

FX OPTIONS MARKET UPDATE

- USDZAR higher on Eskom concerns and USDRUB higher on concerns of new sanctions, vols in both ZAR and RUB sharply higher and dragging rest of EM vols higher as well.

	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	6.40	0.39	6.19	0.08	8.26	-0.32	10.08	0.00	9.38	-0.08	6.93	0.11	7.85	-0.75
3 mth	6.54	0.10	6.78	-0.14	8.59	-0.18	11.55	-0.02	10.66	0.04	7.47	-0.05	8.54	-0.31
	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	5.63	0.15	5.97	0.29	4.77	0.21	6.11	-0.35	9.54	-0.24	8.00	0.63	7.90	0.34
3 mth	5.74	0.12	6.33	0.17	4.89	0.09	6.35	-0.22	10.07	-0.38	8.28	0.23	8.21	0.21
	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	5.10	-0.47	15.57	-0.28	12.08	1.07	11.61	0.55	16.89	1.99	8.39	-0.18	14.18	-0.29
3 mth	5.41	-0.27	16.71	-0.39	12.25	0.56	12.20	0.23	17.20	1.15	9.35	-0.22	15.84	-0.41



Swedish Riksbank holding on the guidance from the December hike. Market had expected a more dovish tilt in line with the development from most other CBs. SEK rallied close to 1% yesterday but SEK is still the worst performing currency among G10 so far this year. We think SEK got some catch up to do and can see EURSEK trading back to the bottom of the range.

Vols trades close to multi year lows and implied trades close to fair value compared to realized

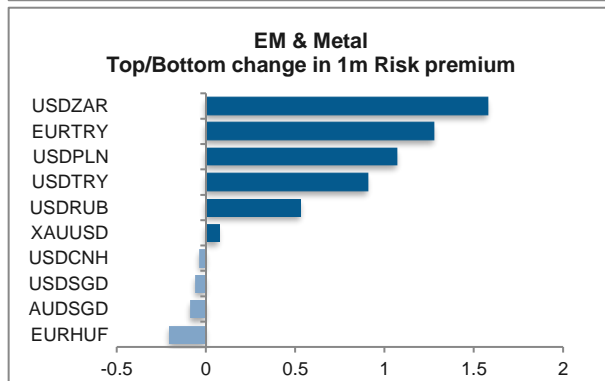
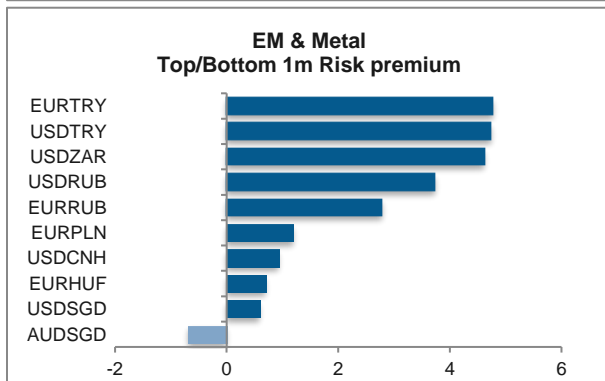
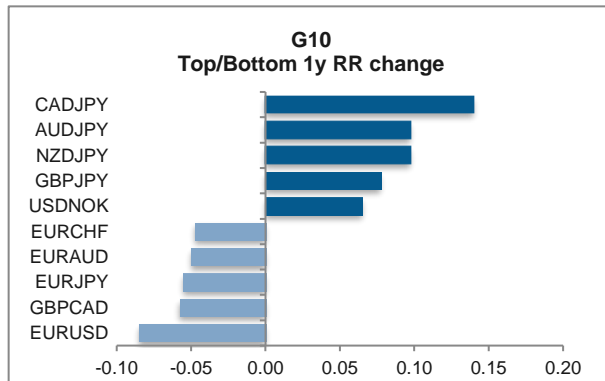
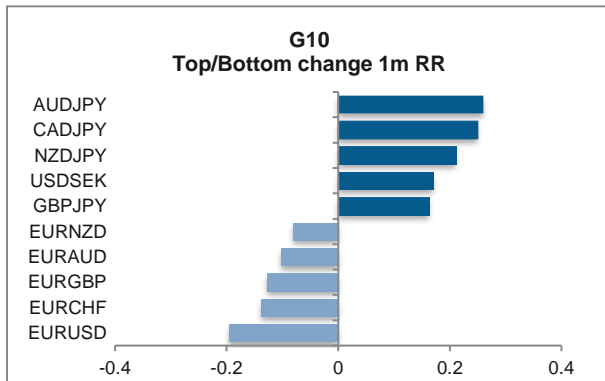
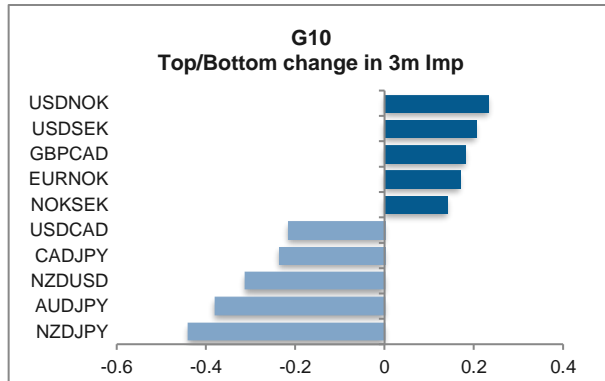
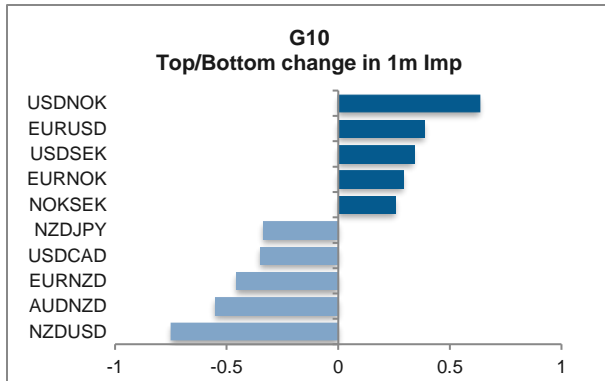
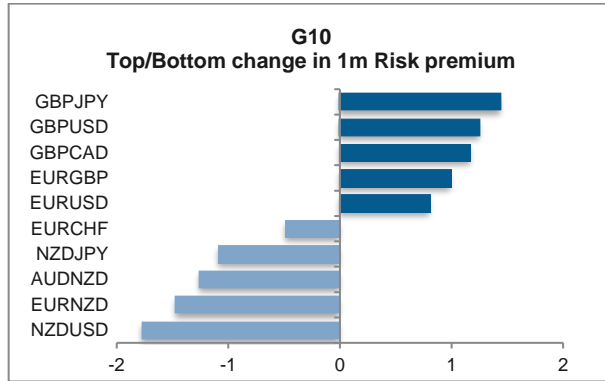
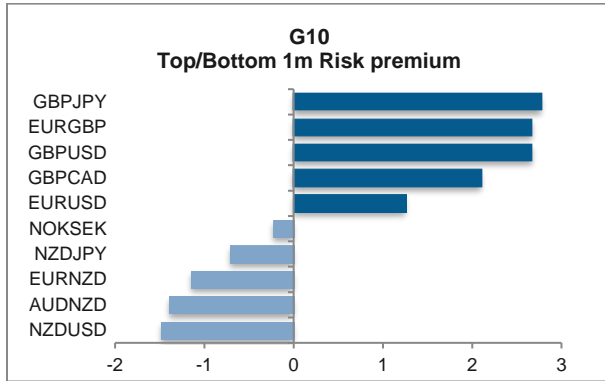
vol. Risk reversals trades small favor for EUR calls.

We prefer to buy some 1 month EUR put for a move down to 10.20 area.

**Buy 1 month 10.3500 EURSEK put
Cost 320 pips**

Spot ref. 10.4500

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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.