MarketUnclouded

LIVE TOOLS GUIDE · 2026 EDITION

Gamma Levels

How to read dealer gamma exposure: the gamma flip, call and put walls, max pain and open interest by strike, and how traders use them to set expectations for the day.



Gamma Levels

Live Tools Guide · 2026 Edition

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MORE GUIDES

This guide is one of four. The complete **Live Market Tools** playbook covers all four live tools together, with a daily routine that uses them in order. All guides are at marketunclouded.com/tools/guide.

CHAPTER 1

Before you start

What the tool covers, where its numbers come from and how fresh they are.

Gamma Levels maps where options open interest is concentrated for 18 names (SPY, QQQ, IWM and the most heavily traded stocks), and estimates how dealers' hedging could dampen or amplify moves around those strikes.

At a glance

Answers	Where could options hedging dampen or amplify moves?
Covers	SPY, QQQ, IWM and 15 heavily traded stocks
Updates	About every 3 minutes, 9:30 am to 4:15 pm ET
Look at	Net gamma, the flip, call and put walls, max pain

The data

The tool uses market data from **Massive** (formerly Polygon.io). A scheduled job pulls the data, runs the calculations described in this guide and saves the results. The page reads those saved results, so every visitor sees the same numbers at the same time.

When it refreshes

About every 3 minutes from 9:30 am to 4:15 pm ET on market days, as each chain is swept. Spot price and implied volatility update with each sweep. The page also reloads its data on its own while you have it open, so you never need to refresh.

> **OPEN INTEREST IS A DAILY NUMBER**
>
> Open interest, the count of option contracts that are still open, is published once a day and reflects positions as of the **previous** close. Intraday volume is not in it. That matters for Options Flow, which compares today's volume with yesterday's open interest, and for Gamma Levels, which weights every strike by open interest.

The scan window

To stay fast and focused on the contracts that matter most, Options Flow and Gamma Levels scan each ticker's options that expire within **35 days** and whose strike is within **10% of the stock price**. That window holds most of the day's volume and most of the gamma, since both are concentrated in near-term, near-the-money options. Activity further out, such as long-dated LEAPS or far out-of-the-money contracts, is not included.

Reading the page

Badges and tiles

- **Updated** shows the time of the latest data: a green dot means fresh, grey means more than about 12 minutes old.
- The coloured tiles answer the page's main question at a glance: green for gains or dampening, red for losses or amplifying, gold for the current price.

Charts and tables

- Hover over any bar, dot or line for exact values. A gold dashed line marked **Now** is the current price.
- Click a column header to sort; the highlighted pill above a table is the active filter.

CHAPTER 2

Gamma Levels

Where options hedging could pin price, or push it.

Gamma Levels maps where options positions are concentrated and estimates how the market makers on the other side of those positions might hedge as the stock moves. It covers 18 names: SPY, QQQ and IWM plus the most heavily traded stocks, including NVDA, TSLA, AAPL, MSFT, AMZN, META and PLTR.

Delta, gamma and why dealers hedge

An option's **delta** is how much its price changes for a $1 move in the stock, which also tells a market maker how many shares to hold to stay neutral. **Gamma** is how fast delta changes as the stock moves. Gamma is largest for options near the money and close to expiration. Market makers, also called dealers, usually hedge their options with stock, so as the stock moves and delta changes, they buy or sell shares to rebalance.

Dealers long gamma

- As the stock rises, they sell shares; as it falls, they buy.
- Their hedging leans against the move, which tends to dampen swings and can pin price near large strikes.

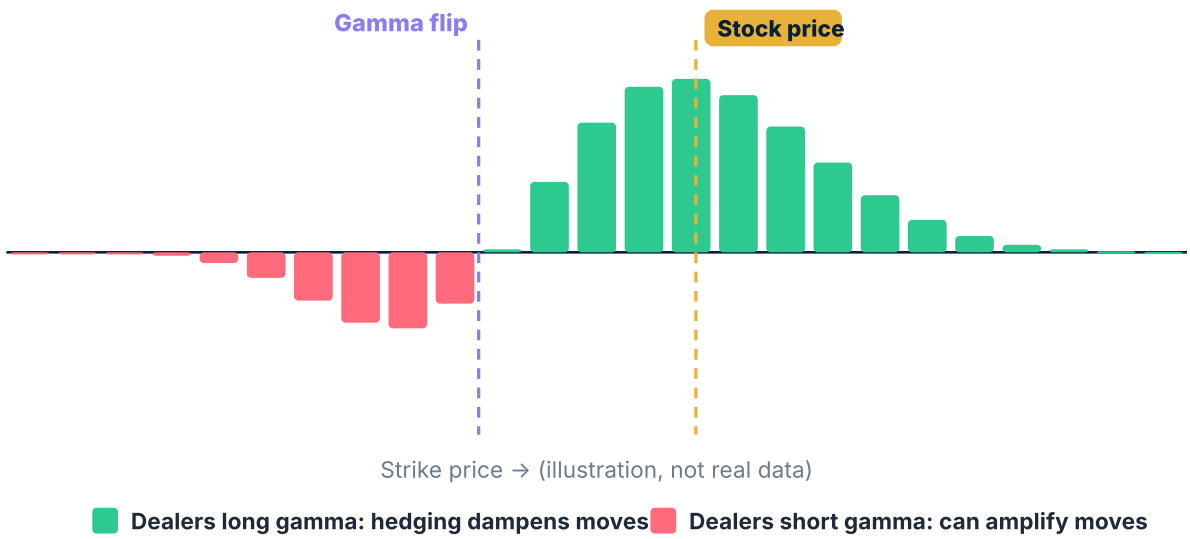
Dealers short gamma

- As the stock rises, they buy shares; as it falls, they sell.
- Their hedging moves with the price, which can add to moves and increase volatility.

The big assumption

Nobody outside the dealers knows their exact positions. The tool uses the most common convention: investors tend to sell calls against stock they own (covered calls) and buy puts for protection, so dealers are assumed to be **long calls and short puts**. Under that assumption, call open interest adds positive dealer gamma and put open interest adds negative. Real positioning can be the opposite at any strike, for example when investors buy calls aggressively. Treat the levels as a map of where hedging pressure could concentrate, not as a forecast.

What the page shows



Item	Meaning
Net dealer gamma	The total across all strikes in the window, in dollars of hedging per 1% move in the stock. Positive suggests dampening conditions; negative suggests conditions where moves can extend.
Gamma flip	The price at which total dealer gamma would change sign, found by recalculating gamma at prices around today's. Above the flip, dealers are estimated to be long gamma; below it, short.
Call wall	The strike at or above the current price with the most call open interest. It often acts as a zone where rallies slow.
Put wall	The strike at or below the current price with the most put open interest. It often acts as a zone where declines slow.
Max pain	For the nearest expiration, the strike where option holders as a group would lose the most money at expiration (ignoring the premium they paid).



Gamma Levels for SPY at the November 13 close: net dealer gamma of −$4.70B per 1% move, with the price ($754.37) below the gamma flip ($760.92). Real data from Massive, shown to illustrate the layout; not a recommendation.

Below the main chart, **Open interest by strike** shows calls above the line and puts below for all expirations in the window, or for one expiration you pick from the menu (with its max pain marked). **Gamma profile** shows how total dealer gamma would change if the stock moved, with the area shaded green where it is positive and red where it is negative.



Open interest by strike and the gamma profile for SPY, November 13 close. Real data from Massive, shown to illustrate the layout; not a recommendation.

Worked example (hypothetical)

EXAMPLE · XYZ

XYZ is at $100. The page shows net dealer gamma of +$40M per 1% move, a gamma flip at $97, a call wall at $105 and a put wall at $95.

- **Regime:** the stock is above the flip, so dealers are estimated to be long gamma. Hedging tends to lean against moves, so a quieter, range-bound session is more likely than usual.
- **Range:** the put wall ($95) and call wall ($105) mark where large open interest sits on each side.
- **The level to watch:** if XYZ falls through $97, the estimated regime flips to negative gamma, where declines can speed up.

How traders commonly use it

1. **Set expectations for the day.** In positive-gamma conditions, many traders favor fading moves toward the walls. In negative-gamma conditions, they give breakouts more room and size positions smaller.
2. **Mark the levels on your chart.** The flip and the walls are useful reference lines alongside VWAP, prior highs and lows, and the opening range.
3. **Watch expiration days.** Gamma from near-term contracts disappears when they expire, which is why behavior often changes after a large monthly expiration.

LIMITS TO KEEP IN MIND

- Dealer positioning is assumed, not known.
- Open interest is as of the prior close, so today's new positions are not counted until tomorrow.
- Only expirations within 35 days and strikes within 10% of the price are included.
- Gamma near expiration changes very fast; same-day options can shift levels within hours.

KEY TAKEAWAYS

- Positive dealer gamma tends to dampen moves; negative gamma can amplify them.
- The gamma flip and the call and put walls are reference levels, not barriers.
- Every level rests on an assumption about dealer positioning.

CHAPTER 3

Putting it to work

Where it fits in the day, what to pair it with, and how to keep risk in check.

When to use it

Before the open (9:00 to 9:25 am) to mark levels for the day, and again whenever price approaches the flip or a wall.

Pair it with the other tools

Tool	Question to ask
Your chart	Mark the flip and the walls next to VWAP, prior highs and lows, and the opening range.
Options Flow	Is large new activity building at a wall, which could strengthen it, or far from it?
Gap & Mover Scanner	Is the overall market (SPY, QQQ) gapping toward or away from its walls?
Options Profit Calculator	See what a position is worth if the stock stops at a wall, or breaks through it.

Three questions before every trade

1. **Do the tools agree?** Price, volume, flow and levels pointing the same way is a stronger case than any one of them alone.
2. **Where am I wrong?** Define the price that proves the idea wrong before you enter.
3. **What is the most I can lose?** Size the position so that loss is acceptable.

Keep risk small and defined

A common rule of thumb among active traders is to risk no more than about 1% of the account on any single trade: the distance from entry to the stop, times the position size. With options, the simplest version is to limit the premium paid, or the maximum loss of a spread, to that amount. Check prices with your broker before acting; the tool refreshes every few minutes, and your broker's quote is the one you trade on.

Common mistakes

Mistake	Better habit
Treating walls as barriers that cannot break	Use them as reference zones and decide in advance what you will do on a break.
Forgetting the assumption	Dealer positioning is estimated, and can be the opposite at any strike.
Ignoring expiration	Gamma from expiring contracts disappears after expiration, so levels can shift overnight.

APPENDIX A

Quick reference

Settings, terms and formulas for Gamma Levels.

SETTINGS

Setting	Value
Positioning assumption	Dealers long calls and short puts: call open interest adds positive gamma, put open interest negative
Units	Dollars of hedging per 1% move in the stock
Gamma flip search	−10% to +10% of the current price, in 0.25% steps
Call wall / put wall	Most call open interest at or above the price / most put open interest at or below it
Max pain	Nearest expiration in the window
Scan window	Expirations within 35 days; strikes within 10% of the price

GLOSSARY

Call wall
The strike at or above the current price with the most call open interest.

Dealer (market maker)
A firm that quotes prices on both sides of the market and usually hedges its options with stock.

Delta
How much an option's price changes for a $1 move in the stock.

Gamma
How fast an option's delta changes as the stock moves. Highest near the money and near expiration.

Gamma flip
The price at which estimated total dealer gamma changes sign.

Max pain
The strike where option holders as a group would lose the most at expiration, ignoring premium paid.

Open interest
The number of option contracts still open, published daily as of the prior close.

Put wall
The strike at or below the current price with the most put open interest.

METHODS

Figure	How it is calculated
Dealer gamma	Black-Scholes gamma × open interest × 100 × price² × 1%, giving dollars of hedging per 1% move. Calls count positive and puts negative (dealers assumed long calls, short puts).
Gamma flip	Total dealer gamma is recalculated at prices from −10% to +10% of the current price in 0.25% steps, holding open interest and implied volatility fixed. The flip is the sign change closest to the current price.
Max pain	For each strike in the nearest expiration, the total value of all calls and puts if the stock settled there; max pain is the strike with the smallest total.

Data: Massive market data APIs (massive.com/docs). Settings are current as of November 2026 and may be refined; the method notes on the tool page always describe the current version. Educational content only, not investment advice. © 2026 Market Unclouded LLC.



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SEE THE MARKET CLEARLY

Live Market Tools

Options Flow, Gamma Levels, the Gap & Mover Scanner and the Volatility Screener. At marketunclouded.com/tools.

Options Profit Calculator

Model 15 strategies with payoff charts, breakevens and the Greeks. At marketunclouded.com/options-calculator.

Stock Trading Masterclass

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