Midterms and the Market

What the data says going into the vote

Dan + Matt · Monday, November 2, 2026 · positions through the November 2 close

Educational analysis - not investment advice, and not a statement about any specific market participant's intent.

Agenda

Tonight

1. Historical midterms: SPX and VIX in 2014, 2018 and 2022, and implied vol with Matt

2. The risk going into tomorrow: the market maker book at today's close and the hedges in place for the vote

3. The longer-term outlook from the positions, the part we usually keep for members

Q&A at the end with Matt and me

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Sources

The data behind tonight

Cboe open and close volume by participant: customers, pro customers, market makers, firms, broker-dealers

Positions built from the flow, close by close, across the last two years of proprietary data

The market maker book re-marked at today's 4:00 PM ET close: gamma, vanna, vega and charm by SPX level

SPX and VIX cash closes for the seasonal study, 2014 to 2022

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1

Historical midterms

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Historical midterms

SPX from the September expiration to the vote

Year	Sep expiration to election day	Low before the vote	Date of the low
2014	+0.1%	-7.4%	Oct 15
2018	-5.9%	-9.8%	Oct 29
2022	-1.2%	-7.6%	Oct 12
Other years 2015 to 2021, median	+3.2%	-2.8%	

All three midterm years printed their low for the stretch before the vote.

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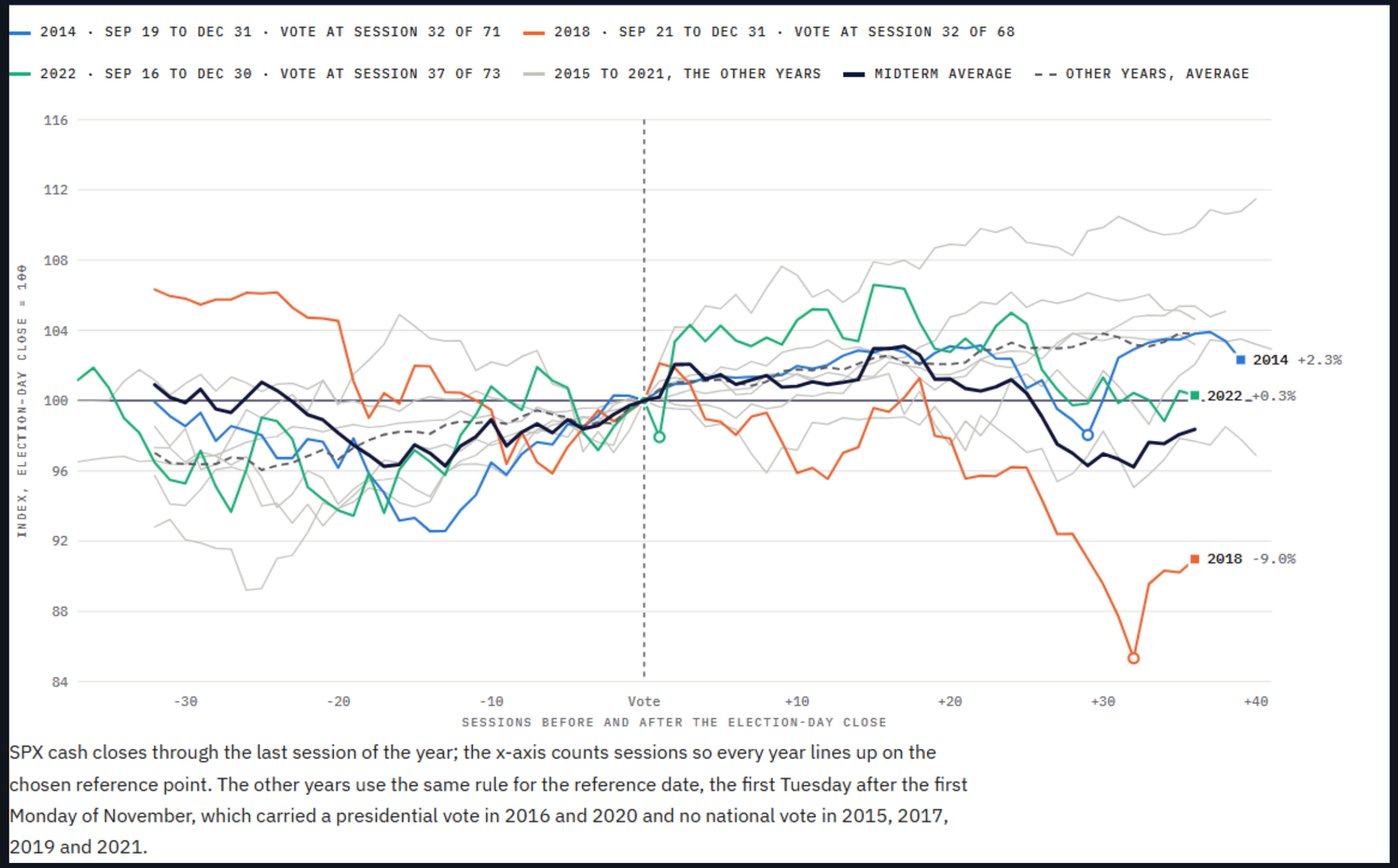
Historical midterms

SPX around the vote, 2014, 2018 and 2022



SPX cash closes through the last session of the year; the x-axis counts sessions so every year lines up on the chosen reference point. The other years use the same rule for the reference date, the first Tuesday after the first Monday of November, which carried a presidential vote in 2016 and 2020 and no national vote in 2015, 2017, 2019 and 2021.

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Historical midterms

SPX after the vote, to year end

Year	Election day to year end	Full stretch, Sep expiration to year end
2014	+2.3%	+2.4%
2018	-9.0%	-14.4%
2022	+0.3%	-0.9%
Other years 2015 to 2021, median	+3.9%	+7.2%

December strength did not show up in any of the three midterm years.

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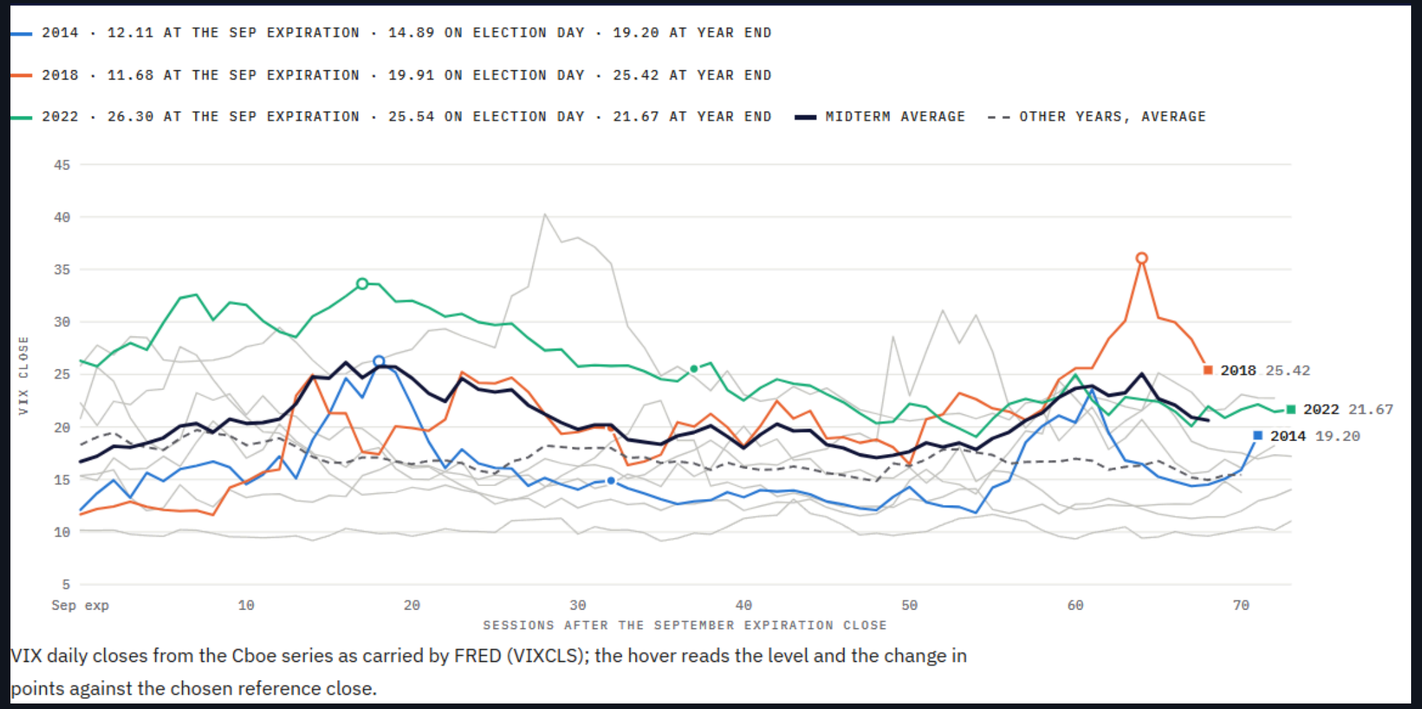
Historical midterms

VIX on election day and at year end



VIX daily closes from the Cboe series as carried by FRED (VIXCLS); the hover reads the level and the change in points against the chosen reference close.

Year	Election day	Year end
2014	14.9	19.2
2018	19.9	25.4
2022	25.5	21.7
Today, Nov 2	21.18	

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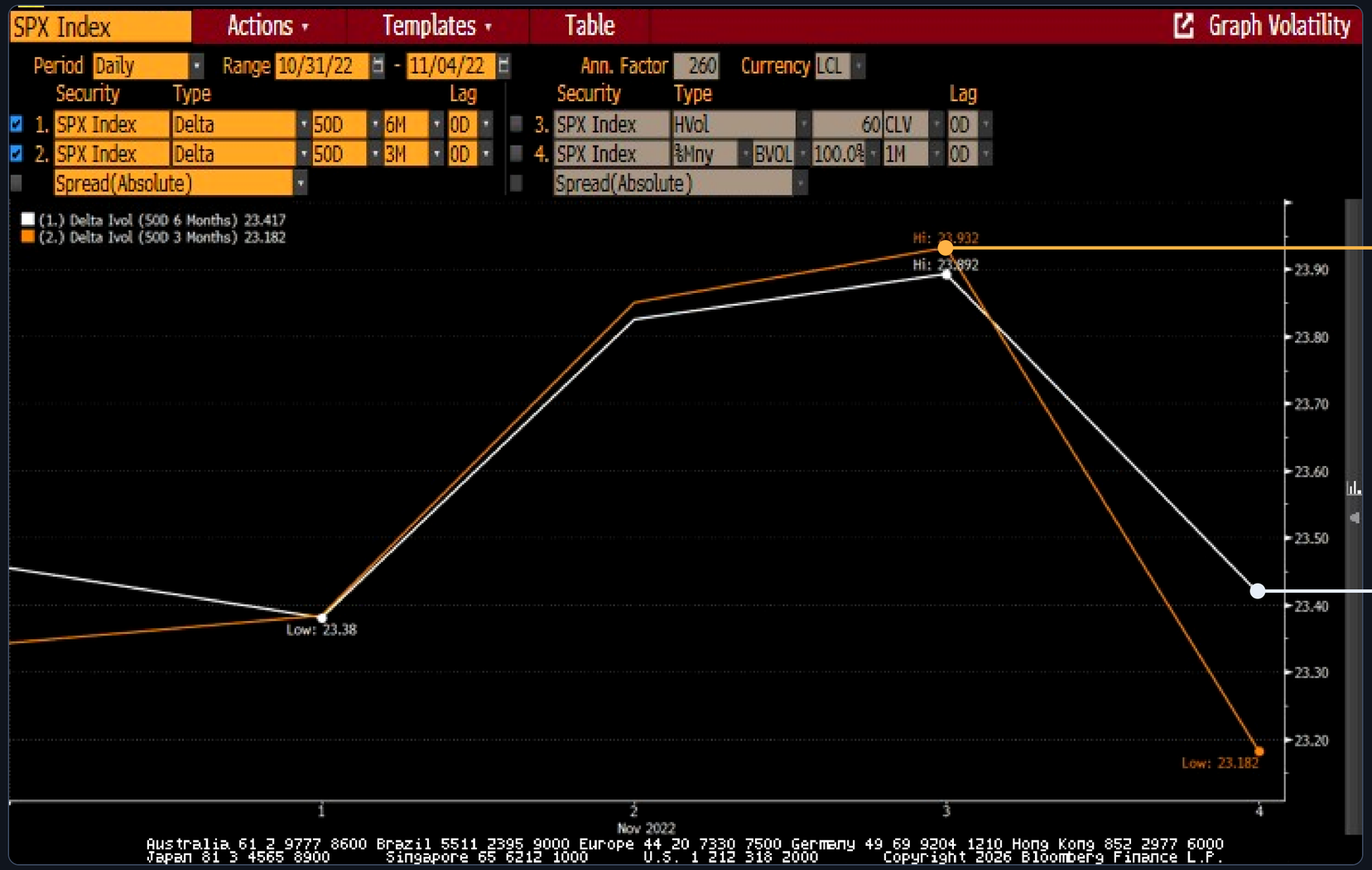
SPX at-the-money vol before the 2022 vote



3-month vol

23.2 to 23.9
Orange series

6-month vol

23.4 to 23.9
White series

50-delta implied vol
Oct 31 to Nov 4, 2022
Source: Bloomberg

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Implied vol with Matt

SPX implied vol by strike, daily expiries

	7400.00	7450.00	7500.00	7550.00	7600.00	7650.00	7700.00	7750.00	7800.00
26-11-03	20.80	18.96	17.67	16.57	15.40	14.14	13.35	13.39	14.86
26-11-04	21.37	20.16	19.07	18.00	16.94	15.85	14.78	13.94	13.65
26-11-05	20.72	19.66	18.63	17.58	16.51	15.43	14.35	13.35	12.63
26-11-06	20.53	19.60	18.64	17.68	16.66	15.64	14.60	13.68	12.92
26-11-09	20.37	19.42	18.48	17.52	16.54	15.52	14.53	13.62	12.90
26-11-10	20.17	19.27	18.35	17.44	16.49	15.53	14.58	13.70	12.98
26-11-11	19.75	18.87	17.99	17.08	16.16	15.23	14.33	13.48	12.78
26-11-12	19.44	18.58	17.72	16.82	15.93	15.03	14.13	13.30	12.61
26-11-13	19.24	18.41	17.57	16.70	15.84	14.96	14.10	13.31	12.63
26-11-16	19.24	18.41	17.58	16.72	15.87	15.02	14.18	13.41	12.76
26-11-17	19.02	18.19	17.38	16.56	15.73	14.89	14.09	13.36	12.72
26-11-18	19.10	18.31	17.49	16.69	15.88	15.08	14.31	13.60	12.99
26-11-19	18.95	18.16	17.37	16.59	15.79	15.01	14.25	13.56	12.95
6-11-20 AM	18.79	18.01	17.24	16.45	15.67	14.90	14.18	13.50	12.92

Midterm hedge

Nov 4 expiry
Includes election evening

Includes NFP

Nov 6 expiry

November regular

Nov 20 AM expiry

Nov 4 includes election evening. Nov 3 excludes it and is priced lower.
Nov 4: 16.94 at 7,600, the highest at-the-money vol in the strip, above Nov 3 (15.40) and Nov 5 (16.51).

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Implied vol with Matt

SPX implied vol by strike, monthly expiries

Expiry	7,400	7,500	7,600	7,700	7,800
Nov 20 AM	18.79	17.24	15.67	14.18	12.92
Dec 18 AM	17.92	16.72	15.57	14.50	13.58
Jan 15 AM	17.77	16.76	15.79	14.88	14.06
Feb 19 AM	17.88	17.02	16.20	15.42	14.70
Mar 19 AM	18.01	17.25	16.51	15.79	15.14
Jun 17 2027 AM	18.60	18.00	17.41	16.84	16.28
Dec 17 2027 AM	19.39	18.96	18.54	18.12	17.71

Fixed-strike implied vol, Nov 2 1:36 PM ET, from the surface Matt shared.

At 7,600: 15.67 Nov 20, 15.57 Dec 18, 16.20 Feb 19, 16.51 Mar 19, 18.54 Dec 2027.

The February expiry (about 3 months out) sits near 16, against 23 to 24 for 3-month vol the week before the 2022 vote.

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2

The risk going into tomorrow

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The risk going into tomorrow

The market maker book at the November 2 close

SPX close	VIX close	Gamma at spot
7,541.83	21.18	-1.23 $bn
Gamma, Nov 3 expiry out	Vanna at spot	Vega
-2.42 $bn	+1.05 $bn	-267 $mm

Vega -267mm is the shortest close in the last two years of proprietary data (prior record -250mm on Oct 30).

The Nov 3 expiry (election day) carries +1.19 $bn of the gamma; once it settles the book reads -2.42 $bn at today's close level.

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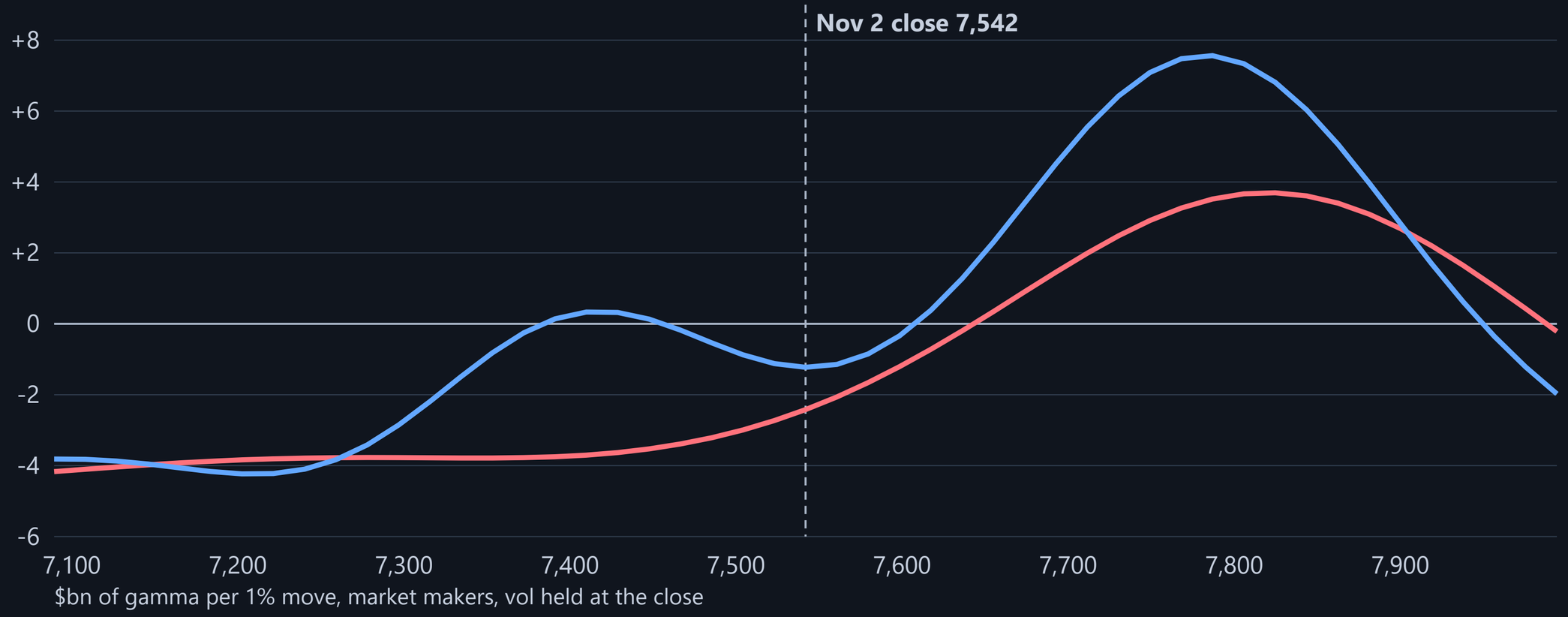
The risk going into tomorrow

Market maker gamma by SPX level



Full book: crosses zero at 7,384, 7,456, 7,607 and 7,950

Nov 3 expiry out: crosses zero at 7,643 and 7,988

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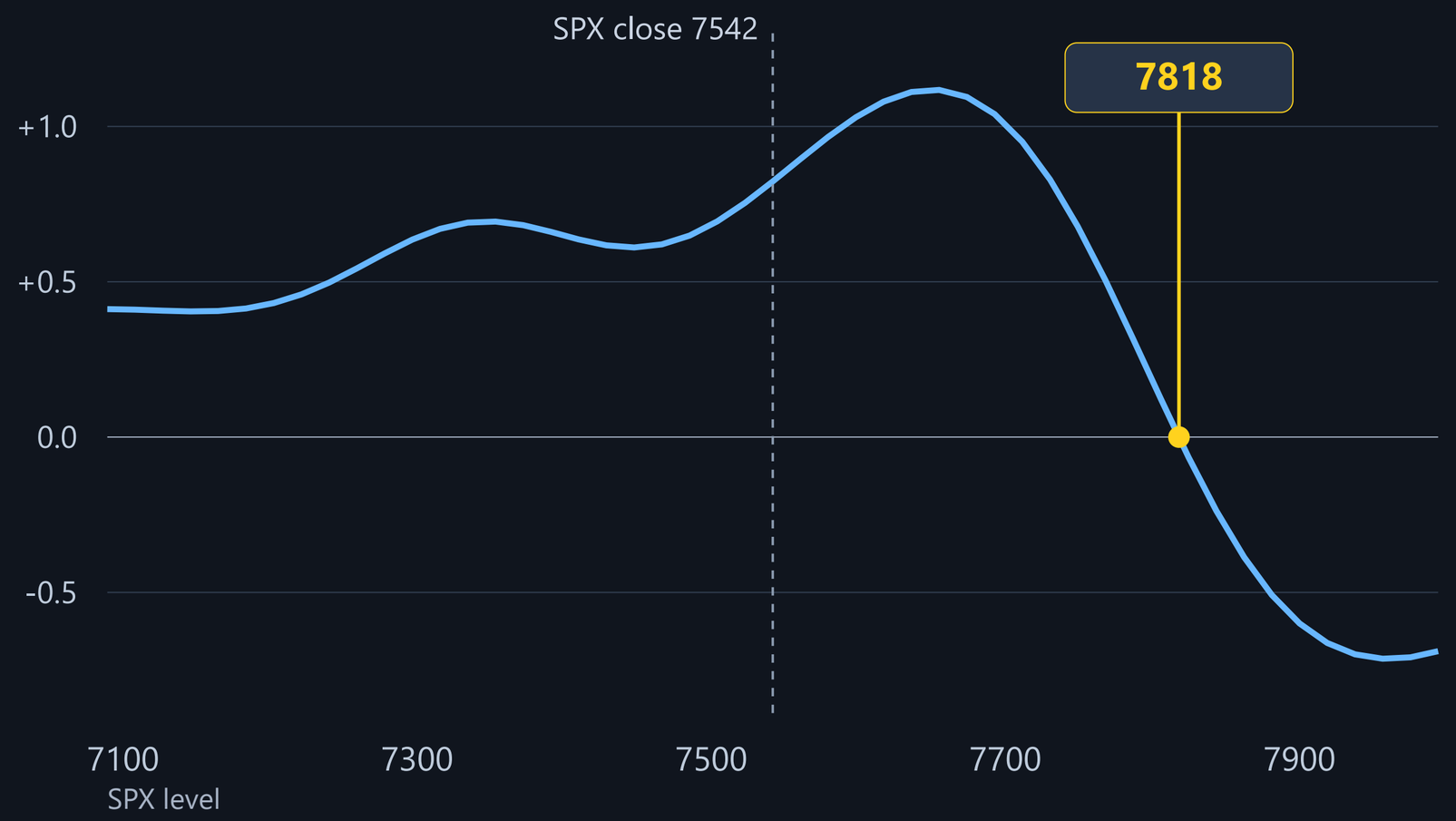
The risk going into tomorrow

Market maker vanna, 0-90 DTE



Combined profile flip

7818

Positive below the crossing; negative above it within the plotted range.

Tenor flips above spot

1-7 DTE	**7558, 7794**
8-21 DTE	**7856**
22-45 DTE	**7839**
46-90 DTE	**7638, 7868**

$bn of position delta per vol point. November 2 close, fixed position and close volatility. Crossings interpolated between profile levels.

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The risk going into tomorrow

Protection added into the vote

Line	Customers, Oct 16	Customers, Oct 30	Customers, Nov 2	Other side at Nov 2
SPX Nov 6 6800 puts	-204	25,538	25,469	firms -24,952
SPX Nov 6 6300 puts	-710	-26,346	-24,788	firms 25,027
SPX Nov 20 AM 7500 puts	2,282	17,090	16,766	market makers -24,068
VIX Nov 18 24 calls	6,350	47,720	45,141	dealers hold the mirror

Customers = customer + pro customer accounts. All three positions were still on at today's close.

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The risk going into tomorrow

SPX November 6 6300/6800 put spread

Bought October 22 in a 25,000-lot block: long the 6800 puts, short the 6300 puts.

At the block, the full opposite side went to firm accounts. Market maker positions on the two strikes did not change.

At today's close: customers 25,469 6800s / -24,788 6300s; firms -24,952 / 25,027.

It expires Friday, three sessions after the vote. The strikes alone do not tell us what the buyer expects SPX to do.

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The risk going into tomorrow

Selected put additions today

Line	Customer change today	Read
SPX Nov 6 5900 puts	+6,930	Tail puts bought, expire Friday
SPX Nov 20 7470 puts	+4,987	Puts bought into the November expiration

Customer position change, Oct 30 close to Nov 2 close. Combo/spread trades and their component legs excluded.

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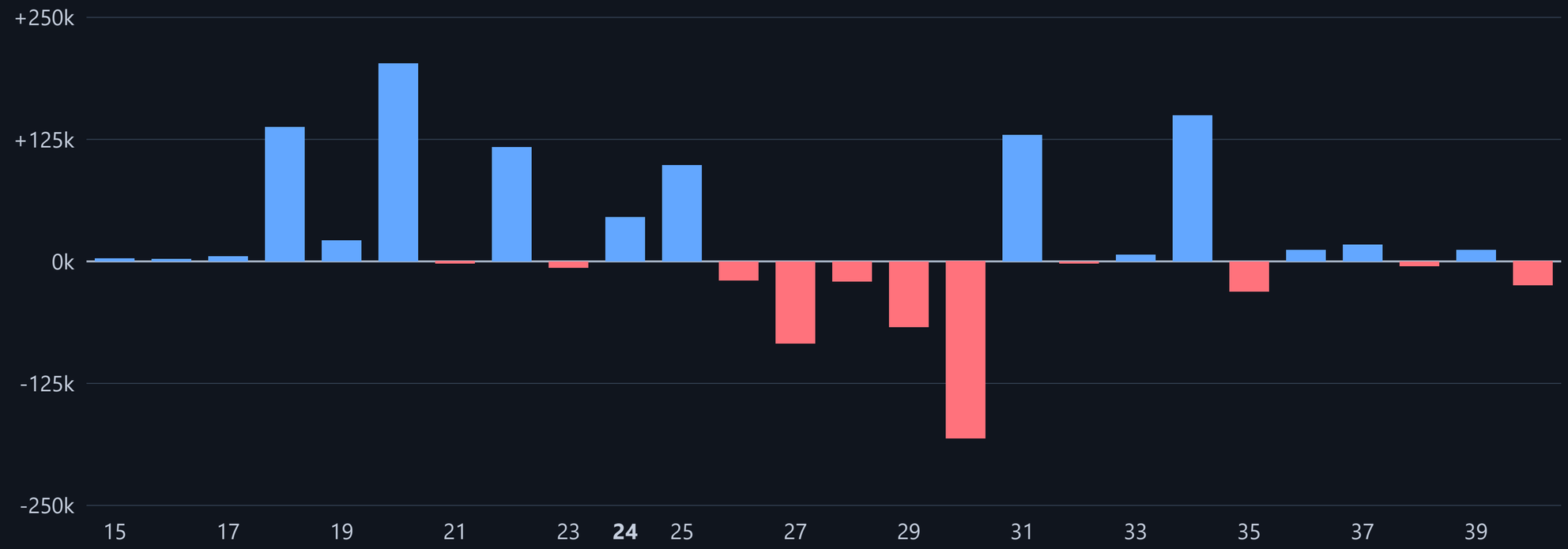
The risk going into tomorrow

VIX November 18 calls by strike



VIX Nov 18 calls by strike, customers net (blue long, red short); dealers hold the mirror

VIX closed 21.18 today, above the 20 level from the October 30 Morning Meeting.

Customers hold 45,141 Nov 18 24 calls, up from 6,350 on October 16.

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The risk going into tomorrow

VIX dealer book: November 4 and November 11



Combined expirations. Total option positions. Blue = dealer long; gold = dealer short. Dealers = market makers, firms and broker-dealers.

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The risk going into tomorrow

The hedges after the vote

Nov 3 (election day): the day-before condor settles at the close.

Nov 6 (Friday): the 25,000-lot 6300/6800 put spread and the 5900 puts bought today.

Nov 18: VIX November expiration, 24 calls among the customer longs.

Nov 20 AM: the SPX 7500 puts from the October 27 calendar.

If SPX holds up and put deltas shrink, a delta-hedged put seller buys back part of the short futures hedge.

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Membership

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Offer ends tomorrow November 3 at 11:59 PM ET

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3

The longer-term outlook

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The longer-term outlook

Market maker book by tenor

Tenor at today's close	Gamma $bn / 1%	Vanna $bn	Vega $mm
1-7 days	+1.67	-0.06	+0
8-21 days	+0.14	+0.54	-7
22-45 days	+0.67	+0.18	+8
46-90 days	-2.28	+0.15	-86
91-180 days	-0.89	-0.33	-58
181-365 days	-0.40	+0.68	-78
365+ days	-0.14	-0.12	-45
All tenors	-1.23	+1.05	-267

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The longer-term outlook

Year-end SPX positions

Line	Customers, Nov 2	Change since Oct 16
Dec 31 7250 puts	28,181	-12
Dec 31 8450 / 8800 calls	20,058 / -29,014	+20,027 / -29,183
Dec 31 9000 calls	-31,479	-33,628
Dec 18 7000 puts	33,621	+2,981
Dec 18 8000 calls	40,258	+6,600
Dec 4 6350 / 6250 puts	-61,283 / 58,570	all since Oct 16
Dec 11 6200 / 6100 puts	-61,447 / 61,529	all since Oct 16
Mar 19 8150 calls	19,607	+19,607

Customers = customer + pro customer. Negative = customers short the line.

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The longer-term outlook

VIX positions beyond November

The 35 call position: -102,389 in December and +92,581 in February today, dealers on the other side.

December 19/22 call spread: +37,121 / -39,595 today.

December 50 calls: +46,131 today.

Market maker vega -267mm across all tenors at today's close.

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Levels to watch

SPX close 7,542. Full-book gamma crosses zero at 7,384, 7,456, 7,607 and 7,950.

With the Nov 3 expiry out, gamma crosses zero at 7,643 and 7,988.

VIX 21.18: the 20 level from October 30 is broken; the October 16 close was 19.99 and the intraday high near 22.

Nov 6 and Nov 20 AM: the dates the largest pre-vote hedges come off.

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Q&A

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Next steps

Thank you

Offer ends tomorrow — **November 3 at 11:59 PM ET**

The recording goes to every registrant

VS Pro: levels the night before, the Morning Meeting and the positions read every day

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