Microsoft Corporation / MSFT

Equity | Generated Nov 3, 2026 11:31 PM EST

Current price	Daily move	Bid / Ask	Previous close
$510.10	+2.98 +0.59%	$510.00/$510.88	$507.12

Market	**NYSE**
Industry	**Technology**
Market data as of	**Nov 3, 2026 11:31 PM EST**

JW Intelligence Report

Complete | 3 of 3 sections | Nov 3, 2026 6:50 PM EST

JW Rank	Rank label	Confidence	IV percentile
73.2 / 100	Constructive	high	66 / 100

Model reference	Upside scenario	Risk reference	Wheel strategy fit
$515.00	$542.00	$500.00	86 / 100

Options stance	**bullish**
Tail-risk safety	**56 / 100**
JW Rank data coverage / as of	**100.0% | Nov 3, 2026 6:50 PM EST**

Key insight

MSFT Option Market Prices in Strong Fundamentals and Azure Growth

Market read

The MSFT option market displays a bullish sentiment, reflecting confidence in strong fundamentals and continued Azure growth. Implied volatility is elevated but balanced, suggesting anticipation of potential price swings. Recent earnings beat expectations, driving analyst target increases and positive investor sentiment.

Strategy context

The term structure is in backwardation, indicating a preference for near-term calls over longer-dated options. This suggests investors are optimistic about short-term upside potential.

JW AI conclusions

Short- and medium-term model interpretation

AI context bias	**Bullish**
AI analysis updated	**Nov 3, 2026 1:54 PM EST**

Short-term scenario

Cautious tactical long bias for a 1-3 week horizon, favoring entries on minor pullbacks rather than chasing the intraday rebound. Mixed momentum indicators and ongoing debate over AI spending create meaningful uncertainty; a break back below recent lows would weaken the setup. This is not a recommendation to buy or sell.

Three-month outlook

Fundamentals support a constructive three-month bias: accelerating Azure, a large contracted backlog, evidence of AI monetization, and analyst targets that sit well above the current price. Offsetting uncertainties are substantial and could dominate price action—the timeline and returns on very high AI capital expenditure, potential gross-margin mix pressure, capacity constraints, competition among hyperscalers, and broader equity-market or interest-rate sensitivity for a premium-valued mega-cap. Outcomes can deviate materially from any base case; past results and analyst targets are not guarantees.

Market sentiment

Discussion after the late-October earnings was mostly constructive, emphasizing Azure acceleration, the revenue/EPS beat, Copilot and Foundry monetization metrics, and a wave of analyst target increases, while some posts framed the subsequent pullback as sell-the-news rather than a fundamental break. More recent posts are sparser and lower engagement; visible items include bullish options flow references and comments on enterprise AI/cloud durability, alongside promotional noise. Overall tone on X appears moderately positive on the business trajectory but not uniformly bullish on near-term price action. Sentiment samples are incomplete and can change rapidly.

Supporting evidence

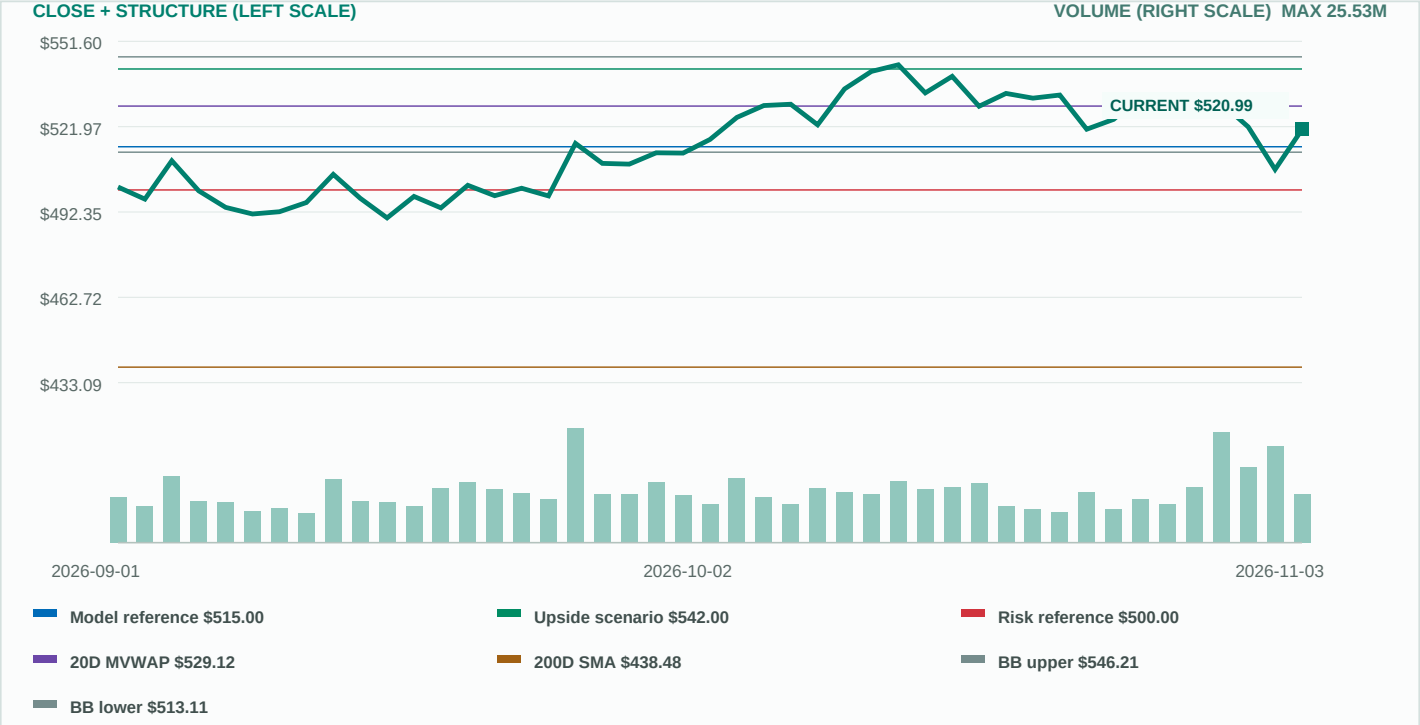
Elevated implied volatility (28.73%) suggests market expectation for potential price movement. | Positive analyst sentiment with numerous target price increases above the current share price. | Strong earnings report with revenue and EPS beats, driven by Azure growth exceeding guidance.

Risk watch

Elevated capital expenditure on AI infrastructure could impact margins and free cash flow.

Enhanced price structure

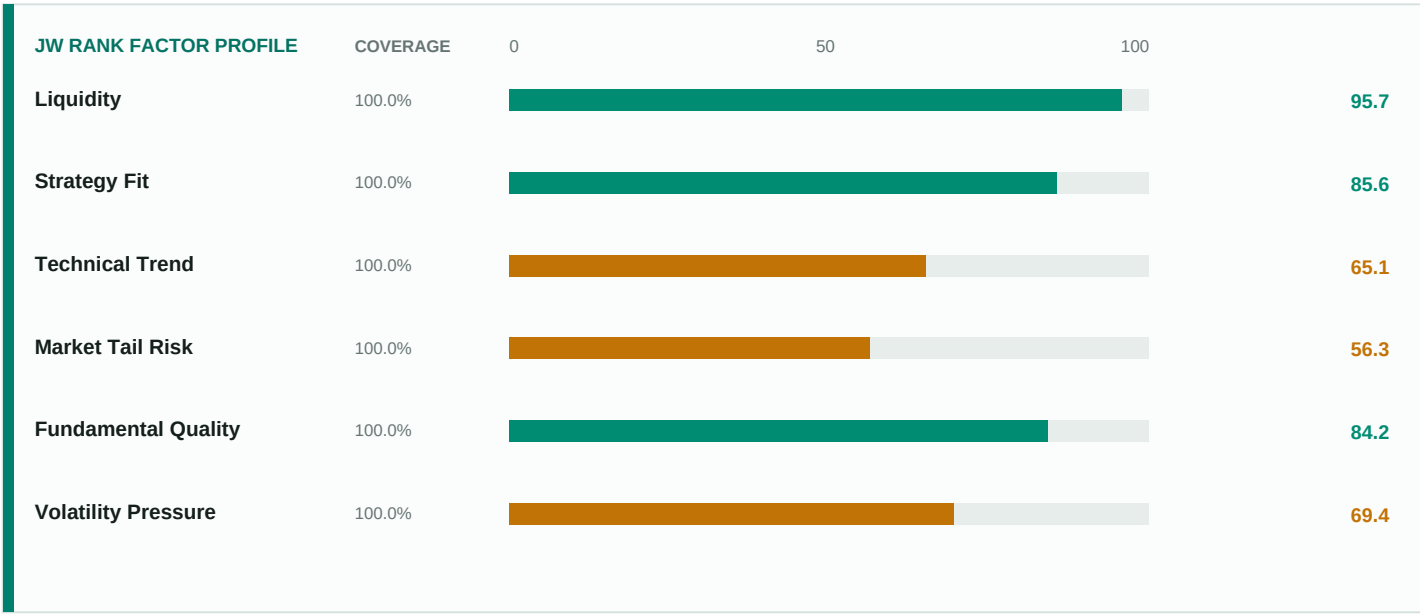
45 trading days with volume, model levels and current technical reference bands



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	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)	**45.68 / 49.40 / 52.39**
RSI velocity	**-1.99**
MACD line / signal / histogram	**2.18 / - / 5.38**
MACD acceleration	**-1.22**
Stochastic K / D	**22.36 / 26.46**

Institutional footprints

Volume-weighted cost, price location and flow

Current read	**Below institutional MVWAP | Distribution bias**
Institutional flow	**-0.71**
20-day MVWAP	**$529.12**
Price vs 20-day MVWAP	**-3.59%**
Daily reference VWAP	**$517.42**
Price vs daily reference	**-1.41%**
Volume	**10.75M**

Structural context

Long-term trend and volatility boundaries

Current read	**Above 200-day trend | Negative macro velocity**
Macro velocity	**-0.37**
20-day / 200-day SMA	**$529.66 / $438.48**
Bollinger range	**$513.11 - $546.21**
Bollinger position	**0.238**

Options and volatility intelligence

Structure, premium conditions and principal risks

IV rank	IV percentile	VVIX	SKEW
38 / 100	**51 / 100**	**107.06**	**152.78**

Market regime	**Calm**
Tail-risk regime	**NORMAL TAIL RISK**
Term structure	**backwardation**
Term slope	**-12.69 pts**
Skew read	**balanced**
Liquidity / quote coverage	**100.0%**
Options Snapshot IV sources	**ATM: option chain | Rank/percentile: fundamentals**
Options Snapshot IV observed at	**Nov 3, 2026 2:37 PM EST**
Options data quality	**Coverage 88.9%**

Option term structure

ATM implied-volatility curve by days to expiration



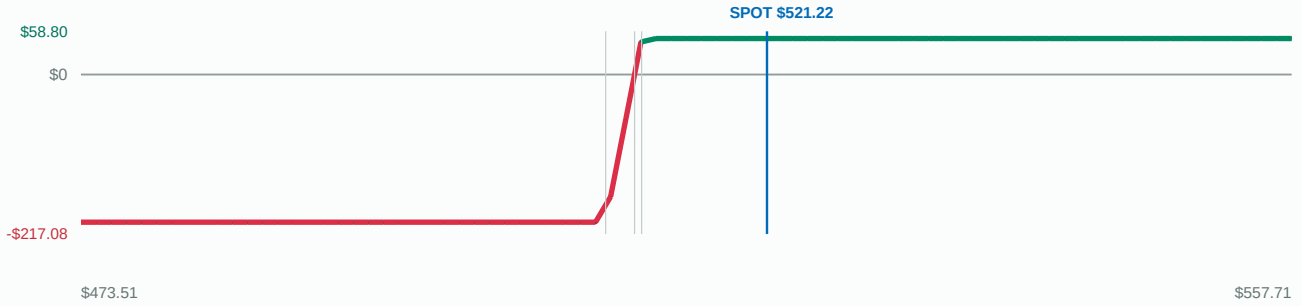
EXPIRATION	DTE	ATM IV	STATE
2026-11-04	1	43.4%	-
2026-11-09	6	31.1%	-
2026-11-18	15	30.7%	-

Reference spread payoff

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

Bull Put Spread reference

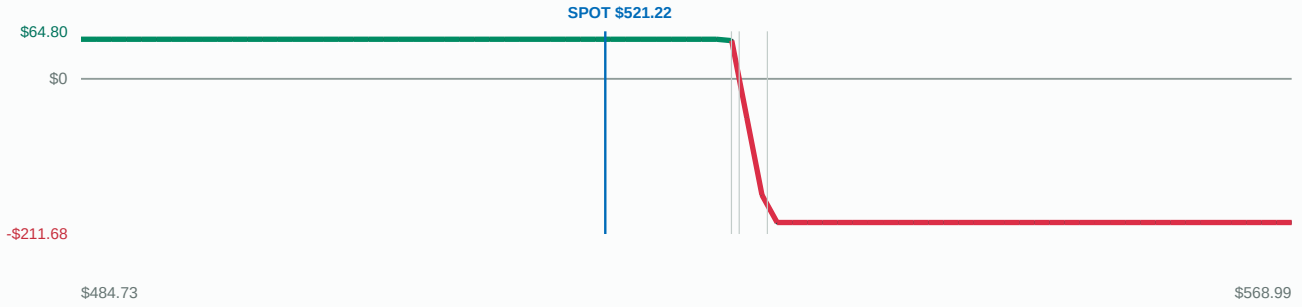
Short $512.50 | Long $510.00 | Width $2.50 | Net credit $0.49



Max profit $49.00 | Max loss -$201.00 | Break-even $512.01 | Per contract at expiry

Bear Call Spread reference

Short $530.00 | Long $532.50 | Width $2.50 | Net credit $0.54



Max profit $54.00 | Max loss -$196.00 | Break-even $530.54 | Per contract at expiry

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	**20.63**
VVIX	**107.06**
SKEW index	**152.78**
Observation confidence	**high**
Option quote quality	**reliable**
Contracts observed	**122**

Event and tail-risk context (continued)

Known event windows and broad volatility conditions

FIELD	VALUE
Contracts with quotes	**122**

Strategy fit

Generalized structure fit; not a personalized recommendation

Market structure

The MSFT option market displays a bullish sentiment, reflecting confidence in strong fundamentals and continued Azure growth. Implied volatility is elevated but balanced, suggesting anticipation of potential price swings. Recent earnings beat expectations, driving analyst target increases and positive investor sentiment.

Options context

MSFT Option Market Prices in Strong Fundamentals and Azure Growth

Wheel context

The term structure is in backwardation, indicating a preference for near-term calls over longer-dated options. This suggests investors are optimistic about short-term upside potential.

Observed evidence

Elevated implied volatility (28.73%) suggests market expectation for potential price movement. | Positive analyst sentiment with numerous target price increases above the current share price. | Strong earnings report with revenue and EPS beats, driven by Azure growth exceeding guidance.

Principal risks to monitor

Elevated capital expenditure on AI infrastructure could impact margins and free cash flow.

Fundamentals and events

Business quality, valuation and upcoming event context

Market capitalization	P/E (TTM)
$3.77T	**26.40**
ROE	Revenue growth
33.2%	**16.1%**
EPS growth	Operating margin
22.8%	**47.0%**
Net profit margin	Gross margin
41.2%	**-**
Free cash flow CAGR	Debt / equity
3.6%	**0.24**
Dividend yield	Beta
0.8%	**1.07**

52-week range

$349.20 - $551.15

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	**-2.1%**
Book value per share	Revenue per share
$63.35	**$46.53**

Website	**microsoft.com / En In**

Latest strategy observation

Most recent shared general market signal available when this report was generated

MSFT Covered Call signal

Nov 3, 2026 9:45 AM EST

Covered Call | 2026-11-04

At signal $511.85 | Current $510.10

SHORT **Option $512.50 B $5.20 / A $5.55**

Conservative | CR $5.38

Complete technical details

Full supporting indicator set used by the symbol detail experience

Volatility and options market

Price movement and premium conditions

ATR	**$13.05**
ATR as % of price	**2.5%**
Volatility environment	**medium**
Current IV	**30.6%**
IV rank	**44 / 100**
IV percentile	**66 / 100**
Technical Snapshot IV source	**Private fundamentals snapshot**
Technical Snapshot IV observed at	**Nov 3, 2026 6:31 PM EST**

Technical health and risk radar

Derived indicator health and event context

Overall health	**84 / 100**
Trend health	**92 / 100**
Momentum health	**90 / 100**
Volatility health	**72 / 100**
Structure health	**74 / 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)	**$529.66 / $514.06 / $438.48**
EMA (9 / 21)	**$523.59 / $524.00**
Bollinger upper / middle / lower	**$546.21 / $529.66 / $513.11**

Structural indicator levels (continued)

Moving averages, volatility bands and observed trading ranges

FIELD	VALUE
Bollinger %B	**0.238**
True high / low	**$523.44 / $507.12**
5-day true high / low	**$541.29 / $504.96**

Three-day indicator history

Short-horizon change and the underlying three-session observations

INDICATOR	3-DAY CHANGE	SESSION 1 / 2 / 3
SMA20	-0.367	**-**
SMA50	0.656	**-**
MVWAP20	-0.710	**-**
MACD	-1.219	**-**
RSI	-1.985	**-**
Volume	-4640777.000	**-**
ATR	0.488	**-**
T1	-	**2.72 / 529.74 / 529.63 / 504.96**
T2	-	**4.78 / 531.00 / 530.14 / 514.35**
T3	-	**5.84 / 531.25 / 541.29 / 519.56**

Detailed options evidence

Supporting option-chain, execution and data-quality observations

Underlying price at observation	**$521.22**
Options Snapshot IV sources	**ATM: option chain | Rank/percentile: fundamentals**
Options Snapshot IV observed at	**Nov 3, 2026 2:37 PM EST**
Options data coverage	**88.9%**
SKEW regime	**HIGH TAIL RISK SKEW**
VVIX regime	**VVIX FLAT**
Front expiration / DTE	**2026-11-04 | 1 DTE**
Front at-the-money IV	**43.4%**
25-delta skew	**2.51**
Put / Call 25-delta	**$512.50 Delta -0.238 / $530.00 Delta 0.233**
Median option bid/ask spread	**7.6%**
Bid/ask spread	**-**
Contracts observed / quoted	**122 / 122**

Price context

Last Price: 521.22 | Bid: 521.23 | Ask: 521.25 | Previous Close: 507.12 | Change: 14.10 | Daily change: 2.78% | Update Time: 2026-11-03T14:37:04.487778-05:00 | Latest History Date: 2026-11-03 | Latest History Price: 521.22

Historical context

Trading-day sample: 60 sessions | First Date: 2026-08-11 | Latest Date: 2026-11-03 | Latest Price: 521.22 | Max Drawdown 60d Percent: -6.69%

Fundamental context

Current Iv Percent: 28.73% | Iv Rank: 37.64 | Iv Percentile: 51.00 | 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.

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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.

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Reference documents

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