



Taiwan Semiconductor Manufacturing Co Ltd / TSM

Equity | Generated Oct 12, 2026 11:31 PM EDT

Current price	Daily move	Bid / Ask	Previous close
\$442.50	-10.81 -2.38%	\$442.12/\$442.70	\$453.31

Market	NYSE
Industry	Semiconductors
Market data as of	Oct 12, 2026 11:31 PM EDT

JW Intelligence Report

Complete | 3 of 3 sections | Oct 12, 2026 7:40 PM EDT

JW Rank	Rank label	Confidence	IV percentile
63.0 / 100	Balanced	high	6 / 100
Model reference	Upside scenario	Risk reference	Wheel strategy fit
\$442.00	\$472.00	\$428.00	44 / 100

Options stance	bullish
Tail-risk safety	32 / 100
JW Rank data coverage / as of	100.0% Oct 12, 2026 7:40 PM EDT

Key insight

TSM Option Market Prices in Strong Revenue, Cautious Ahead of Earnings

Market read

The TSM option market appears bullish despite a recent pullback. Implied volatility is elevated ahead of the October 15 earnings release, reflecting uncertainty around guidance and margin commentary. The term structure is backwardated, suggesting traders expect volatility to decline after earnings. Strong revenue already reported may be priced in, leaving upside potential contingent on positive forward guidance.

Strategy context

TSM's recent pullback presents an opportunity to buy into strength. The stock is supported by a strong long-term trend and analyst optimism.



JW AI conclusions

Short- and medium-term model interpretation

AI context bias

Bullish

AI analysis updated

Oct 12, 2026 1:33 PM EDT

Short-term scenario

Cautious dip-buy or hold into the Oct 15 earnings with tight risk controls. Revenue strength is already known, so the 1-3 week path is highly uncertain and binary on margins, capex commentary, and forward AI guidance; a sell-the-news reaction or macro override (CPI/rates) is plausible. Not high-conviction until post-earnings clarity.

Three-month outlook

Constructive bias over three months if October 15 guidance and the 2027 framework confirm sustained AI/HPC demand, tight leading-edge capacity, and manageable 2nm margin dilution, which would support a move toward the lower end of analyst targets (mid-teens to high-20s percent upside from current levels is the bull case embedded in consensus). Uncertainty is material: a guidance disappointment, evidence of slowing hyperscaler spending, margin pressure, or a broader risk-off move in tech could produce consolidation or a retest of the 430 area or lower. Geopolitical and overseas-fab execution risks remain background factors not resolved by one quarter. Position size should reflect that the outcome is not predetermined.

Market sentiment

Recent X discussion is dominated by the October 15 earnings event (alongside ASML, bank reports, and CPI). Tone is cautiously constructive rather than euphoric: some traders frame the pullback as an opportunity to buy semis that were sold into the print, while others stress that known revenue strength may already be priced in and that the reaction will depend on guidance, margins, and AI demand commentary. Analyst Buy reiterations noting Q3 revenue upside and potential Q4 guidance strength are being shared. Overall sentiment is event-driven and mixed-to-mildly positive, with clear acknowledgment that a strong print does not guarantee an immediate rally.

Supporting evidence

Implied volatility (IV) is elevated at 32.07%, with a significant IV premium for the near-term expiration compared to longer-dated options. | The term structure of implied volatility is backwardated, indicating expectations for lower volatility after earnings. | Strong revenue already reported in Q3 may be priced in, leaving upside potential contingent on positive forward guidance and margin commentary.

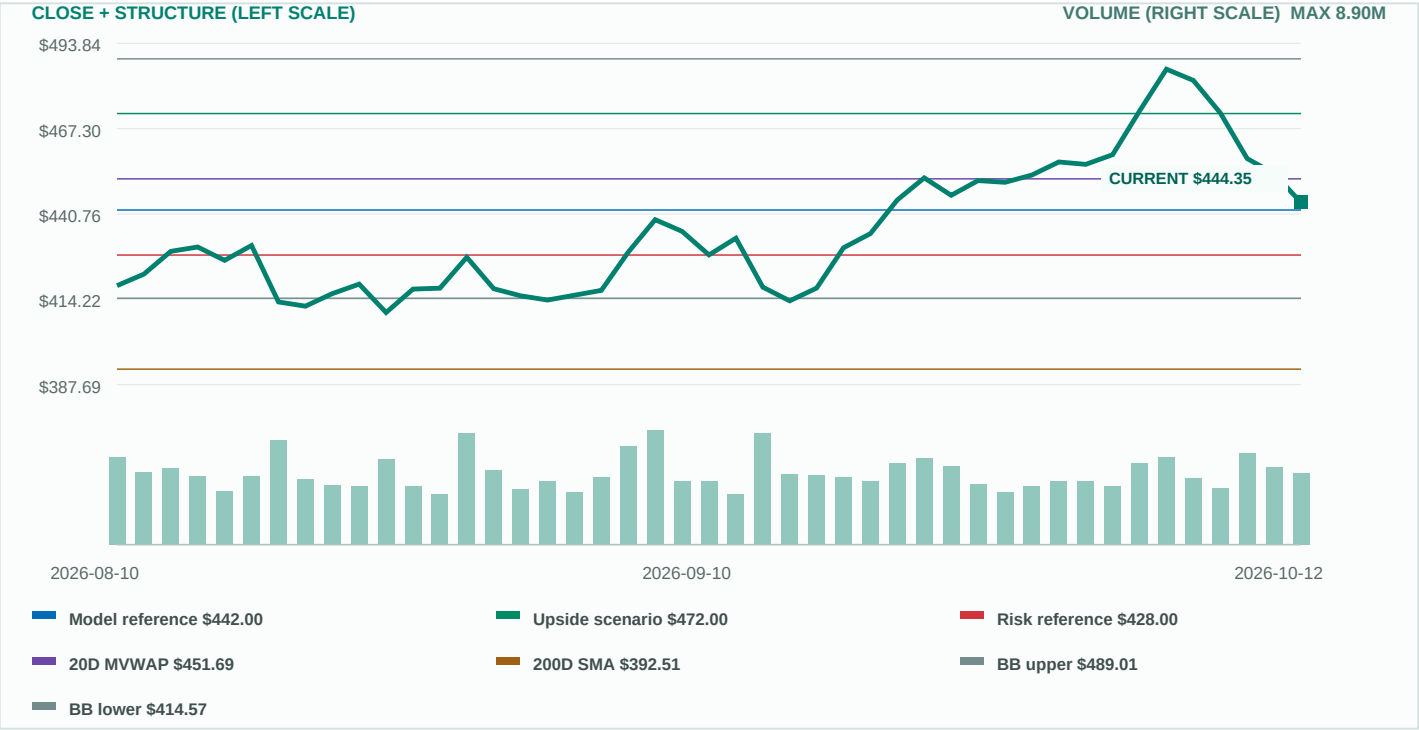
Risk watch

Earnings risk: A negative surprise on margins or guidance could trigger a sell-off. | Macroeconomic risks: Broader tech weakness or rising interest rates could impact 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

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)	35.66 / 47.64 / 50.78
RSI velocity	-5.61
MACD line / signal / histogram	8.77 / - / 10.61
MACD acceleration	-1.69
Stochastic K / D	25.55 / 47.39

Institutional footprints

Volume-weighted cost, price location and flow

Current read	Below institutional MVWAP Accumulation bias
Institutional flow	1.66
20-day MVWAP	\$451.69
Price vs 20-day MVWAP	-2.03%
Daily reference VWAP	\$447.70
Price vs daily reference	-1.16%
Volume	5.52M

Structural context

Long-term trend and volatility boundaries

Current read	Above 200-day trend Positive macro velocity
Macro velocity	1.27
20-day / 200-day SMA	\$451.79 / \$392.51
Bollinger range	\$414.57 - \$489.01
Bollinger position	0.400



Options and volatility intelligence

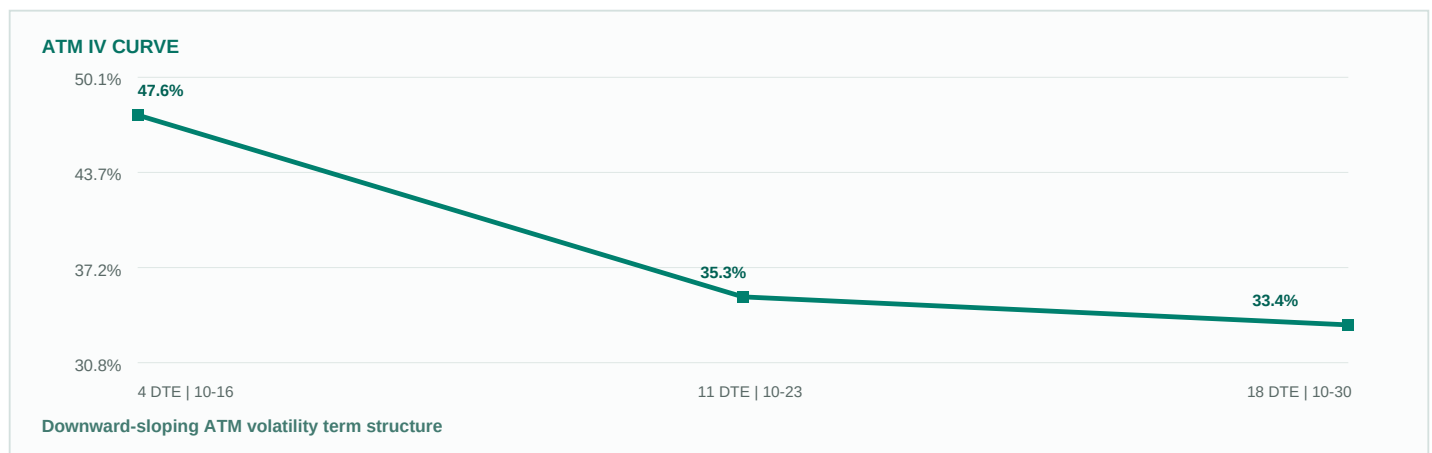
Structure, premium conditions and principal risks

IV rank 7 / 100	IV percentile 6 / 100	VVIX 86.75	SKEW 154.34
---------------------------	---------------------------------	----------------------	-----------------------

Market regime	DANGER ZONE
Tail-risk regime	NORMAL TAIL RISK
Term structure	backwardation
Term slope	-14.23 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 12, 2026 2:31 PM EDT
Options data quality	Coverage 100.0%

Option term structure

ATM implied-volatility curve by days to expiration



EXPIRATION	DTE	ATM IV	STATE
2026-10-16	4	47.6%	-
2026-10-23	11	35.3%	-
2026-10-30	18	33.4%	-

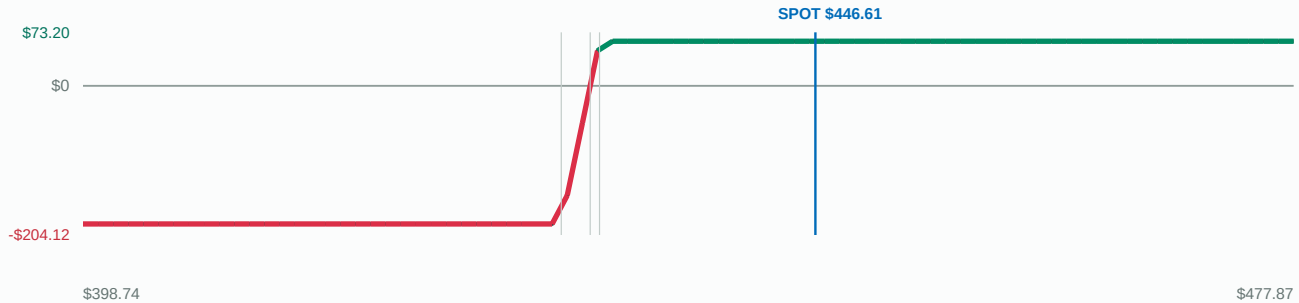


Reference spread payoff

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

Bull Put Spread reference

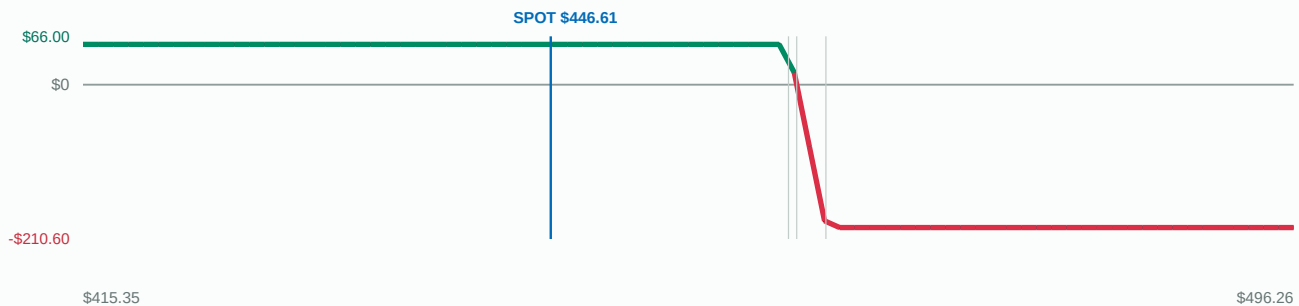
Short \$432.50 | Long \$430.00 | Width \$2.50 | Net credit \$0.61



Max profit \$61.00 | Max loss -\$189.00 | Break-even \$431.89 | Per contract at expiry

Bear Call Spread reference

Short \$462.50 | Long \$465.00 | Width \$2.50 | Net credit \$0.55



Max profit \$55.00 | Max loss -\$195.00 | Break-even \$463.05 | 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	high
Event IV premium	12.33
VIX	15.23
VVIX	86.75
SKEW index	154.34
Observation confidence	high
Option quote quality	reliable



Event and tail-risk context (continued)

Known event windows and broad volatility conditions

FIELD	VALUE
Contracts observed	140
Contracts with quotes	140

Strategy fit

Generalized structure fit; not a personalized recommendation

Market structure

The TSM option market appears bullish despite a recent pullback. Implied volatility is elevated ahead of the October 15 earnings release, reflecting uncertainty around guidance and margin commentary. The term structure is backwardated, suggesting traders expect volatility to decline after earnings. Strong revenue already reported may be priced in, leaving upside potential contingent on positive forward guidance.

Options context

TSM Option Market Prices in Strong Revenue, Cautious Ahead of Earnings

Wheel context

TSM's recent pullback presents an opportunity to buy into strength. The stock is supported by a strong long-term trend and analyst optimism.

Observed evidence

Implied volatility (IV) is elevated at 32.07%, with a significant IV premium for the near-term expiration compared to longer-dated options. | The term structure of implied volatility is backwardated, indicating expectations for lower volatility after earnings. | Strong revenue already reported in Q3 may be priced in, leaving upside potential contingent on positive forward guidance and margin commentary.

Principal risks to monitor

Earnings risk: A negative surprise on margins or guidance could trigger a sell-off. | Macroeconomic risks: Broader tech weakness or rising interest rates could impact the stock price.



Fundamentals and events

Business quality, valuation and upcoming event context

Market capitalization	P/E (TTM)
\$66.13T	29.18
ROE	Revenue growth
39.9%	18.9%
EPS growth	Operating margin
19.1%	56.4%
Net profit margin	Gross margin
50.7%	-
Free cash flow CAGR	Debt / equity
26.5%	0.20
Dividend yield	Beta
2.0%	0.95
52-week range	
\$1,375.00 - \$2,590.00	

Company or fund profile

Issuer identity and classification

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



Latest strategy observation

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

TSM Covered Call signal

Covered Call | 2026-10-09

At signal \$478.15 | Current \$442.50

SHORT Option \$485.00 B \$3.95 / A \$4.10

Conservative | CR \$4.03

Oct 5, 2026 9:55 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	\$11.30
ATR as % of price	2.5%
Volatility environment	medium
Current IV	32.1%
IV rank	7 / 100
IV percentile	6 / 100
Technical Snapshot IV source	Private fundamentals snapshot
Technical Snapshot IV observed at	Oct 12, 2026 3:40 PM EDT

Technical health and risk radar

Derived indicator health and event context

Overall health	86 / 100
Trend health	92 / 100
Momentum health	87 / 100
Volatility health	72 / 100
Structure health	90 / 100
Earnings risk / date	high 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)	\$451.79 / \$433.27 / \$392.51
EMA (9 / 21)	\$459.02 / \$452.26
Bollinger upper / middle / lower	\$489.01 / \$451.79 / \$414.57



Structural indicator levels (continued)

Moving averages, volatility bands and observed trading ranges

FIELD	VALUE
Bollinger %B	0.400
True high / low	\$454.40 / \$444.35
5-day true high / low	\$486.00 / \$444.35

Three-day indicator history

Short-horizon change and the underlying three-session observations

INDICATOR	3-DAY CHANGE	SESSION 1 / 2 / 3
SMA20	1.273	-
SMA50	1.156	-
MVWAP20	1.655	-
MACD	-1.689	-
RSI	-5.611	-
Volume	369930.330	-
ATR	0.273	-
T1	-	10.86 / 449.42 / 464.83 / 449.75
T2	-	12.45 / 448.46 / 472.20 / 452.88
T3	-	13.83 / 446.73 / 482.30 / 471.30



Detailed options evidence

Supporting option-chain, execution and data-quality observations

Underlying price at observation	\$446.61
Options Snapshot IV sources	ATM: option chain Rank/percentile: fundamentals
Options Snapshot IV observed at	Oct 12, 2026 2:31 PM EDT
Options data coverage	100.0%
SKEW regime	HIGH TAIL RISK SKEW
VVIX regime	VVIX FLAT
Front expiration / DTE	2026-10-16 4 DTE
Front at-the-money IV	47.6%
25-delta skew	0.27
Put / Call 25-delta	\$432.50 Delta -0.252 / \$462.50 Delta 0.256
Median option bid/ask spread	2.5%
Bid/ask spread	-
Contracts observed / quoted	140 / 140

Price context

Last Price: 446.61 | Bid: 446.55 | Ask: 446.65 | Previous Close: 453.31 | Change: -6.70 | Daily change: -1.48% | Update Time: 2026-10-12T14:31:29.196757-04:00 | Latest History Date: 2026-10-12 | Latest History Price: 446.62

Historical context

Trading-day sample: 60 sessions | First Date: 2026-07-20 | Latest Date: 2026-10-12 | Latest Price: 446.62 | Max Drawdown 60d Percent: -11.76%

Fundamental context

Current Iv Percent: 32.07% | Iv Rank: 7.23 | Iv Percentile: 5.98 | Next Earnings Date: 2026-10-15 | Ex Dividend Date: 2026-12-09



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.

Generated Oct 12, 2026 11:31 PM EDT. Jason Wheel Terms of Use and Privacy Policy apply. Copyright Jason Wheel Research LLC. All rights reserved.

Reference documents

Official product terms and standardized options disclosure

Jason Wheel	jasonwheel.com
Terms of Use	jasonwheel.com / Terms
Privacy Policy	jasonwheel.com / Privacy
Options Disclosure Document	theocc.com / Options Disclosure Document