

FX OPTIONS MARKET UPDATE

- CBT hiked with 125bp. TRY surged 2% and is up 9% from the lows 2 weeks ago.

	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	7.47	0.29	6.79	-0.36	7.56	0.17	8.15	1.03	7.10	1.01	8.47	-0.31	7.99	0.22
3 mth	7.29	0.19	7.31	-0.17	7.82	0.10	7.92	0.64	6.91	0.57	8.62	-0.20	8.25	0.13
	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	6.77	-0.20	6.49	-0.16	5.74	-0.09	7.82	0.62	9.04	-0.54	9.21	0.15	9.75	0.37
3 mth	6.86	-0.03	6.74	-0.04	5.63	-0.15	7.43	0.30	9.33	-0.20	9.26	0.24	9.60	0.32
	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	4.08	-0.32	22.58	0.05	13.04	-0.01	18.08	0.31	15.44	0.45	8.77	-0.07	15.94	0.67
3 mth	4.28	-0.30	19.35	-0.33	13.15	-0.13	15.51	0.74	15.49	0.46	9.38	0.02	16.70	0.50



USDSEK has broken out of the trend channel it has been trading in from the start of the year. ECB seems to be taking steps towards ending QE earlier than expected. A more hawkish ECB would help reinvigorate the Riksbank story and a stronger SEK. Swedish CPI out next week and a high print could be the catalyst for further SEK appreciation.

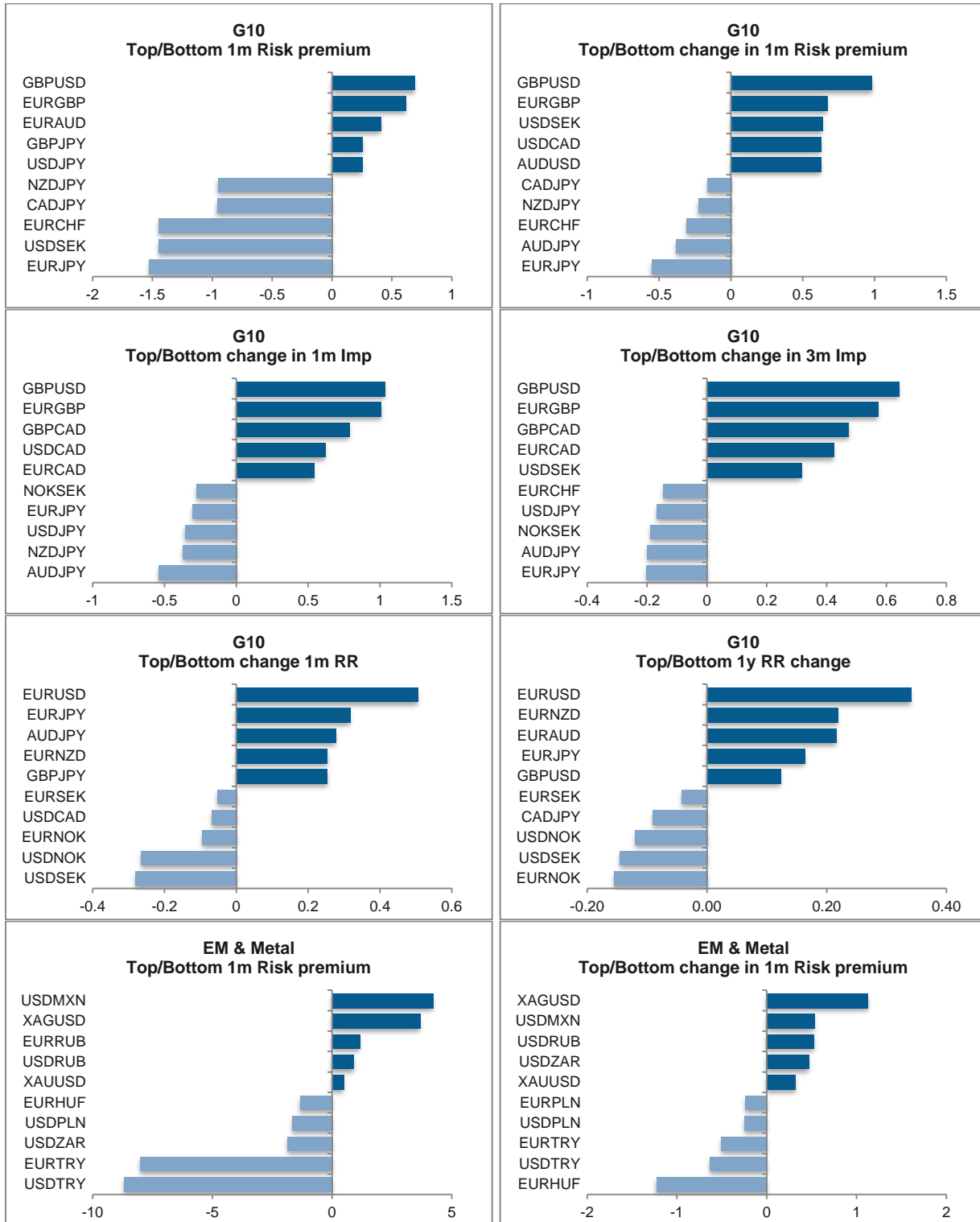
Buy 4 months 8.50 USD put in 1 mio
Sell 4 months 8.20 USD put in 2 mio
Buy 4 months 7.90 USD put in 1 mio
Cost 840 pips

Buy 4 months 8.30 USD put in 1 mio
Cost 730 pips

Spot ref. 8.6800

We prefer to go a bit longer on the strategies so they also include the election on 9 Sep.

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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.