schaeffer's
investment research

45th ANNIVERSARY

SPECIAL REPORT

Schaeffer's Investment Research was built on Bernie Schaeffer’s vision of providing accessible professional-grade trading information to retail traders. This remains our mission today, 45 years later. As a company that started out at the forefront of the options trading industry, we had a major decision to make from the get-go: should we offer stock trading picks in addition to options trading picks (the safe route), or should we stay the path, going all-in with an options-centric focus (the risky route)? From the moment that our founder Bernie Schaeffer made the decision to be the best options trading publisher in the world, focusing exclusively on identifying and timing options trades for our customers, our success has unfolded consistently.

At the time of the decision, options were just taking off and stocks had been around for a while. Stock-trading newsletters in our industry were established comfortably. But Bernie has never been one for swinging base hits. He is always seeking the next grand slam -- in business and in trading. Options are incredibly attractive to traders with this "high risk, high reward" mentality. Your profits are uncapped, while your downside risk is limited to your initial investment. Options play with the power of convexity, creating an unlimited upside potential in every options buy. All trading comes with risk, so why take on the risk without major potential returns? Per Bernie, “There's a disconnect between what people are doing and the reason for buying stock in the first place... Why are you risking your money if you're not expecting, potentially, some very attractive appreciation down the road?”

We are 100% options because options offer 100% more opportunity than just trading stocks. And, the crazy growth rate for options trading supports that more traders are realizing this every single year. Thank you for joining us on this journey within the options industry, and we look forward to working with you as we continue to trade. We hope you enjoy these carefully chosen stock picks from our team of top traders!

4D MOLECULAR

[FDMT]

4D Molecular (FDMT) continues to confirm one of the strongest momentum profiles in biotech, breaking out to a fresh 52-week high after rallying 76% year-to-date and 212% year-over-year. The stock ranks as a 20-, 40-, 60-day relative strength (RS) leader, suggesting persistent institutional accumulation rather than a short-lived speculative move.

The setup becomes even more compelling given the stock's elevated short interest. About 25.6% of the float is sold short, with a 15.7-day short-interest ratio, while bearish bets have climbed roughly 300% since August 2025. As FDMT pushes into new highs, short sellers have few technical resistance levels to lean against, increasing the likelihood of forced covering if momentum persists.

Taken together, FDMT offers a compelling combination of strong price momentum, improving clinical fundamentals, and extremely crowded bearish positioning. When a biotech with credible pipeline catalysts begins making new highs while short interest continues to build, the path of least resistance often remains higher as fundamental buyers and forced short covering reinforce one another.

AEROVIRONMENT

[AVAV]

Dronemaker AeroVironment (AVAV) has pulled back nearly 30% from its post-earnings spike near $200 and is now sitting directly on the 140-strike put support shelf, an area that also marked a June low.

The washout comes days after one of the cleanest fundamental prints in defense tech; earnings beat expectations by 25%, revenue by 15%, and free cash flow flipped from negative to $55 million.

Despite the pullback, there's an institutional appetite for upside in the form of December 260 calls, a steady accumulation of August 175 and 220 calls, and January 2027 230-strike calls, the last of which also sits atop the open interest board.

With 12.6% of the stock's total available float sold short, there's squeeze fuel for a reclaim of the $160s. AVAV sports a perfect Schaeffer's Volatility Scorecard (SVS) of 100 (out of 100), suggesting that the equity has consistently realized higher-than-expected volatility over the past 12 months.

CENTRUS ENERGY

[LEU]

Uranium miner Centrus Energy (LEU) just joined the S&P 500 Index (SPX) and is basing in the $160-$180 zone just above put support at $150. The backlog does the heavy lifting here; the company boasts $2.3 billion in contingent sales, recently raised its 2026 revenue guide, has a potential sole-source NNSA award pending, and a supply agreement with Oklo to fuel up to five Aurora powerhouses.

Despite all of these tailwinds, positioning is stretched short, with 23.3% of Centrus stock's total available float sold short. Given the stock's Schaeffer's Volatility Index (SVI) sits in just the 18th percentile, hedged shorts are paying little for protection and the market is asleep on gap risk. A 74 SVS says option buyers have been getting paid, and with IV rank so low, you are buying that movement at a discount.

Options flow agrees; a swath of August 200 calls have flooded in, and the longer-dated board shows accumulation at the December 240 and January 2028 640-strike calls.

EXXON MOBIL

[XOM]

Blue-chip energy giant Exxon Mobil (XOM) broke out earlier this year to an all-time high after a tight multi-year basing pattern. Since then, the shares have retraced approximately 50% of the move from the 2025 low to the late-March peak, with support at their ascending 200-day moving average.

The longer-term prospects for the stock look favorable after the multi-month correction, especially with the analyst community lukewarm. Despite a 20% year-to-date gain, 13 of the 25 brokerages covering the equity, maintain “hold” or worse ratings. Overdue bull notes could keep the wind at Exxon’s back.

NUCOR

[NUE]

Nucor (NUE) has been a trending name since coming out of its 2025 consolidation. It reached all-time highs in mid-June but recently pulled back about 19% before finding support at the 80-day moving average. This trendline has historically produced bullish returns, along with the previous earnings reaction low from April.

The company's fundamentals remain solid. Nucor recently guided for second-quarter earnings of $4.70 to $4.80 per share, well above the consensus estimate for its late-July report. It expects record shipping and a raised full-year outlook as well. As the largest domestic steelmaker, Nucor could benefit from the wave of AI data center and power-grid buildouts, along with 50% steel tariffs supporting domestic pricing.

OKLO

[OKLO]

Oklo (OKLO) has pulled back to a familiar area, between $45 and $50, a level that held as support in March of this year and in May and June of 2025. This was followed up by a steep 75% decline from its October high of $193.84.

Even with the negative sentiment, the stock has stayed in headlines with the AI power theme and a steady stream of government contract and regulatory news, including approval of the safety analysis for its Groves Isotope Test Reactor and the 1.2-gigawatt agreement with Meta Platforms (META) by the Department of Energy (DOE).

The Groves reactor was also fast-tracked under the Trump administration's Energy Reactor Pilot Program, showing the White House’s willingness to back the name. With roughly 16.7% of the float currently sold short, a bounce off this support in line with the AI power theme could squeeze the stock notably higher.

ONTO INNOVATION

[ONTO]

Onto Innovation (ONTO) is breaking out to fresh all-time highs, backed by strong relative strength and continued institutional accumulation, suggesting this move is being driven by real sponsorship rather than retail momentum.

The semiconductor is pulling back to the 80-day moving average, which has been a key entry point in the past. There's also plenty of momentum left, as it sports a 93% gain for 2026 and a 205% 12-month lead, highlighting persistent trend strength and trend-following flows that stay engaged.

Despite its outperformance, the stock remains under-followed compared to its peers, leaving plenty of room for incremental upgrades from the analyst community. Lastly, short interest has seen an increase of 135% over the past month, while 5.2% of its float is sold short.

SOLAREDGE

[SEDG]

SolarEdge (SEDG) is up nearly 90% in 2026 thanks to a major breakout in May that culminated in multi-year highs. Since then, the stock has retraced back to its breakout area, home to its rising 80-day moving average, a trendline of historical importance this year.

Short interest has been steadily decreasing over the past year, but with 17% of the stock's available float still sold short, there's unwind potential that could act as a late-year tailwind.

There's also room for analyst sentiment to improve. Despite nearly doubling year-over-year, 25 of the 26 brokerages maintain "hold" or worse ratings.

TERAWULF

[WULF]

TeraWulf (WULF) just successfully pivoted from bitcoin miner to contracted AI infrastructure landlord, as evident in a 20-year lease with Anthropic expected to generate nearly roughly $19 billion in revenue. Despite doubling in 2026, the stock has consolidated back to the low $20s as the market digests the leverage.

With a whopping 28.5% of the stock's total available float, bears are being pressed at the wrong time. A buy-to-open 50-day put/call ratio sitting in the 98th percentile is an extreme that historically marks bearish exhaustion on strong-trending names. A close back above $25 would prompt an unwind of these bearish bets.

Options flow reveals a massive statement of long-term floor confidence at $22, with January 2028 22-strike puts sold for $12 million credit. Power access drives WULF's bullish case; the company's interconnected, power-rich footprint is a scarce asset that is hard to replicate.

WOLFSPEED

[WOLF]

Small-cap semiconductor name Wolfspeed (WOLF) has experienced a deep pullback after enjoying a more than 300% gain at its year-to-date high. The broader semi sector pullback has grabbed a lot of media attention, with one article implying the long semiconductor trade is broken.

If interested in taking a speculative position on a stock in a deep pullback from its recent highs, you might find WOLF attractive, as there is little Wall Street coverage and thus somewhat off the radar.

Roughly 50% of the stock's float sold short, implying that if the shares get going to the upside, the rally might get magnified as shorts look to cover. The area around \$34.80 and \$37 could be supportive, as \$34.80 is double the 2025 close and \$36.75 is 50% of this year's all-time closing high. As a bonus, the 100-day moving average is also in this area, while in early May the shares reacted well to earnings.

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Thank You!

Thank you for taking an interest in **Schaeffer's 45th Anniversary Top Stock Picks**. July 26, 2026 marks the 45th year that Schaeffer's has had the privilege of serving up professional-grade options trading analysis and tools to retail traders .

We are forever grateful for your support and, especially today, we toast to you, our incredible clients who have supported us every step of the way. We look forward to the many exciting things we plan to bring to even further enhance your trading in the coming years!

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