

FX OPTIONS MARKET UPDATE

- Turkish election on Sunday, 1w around 40%, and Mexican election next Sunday, 2w around 21%.

	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	7.86	0.57	7.60	0.90	8.53	1.02	7.94	0.35	6.28	-0.23	9.71	1.08	8.97	1.07
3 mth	7.76	0.50	7.78	0.62	8.51	0.66	7.92	0.25	6.59	-0.13	9.61	0.75	8.84	0.63

	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	7.24	0.25	6.61	0.19	5.78	0.32	7.94	0.57	11.35	1.72	9.71	0.67	10.22	0.56
3 mth	7.04	0.20	6.68	0.10	5.72	0.22	7.53	0.42	11.01	1.21	9.58	0.45	10.00	0.45

	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	5.09	1.00	28.34	-1.11	14.19	0.46	17.57	-0.46	18.44	1.16	8.86	0.06	16.43	0.30
3 mth	5.05	0.80	20.85	-0.93	14.01	0.31	15.15	-0.17	17.36	0.79	9.34	-0.04	16.99	0.17



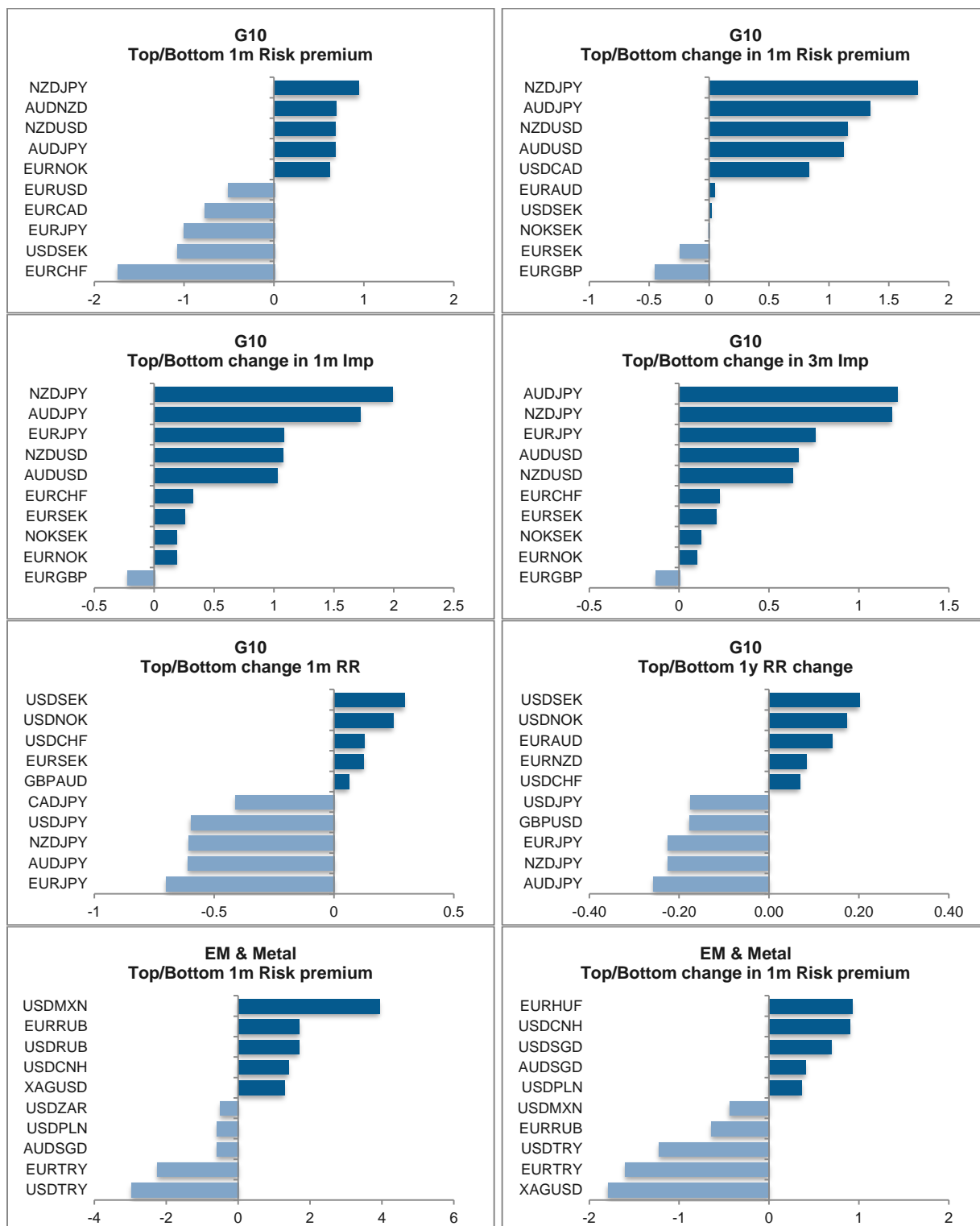
Last week Swedish CPI came in slightly on the weak side and ECB delivered a dovish message. Together with the escalation on the trade war SEK has weakened around 2% over the last days. SEK gamma has performed well over the last months with realized been trading over implied for the last 2 months.

Election will be held on 9 September and it will be a close race between the two blocks (both currently around 40%) and yesterday we had SD (Swedish Democrats) the far right party (20% of votes) saying they want a EU referendum after the election.

We also have the ECB on 13 September which will be the first potential hike date as it looks now. We like to pick up some long options over the election and either trade the gamma for now or finance it by selling some short dates against it, 1 month trades just above the 3 months volatility.

Buy 3 months 10.10 EUR put
Buy 3 months 10.50 EUR call
Cost 1550 pips / Spot ref. 10.3350

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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.