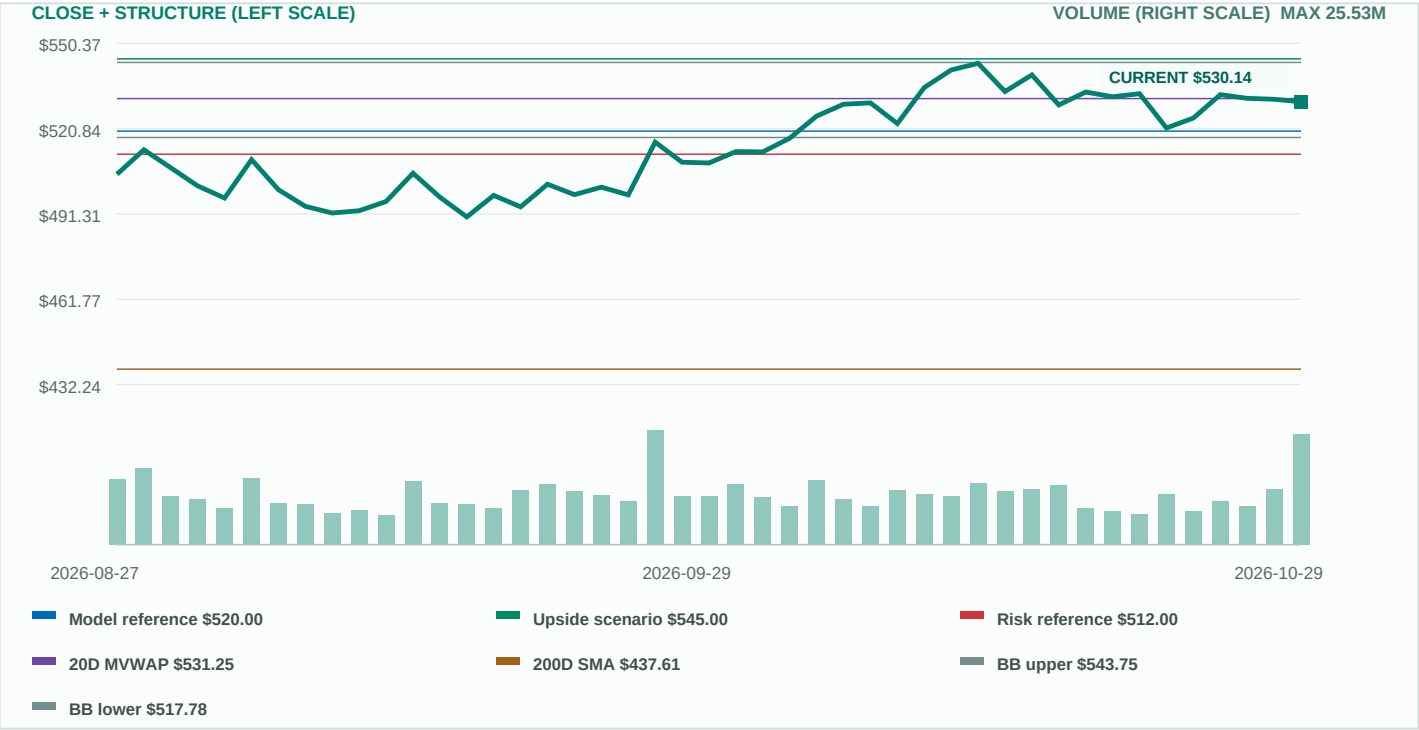
Risk watch

Continued weakness in the AI sector could negatively impact MSFT's stock price. | High levels of capex spending may raise concerns about future profitability.



Enhanced price structure

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

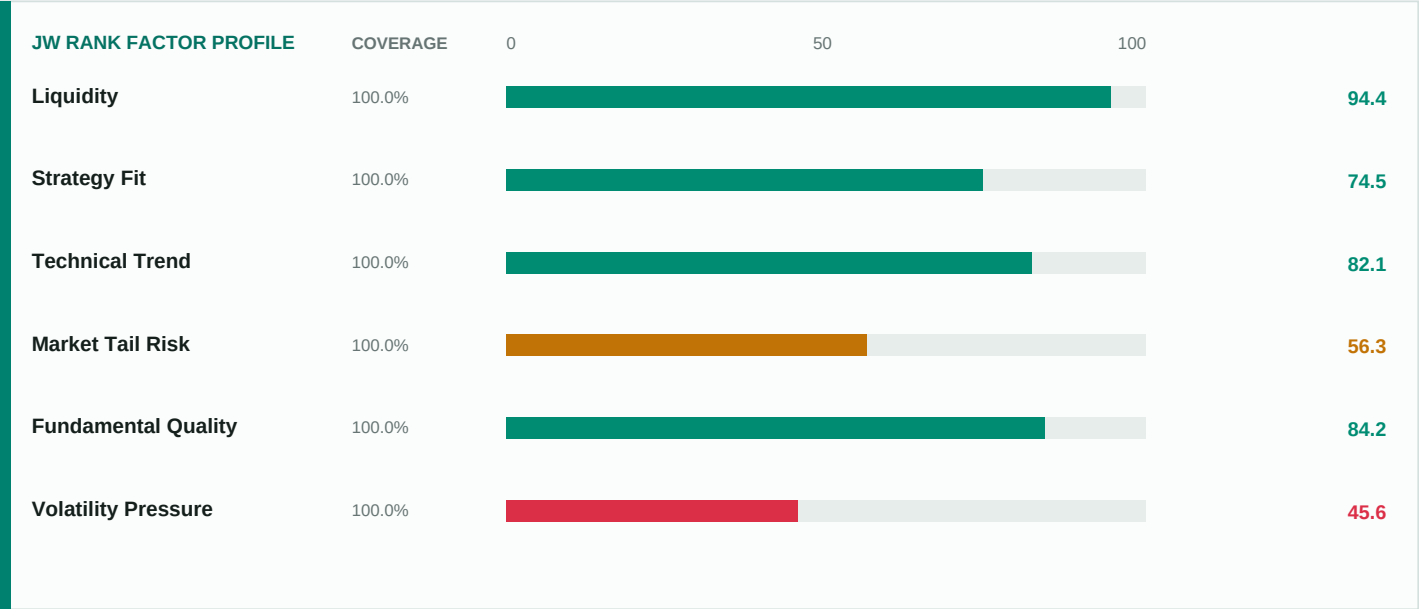


45 complete trading-session observations



JW Rank factors

Score, source coverage and interpretation for each decision factor



Decision summary

Primary model reads before the detailed indicator appendix

Momentum

strong_bull

Institutional flow

Below 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 decelerating
Trend signal	STRONG BULL
RSI signal	neutral
RSI (7 / 14 / 21)	51.36 / 55.35 / 57.23
RSI velocity	-0.63
MACD line / signal / histogram	5.84 / - / 7.60
MACD acceleration	-0.37
Stochastic K / D	42.67 / 42.18

Institutional footprints

Volume-weighted cost, price location and flow

Current read	Below institutional MVWAP Accumulation bias
Institutional flow	0.95
20-day MVWAP	\$531.25
Price vs 20-day MVWAP	-1.32%
Daily reference VWAP	\$530.33
Price vs daily reference	-1.15%
Volume	24.53M

Structural context

Long-term trend and volatility boundaries

Current read	Above 200-day trend Positive macro velocity
Macro velocity	0.96
20-day / 200-day SMA	\$530.76 / \$437.61
Bollinger range	\$517.78 - \$543.75
Bollinger position	0.476



Options and volatility intelligence

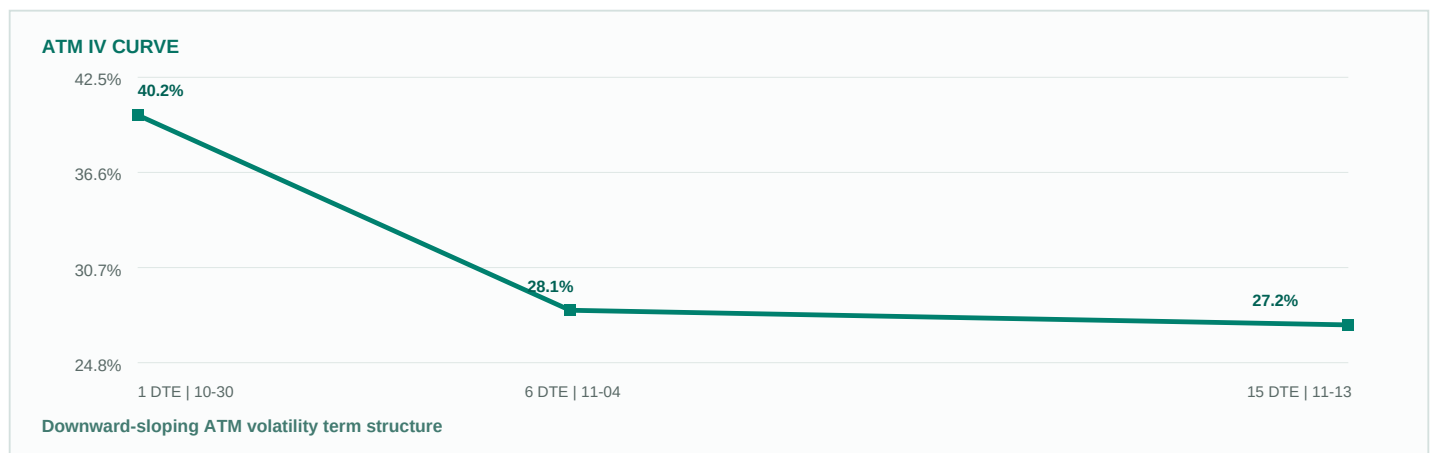
Structure, premium conditions and principal risks

IV rank	IV percentile	VVIX	SKEW
22 / 100	21 / 100	95.19	148.74

Market regime	Calm
Tail-risk regime	NORMAL TAIL RISK
Term structure	backwardation
Term slope	-13.05 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 29, 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
2026-10-30	1	40.2%	-
2026-11-04	6	28.1%	-
2026-11-13	15	27.2%	-

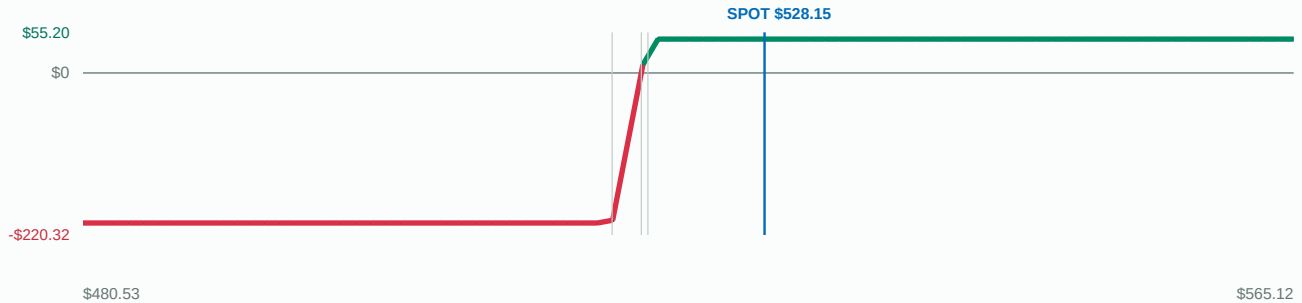


Reference spread payoff

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

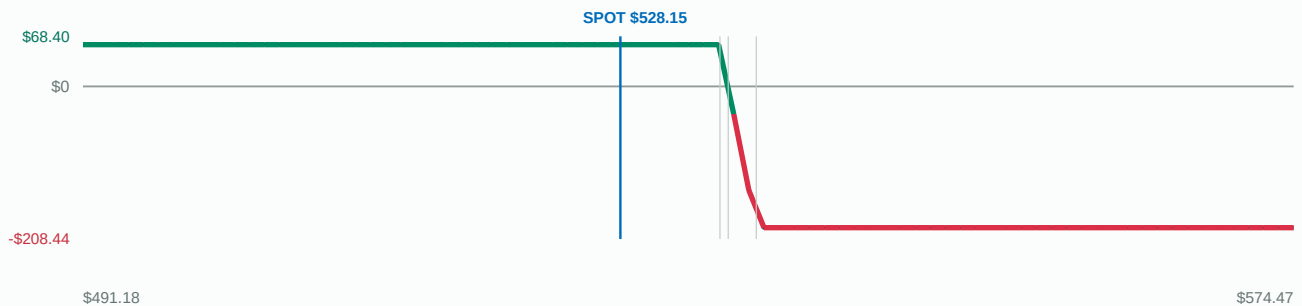
Bull Put Spread reference

Short \$520.00 | Long \$517.50 | Width \$2.50 | Net credit \$0.46



Bear Call Spread reference

Short \$535.00 | Long \$537.50 | Width \$2.50 | Net credit \$0.57



Event and tail-risk context

Known event windows and broad volatility conditions

Next earnings date	2027-01-27
Earnings IV-crush risk	NOT MEASURED
VIX	16.89
VVIX	95.19
SKEW index	148.74
Observation confidence	high
Option quote quality	reliable
Contracts observed	150



Event and tail-risk context (continued)

Known event windows and broad volatility conditions

FIELD	VALUE
Contracts with quotes	150

Strategy fit

Generalized structure fit; not a personalized recommendation

Market structure

The MSFT option market displays a neutral stance following its recent earnings report. While the company beat revenue and EPS estimates, shares reversed lower after an initial post-earnings jump due to concerns about AI spending and a downgrade from Griffin Research. The term structure is in backwardation with near-term IV higher than longer-dated IV. Skew is balanced.

Options context

MSFT Option Market Shows Mixed Sentiment Following Earnings Beat

Wheel context

The market appears to be digesting the earnings report and weighing the positive aspects of the beat against concerns about AI spending.

Observed evidence

The option market shows mixed sentiment following the earnings beat, with some brokers raising targets while others express caution due to AI spending concerns. | The term structure of implied volatility is in backwardation, suggesting a belief that near-term volatility will be higher than longer-term volatility. | Skew is balanced, indicating that both call and put options are relatively equally priced.

Principal risks to monitor

Continued weakness in the AI sector could negatively impact MSFT's stock price. | High levels of capex spending may raise concerns about future profitability.



Fundamentals and events

Business quality, valuation and upcoming event context

Market capitalization	P/E (TTM)
\$3.94T	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 Corporation	NYSE
Industry	Country
Technology	US
Currency	IPO date
USD	1986-03-13
Shares outstanding	52-week return
7.43B	-2.0%
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

<div><div><div>MSFT Covered Call signal</div><div>Covered Call 2026-10-30</div><div>At signal \$531.19 Current \$524.25</div><div>SHORT Option \$532.50 B \$6.70 / A \$7.20</div><div>Conservative CR \$6.95</div></div></div> <div>Oct 29, 2026 9:37 AM EDT</div>



Complete technical details

Full supporting indicator set used by the symbol detail experience

Volatility and options market

Price movement and premium conditions

ATR	\$11.59
ATR as % of price	2.2%
Volatility environment	medium
Current IV	24.5%
IV rank	22 / 100
IV percentile	22 / 100
Technical Snapshot IV source	Private fundamentals snapshot
Technical Snapshot IV observed at	Oct 29, 2026 7:31 PM EDT

Technical health and risk radar

Derived indicator health and event context

Overall health	92 / 100
Trend health	92 / 100
Momentum health	99 / 100
Volatility health	77 / 100
Structure health	98 / 100
Earnings risk / date	low 2027-01-27
Macro risk	unknown
Volatility risk	medium
Structure risk	low

Structural indicator levels

Moving averages, volatility bands and observed trading ranges

SMA (20 / 50 / 200)	\$530.76 / \$512.10 / \$437.61
EMA (9 / 21)	\$530.17 / \$526.43
Bollinger upper / middle / lower	\$543.75 / \$530.76 / \$517.78



Structural indicator levels (continued)

Moving averages, volatility bands and observed trading ranges

FIELD	VALUE
Bollinger %B	0.476
True high / low	\$541.29 / \$519.56
5-day true high / low	\$541.29 / \$515.70

Three-day indicator history

Short-horizon change and the underlying three-session observations

INDICATOR	3-DAY CHANGE	SESSION 1 / 2 / 3
SMA20	0.964	-
SMA50	0.975	-
MVWAP20	0.953	-
MACD	-0.373	-
RSI	-0.629	-
Volume	4982152.330	-
ATR	0.093	-
T1	-	6.26 / 530.59 / 535.00 / 526.13
T2	-	6.63 / 529.54 / 534.70 / 528.33
T3	-	6.96 / 528.39 / 533.25 / 521.69



Detailed options evidence

Supporting option-chain, execution and data-quality observations

Underlying price at observation	\$528.15
Options Snapshot IV sources	ATM: option chain Rank/percentile: fundamentals
Options Snapshot IV observed at	Oct 29, 2026 2:36 PM EDT
Options data coverage	88.9%
SKEW regime	HIGH TAIL RISK SKEW
VVIX regime	VVIX FALLING
Front expiration / DTE	2026-10-30 1 DTE
Front at-the-money IV	40.2%
25-delta skew	1.40
Put / Call 25-delta	\$520.00 Delta -0.236 / \$535.00 Delta 0.278
Median option bid/ask spread	8.2%
Bid/ask spread	-
Contracts observed / quoted	150 / 150

Price context

Last Price: 528.15 | Bid: 528.02 | Ask: 528.26 | Previous Close: 531.02 | Change: -2.87 | Daily change: -0.54% | Update Time: 2026-10-29T14:36:06.287130-04:00 | Latest History Date: 2026-10-29 | Latest History Price: 528.13

Historical context

Trading-day sample: 60 sessions | First Date: 2026-08-06 | Latest Date: 2026-10-29 | Latest Price: 528.13 | Max Drawdown 60d Percent: -5.08%

Fundamental context

Current Iv Percent: 24.29% | Iv Rank: 21.91 | Iv Percentile: 20.72 | Next Earnings Date: 2027-01-27 | 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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