Taiwan Semiconductor Manufacturing Co Ltd / TSM

Equity | Generated Sep 10, 2026 11:32 PM EDT

Current price	Daily move	Bid / Ask	Previous close
$426.21	**-9.15 -2.10%**	**$425.94/$426.63**	**$435.36**

Market	**NYSE**
Industry	**Semiconductors**
Market data as of	**Sep 10, 2026 11:32 PM EDT**

JW Intelligence Report

Complete | 3 of 3 sections | Sep 10, 2026 6:50 PM EDT

JW Rank	Rank label	Confidence	IV percentile
71.5 / 100	**Constructive**	**high**	**6 / 100**

Model reference	Upside scenario	Risk reference	Wheel strategy fit
$425.00	**$455.00**	**$410.00**	**71 / 100**

Options stance	**bullish**
Tail-risk safety	**56 / 100**
JW Rank data coverage / as of	**100.0% | Sep 10, 2026 6:50 PM EDT**

Key insight

TSMC Option Market Prices in Continued AI Demand and Growth

Market read

The TSM option market reflects a bullish outlook driven by strong fundamentals, record revenue growth fueled by AI demand, and continued positive analyst sentiment. Despite recent sector weakness, implied volatility remains elevated, suggesting investors anticipate future price swings.

Strategy context

TSMC's strong fundamentals and AI demand position it as a key beneficiary of the ongoing technological revolution. However, recent sector weakness and valuation concerns may create short-term volatility.

JW AI conclusions

Short- and medium-term model interpretation

AI context bias	**Mixed**
AI analysis updated	**Sep 10, 2026 1:55 PM EDT**

Short-term scenario

Hold / cautious buy-the-dip. Fundamentals remain excellent but the market's muted-to-negative reaction to record results plus sector-wide AI fatigue create elevated short-term uncertainty. Geopolitical Taiwan risk, potential margin pressure from 2nm ramp, and broader tech rotation add further caution. Position sizing should be modest.

Three-month outlook

Moderately bullish but with high uncertainty. Continued AI-driven demand should support 40%+ full-year 2026 sales growth and keep TSMC as the key bottleneck supplier. Analyst 12-month targets imply 20-30% upside, so a 3-month move toward 460-500 is plausible if sector sentiment improves. However, risks of valuation compression, execution delays on massive capex, 2nm yield issues, US fab ramp costs, and any slowdown in hyperscaler AI spending or geopolitical flare-up could easily produce a pullback toward 400. Volatility is likely to remain elevated; the outlook depends heavily on October earnings and broader market conditions.

Market sentiment

Cautiously mixed to positive. Investors highlight the record revenue and TSMC's irreplaceable role in AI infrastructure, yet express disappointment that the stock failed to rally on the news and instead sold off with the sector. Some technical posts flag a potential double-top/lower-high risk if it rejects current levels versus a possible breakout toward June highs. Overall tone is long-term bullish on AI demand but short-term skeptical of immediate upside given valuation and recent price action. Limited high-engagement posts; sentiment not strongly directional.

Supporting evidence

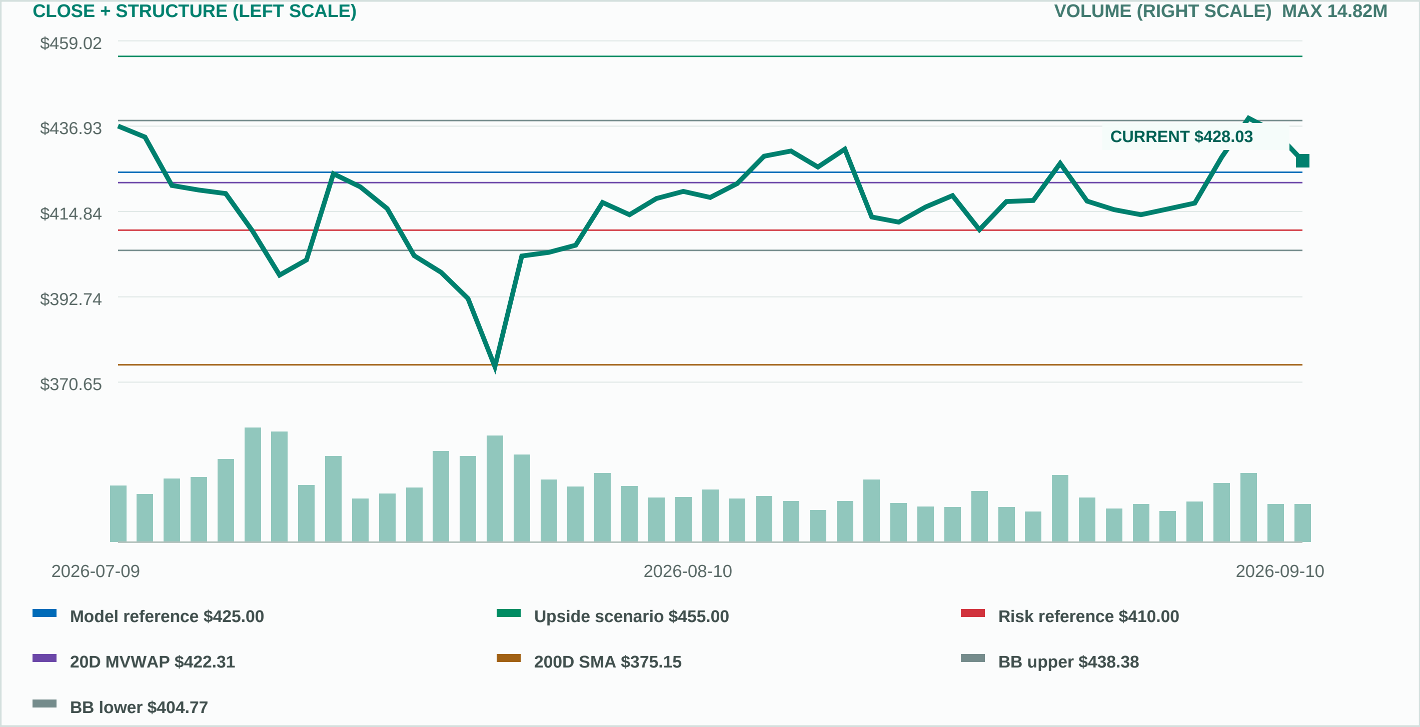
TSMC's August 2026 revenue exceeded expectations, demonstrating robust demand for its chips. | Analysts maintain a bullish stance with average 12-month targets near $550. | The term structure of implied volatility is in backwardation, indicating a higher expectation for near-term price movement.

Risk watch

Geopolitical risks related to Taiwan could impact TSMC's operations.

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	0 – 50 – 100
Liquidity	100.0%	93.8
Strategy Fit	100.0%	70.7
Technical Trend	100.0%	82.7
Market Tail Risk	100.0%	56.3
Fundamental Quality	100.0%	93.1
Volatility Pressure	100.0%	39.0

Decision summary

Primary model reads before the detailed indicator appendix

Momentum	Institutional flow	Structure	Volatility
strong_bull	**Above 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 accelerating**
Trend signal	**STRONG BULL**
RSI signal	**neutral**
RSI (7 / 14 / 21)	**55.25 / 54.09 / 52.85**
RSI velocity	**-0.89**
MACD line / signal / histogram	**3.15 / - / 1.41**
MACD acceleration	**0.85**
Stochastic K / D	**74.04 / 78.19**

Institutional footprints

Volume-weighted cost, price location and flow

Current read	**Above institutional MVWAP | Accumulation bias**
Institutional flow	**0.65**
20-day MVWAP	**$422.31**
Price vs 20-day MVWAP	**+0.92%**
Daily reference VWAP	**$428.20**
Price vs daily reference	**-0.46%**
Volume	**4.90M**

Structural context

Long-term trend and volatility boundaries

Current read	**Above 200-day trend | Positive macro velocity**
Macro velocity	**0.55**
20-day / 200-day SMA	**$421.57 / $375.15**
Bollinger range	**$404.77 - $438.38**
Bollinger position	**0.692**

Options and volatility intelligence

Structure, premium conditions and principal risks

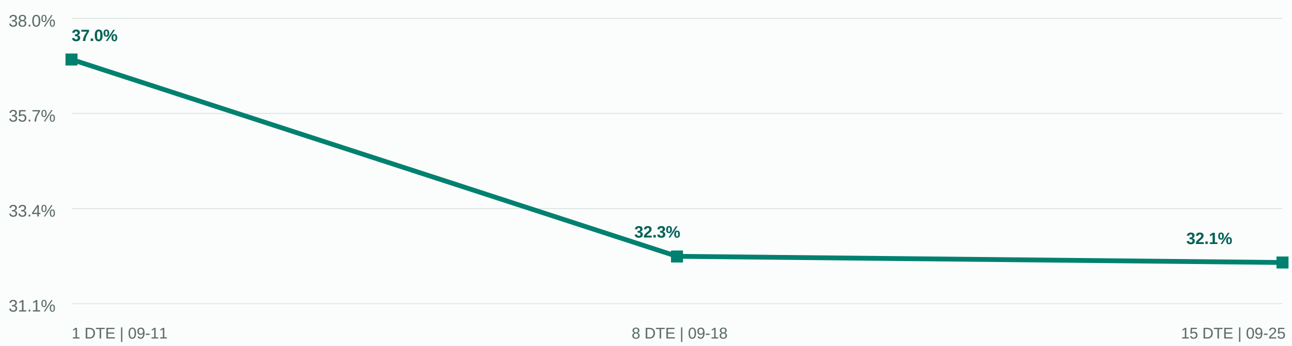
IV rank	IV percentile	VVIX	SKEW
8 / 100	**5 / 100**	**100.96**	**149.25**

Market regime	**Calm**
Tail-risk regime	**NORMAL TAIL RISK**
Term structure	**backwardation**
Term slope	**-4.93 pts**
Skew read	**balanced**
Liquidity / quote coverage	**100.0%**
Options Snapshot IV sources	**ATM: option chain | Rank/percentile: fundamentals**
Options Snapshot IV observed at	**Sep 10, 2026 2:42 PM EDT**
Options data quality	**Coverage 88.9%**

Option term structure

ATM implied-volatility curve by days to expiration

ATM IV CURVE



Downward-sloping ATM volatility term structure

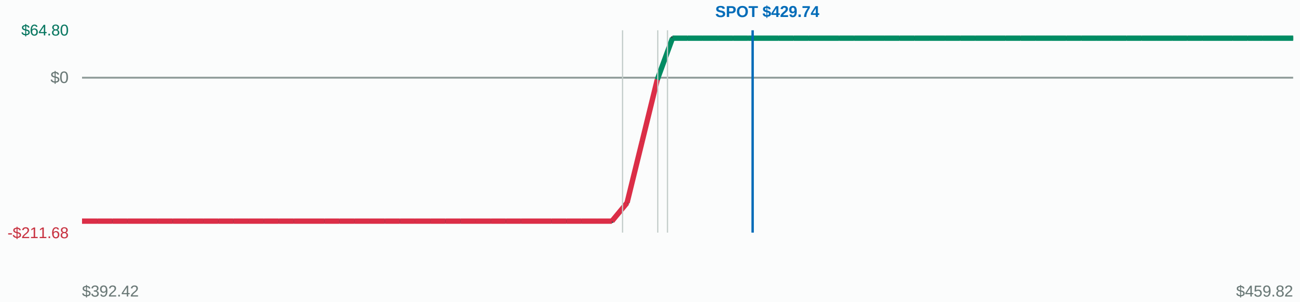
EXPIRATION	DTE	ATM IV	STATE
2026-09-11	1	37.0%	-
2026-09-18	8	32.3%	-
2026-09-25	15	32.1%	-

Reference spread payoff

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

Bull Put Spread reference

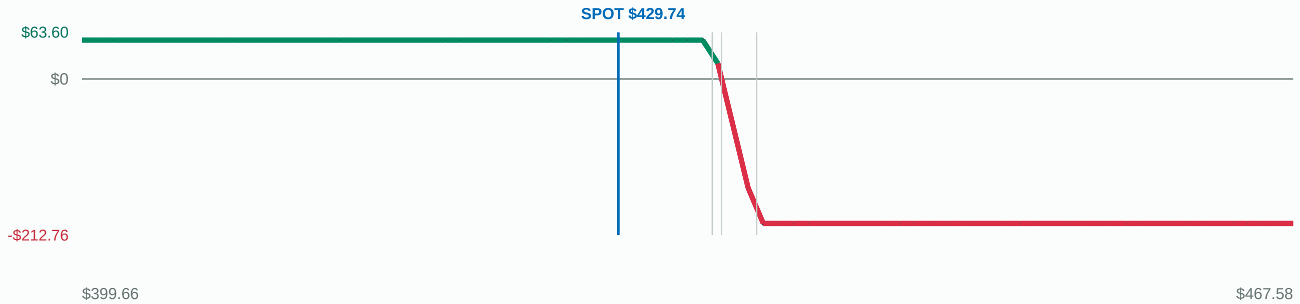
Short $425.00 | Long $422.50 | Width $2.50 | Net credit $0.54



Max profit $54.00 | Max loss -$196.00 | Break-even $424.46 | Per contract at expiry

Bear Call Spread reference

Short $435.00 | Long $437.50 | Width $2.50 | Net credit $0.53



Max profit $53.00 | Max loss -$197.00 | Break-even $435.53 | Per contract at expiry

Event and tail-risk context

Known event windows and broad volatility conditions

Next earnings date	**2026-10-15**
Earnings IV-crush risk	**NOT MEASURED**
VIX	**17.76**
VVIX	**100.96**
SKEW index	**149.25**
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	**146**

Strategy fit

Generalized structure fit; not a personalized recommendation

Market structure

The TSM option market reflects a bullish outlook driven by strong fundamentals, record revenue growth fueled by AI demand, and continued positive analyst sentiment. Despite recent sector weakness, implied volatility remains elevated, suggesting investors anticipate future price swings.

Options context

TSMC Option Market Prices in Continued AI Demand and Growth

Wheel context

TSMC's strong fundamentals and AI demand position it as a key beneficiary of the ongoing technological revolution. However, recent sector weakness and valuation concerns may create short-term volatility.

Observed evidence

TSMC's August 2026 revenue exceeded expectations, demonstrating robust demand for its chips. | Analysts maintain a bullish stance with average 12-month targets near $550. | The term structure of implied volatility is in backwardation, indicating a higher expectation for near-term price movement.

Principal risks to monitor

Geopolitical risks related to Taiwan could impact TSMC's operations.

Fundamentals and events

Business quality, valuation and upcoming event context

Market capitalization **$64.05T**	P/E (TTM) **28.27**
ROE **39.9%**	Revenue growth **18.9%**
EPS growth **19.1%**	Operating margin **56.4%**
Net profit margin **50.7%**	Gross margin **-**
Free cash flow CAGR **26.5%**	Debt / equity **0.20**
Dividend yield **2.0%**	Beta **0.98**
52-week range **$1,160.00 - $2,535.00**	

Company or fund profile

Issuer identity and classification

Name **Taiwan Semiconductor Manufacturing ...**	Market **NYSE**
Industry **Semiconductors**	Country **TW**
Currency **TWD**	IPO date **1994-09-05**
Shares outstanding **25.93B**	52-week return **17.5%**
Book value per share **$248.05**	Revenue per share **$172.35**

Website	**tsmc.com**

Latest strategy observation

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

TSM Covered Call signal

Sep 10, 2026 9:35 AM EDT

Covered Call | 2026-09-11

At signal $426.19 | Current $426.21

SHORT **Option $422.50 B $6.15 / A $7.05**

High turnover | CR $6.60

Complete technical details

Full supporting indicator set used by the symbol detail experience

Volatility and options market

Price movement and premium conditions

ATR	**$11.48**
ATR as % of price	**2.7%**
Volatility environment	**medium**
Current IV	**32.8%**
IV rank	**10 / 100**
IV percentile	**6 / 100**
Technical Snapshot IV source	**Private fundamentals snapshot**
Technical Snapshot IV observed at	**Sep 10, 2026 7:33 PM EDT**

Technical health and risk radar

Derived indicator health and event context

Overall health	**87 / 100**
Trend health	**92 / 100**
Momentum health	**98 / 100**
Volatility health	**70 / 100**
Structure health	**81 / 100**
Earnings risk / date	**low | 2026-10-15**
Macro risk	**unknown**
Volatility risk	**medium**
Structure risk	**low**

Structural indicator levels

Moving averages, volatility bands and observed trading ranges

SMA (20 / 50 / 200)	**$421.57 / $419.15 / $375.15**
EMA (9 / 21)	**$426.18 / $422.24**
Bollinger upper / middle / lower	**$438.38 / $421.57 / $404.77**

Structural indicator levels (continued)

Moving averages, volatility bands and observed trading ranges

FIELD	VALUE
Bollinger %B	**0.692**
True high / low	**$435.36 / $424.05**
5-day true high / low	**$444.29 / $407.81**

Three-day indicator history

Short-horizon change and the underlying three-session observations

INDICATOR	3-DAY CHANGE	SESSION 1 / 2 / 3
SMA20	0.545	**-**
SMA50	-0.418	**-**
MVWAP20	0.646	**-**
MACD	0.846	**-**
RSI	-0.893	**-**
Volume	-910379.000	**-**
ATR	-0.014	**-**
T1	-	**3.07 / 422.45 / 439.40 / 431.87**
T2	-	**2.17 / 421.85 / 444.29 / 428.91**
T3	-	**0.61 / 420.37 / 429.82 / 417.01**

Detailed options evidence

Supporting option-chain, execution and data-quality observations

Underlying price at observation	**$429.74**
Options Snapshot IV sources	**ATM: option chain | Rank/percentile: fundamentals**
Options Snapshot IV observed at	**Sep 10, 2026 2:42 PM EDT**
Options data coverage	**88.9%**
SKEW regime	**HIGH TAIL RISK SKEW**
VVIX regime	**VVIX RISING**
Front expiration / DTE	**2026-09-11 | 1 DTE**
Front at-the-money IV	**37.0%**
25-delta skew	**0.96**
Put / Call 25-delta	**$425.00 Delta -0.288 / $435.00 Delta 0.272**
Median option bid/ask spread	**7.0%**
Bid/ask spread	**-**
Contracts observed / quoted	**146 / 146**

Price context

Last Price: 429.74 | Bid: 429.68 | Ask: 429.80 | Previous Close: 435.36 | Change: -5.62 | Daily change: -1.29% | Update Time: 2026-09-10T14:42:09.813434-04:00 | Latest History Date: 2026-09-10 | Latest History Price: 429.74

Historical context

Trading-day sample: 60 sessions | First Date: 2026-06-16 | Latest Date: 2026-09-10 | Latest Price: 429.74 | Max Drawdown 60d Percent: -21.55%

Fundamental context

Current Iv Percent: 32.31% | Iv Rank: 8.41 | Iv Percentile: 5.18 | Next Earnings Date: 2026-10-15 | Ex Dividend Date: 2026-09-15

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.

Performance and scenario limitations

Past, hypothetical, back-tested, simulated and model-derived results are not indicative of future results. Strategy statistics may exclude commissions, fees, taxes, slippage, early assignment, execution constraints and other costs unless expressly stated. Actual outcomes may differ materially.

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

Jason Wheel	**jasonwheel.com**
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Options Disclosure Document	**theocc.com / Options Disclosure Document**