Taiwan Semiconductor Manufacturing Co Ltd / TSM

Equity | Generated Oct 30, 2026 11:33 PM EDT

Current price	Daily move	Bid / Ask	Previous close
$408.79	-23.02 -5.33%	-/-	$431.81

Market	NYSE
Industry	Semiconductors
Market data as of	Oct 30, 2026 11:33 PM EDT

JW Intelligence Report

Complete | 3 of 3 sections | Oct 30, 2026 7:50 PM EDT

JW Rank	Rank label	Confidence	IV percentile
61.9 / 100	Balanced	high	40 / 100

Model reference	Upside scenario	Risk reference	Wheel strategy fit
$400.00	$430.00	$385.00	73 / 100

Options stance	neutral
Tail-risk safety	56 / 100
JW Rank data coverage / as of	100.0% | Oct 30, 2026 7:50 PM EDT

Key insight

TSM Option Market Shows Mixed Signals Amidst Volatility

Market read

The TSM option market displays mixed signals following a sharp decline in the underlying price. While implied volatility is elevated, reflecting heightened uncertainty, the term structure shows backwardation, suggesting some expectation of future price stabilization. Put demand is elevated, indicating bearish sentiment, but call options are still trading, hinting at potential upside opportunities.

Strategy context

The recent decline in TSM price has triggered increased option activity, with both bullish and bearish strategies being employed. The market seems to be grappling with the balance between near-term uncertainty and long-term growth prospects.

JW AI conclusions

Short- and medium-term model interpretation

AI context bias	**Bearish**
AI analysis updated	**Oct 30, 2026 1:34 PM EDT**

Short-term scenario

Cautious tactical long only near 200-day support for a potential 1-3 week bounce; keep size small and require the level to hold. Momentum is still down and a failed support test could extend the selloff. High uncertainty; this is not a recommendation.

Three-month outlook

Base case is stabilization and a partial retracement toward roughly $450-480 if Q4 tracks the $52.3-54.3B guide, AI-related demand stays firm, and risk appetite improves, consistent with still-strong fundamentals and a generally Buy-rated Street. Upside is capped near term by valuation reset, 2nm/overseas margin pressure, and heavy capex. Downside toward $350-380 is plausible if the 200-day fails or AI-spending fears deepen. Outcomes are wide and path-dependent on macro conditions, geopolitics, execution, and sentiment; analyst targets and historical returns are not forecasts.

Market sentiment

Near-term sentiment is cautious to negative. Recent posts highlight a semiconductor 'bloodbath,' TSM down roughly 6%, and elevated put activity in TSM, SOXX, and QQQ, with debate over whether this is profit-taking or a broader rethink of AI economics. Longer-horizon comments remain more constructive, citing foundry leadership, AI/HPC demand, 3nm/2nm ramps, and dip-buying interest near $390-405, alongside references to Street targets above $550. Views are not uniform and engagement on many posts is low. Sentiment can reverse quickly with price and headlines; uncertainty is high.

Supporting evidence

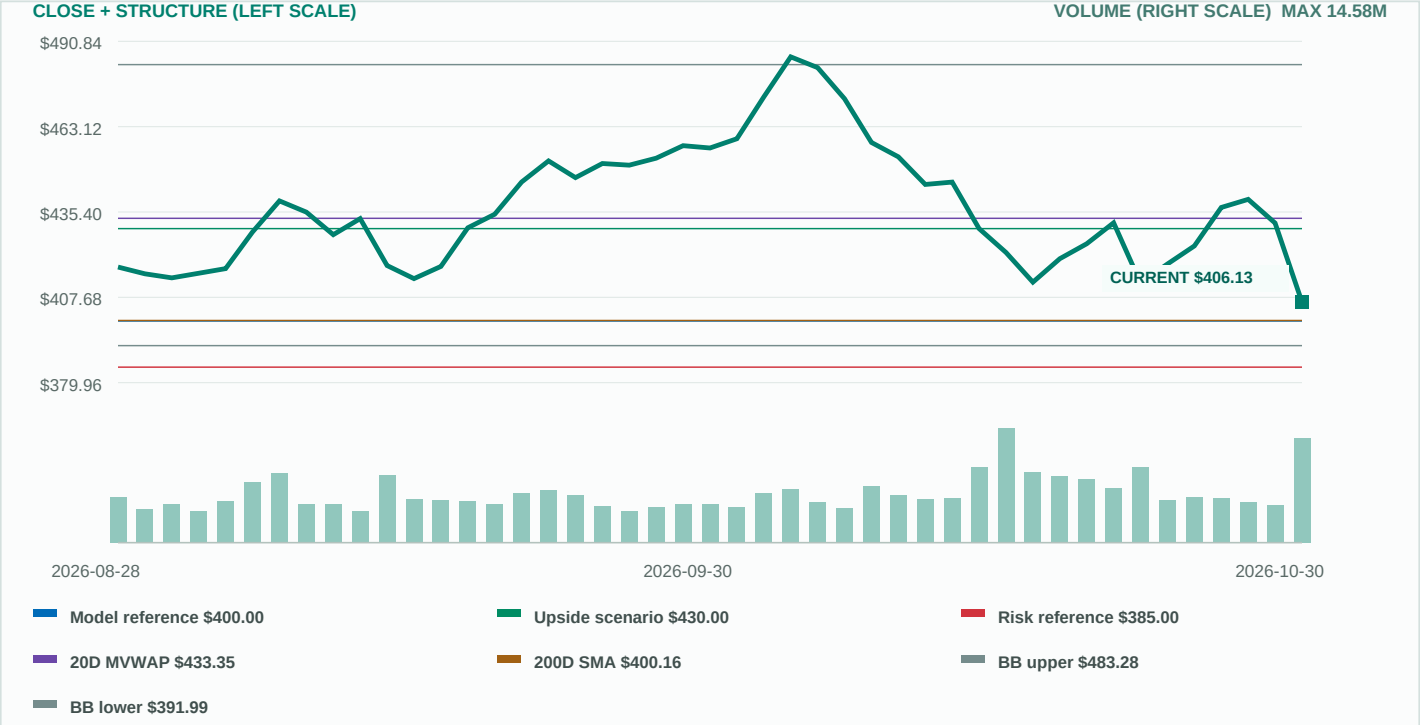
Elevated implied volatility (37.15%) suggests market participants anticipate significant price swings in the near term. | Backwardation in the term structure (near-term IV higher than longer-term IV) indicates a belief that prices may stabilize or even rise in the future. | Put demand is elevated, as evidenced by the put skew, suggesting bearish sentiment and potential downside risk. | However, call options are still trading, indicating some investors believe there's upside potential.

Risk watch

Elevated implied volatility increases the cost of hedging against potential downside risk.

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
bullish_recovery	Below MVWAP	Above 200D trend	medium

Decision indicators

Detailed momentum, institutional and structural observations

Momentum kinematics

Direction, velocity and oscillator state

Current read	**BULLISH RECOVERY | neutral | MACD decelerating**
Trend signal	**BULLISH RECOVERY**
RSI signal	**neutral**
RSI (7 / 14 / 21)	**32.27 / 38.34 / 41.78**
RSI velocity	**-4.10**
MACD line / signal / histogram	**-5.42 / - / -3.60**
MACD acceleration	**-0.13**
Stochastic K / D	**40.52 / 44.89**

Institutional footprints

Volume-weighted cost, price location and flow

Current read	**Below institutional MVWAP | Distribution bias**
Institutional flow	**-1.85**
20-day MVWAP	**$433.35**
Price vs 20-day MVWAP	**-5.67%**
Daily reference VWAP	**$408.11**
Price vs daily reference	**+0.17%**
Volume	**13.22M**

Structural context

Long-term trend and volatility boundaries

Current read	**Above 200-day trend | Negative macro velocity**
Macro velocity	**-1.85**
20-day / 200-day SMA	**$437.63 / $400.16**
Bollinger range	**$391.99 - $483.28**
Bollinger position	**0.155**

Options and volatility intelligence

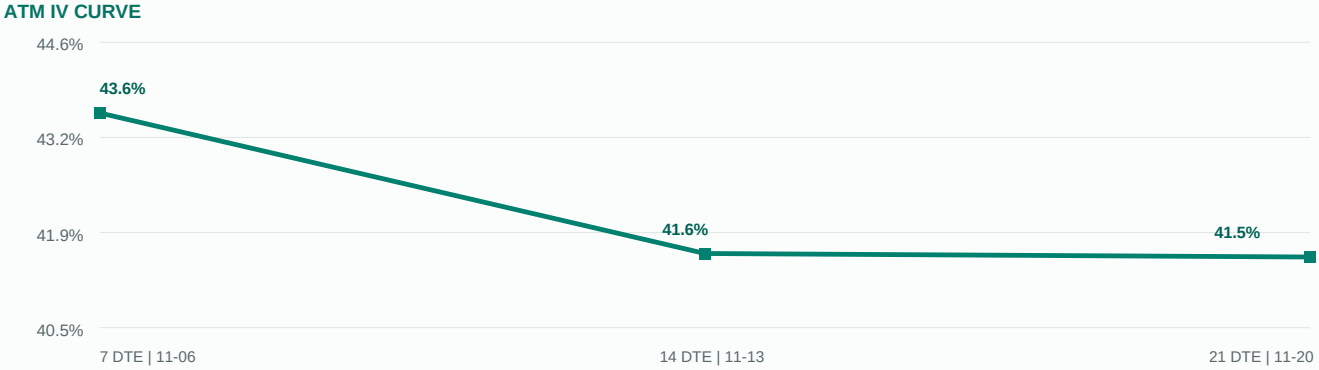
Structure, premium conditions and principal risks

IV rank	IV percentile	VVIX	SKEW
27 / 100	40 / 100	120.56	151.03

Market regime	**Calm**
Tail-risk regime	**NORMAL TAIL RISK**
Term structure	**backwardation**
Term slope	**-2.04 pts**
Skew read	**PUT DEMAND ELEVATED**
Liquidity / quote coverage	**100.0%**
Options Snapshot IV sources	**ATM: option chain | Rank/percentile: fundamentals**
Options Snapshot IV observed at	**Oct 30, 2026 2:31 PM EDT**
Options data quality	**Coverage 88.9%**

Option term structure

ATM implied-volatility curve by days to expiration



Downward-sloping ATM volatility term structure

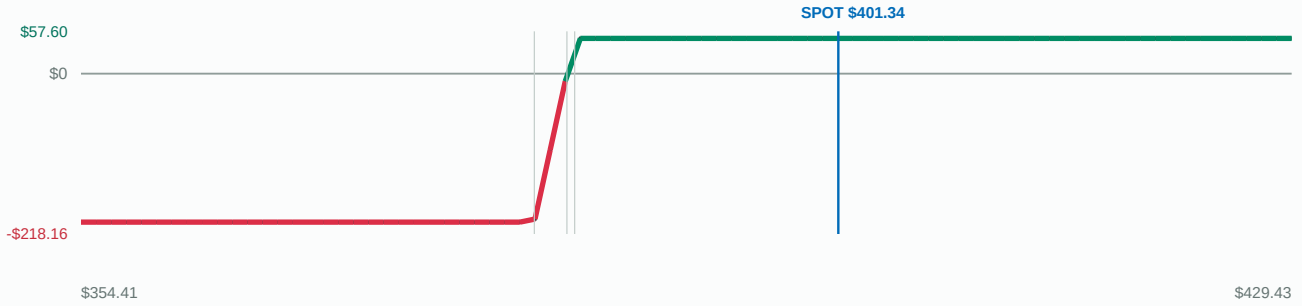
EXPIRATION	DTE	ATM IV	STATE
2026-11-06	7	43.6%	-
2026-11-13	14	41.6%	-
2026-11-20	21	41.5%	-

Reference spread payoff

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

Bull Put Spread reference

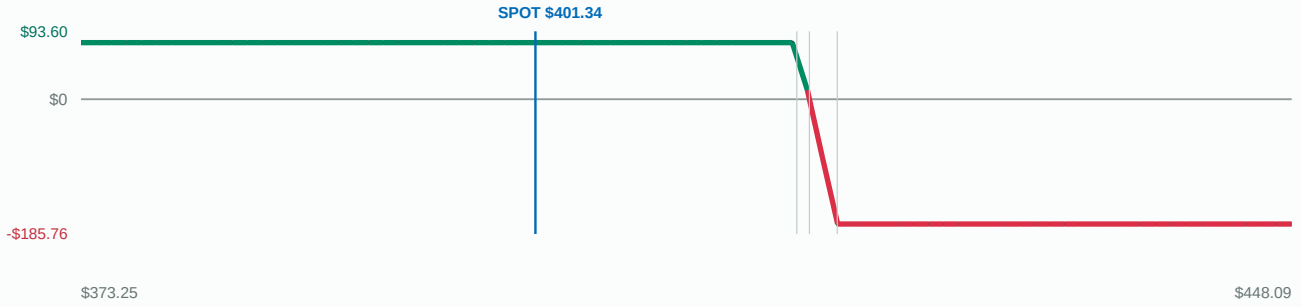
Short $385.00 | Long $382.50 | Width $2.50 | Net credit $0.48



Max profit $48.00 | Max loss -$202.00 | Break-even $384.52 | Per contract at expiry

Bear Call Spread reference

Short $417.50 | Long $420.00 | Width $2.50 | Net credit $0.78



Max profit $78.00 | Max loss -$172.00 | Break-even $418.28 | 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	**22.91**
VVIX	**120.56**
SKEW index	**151.03**
Observation confidence	**high**
Option quote quality	**reliable**
Contracts observed	**140**

Event and tail-risk context (continued)

Known event windows and broad volatility conditions

FIELD	VALUE
Contracts with quotes	**140**

Strategy fit

Generalized structure fit; not a personalized recommendation

Market structure

The TSM option market displays mixed signals following a sharp decline in the underlying price. While implied volatility is elevated, reflecting heightened uncertainty, the term structure shows backwardation, suggesting some expectation of future price stabilization. Put demand is elevated, indicating bearish sentiment, but call options are still trading, hinting at potential upside opportunities.

Options context

TSM Option Market Shows Mixed Signals Amidst Volatility

Wheel context

The recent decline in TSM price has triggered increased option activity, with both bullish and bearish strategies being employed. The market seems to be grappling with the balance between near-term uncertainty and long-term growth prospects.

Observed evidence

Elevated implied volatility (37.15%) suggests market participants anticipate significant price swings in the near term. | Backwardation in the term structure (near-term IV higher than longer-term IV) indicates a belief that prices may stabilize or even rise in the future. | Put demand is elevated, as evidenced by the put skew, suggesting bearish sentiment and potential downside risk. | However, call options are still trading, indicating some investors believe there's upside potential.

Principal risks to monitor

Elevated implied volatility increases the cost of hedging against potential downside risk.

Fundamentals and events

Business quality, valuation and upcoming event context

Market capitalization	P/E (TTM)
$62.63T	**24.58**
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

Oct 29, 2026 9:47 AM EDT

Covered Call | 2026-10-30

At signal $435.53 | Current $408.79

SHORT **Option $437.50 B $3.50 / A $3.80**

Conservative | CR $3.65

Complete technical details

Full supporting indicator set used by the symbol detail experience

Volatility and options market

Price movement and premium conditions

ATR	**$13.49**
ATR as % of price	**3.3%**
Volatility environment	**medium**
Current IV	**37.6%**
IV rank	**28 / 100**
IV percentile	**40 / 100**
Technical Snapshot IV source	**Private fundamentals snapshot**
Technical Snapshot IV observed at	**Oct 30, 2026 3:50 PM EDT**

Technical health and risk radar

Derived indicator health and event context

Overall health	**70 / 100**
Trend health	**78 / 100**
Momentum health	**70 / 100**
Volatility health	**60 / 100**
Structure health	**65 / 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)	**$437.63 / $434.92 / $400.16**
EMA (9 / 21)	**$425.88 / $432.17**
Bollinger upper / middle / lower	**$483.28 / $437.63 / $391.99**

Structural indicator levels (continued)

Moving averages, volatility bands and observed trading ranges

FIELD	VALUE
Bollinger %B	**0.155**
True high / low	**$431.81 / $400.12**
5-day true high / low	**$440.88 / $400.12**

Three-day indicator history

Short-horizon change and the underlying three-session observations

INDICATOR	3-DAY CHANGE	SESSION 1 / 2 / 3
SMA20	-1.845	**-**
SMA50	0.240	**-**
MVWAP20	-1.849	**-**
MACD	-0.132	**-**
RSI	-4.097	**-**
Volume	2506039.000	**-**
ATR	0.232	**-**
T1	-	**-3.64 / 437.40 / 439.51 / 428.43**
T2	-	**-3.92 / 438.24 / 440.88 / 436.84**
T3	-	**-5.02 / 438.89 / 438.58 / 424.37**

Detailed options evidence

Supporting option-chain, execution and data-quality observations

Underlying price at observation	**$401.34**
Options Snapshot IV sources	**ATM: option chain | Rank/percentile: fundamentals**
Options Snapshot IV observed at	**Oct 30, 2026 2:31 PM EDT**
Options data coverage	**88.9%**
SKEW regime	**HIGH TAIL RISK SKEW**
VVIX regime	**VVIX FLAT**
Front expiration / DTE	**2026-11-06 | 7 DTE**
Front at-the-money IV	**43.6%**
25-delta skew	**6.15**
Put / Call 25-delta	**$385.00 Delta -0.248 / $417.50 Delta 0.263**
Median option bid/ask spread	**6.3%**
Bid/ask spread	**-**
Contracts observed / quoted	**140 / 140**

Price context

Last Price: 401.34 | Bid: 401.28 | Ask: 401.38 | Previous Close: 431.81 | Change: -30.47 | Daily change: -7.06% | Update Time: 2026-10-30T14:31:42.192687-04:00 | Latest History Date: 2026-10-30 | Latest History Price: 401.56

Historical context

Trading-day sample: 60 sessions | First Date: 2026-08-07 | Latest Date: 2026-10-30 | Latest Price: 401.56 | Max Drawdown 60d Percent: -17.34%

Fundamental context

Current Iv Percent: 37.15% | Iv Rank: 26.51 | Iv Percentile: 39.84 | 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.

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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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