

# FX OPTIONS MARKET UPDATE

- AUDNZD 1w trades at elevated levels as it both include RBA and RBNZ, 1w at 9.0.

	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	4.94	-0.32	4.95	-0.19	7.75	0.29	6.45	0.31	5.41	0.32	6.26	-0.19	7.95	0.00
3 mth	5.47	-0.13	5.57	-0.15	7.73	0.24	7.05	0.16	6.02	0.13	6.63	-0.18	8.08	0.19
	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	5.06	0.08	5.43	0.31	3.87	-0.08	5.10	0.36	8.76	0.07	7.51	-0.04	7.41	-0.03
3 mth	5.40	0.11	5.66	0.18	4.23	-0.02	5.37	0.10	8.82	-0.05	7.87	0.04	7.79	0.00
	USDCNH		USDTRY		USDRUB		USDMXN		USDZAR		EURPLN		EURHUF	
	Imp.	1w chng	Imp.	1w chng	Imp.	1w chng	Imp.	1w chng	Imp.	1w chng	Imp.	1w chng	Imp.	1w chng
1 mth	3.65	-0.21	19.36	-2.26	9.13	-0.38	9.06	-0.09	14.30	-0.10	3.18	-0.10	4.72	0.34
3 mth	3.99	-0.10	22.06	-2.10	10.26	-0.33	9.71	0.00	14.69	0.21	3.54	-0.12	4.79	0.28



GBP has traded stronger over the last week which has taken EURGBP below 0.8600 for the first time in about a month. Vols have traded better bid after the move in spot and with BoE today. There has been aggressive buying of low delta downside in EURGBP, 1 month strikes between 0.8500 and 0.8400, while the flow in cable has been more muted.

The high demand for down side EURGBP has pushed front end risk reversals more to the

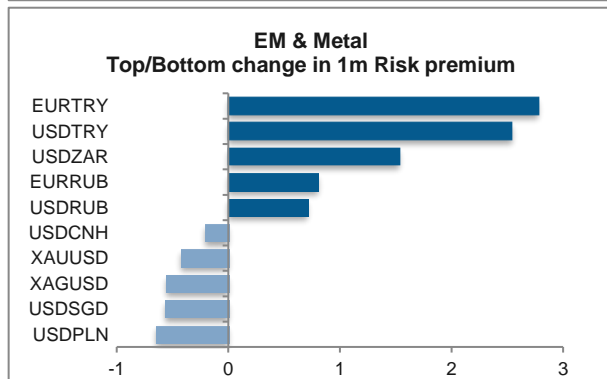
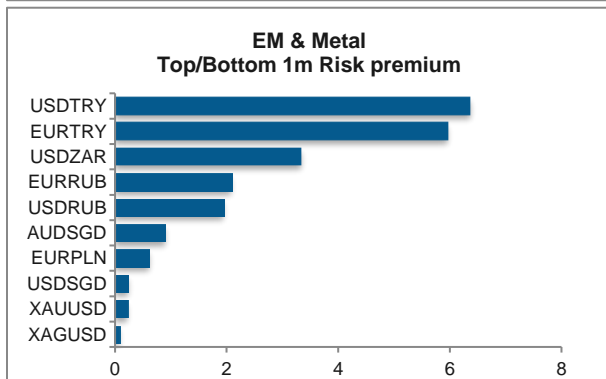
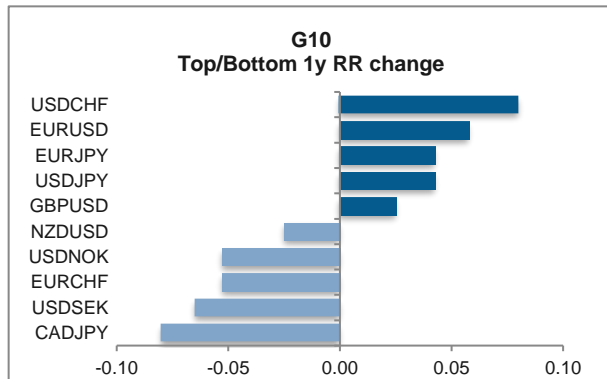
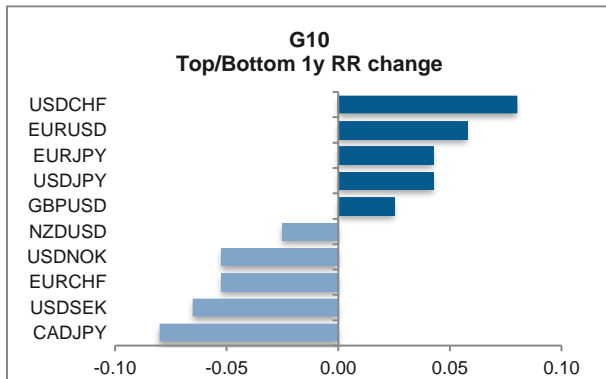
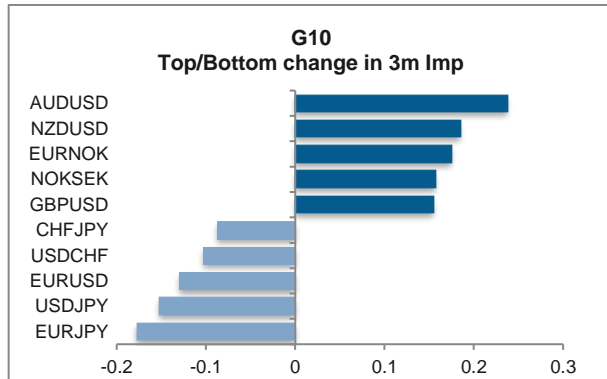
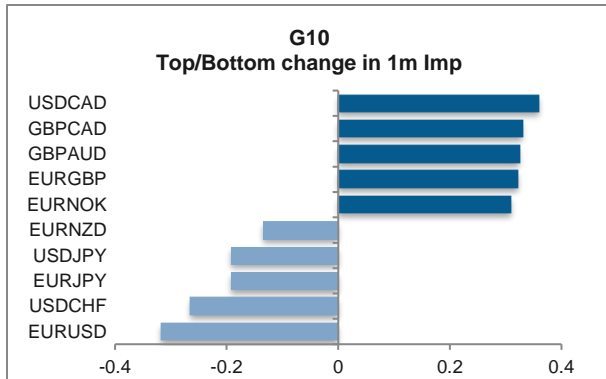
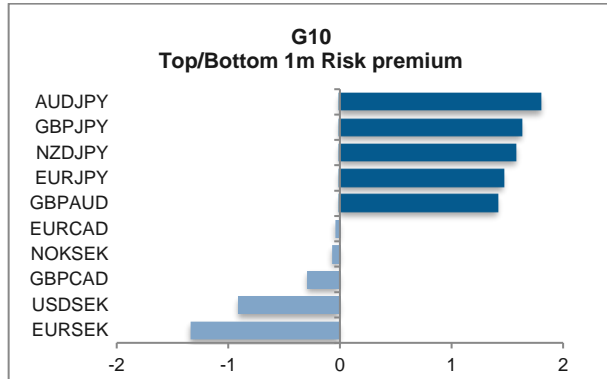
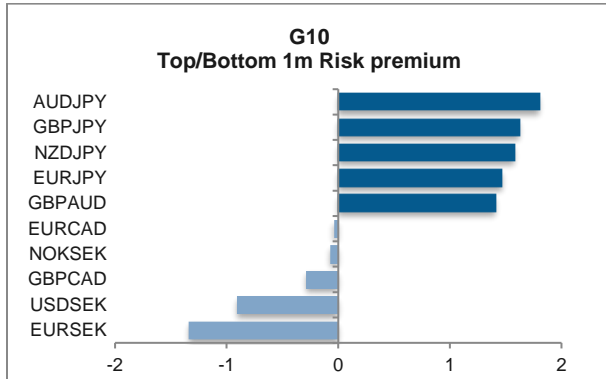
south and 1 month risk reversal now trades favor puts for the first time in a long time.

The higher vol and a risk reversal that now favor downside offers good value for ratio put spreads.

**Buy 1 month 0.8550 EURGBP put in 1 mio**  
**Sell 1 month 0.8450 EURGBP put in 2 mio**  
**Cost 20 pips**

**Spot ref. 0.8575**

# FX OPTIONS MARKET UPDATE



- 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.