

FX OPTIONS MARKET UPDATE

- GBP risk reversals trades more favors for GBP put as market pricing in higher probability for a hard Brexit.

	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	5.67	-0.53	6.27	-0.33	8.16	0.20	10.09	-0.24	9.11	-0.28	6.62	-0.59	8.12	0.16
3 mth	6.28	-0.28	6.88	-0.31	8.57	0.15	10.74	0.23	9.70	0.19	7.37	-0.49	8.52	0.04

	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	5.29	-0.23	5.33	-0.21	4.35	-0.03	6.29	0.02	9.60	-0.38	7.08	-0.61	7.27	-0.44
3 mth	5.56	-0.14	5.82	-0.14	4.74	0.00	6.71	0.17	10.21	-0.45	7.79	-0.35	7.82	-0.29

	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	5.64	0.07	15.03	0.07	10.73	-0.06	11.34	0.02	13.77	-0.18	8.64	-0.47	15.32	-0.29
3 mth	5.66	-0.15	16.79	-0.05	11.52	-0.10	12.11	0.15	14.73	-0.26	9.71	-0.15	16.82	-0.23



Vols trading lower across the board as spot has been quiet over the last week. EURUSD has tested both sides of the range over the last month and is now back in the middle of the range. Vols have drifted lower and 1 month, 5.65, trades at the lowest level in over a year. 1 month currently trades with a 0.40 discount to realized vol.

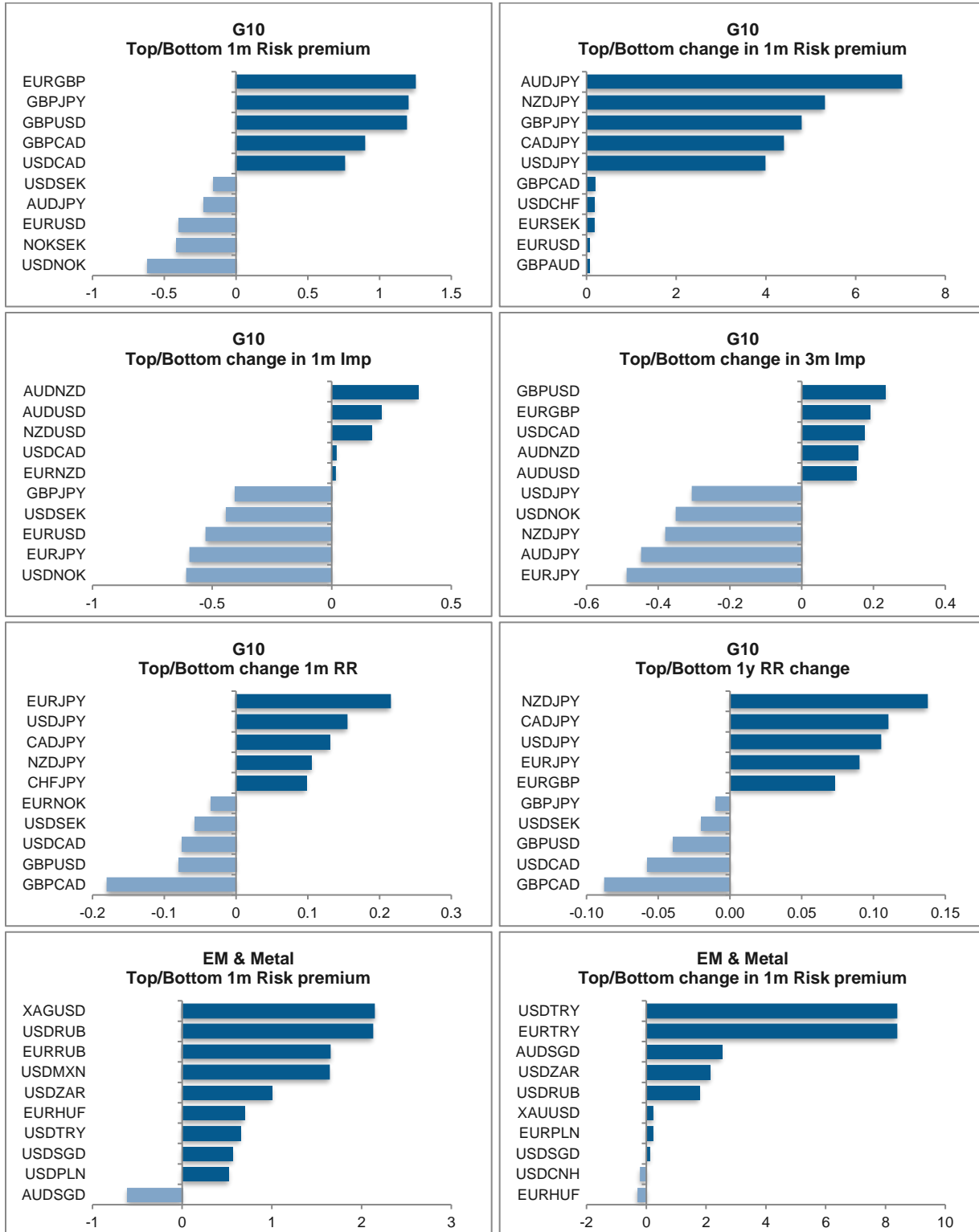
Considering the low vol levels we think it is a good time to pick up some directional trades. For example:

**Buy 1 month 1.1500 EURUSD call
Cost 52 pips**

**Buy 1 month 1.1350 EURUSD put
Cost 34 pips**

Spot ref. 1.1415

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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.