

# FX OPTIONS MARKET UPDATE

- GBP rallied 1% on positive Brexit news from Barnier yesterday, front end vols trades better bid.

	EURUSD		USDJPY		AUDUSD		GBPUSD		EURGBP		EURJPY		NZDUSD	
	Imp.	1w chng	Imp.	1w chng	Imp.	1w chng	Imp.	1w chng	Imp.	1w chng	Imp.	1w chng	Imp.	1w chng
1 mth	6.89	-0.64	6.39	-0.40	8.21	-0.27	7.80	-0.01	6.38	0.22	7.92	-0.65	7.96	-0.22
3 mth	7.22	-0.63	7.23	-0.31	8.54	-0.33	8.64	-0.07	7.11	0.01	8.34	-0.64	8.64	-0.27
	EURSEK		EURNOK		EURCHF		USDCAD		AUDJPY		USDNOK		USDSEK	
	Imp.	1w chng	Imp.	1w chng	Imp.	1w chng	Imp.	1w chng	Imp.	1w chng	Imp.	1w chng	Imp.	1w chng
1 mth	7.85	0.87	6.18	0.18	5.24	0.03	7.34	0.28	8.93	-0.68	8.87	-0.47	10.23	-0.04
3 mth	7.39	0.48	6.45	0.02	5.43	-0.05	7.19	-0.02	9.63	-0.65	9.29	-0.48	10.14	-0.27
	USDCNH		USDTRY		USDRUB		USDMXN		USDZAR		XAUUSD		XAGUSD	
	Imp.	1w chng	Imp.	1w chng	Imp.	1w chng	Imp.	1w chng	Imp.	1w chng	Imp.	1w chng	Imp.	1w chng
1 mth	6.22	-0.65	40.35	1.67	15.71	-0.21	13.93	0.06	19.28	-1.44	9.64	-0.35	16.47	-0.42
3 mth	6.21	-0.53	33.75	0.34	15.58	-0.04	13.86	-0.23	19.17	-1.24	10.02	-0.26	16.98	-0.22



EURSEK continues to trade higher after big miss in retail sales on Tuesday. Spot has made new YTD highs and currently trades around 10.65.

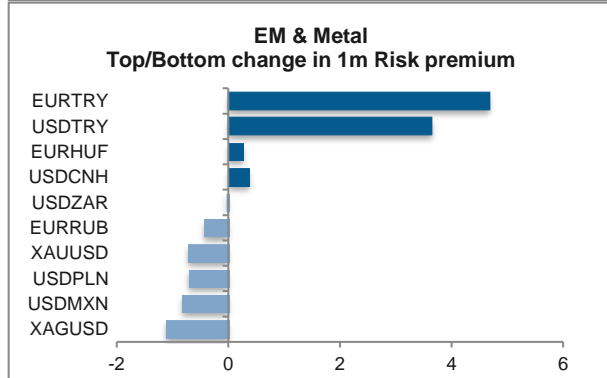
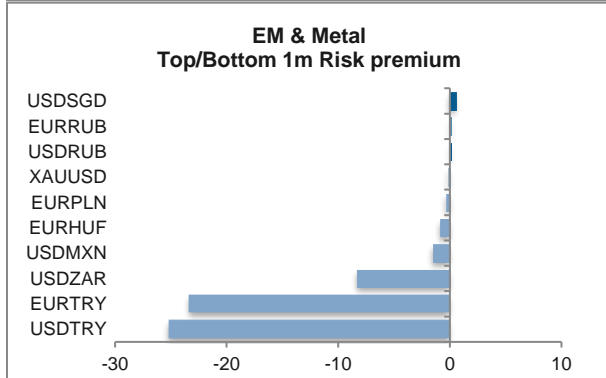
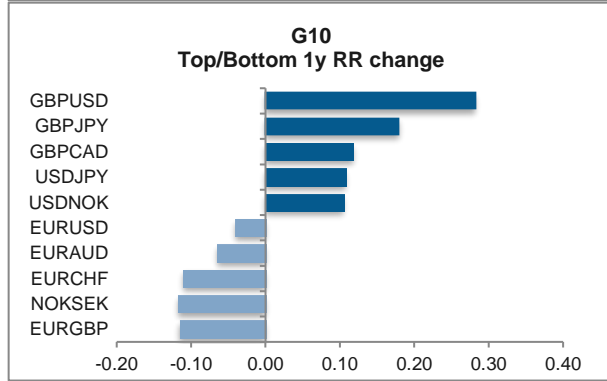
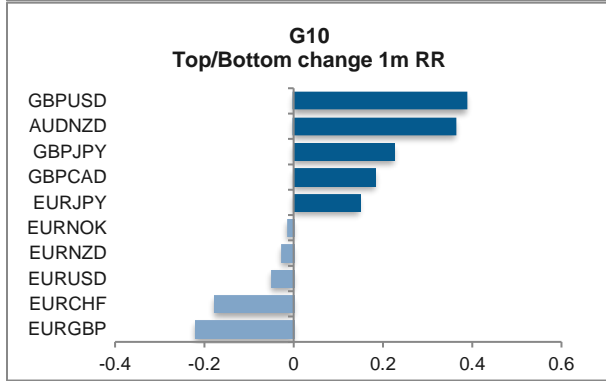
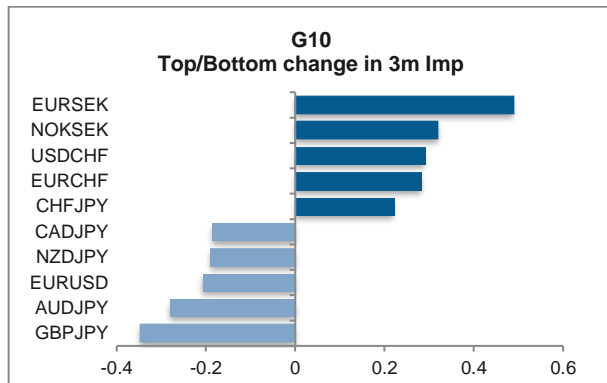
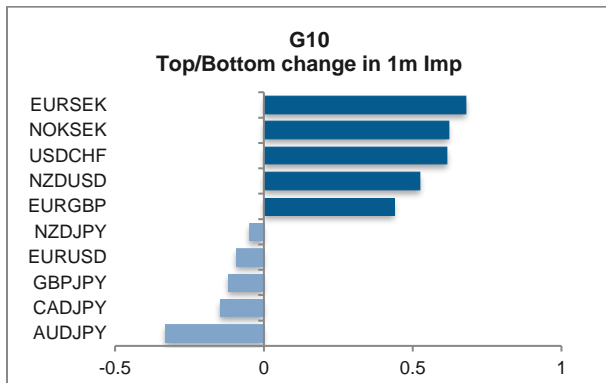
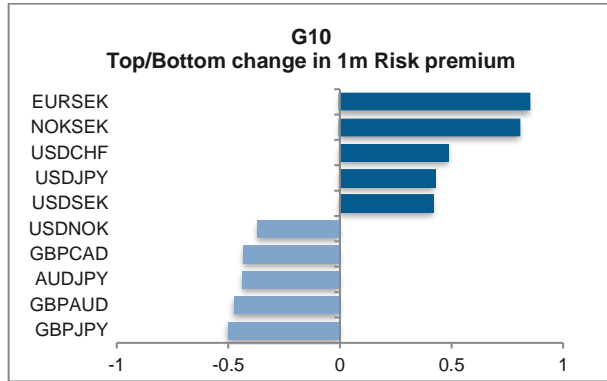
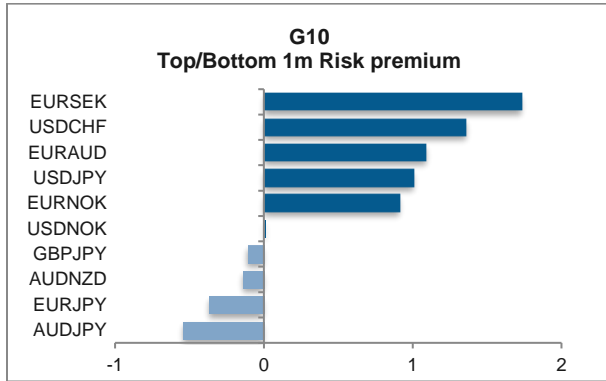
There are several important events next two weeks with Riksbanken next Thursday and CPI the following Friday. The big event is the election next Sunday and it all points to a close race between the center/left and center/right coalitions. Both with around 40% and the right-wing populists with 20%.

EURSEK 1 month currently trades with highest risk premium among the G10 pairs and implied vol, 1 month 7.85, is at the high end of the last years range. We prefer to be long vol/gamma considering the upcoming events and with spot at the current levels.

**Buy 1 month 10.7500 EURSEK call**  
**Buy 1 month 10.5500 EURSEK put**  
**Cost 1240 pips**

**Spot ref. 10.7000**

# FX OPTIONS MARKET UPDATE



- Risk premium: Implied minus realized volatility. A positive risk premium means implied volatility trades above realized volatility, i.e. the implied volatility can be seen as "rich".
- Change: The difference between current price and where it closed 1w ago.