



Taiwan Semiconductor Manufacturing Co Ltd / TSM

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

Current price	Daily move	Bid / Ask	Previous close
\$418.56	-20.95 -4.77%	\$417.90/\$418.70	\$439.51

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

JW Intelligence Report

Complete | 3 of 3 sections | Oct 29, 2026 7:50 PM EDT

JW Rank	Rank label	Confidence	IV percentile
60.8 / 100	Balanced	high	19 / 100
Model reference	Upside scenario	Risk reference	Wheel strategy fit
\$428.00	\$450.00	\$414.00	71 / 100

Options stance	neutral
Tail-risk safety	56 / 100
JW Rank data coverage / as of	100.0% Oct 29, 2026 7:50 PM EDT

Key insight

TSM Option Market Implies Balanced Outlook Amidst Mixed Signals

Market read

The TSM option market presents a neutral outlook, reflecting mixed signals from recent earnings, technicals, and news. While the stock price declined following its Q3 earnings report, options pricing suggests balanced sentiment with neither strong bullish nor bearish conviction. The near-term term structure is in backwardation, indicating a slight preference for shorter-dated options, potentially driven by uncertainty surrounding upcoming events like the next earnings release and geopolitical risks.

Strategy context

TSM's option chain shows balanced activity across both calls and puts, with moderate open interest at various strike prices. The skew is slightly bullish, suggesting a slight preference for call options.



JW AI conclusions

Short- and medium-term model interpretation

AI context bias

Mixed

AI analysis updated

Oct 29, 2026 1:34 PM EDT

Short-term scenario

Tactical long only on weakness, not a chase. 1-3 week setup is a mean-reversion bounce if 420-425 holds, against a still-negative MACD and sector risk-off. Uncertainty is high: a break of 415 opens a deeper pullback, and any Taiwan or AI-capex headline can invalidate levels quickly. This is a scenario, not a recommendation.

Three-month outlook

Base case is modestly constructive but wide. If Q4 tracks the \$52.3-54.3B guide and AI accelerator demand stays tight, a path back toward the mid-480s to low-500s is plausible over three months, still below many sell-side averages. That path is not the base case with high confidence. Offsets: valuation is no longer cheap versus TSMC's own history; 2nm ramp and Arizona/overseas costs are guided to pressure margins; capex of \$60-64B must be earned back; and Taiwan geopolitical risk can reprice the stock independently of earnings. A digestion phase in AI spending, or a sustained break under about 415, would favor a range or a retest of the low-400s instead. Treat consensus targets above \$530 as upside scenarios, not expected values. All figures are time-stamped to late October 2026 and can change with the next macro or company print.

Market sentiment

Near-term X tone is cautious, not euphoric. Traders are focused on sector beta (chip complex lower on AI-spend and peer-earnings concerns) and gamma levels (dips eyed toward 415, upside capped near 445). Some posts argue TSM is falling less than memory names and that advanced-node order confidence is intact. Longer-horizon posts still treat TSMC as the foundry bottleneck for Nvidia-class AI chips. Geopolitical posts (China/Taiwan risk) are present and add headline noise. ARK selling is more visible in news than as organic bullish flow. Engagement on most \$TSM posts today is low; sentiment is fragmented and not a reliable timing signal.

Supporting evidence

The stock price declined following its Q3 earnings report despite beating estimates and raising guidance. | The near-term term structure is in backwardation, suggesting a slight preference for shorter-dated options. | Implied volatility is elevated but not extreme, indicating balanced market sentiment.

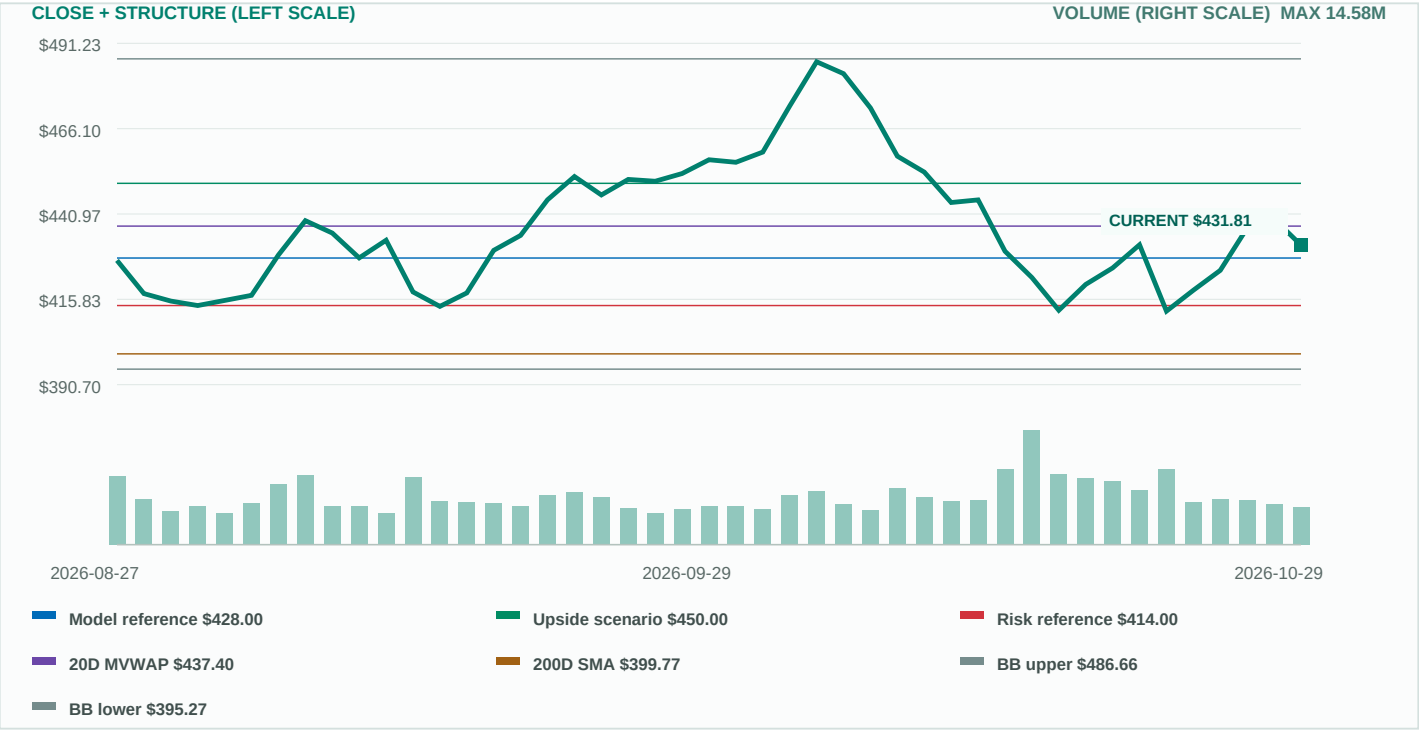
Risk watch

Geopolitical risks related to Taiwan operations remain a significant overhang. | Uncertainty surrounding AI spending and its impact on TSMC's future growth.



Enhanced price structure

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

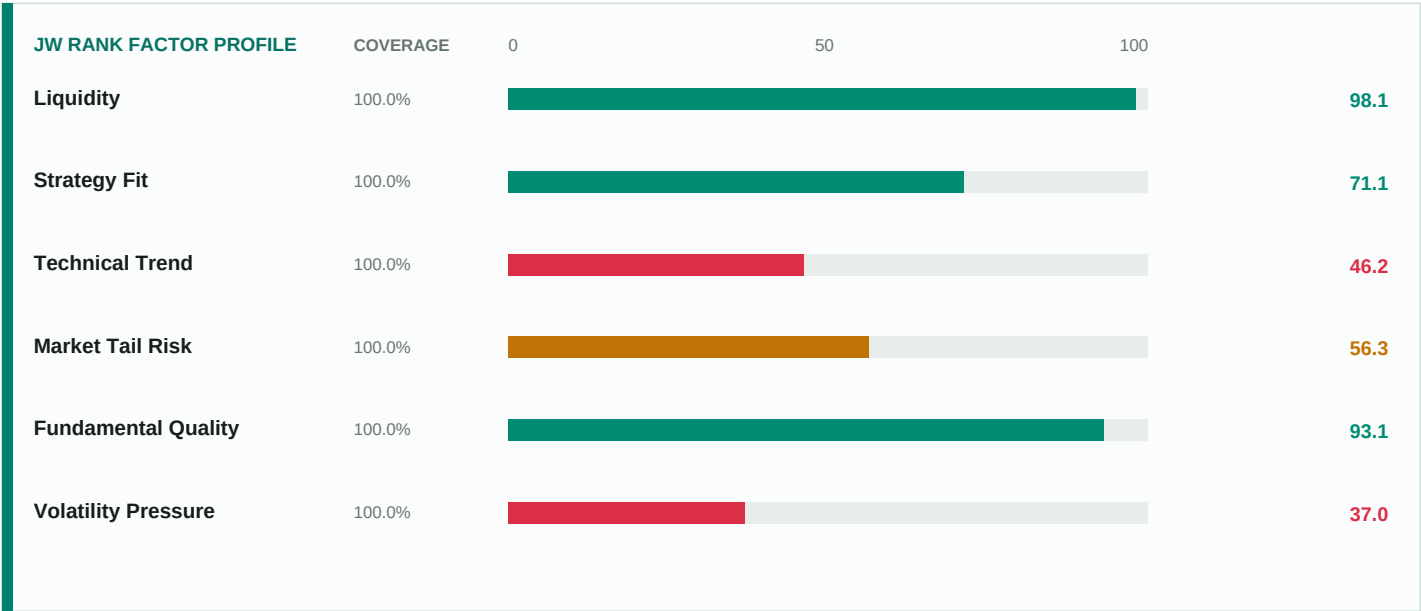


45 complete trading-session observations



JW Rank factors

Score, source coverage and interpretation for each decision factor



Decision summary

Primary model reads before the detailed indicator appendix

Momentum

bullish_recovery

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	BULLISH RECOVERY neutral MACD accelerating
Trend signal	BULLISH RECOVERY
RSI signal	neutral
RSI (7 / 14 / 21)	49.56 / 48.15 / 48.89
RSI velocity	1.20
MACD line / signal / histogram	-3.64 / - / -3.15
MACD acceleration	0.81
Stochastic K / D	51.58 / 40.93

Institutional footprints

Volume-weighted cost, price location and flow

Current read	Below institutional MVWAP Distribution bias
Institutional flow	-0.75
20-day MVWAP	\$437.40
Price vs 20-day MVWAP	-4.31%
Daily reference VWAP	\$432.16
Price vs daily reference	-3.15%
Volume	4.80M

Structural context

Long-term trend and volatility boundaries

Current read	Above 200-day trend Negative macro velocity
Macro velocity	-1.07
20-day / 200-day SMA	\$440.97 / \$399.77
Bollinger range	\$395.27 - \$486.66
Bollinger position	0.400



Options and volatility intelligence

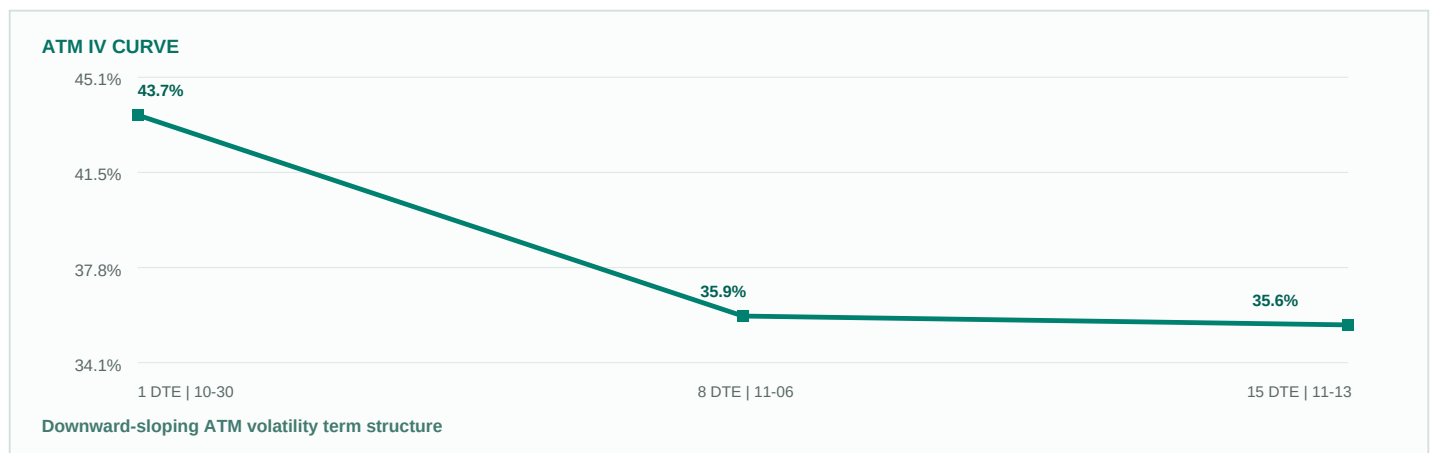
Structure, premium conditions and principal risks

IV rank	IV percentile	VVIX	SKEW
11 / 100	17 / 100	95.19	148.74

Market regime	Calm
Tail-risk regime	NORMAL TAIL RISK
Term structure	backwardation
Term slope	-8.06 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 2:31 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	1	43.7%	-
2026-11-06	8	35.9%	-
2026-11-13	15	35.6%	-

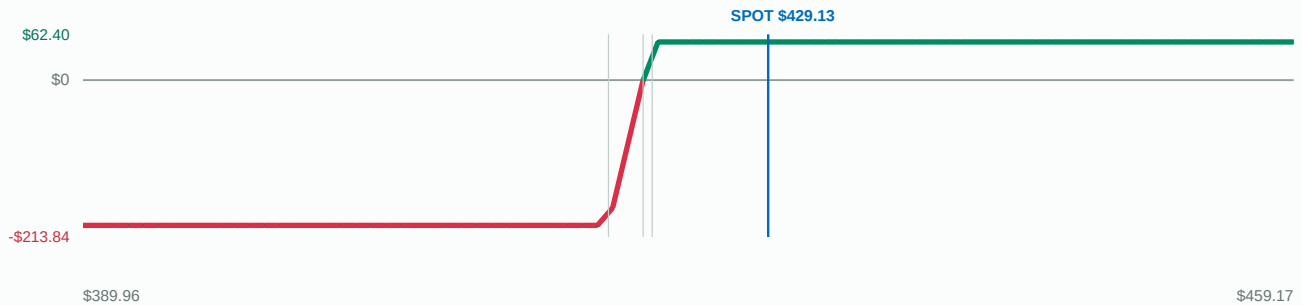


Reference spread payoff

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

Bull Put Spread reference

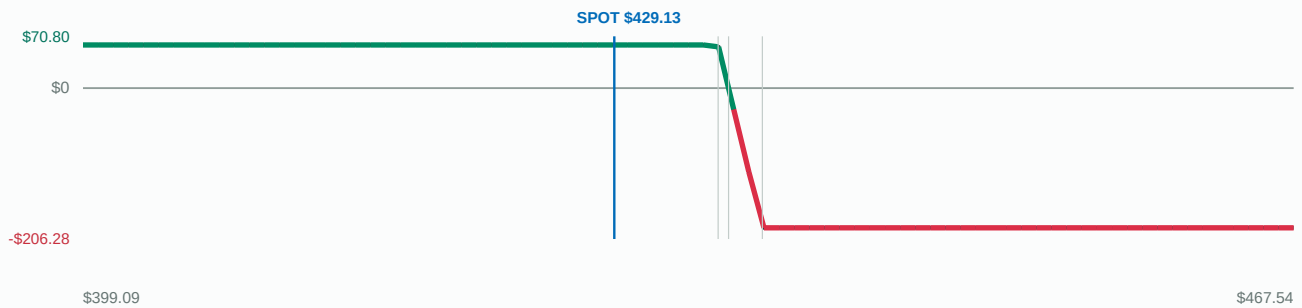
Short \$422.50 | Long \$420.00 | Width \$2.50 | Net credit \$0.52



Max profit \$52.00 | Max loss -\$198.00 | Break-even \$421.98 | Per contract at expiry

Bear Call Spread reference

Short \$435.00 | Long \$437.50 | Width \$2.50 | Net credit \$0.59



Max profit \$59.00 | Max loss -\$191.00 | Break-even \$435.59 | 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	16.89
VVIX	95.19
SKEW index	148.74
Observation confidence	high
Option quote quality	reliable
Contracts observed	144



Event and tail-risk context (continued)

Known event windows and broad volatility conditions

FIELD	VALUE
Contracts with quotes	144

Strategy fit

Generalized structure fit; not a personalized recommendation

Market structure

The TSM option market presents a neutral outlook, reflecting mixed signals from recent earnings, technicals, and news. While the stock price declined following its Q3 earnings report, options pricing suggests balanced sentiment with neither strong bullish nor bearish conviction. The near-term term structure is in backwardation, indicating a slight preference for shorter-dated options, potentially driven by uncertainty surrounding upcoming events like the next earnings release and geopolitical risks.

Options context

TSM Option Market Implies Balanced Outlook Amidst Mixed Signals

Wheel context

TSM's option chain shows balanced activity across both calls and puts, with moderate open interest at various strike prices. The skew is slightly bullish, suggesting a slight preference for call options.

Observed evidence

The stock price declined following its Q3 earnings report despite beating estimates and raising guidance. | The near-term term structure is in backwardation, suggesting a slight preference for shorter-dated options. | Implied volatility is elevated but not extreme, indicating balanced market sentiment.

Principal risks to monitor

Geopolitical risks related to Taiwan operations remain a significant overhang. | Uncertainty surrounding AI spending and its impact on TSMC's future growth.



Fundamentals and events

Business quality, valuation and upcoming event context

Market capitalization	P/E (TTM)
\$62.89T	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

<div><div><div>TSM Covered Call signal</div><div>Covered Call 2026-10-30</div><div>At signal \$435.53 Current \$418.56</div><div>SHORT Option \$437.50 B \$3.50 / A \$3.80</div><div>Conservative CR \$3.65</div></div></div> <div><div>Oct 29, 2026 9:47 AM EDT</div></div>



Complete technical details

Full supporting indicator set used by the symbol detail experience

Volatility and options market

Price movement and premium conditions

ATR	\$12.09
ATR as % of price	2.8%
Volatility environment	medium
Current IV	33.3%
IV rank	12 / 100
IV percentile	19 / 100
Technical Snapshot IV source	Private fundamentals snapshot
Technical Snapshot IV observed at	Oct 29, 2026 3:50 PM EDT

Technical health and risk radar

Derived indicator health and event context

Overall health	81 / 100
Trend health	78 / 100
Momentum health	88 / 100
Volatility health	68 / 100
Structure health	90 / 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)	\$440.97 / \$435.12 / \$399.77
EMA (9 / 21)	\$430.82 / \$434.77
Bollinger upper / middle / lower	\$486.66 / \$440.97 / \$395.27



Structural indicator levels (continued)

Moving averages, volatility bands and observed trading ranges

FIELD	VALUE
Bollinger %B	0.400
True high / low	\$439.51 / \$428.43
5-day true high / low	\$440.88 / \$411.11

Three-day indicator history

Short-horizon change and the underlying three-session observations

INDICATOR	3-DAY CHANGE	SESSION 1 / 2 / 3
SMA20	-1.069	-
SMA50	0.345	-
MVWAP20	-0.752	-
MACD	0.814	-
RSI	1.205	-
Volume	-324645.670	-
ATR	-0.198	-
T1	-	-3.92 / 438.24 / 440.88 / 436.84
T2	-	-5.02 / 438.89 / 438.58 / 424.37
T3	-	-6.08 / 439.65 / 428.85 / 417.72



Detailed options evidence

Supporting option-chain, execution and data-quality observations

Underlying price at observation	\$429.13
Options Snapshot IV sources	ATM: option chain Rank/percentile: fundamentals
Options Snapshot IV observed at	Oct 29, 2026 2:31 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	43.7%
25-delta skew	0.88
Put / Call 25-delta	\$422.50 Delta -0.248 / \$435.00 Delta 0.286
Median option bid/ask spread	6.9%
Bid/ask spread	-
Contracts observed / quoted	144 / 144

Price context

Last Price: 429.13 | Bid: 429.05 | Ask: 429.17 | Previous Close: 439.51 | Change: -10.38 | Daily change: -2.36% | Update Time: 2026-10-29T14:31:30.023784-04:00 | Latest History Date: 2026-10-29 | Latest History Price: 429.47

Historical context

Trading-day sample: 60 sessions | First Date: 2026-08-06 | Latest Date: 2026-10-29 | Latest Price: 429.47 | Max Drawdown 60d Percent: -15.12%

Fundamental context

Current Iv Percent: 33.18% | Iv Rank: 11.45 | Iv Percentile: 17.13 | 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.

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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

Official product terms and standardized options disclosure

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