

# FX OPTIONS MARKET UPDATE

- We continue to see buyers of backend across most currency pairs while frontend trades offered.

	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	6.70	0.69	6.29	-0.41	7.40	-0.05	6.96	0.36	5.01	-0.11	7.21	0.45	7.40	-0.11
3 mth	7.30	0.68	7.21	-0.08	7.95	0.04	8.10	0.52	6.43	0.23	8.09	0.43	8.07	0.07
	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	6.29	0.43	5.51	-0.16	4.70	0.60	6.79	0.28	8.61	0.21	8.52	0.74	9.04	0.85
3 mth	6.49	0.13	6.01	-0.14	5.06	0.44	6.96	0.02	9.47	0.14	9.10	0.66	9.79	0.77
	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	6.77	-0.41	24.78	5.87	11.39	0.21	11.90	0.06	14.84	-0.10	9.11	-0.09	15.58	0.34
3 mth	6.65	-0.04	22.52	3.74	11.88	0.05	12.26	-0.04	15.18	0.14	9.59	0.04	16.21	0.27

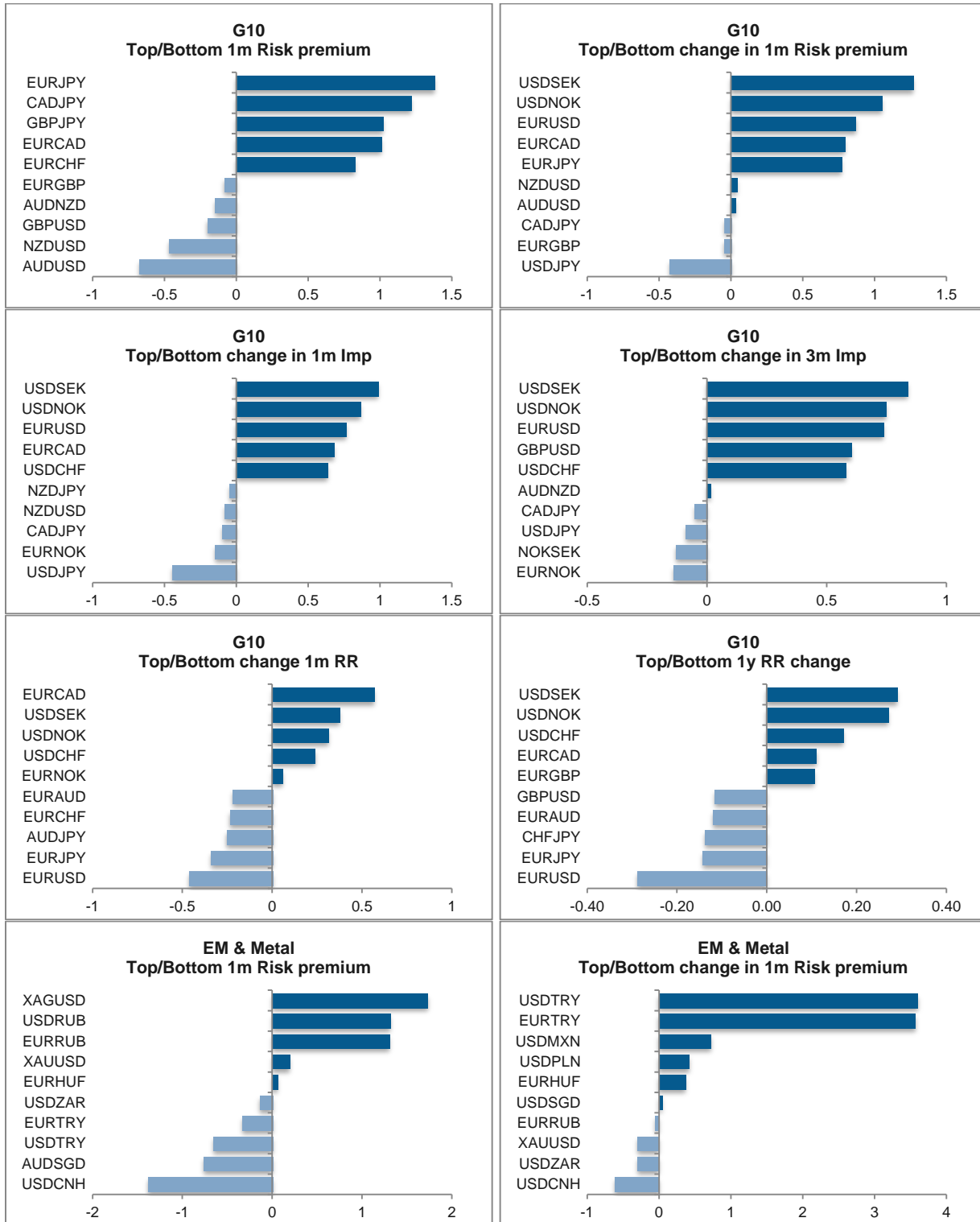


CBT tweaked the reserve requirement yesterday which will add approximately 2.2bio USD of liquidity to the banks. USDTRY made a brief dip lower on the headlines but then continued higher. Market wasn't happy with this and USDTRY made a short squeeze higher up to 5.4200 in thin NY market. Late NY there was a new headline that said

Turkey will send a delegation to Washington to discuss current issues (sanctions and pastor Brunson), USDTRY traded down to 5.25.

Vols higher in a very thin market, 1 month currently around 25% up 5% from yesterday, risk reversals also higher with 1 month at 5.2%.

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- 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.