

# ODDS<sup>®</sup> Online Daily Trending Stock Report

Advanced Micro Devices, Inc. (AMD)

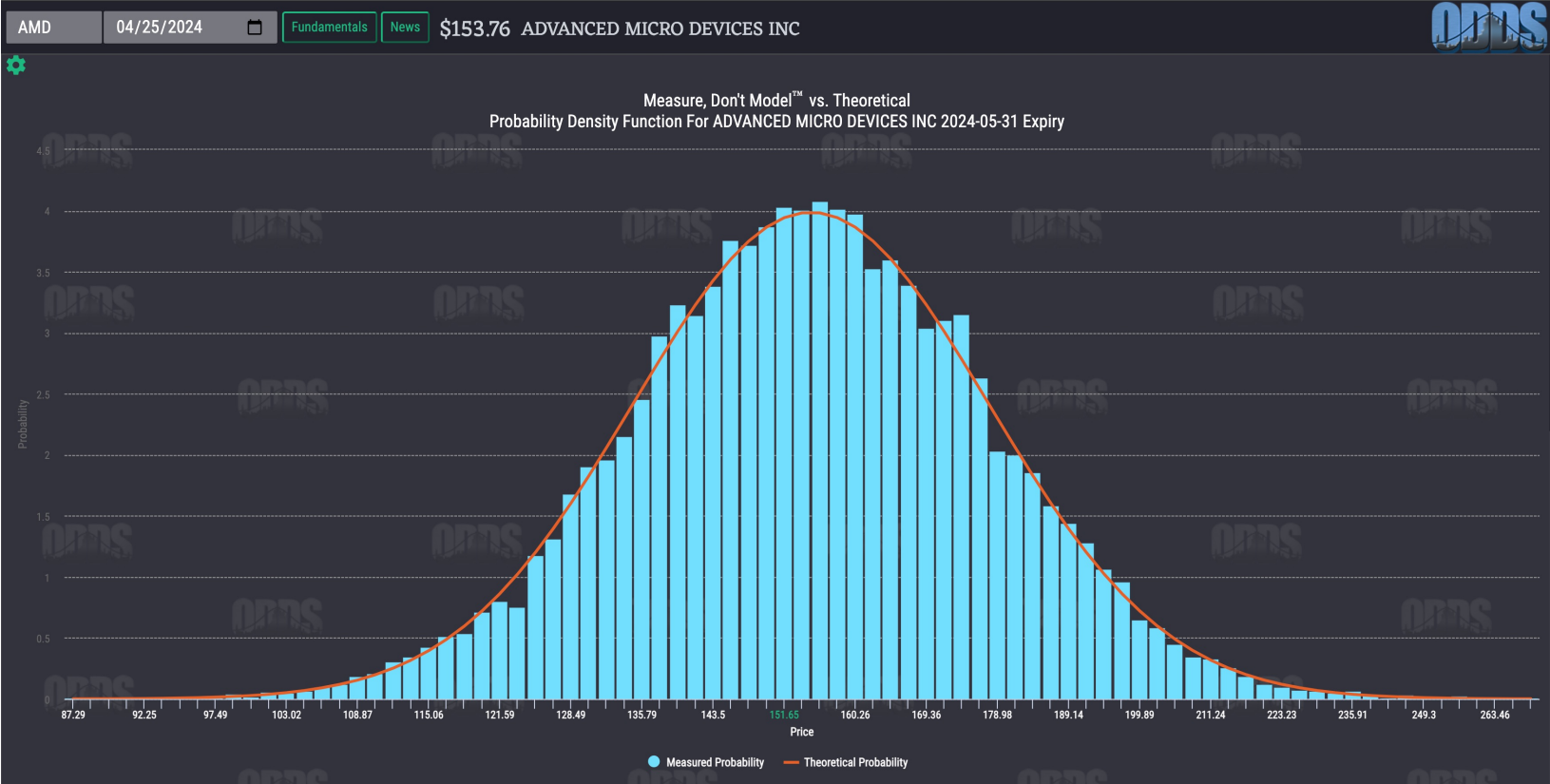
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The theme this week is surprises in the tech sector. The bottom line is that tech stocks like META, MSFT, GOOG, and INTC have surprised investors in their earnings reports, and options traders have been underpricing the volatility in tech. We have a potential play in that arena, but we don't want to give it too much space. Advanced Micro Devices, Inc. (AMD) reports earnings next week. While the company is trending in the news due to the upcoming earnings report, surprises are also trending in the tech sector.

When pricing options for past movement in AMD shares, current volatility expectations are almost dead-on. But if there is a surprise in AMD's earnings report, there could be a nice profit from a neutral trade. However, because AMD options are so fairly priced for past movement, we would give this trade a very short leash. If there is not a surprise in the announced earnings, we would pull the plug immediately.



This MDM graph compares the modeled expectations of current options prices (the orange line) to the stock's actual movement over the past 2 years (the blue histogram). You can clearly see that the stock movement matches the modeled expectations very closely. If there is a surprise next week, we could see an outlier move in the stock that does not show up in this graph. That is what we are looking for.



AMD reports earnings next week; the tech sector has been surprising investors. If AMD has a surprise in its earnings report, a neutral buying trade could be profitable. We are betting on a surprise. If there is not a surprise, we're out.

Be sure to read the *ODDS Online Daily Trade Idea* report to get the details of our trade ideas for AMD.

The screenshot displays the 'STRATEGY WIZARD' interface. At the top left, there is a green icon of a wand and the text 'STRATEGY WIZARD'. At the top right, there is a logo for 'ODDS' with a roller coaster graphic. The main content area is titled 'Forecaster' and contains several buttons:

- A green button with an upward arrow and the text 'Up Big'.
- A green button with a small upward arrow and the text 'Up Small'.
- A yellow button with a bullseye icon and the text 'Neutral Big'.
- A yellow button with a small bullseye icon and the text 'Neutral Small'.
- A red button with a downward arrow and the text 'Down Big'.
- A red button with a small downward arrow and the text 'Down Small'.
- A grey button with a yellow envelope icon, the text 'Buy Straddle', and the subtext 'Unlimited Profit Limited Risk'.
- A white button with an infinity symbol and the text 'Show All'.

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