

VIX, VOLATILITY CRUSH & THE SEMICONDUCTOR REGIME

September 17, 2026 | Decision framework through 2027

MARKETS × EARNINGS × LIQUIDITY × VALUATION × A CLEARER PERSPECTIVE



HIGHER
INFORMATION
BRIGHTER
DECISIONS

1 WHY VIX IS DOWN TODAY

MULTIPLE FACTORS REDUCED NEAR-TERM FEAR



Market context: September 17, 2026 reporting described U.S. equities rising, oil falling about 3%, Treasury yields easing, and VIX falling roughly 2 points during the rebound.

VIX down = less near-term implied volatility, NOT proof of durable risk-on.

2 WHAT IS A VOLATILITY CRUSH?

UNCERTAINTY PREMIUM DISAPPEARS AFTER AN EVENT.



Example: Semiconductor Earnings

Stock: \$100 → \$104 (rises)
Implied Volatility: 70% → 35% (falls)
Call Option: Can lose value despite the stock rising.

Option value = f (price, implied volatility, time, strike, interest rates).

3 RISK-ON UNTIL 2027?

TODAY'S ACTION IS RISK-ON BEHAVIOR, NOT PROOF OF A DURABLE 15-MONTH REGIME.

NOT CONFIRMED.

A durable risk-on regime generally requires:



Risk-on while earnings growth exceeds the market's required return and liquidity does not deteriorate enough to overwhelm growth.

4 SOXQ REGIME: TWO ENGINES

STRONG EARNINGS CAN COEXIST WITH A LESS FORGIVING LIQUIDITY ENVIRONMENT.

EARNINGS SUPPORT — MORE INTACT

STRUCTURAL DRIVERS REMAIN POWERFUL



LIQUIDITY SUPPORT — LESS FORGIVING

HIGHER RATES, TIGHTER CONDITIONS, GREATER SCRUTINY

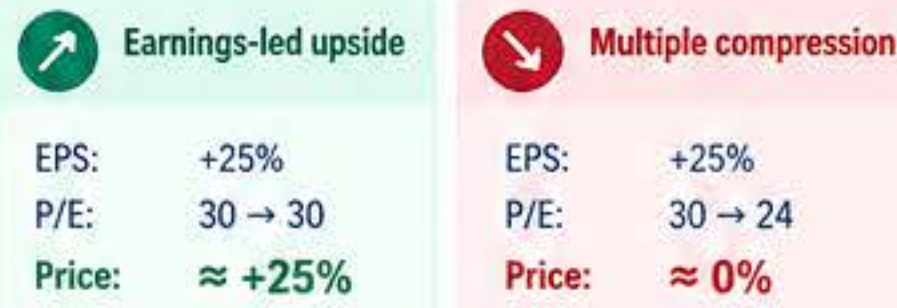


SOXQ regime = earnings + capex + liquidity + valuation + investor positioning.

5 CAN EARNINGS OVERCOME HIGHER RATES?

IT DEPENDS ON GROWTH, VALUATION, AND THE RATE ENVIRONMENT.

$$\text{Price} = \text{EPS} \times \text{P/E}$$



Strong earnings do not guarantee strong stock returns when discount rates rise and multiples contract.

6 THREE REGIMES THROUGH 2027

SCENARIOS, NOT PREDICTIONS.

EARNINGS OVERPOWER MACRO

- ✓ AI capex remains durable
- ✓ Margins healthy
- ✓ Free cash flow improves
- ✓ Yields stabilize

Earnings growth > valuation compression.
SOXQ can continue performing well.

EARNINGS STRONG / RETURNS MODERATE

- ✓ EPS grows
- ✓ Rates stay elevated
- ✓ Multiples flat or lower
- ✓ Earnings beats produce smaller price reactions

Strong earnings + flat/lower multiples = moderate returns.

LIQUIDITY OVERWHELMS EARNINGS

- ✓ Yields rise further
- ✓ Credit spreads widen
- ✓ AI capex slows or is delayed
- ✓ Earnings estimates fall

Earnings deceleration + multiple compression = disproportionate drawdown risk.

7 7-SIGNAL REGIME DASHBOARD

TRACK THESE KEY SIGNALS.

- 1 Semiconductor earnings revisions
- 2 Hyperscaler AI capex guidance
- 3 Semiconductor revenue breadth
- 4 Gross margins
- 5 Treasury yields
- 6 Credit spreads
- 7 SOXQ price reaction to earnings

★ Key test:
Does the market reward strong semiconductor earnings — or sell into them?

8 VIX ≠ SOXQ HEALTH

DIFFERENT MEASURES. DIFFERENT RISKS.



9 INTEGRATED CONCLUSION

BALANCED PERSPECTIVE FOR WHAT COMES NEXT.

A falling VIX means the market is less afraid today. Strong semiconductor earnings mean the industry may still be expanding. Neither proves liquidity will remain favorable through 2027.

The key question: Are semiconductor earnings accelerating faster than the market's required return—and is financing still allowing growth to translate into shareholder returns?

- ✓ Monitor the data.
 - ✓ Separate fundamentals from price.
 - ✓ Stay disciplined.
 - ✓ Focus on the long term.
 - ✓ Be prepared for multiple outcomes.
- A clearer framework. A brighter path.