



Taiwan Semiconductor Manufacturing Co Ltd / TSM

Equity | Generated Oct 28, 2026 11:31 PM EDT

Current price	Daily move	Bid / Ask	Previous close
\$426.50	-10.37 -2.37%	\$426.28/\$426.80	\$436.87

Market	NYSE
Industry	Semiconductors
Market data as of	Oct 28, 2026 11:31 PM EDT

JW Intelligence Report

Complete | 3 of 3 sections | Oct 28, 2026 7:50 PM EDT

JW Rank	Rank label	Confidence	IV percentile
63.1 / 100	Balanced	high	14 / 100
Model reference	Upside scenario	Risk reference	Wheel strategy fit
\$428.00	\$458.00	\$412.00	71 / 100

Options stance	bullish
Tail-risk safety	56 / 100
JW Rank data coverage / as of	100.0% Oct 28, 2026 7:50 PM EDT

Key insight

TSM Option Market Prices in Continued AI Demand and Growth

Market read

The TSM option market displays a bullish outlook, reflecting strong investor confidence in the company's continued growth driven by robust demand for its AI chips. The term structure is backwarddated, indicating expectations of higher future volatility as investors anticipate potential price swings related to upcoming earnings reports and industry developments. While recent news surrounding potential price increases on advanced packaging and cautious 2027 planning comments have introduced some uncertainty, the overall sentiment remains positive.

Strategy context

The market appears to be pricing in continued strong demand for TSM's AI chips, but also acknowledges potential risks related to margin pressure and geopolitical uncertainty.



JW AI conclusions

Short- and medium-term model interpretation

AI context bias

Bullish

AI analysis updated

Oct 28, 2026 1:34 PM EDT

Short-term scenario

Cautious buy-on-dips or hold. Do not chase near \$437. Momentum is soft after a sharp pullback, and 1-3 week direction is uncertain given mixed technicals and headline sensitivity around AI demand and packaging pricing.

Three-month outlook

Moderately constructive but uncertain. Strong AI/HPC demand, evidence of pricing power, a raised 2026 growth outlook, and mostly bullish analyst targets support a bias toward higher prices if Q4 execution holds. A base case is a gradual recovery into the mid-\$450s to low-\$500s, with larger upside only if the multiple re-rates toward consensus targets. Material uncertainties include whether AI capex stays robust into 2027 (management has sounded cautious), margin dilution from 2nm and overseas expansion, customer concentration, Taiwan geopolitical risk, and valuation after a large multi-year advance. A demand disappointment or broader risk-off move could retest the low-\$400s. This is not a high-confidence forecast.

Market sentiment

Cautiously constructive, not euphoric. Recent posts often list buy zones around \$420-\$438 and treat TSMC as a core AI foundry bottleneck, citing NVIDIA-related CoWoS tightness and possible packaging price hikes. Post-earnings commentary stressed that demand still exceeds supply. Counterpoints include valuation skepticism and a preference for buying dips rather than chasing strength. Many of the latest posts have low engagement, and sentiment can reverse quickly on AI-capex or geopolitical headlines.

Supporting evidence

The front-month ATM IV is elevated at 44.16%, suggesting market participants anticipate significant price movement in the near term. | The skew is balanced, indicating a relatively symmetrical view on potential upside and downside risk. | The option chain shows strong demand for call options, particularly those with strikes above the current price, reflecting bullish sentiment. | Analyst consensus remains predominantly Buy/Strong Buy, with average 12-month targets clustering around \$530-\$610.

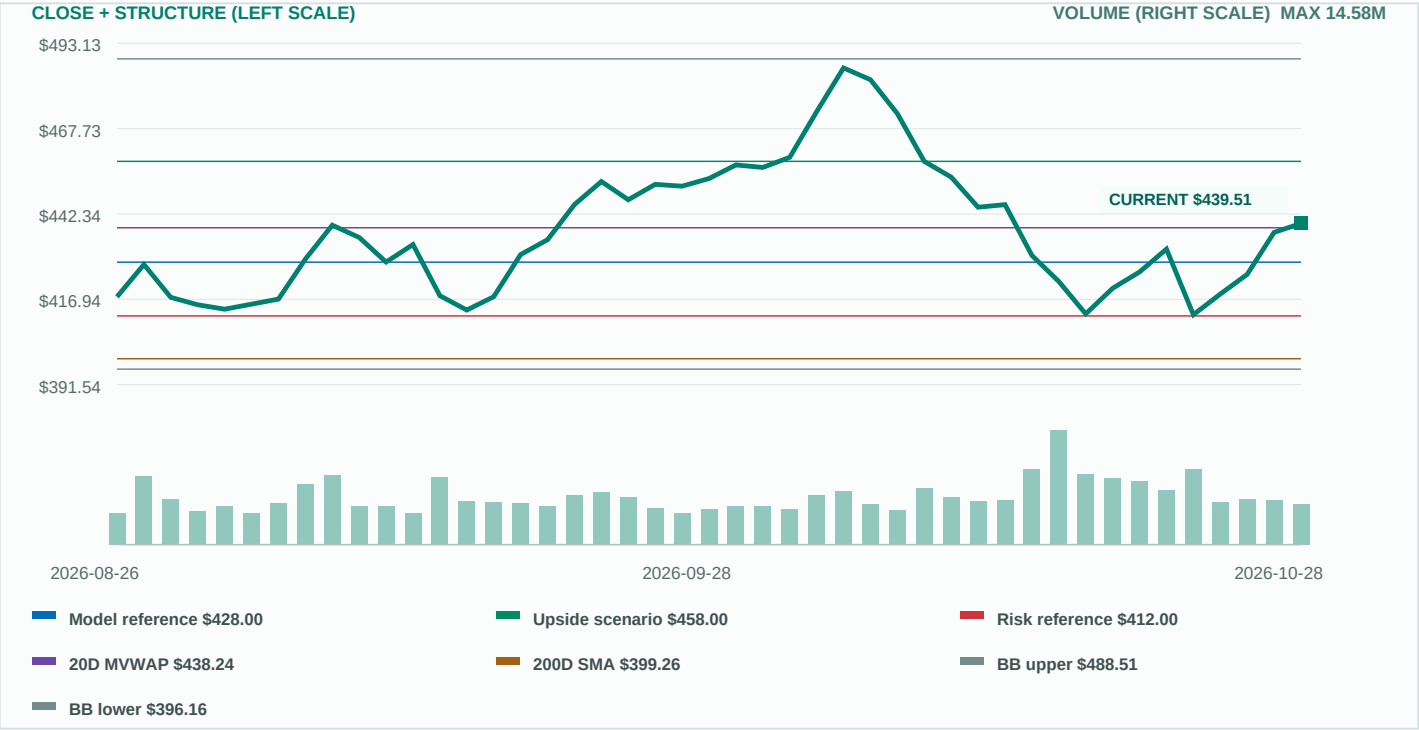
Risk watch

Margin pressure from the 2nm ramp and overseas expansion could impact future profitability.



Enhanced price structure

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

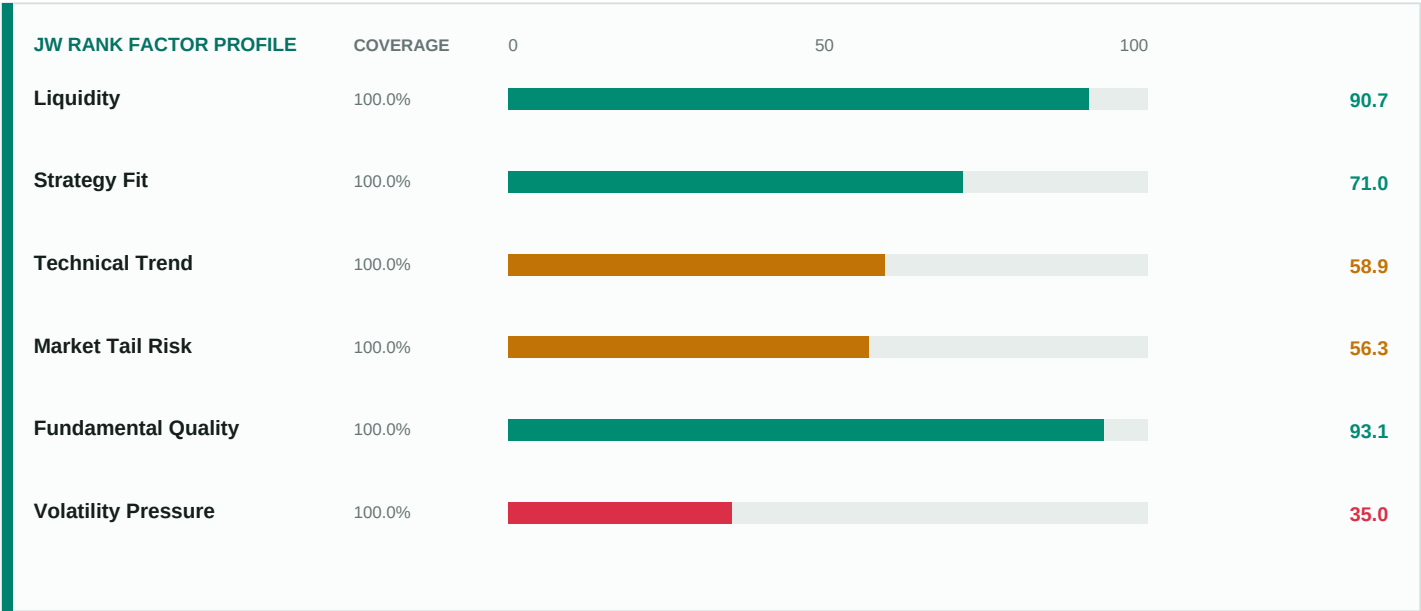


45 complete trading-session observations



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 accelerating
Trend signal	STRONG BULL
RSI signal	neutral
RSI (7 / 14 / 21)	57.48 / 51.84 / 51.39
RSI velocity	3.49
MACD line / signal / histogram	-3.92 / - / -3.03
MACD acceleration	0.71
Stochastic K / D	42.55 / 28.85

Institutional footprints

Volume-weighted cost, price location and flow

Current read	Below institutional MVWAP Distribution bias
Institutional flow	-0.81
20-day MVWAP	\$438.24
Price vs 20-day MVWAP	-2.68%
Daily reference VWAP	\$439.08
Price vs daily reference	-2.87%
Volume	5.11M

Structural context

Long-term trend and volatility boundaries

Current read	Above 200-day trend Negative macro velocity
Macro velocity	-1.09
20-day / 200-day SMA	\$442.34 / \$399.26
Bollinger range	\$396.16 - \$488.51
Bollinger position	0.469



Options and volatility intelligence

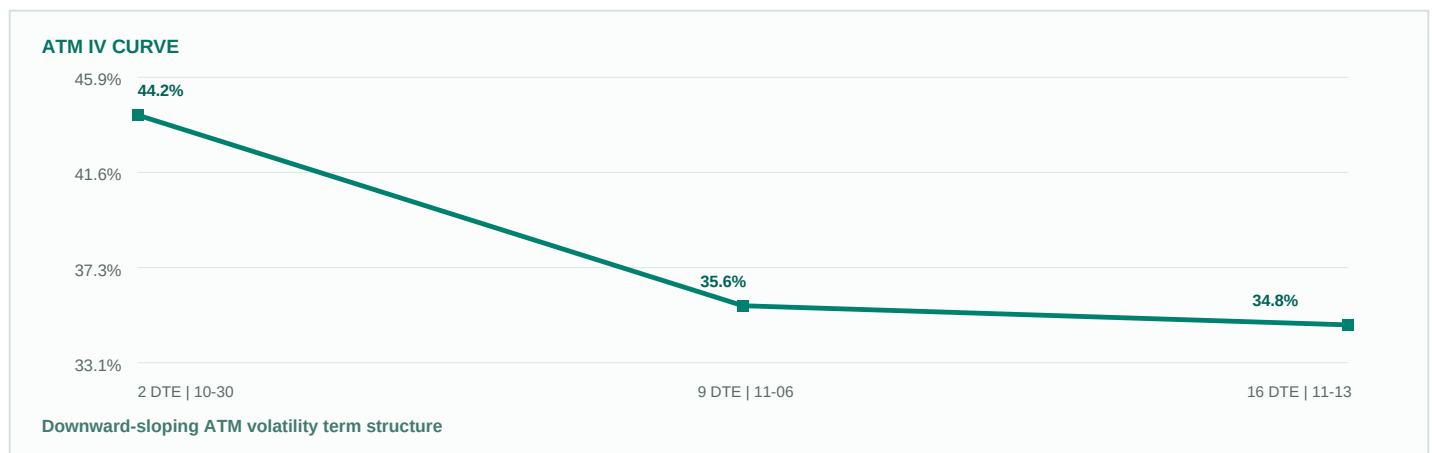
Structure, premium conditions and principal risks

IV rank	IV percentile	VVIX	SKEW
9 / 100	10 / 100	97.34	149.22

Market regime	Calm
Tail-risk regime	NORMAL TAIL RISK
Term structure	backwardation
Term slope	-9.41 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 28, 2026 2:31 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	2	44.2%	-
2026-11-06	9	35.6%	-
2026-11-13	16	34.8%	-

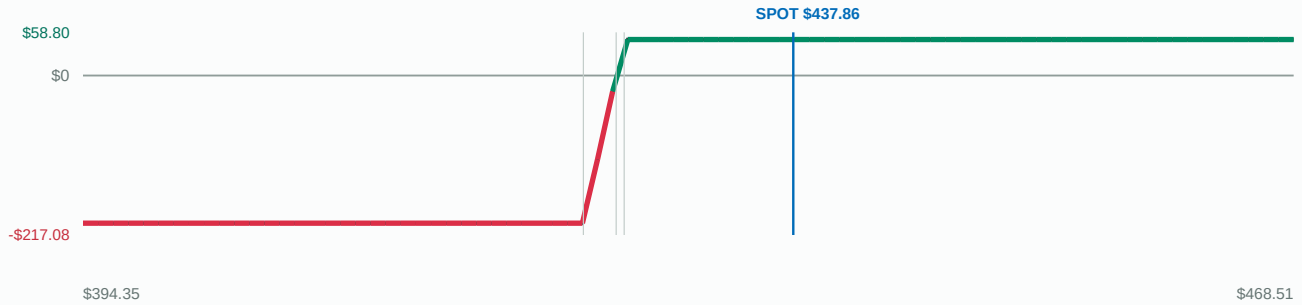


Reference spread payoff

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

Bull Put Spread reference

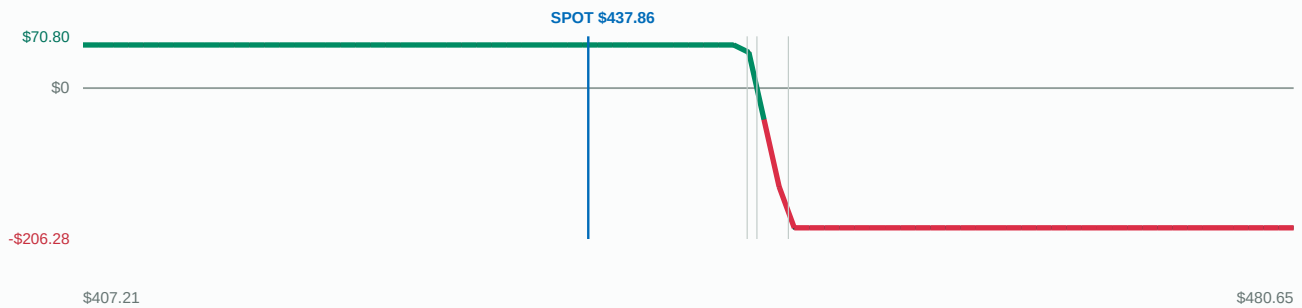
Short \$427.50 | Long \$425.00 | Width \$2.50 | Net credit \$0.49



Max profit \$49.00 | Max loss -\$201.00 | Break-even \$427.01 | Per contract at expiry

Bear Call Spread reference

Short \$447.50 | Long \$450.00 | Width \$2.50 | Net credit \$0.59



Max profit \$59.00 | Max loss -\$191.00 | Break-even \$448.09 | Per contract at expiry

Event and tail-risk context

Known event windows and broad volatility conditions

Next earnings date	2027-01-14
Earnings IV-crush risk	NOT MEASURED
VIX	17.41
VVIX	97.34
SKEW index	149.22
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

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Options context

TSM Option Market Prices in Continued AI Demand and Growth

Wheel context

The market appears to be pricing in continued strong demand for TSM's AI chips, but also acknowledges potential risks related to margin pressure and geopolitical uncertainty.

Observed evidence

The front-month ATM IV is elevated at 44.16%, suggesting market participants anticipate significant price movement in the near term. | The skew is balanced, indicating a relatively symmetrical view on potential upside and downside risk. | The option chain shows strong demand for call options, particularly those with strikes above the current price, reflecting bullish sentiment. | Analyst consensus remains predominantly Buy/Strong Buy, with average 12-month targets clustering around \$530-\$610.

Principal risks to monitor

Margin pressure from the 2nm ramp and overseas expansion could impact future profitability.



Fundamentals and events

Business quality, valuation and upcoming event context

Market capitalization	P/E (TTM)
\$62.24T	24.43
ROE	Revenue growth
41.2%	18.9%
EPS growth	Operating margin
19.1%	58.0%
Net profit margin	Gross margin
51.5%	-
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
\$269.85	\$190.68
Website	tsmc.com



Latest strategy observation

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

TSM Covered Call signal

Covered Call | 2026-10-30

At signal \$438.41 | Current \$426.50

SHORT Option \$440.00 B \$5.00 / A \$5.20

Conservative | CR \$5.10

Oct 28, 2026 9:39 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	\$12.17
ATR as % of price	2.8%
Volatility environment	medium
Current IV	32.9%
IV rank	10 / 100
IV percentile	14 / 100
Technical Snapshot IV source	Private fundamentals snapshot
Technical Snapshot IV observed at	Oct 28, 2026 3:50 PM EDT

Technical health and risk radar

Derived indicator health and event context

Overall health	89 / 100
Trend health	92 / 100
Momentum health	94 / 100
Volatility health	68 / 100
Structure health	97 / 100
Earnings risk / date	low 2027-01-14
Macro risk	unknown
Volatility risk	medium
Structure risk	low

Structural indicator levels

Moving averages, volatility bands and observed trading ranges

SMA (20 / 50 / 200)	\$442.34 / \$434.72 / \$399.26
EMA (9 / 21)	\$430.58 / \$435.07
Bollinger upper / middle / lower	\$488.51 / \$442.34 / \$396.16



Structural indicator levels (continued)

Moving averages, volatility bands and observed trading ranges

FIELD	VALUE
Bollinger %B	0.469
True high / low	\$440.88 / \$436.84
5-day true high / low	\$440.88 / \$410.22

Three-day indicator history

Short-horizon change and the underlying three-session observations

INDICATOR	3-DAY CHANGE	SESSION 1 / 2 / 3
SMA20	-1.088	-
SMA50	0.200	-
MVWAP20	-0.812	-
MACD	0.714	-
RSI	3.486	-
Volume	-115531.670	-
ATR	-0.212	-
T1	-	-5.02 / 438.89 / 438.58 / 424.37
T2	-	-6.08 / 439.65 / 428.85 / 417.72
T3	-	-6.07 / 440.68 / 421.31 / 411.11



Detailed options evidence

Supporting option-chain, execution and data-quality observations

Underlying price at observation	\$437.86
Options Snapshot IV sources	ATM: option chain Rank/percentile: fundamentals
Options Snapshot IV observed at	Oct 28, 2026 2:31 PM EDT
Options data coverage	88.9%
SKEW regime	HIGH TAIL RISK SKEW
VVIX regime	VVIX FLAT
Front expiration / DTE	2026-10-30 2 DTE
Front at-the-money IV	44.2%
25-delta skew	2.99
Put / Call 25-delta	\$427.50 Delta -0.238 / \$447.50 Delta 0.262
Median option bid/ask spread	7.5%
Bid/ask spread	-
Contracts observed / quoted	150 / 150

Price context

Last Price: 437.86 | Bid: 437.82 | Ask: 437.89 | Previous Close: 436.87 | Change: 0.99 | Daily change: 0.23% | Update Time: 2026-10-28T14:31:33.871764-04:00 | Latest History Date: 2026-10-28 | Latest History Price: 438.36

Historical context

Trading-day sample: 60 sessions | First Date: 2026-08-05 | Latest Date: 2026-10-28 | Latest Price: 438.36 | Max Drawdown 60d Percent: -15.12%

Fundamental context

Current Iv Percent: 32.54% | Iv Rank: 9.04 | Iv Percentile: 10.36 | Next Earnings Date: 2027-01-14 | 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.

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Reference documents

Official product terms and standardized options disclosure

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