

FX OPTIONS MARKET UPDATE

- GBP vols continue to trade lower, 3 month GBPUSD now down to level not seen since September.
- SEK higher on large beat in GDP and retail sales, market long gamma and vols been market lower after the numbers.

	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	5.61	-0.28	5.66	0.22	8.42	-0.10	10.23	-0.63	9.31	-0.51	6.35	0.02	8.35	0.08
3 mth	5.94	-0.26	6.20	0.10	8.63	-0.04	9.59	-1.44	8.68	-1.23	6.99	0.02	8.59	-0.02
	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	5.85	-0.24	5.87	-0.23	3.98	-0.24	6.26	0.25	9.49	0.07	7.51	-0.31	7.59	-0.30
3 mth	6.07	-0.17	6.11	-0.15	4.32	-0.15	6.33	0.15	9.96	-0.01	7.92	-0.26	8.01	-0.16
	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	4.88	-0.31	13.13	-1.92	10.46	0.12	9.92	-0.59	15.26	0.04	8.39	-0.42	13.73	-1.06
3 mth	5.12	-0.18	14.86	-1.44	11.18	-0.08	11.05	-0.57	16.02	-0.74	9.04	-0.36	15.43	-0.67



USDTRY has been trading within a 5.13/5.54 range over the last 3 months. Spot currently trades at the middle of the range and spot moves has been small over the last month.

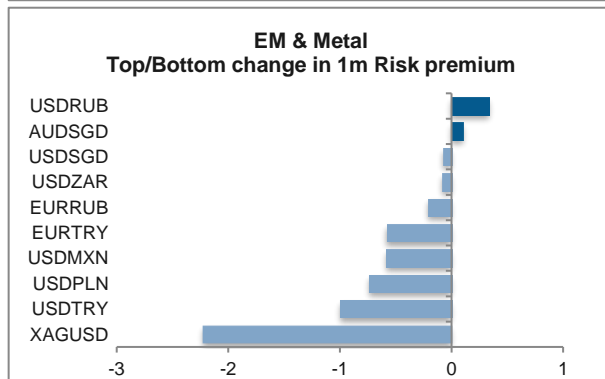
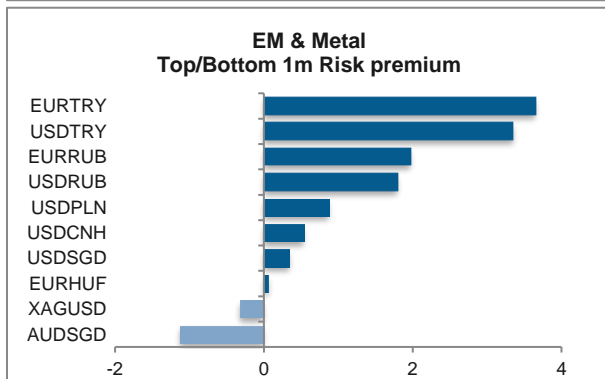
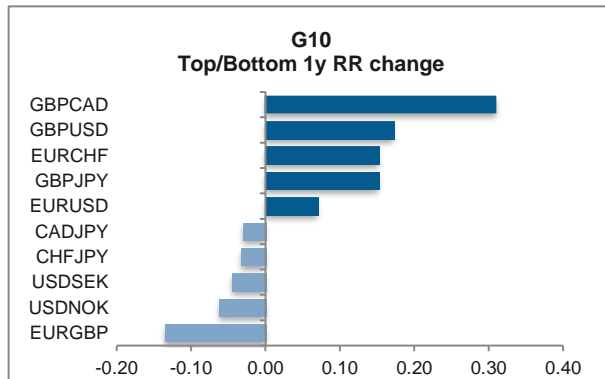
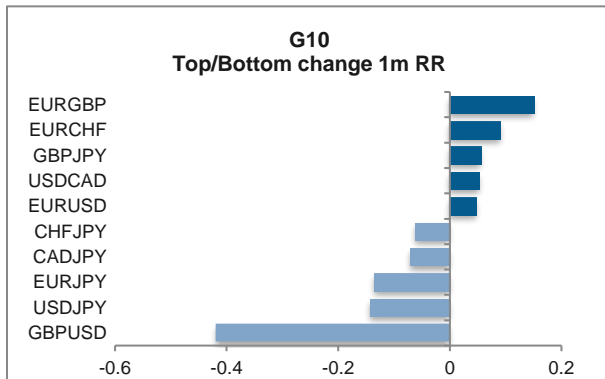
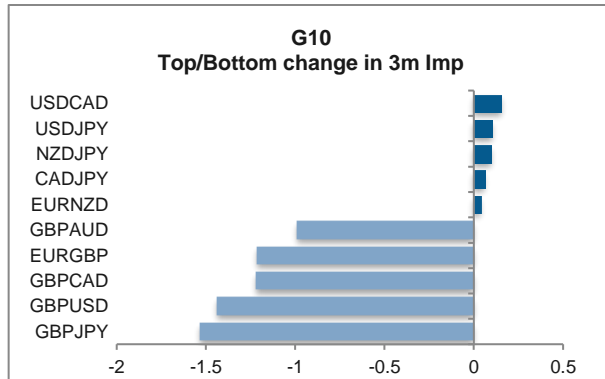
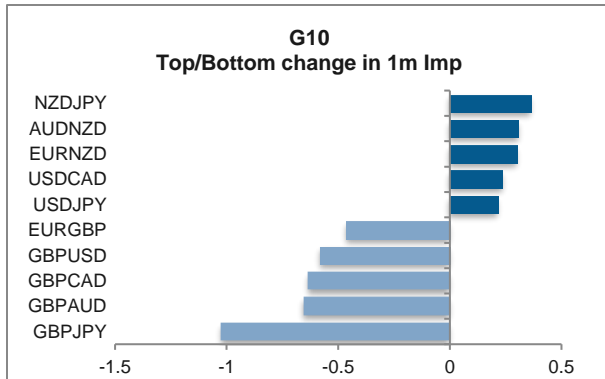
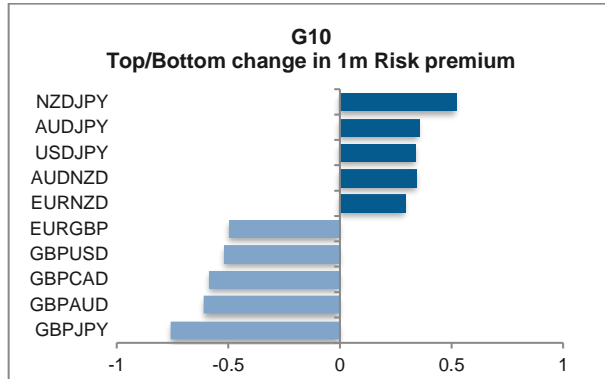
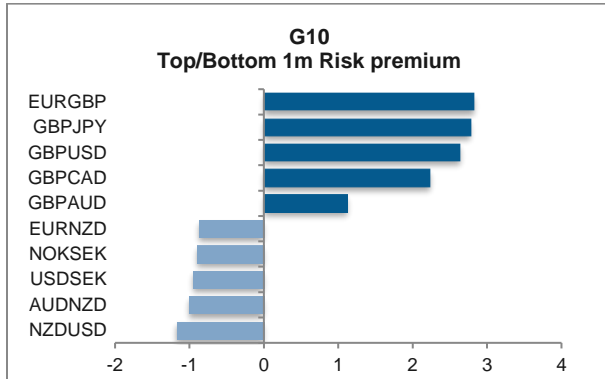
The quiet spot has had vols trade lower over the last month but realized vol has dropped even more with the quiet spot. TRY vols are currently the most expensive vol where 1 month USDTRY trades with close to 4% risk premium, even higher

than GBP vols. USDTRY calls offer higher premium as risk reversal favor topside, 3% in 1 month, and 1 month forward trade at 950 pips. We prefer to sell the strangle to receive extra premium.

Sell 1 month 5.5000 USDTRY call
Sell 1 month 5.2000 USDTRY put
Receive 550 pips

Spot ref. 5.3200

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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.