

FX OPTIONS MARKET UPDATE

- Swedish CPI tomorrow, EURSEK O/N trades at 13.5 vol or 580 pips for a straddle.

| | 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 | 7.90 | 1.12 | 6.73 | 0.26 | 9.01 | 0.65 | 11.44 | 1.56 | 9.26 | 1.36 | 8.93 | 1.00 | 9.02 | 0.60 |
| 3 mth | 7.67 | 0.54 | 7.10 | 0.09 | 8.87 | 0.36 | 10.92 | 0.82 | 8.87 | 0.60 | 8.85 | 0.32 | 9.03 | 0.43 |
| | 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 | 6.89 | 0.50 | 6.23 | 0.61 | 5.34 | 0.29 | 6.78 | 0.31 | 10.25 | 0.29 | 9.01 | 1.13 | 9.66 | 0.95 |
| 3 mth | 6.71 | 0.15 | 6.19 | 0.04 | 5.49 | 0.10 | 6.82 | 0.28 | 10.26 | 0.07 | 8.92 | 0.46 | 9.52 | 0.48 |
| | 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 | 5.90 | 0.00 | 20.25 | 0.31 | 15.24 | 1.28 | 16.73 | 2.04 | 18.37 | 1.09 | 10.17 | 0.20 | 17.78 | 0.60 |
| 3 mth | 6.24 | 0.02 | 20.24 | -0.17 | 14.39 | 0.75 | 15.83 | 1.44 | 17.89 | 0.53 | 10.16 | 0.04 | 17.48 | 0.23 |



EURUSD took out the 1.1300 support and traded down to 1.1215 overnight. Spot is now at the lowest level since June 2017.

Vols got paid up on the break with 1 month up from 7.0 to 7.9, risk reversals are marked higher with 1 month moving from 0.5 to 0.7 favor EUR puts.

Below are two cheap short vega strategies for the downside that also benefit from the skew.

Put-fly (Only risk is premium paid)

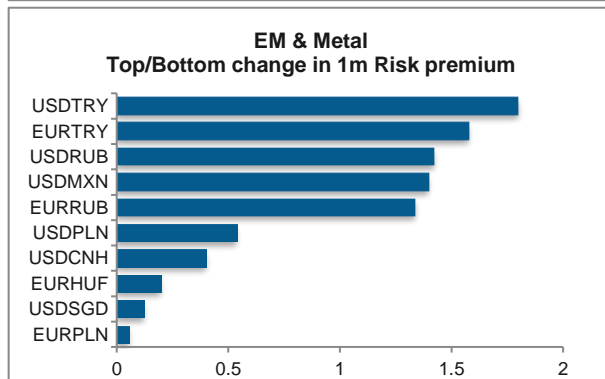
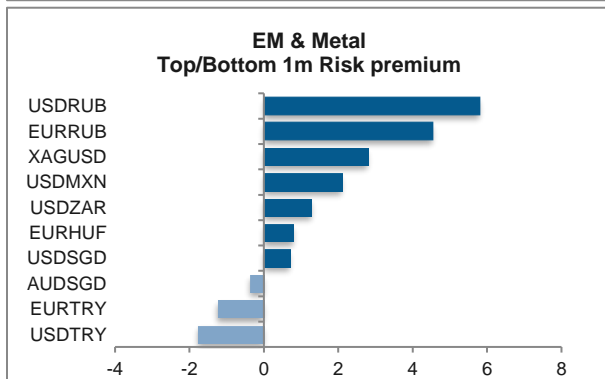
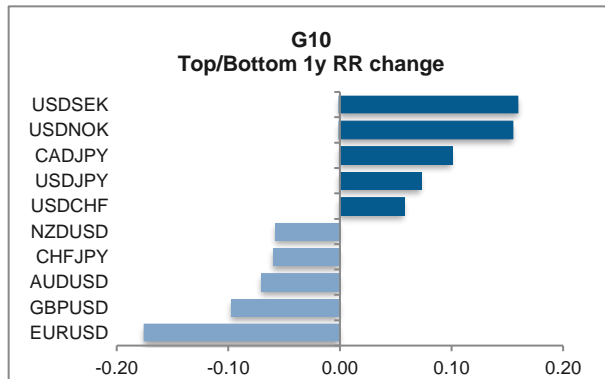
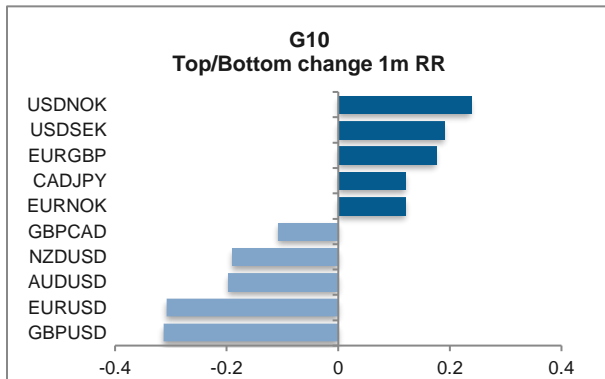
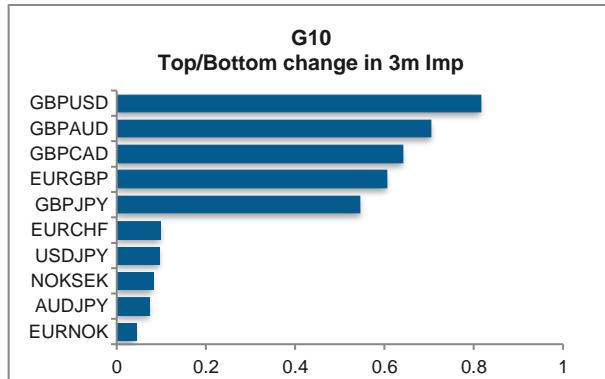
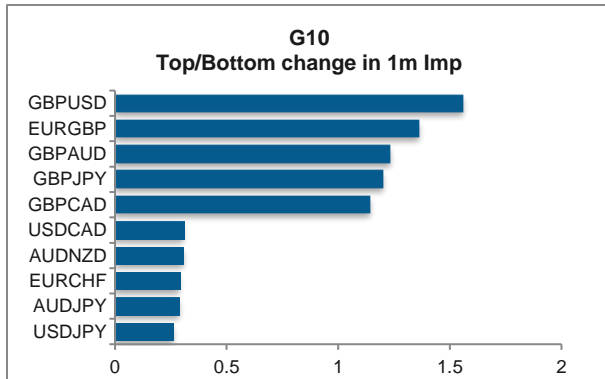
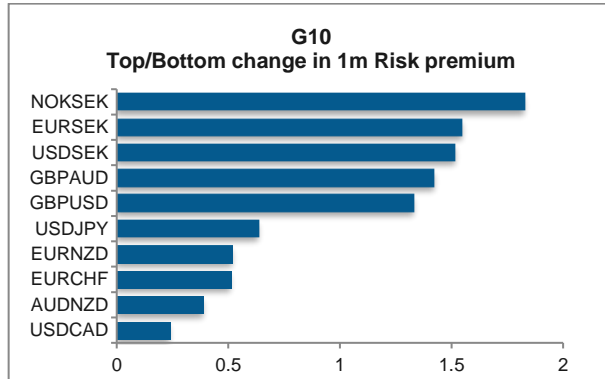
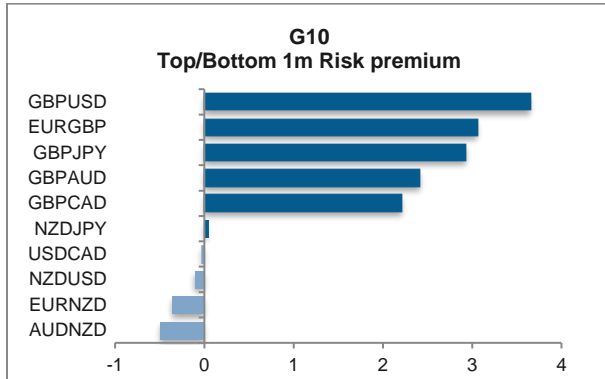
Buy 1 month 1.1200 EURUSD put in 1 mio
Sell 1 month 1.1050 EURUSD put in 2 mio
Buy 1 month 1.0900 EURUSD put in 1 mio
Cost 26 pips

Ratio Seagull (risk above 1.1375/below 1.0750)

Buy 1 month 1.1200 EURUSD put in 1 mio
Sell 1 month 1.1050 EURUSD put in 1.5 mio
Sell 1 month 1.1375 EURUSD call in 0.5 mio
Zero cost

Spot ref. 1.1245

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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.