

# Delta-Neutral Positioning

Navigating Earnings Volatility in High-Beta Tech (2026 Playbook)

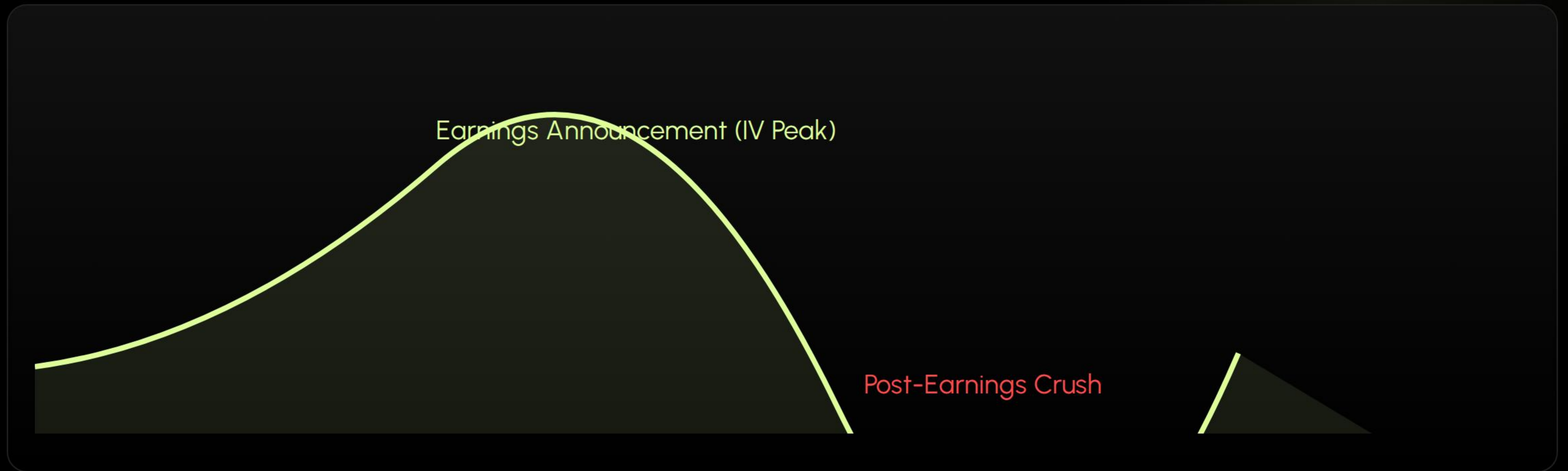
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# Part 1: The Earnings Paradox

Why Directional Betting is a Structural Disadvantage

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# The IV Crush Cycle



Historical Implied Volatility (IV) often overprices actual realized moves by 15-20% in high-beta names like NVDA.

# Foundations of Neutrality

## The Delta Target

Maintaining a net delta of zero to ensure the portfolio value remains stable regardless of small underlying price swings.

## Gamma Management

Monitoring the rate of change in delta. High-beta stocks require frequent rebalancing to stay neutral during rapid rallies.

# The Straddle Setup

Executing an At-The-Money (ATM) Straddle allows traders to profit from extreme moves in either direction.

- **Buy Call + Buy Put** at the same strike.
- Best used when IV is relatively low but an event is high-impact.
- Requires move  $>$  Implied Move to reach profitability.

# The Volatility Reality

40%

Average drop in Implied Volatility  
immediately following tech earnings.

| This "Crush" destroys the value of long options, even if the price moves in the anticipated direction.

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# Risk-Reward Profiles

45% Success Rate

A horizontal bar chart with a light blue segment representing 45% and a dark grey segment representing 55%.

72% Success Rate

A horizontal bar chart with a light blue segment representing 72% and a dark grey segment representing 28%.

Capital Preservation

A horizontal bar chart with a light blue segment representing approximately 95% and a dark grey segment representing approximately 5%.

# Tactical Execution



## Screen

Identify names where IV Percentile is >80th and the expected move is historically overstated.



## Size

Limit any single neutral position to <3% of total capital to survive 'Black Swan' outliers.



## Exit

Target 25-50% profit capture within the first 15 minutes of the market open post-earnings.



# Synthetic Hedges

Combining long spot with short perpetuals or inverse options creates a robust buffer against drawdown while maintaining infrastructure exposure.

In 2026, the complexity of energy-dependent tech requires a multi-layered defense.



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*"The goal in high-beta trading isn't to be right about the direction, but to be positioned to survive the volatility."*

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# Tactical Briefing Q&A

Join our terminal for real-time Delta rebalancing alerts.

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# Image Sources



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