

FX OPTIONS MARKET UPDATE

- EURUSD vols trades softer as spot trades around 1.1300, 1 month down 0.35 from Friday.

	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	6.13	-0.02	5.86	-0.15	8.17	-0.07	10.41	0.71	9.29	0.32	6.73	0.11	7.78	0.01
3 mth	6.44	0.08	6.60	-0.07	8.61	0.03	11.94	0.46	10.65	0.13	7.29	0.01	8.54	0.09
	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	5.84	0.30	5.67	-0.23	4.50	-0.09	5.99	0.00	9.28	-0.24	7.57	-0.20	7.93	0.30
3 mth	5.93	0.25	6.24	-0.06	4.79	-0.03	6.34	0.04	9.99	-0.07	8.14	-0.01	8.24	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	4.73	-0.52	15.82	0.44	11.27	0.91	11.11	-0.41	17.19	0.76	9.32	0.97	14.74	0.70
3 mth	5.08	-0.45	17.23	0.53	11.96	0.80	11.98	-0.16	17.68	0.71	9.98	0.69	16.26	0.59



Gold has broken out of the last month range between 1300-1325 and continues its trend higher. Next resistance to watch is the 1350 area that has been tested several times during 2018.

Vols have spiked higher on the sharp move higher in spot and 1 month is up to 9.50 from 8.90 yesterday. 1 month risk reversal is up 0.25 to 1.75. ATM vol still trades at relative low levels while the risk reversal trades above last months median level.

Below are two different strategies for a move up to 1350 which takes advantage of the higher risk reversal and vol.

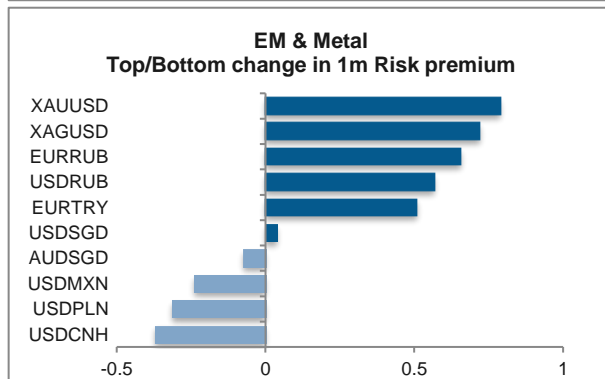
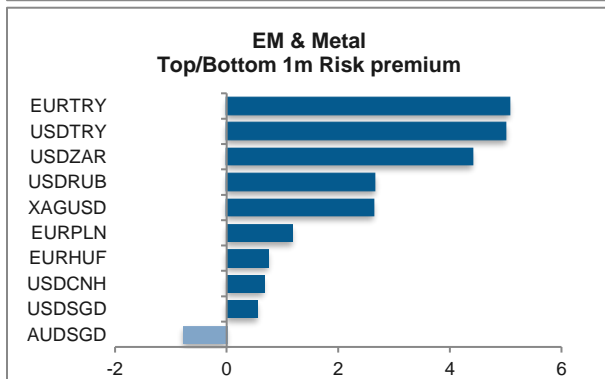
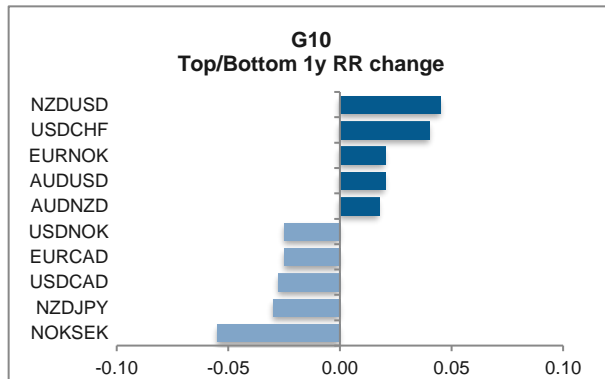
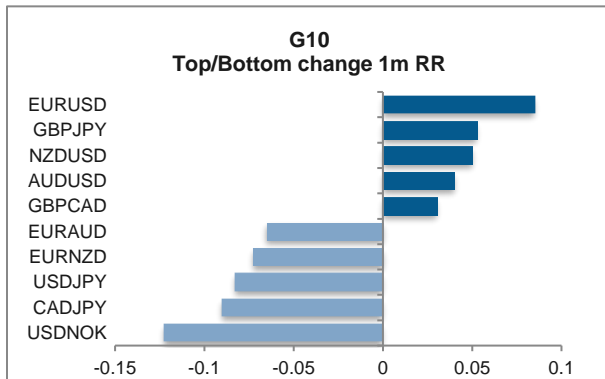
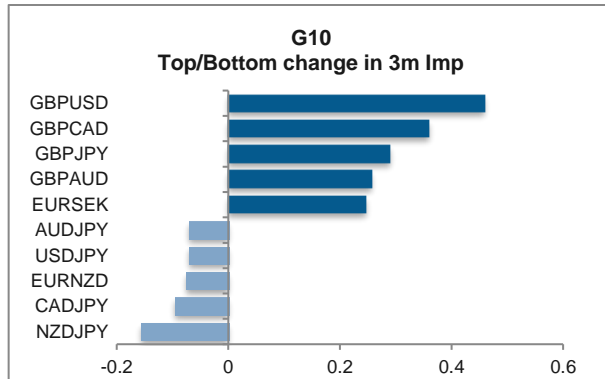
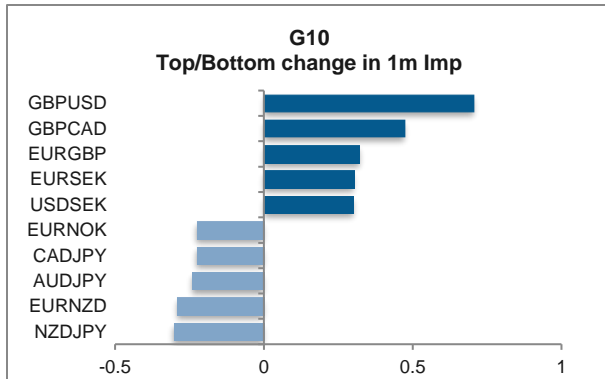
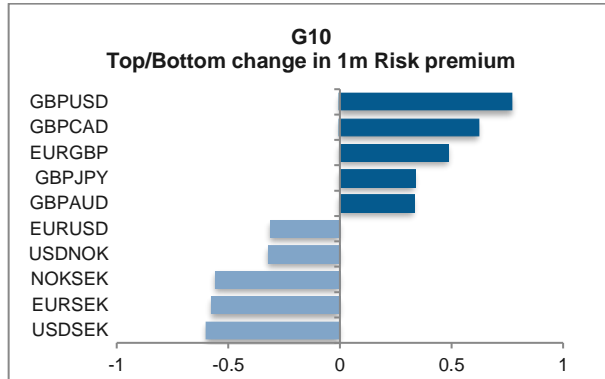
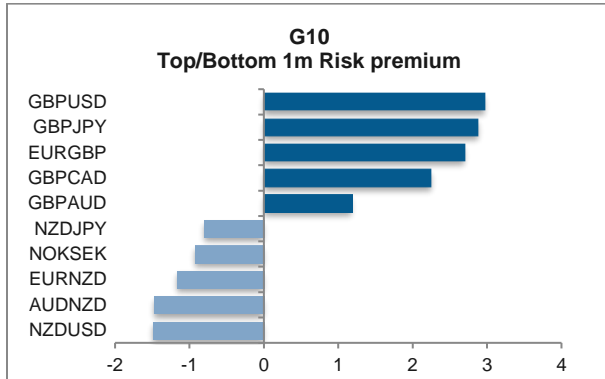
Buy 1 month 1340 XAUUSD call in 1
Sell 1 month 1360 XAUUSD call in 1.5
Cost 380 pips

Alt.

Sell 1 month 1350 XAUUSD put in 1
Buy 1 month 1320 XAUUSD put in 1
Receive 1350 pips

Spot ref. 1337.00

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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.