

The FX Options Report

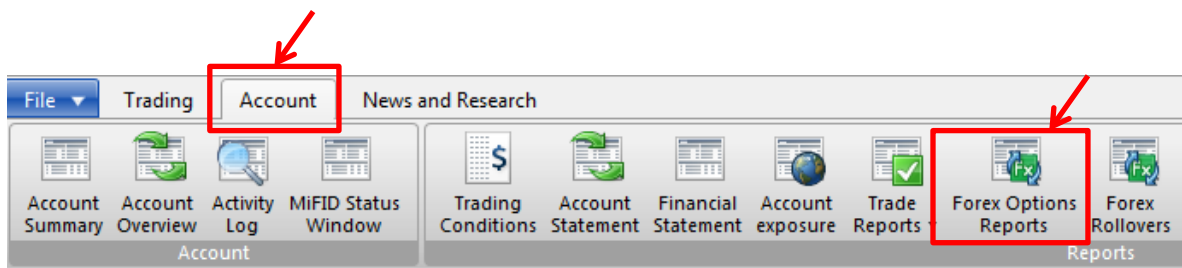
What is the FX Options Report?

The FX Options Report gives you a detailed analysis of your FX and FX Options positions across multiple currency pairs, enabling you to manage your risk exposure more efficiently.

How do I access the Report?

The Report is available if you have at least one open FX Vanilla Option, and it includes both your FX positions and FX Options positions. Binary Touch Options are not included.

You can find the Report on the SaxoTrader under the Account tab. On the SaxoWebTrader, it is located under the Account tab, on the Reports menu.



Understanding the FX Options Report

The FX Options Report is designed to provide insight into your exposure to various factors under a range of scenarios. The data is aggregated per currency pair, by individual currency or by individual position.

To illustrate the information available in the Report, we will use a portfolio with the following positions as an example:

Open Positions							
	Instrument	Strike Price	Expiry Date	L/S	Amount	Open Price	Current Price
FX	Forex						
	EURUSD			Long	250,000	1.32202	1.29362
	USDCHF			Short	50,000	1.16832	0.94381
FX	Forex Vanilla Option						
	EURUSD	1.3105	08-Apr-2013	Long Call	1,000,000	0.0128	0.0039
	EURUSD	1.4000	17-Apr-2013	Short Call	1,100,000	0.0011	0.0002

Summary Per cross

Summary Per cross

This report contains trial data

Cross	Spot	Value (EUR)	Delta (Ccy1)	Gamma (Ccy1)	Vega (Ccy2)	Theta (Ccy2)	No. of Positions
EURUSD	1.2940	-2,028	522,388	161,825	999	-221	4
USDCHF	0.9437	9,196	-50,000	0	0	0	1

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This table aggregates all the positions per currency pair, and shows a global view of one's risk in each pair. For instance, we can see that the EURUSD portfolio is comprised of four positions (Short call was traded in two lots).

What the terms mean:

- **Value:** Shows the amount the portfolio of combined Spot and Option positions is worth. For Spot positions, this shows how much the position is in profit or loss. For Options, this shows the value of the options at mid-prices. Note that the number is negative for all short option positions (i.e. the premium cashed in when the option was sold is not taken into consideration).
- **Delta:** Shows the equivalent FX Spot exposure of a given position. This is the sensitivity of a position's value with respect to the spot rate. In the above table, we can see that the overall position in EURUSD behaves as if it was long 522,388 EURUSD spot. If EURUSD spot were to move up by one pip, the portfolio's value would increase by USD 52.20.
- **Gamma:** This is the second derivative of the position value with respect to spot, and shows how much the delta changes when spot changes (i.e. how much the delta will change when spot moves up by 1%).
- **Vega:** Sensitivity of a position with respect to the implied volatility used to price FX Options. This shows how much money is made (positive number) or lost (negative number) when volatility goes up 1% (for instance, from 12.5% to 13.5%). In our example above, we see a positive vega of USD 999 in EURUSD, meaning that the position's value will increase by this amount should volatility rise by 1%. This amount would be lost if EURUSD implied volatilities were to go down by 1%.
- **Theta:** Also known as time decay. This shows by how much the position will increase or decrease in value from one day to the next. In the above example, and all other things being equal, we can see a decrease in value of USD 221 for the EURUSD positions for one calendar day.

Net Delta by currency

Net delta by currency This report contains trial data

Cross	Delta	No. of Positions
CHF	47,215	1
EUR	510,854	4
USD	-710,585	5

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This table shows the delta, but this time netted per currency rather than by currency pairs. This is very useful to see triangulation risks, and to identify which cross a portfolio is most exposed to.

Summary per position

Summary per position

This report contains trial data

Position ID	Direction	Amount	Cross	Strategy	Strike	Expiry	Value	Value (EUR)	Delta (Ccy1)	Gamma (Ccy1)	Vega (Ccy2)	Theta (Ccy2)
51050279	Sell	50,000	USDCHF	FX	1.1683	-	11,201	9,173	-50,000	-	-	-
460933124	Sell	100,000	EURUSD	Call	1.4000	17 Apr 2013	0	0	-64	-91	-	-
460933126	Sell	1,000,000	EURUSD	Call	1.4000	17 Apr 2013	-5	-4	-640	-912	-8	1
463122133	Buy	250,000	EURUSD	FX	1.3220	-	-7,230	-5,591	250,000	-	-	-
466043669	Buy	1,000,000	EURUSD	Call	1.3105	08 Apr 2013	4,129	3,193	261,558	159,685	984	-216

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The summary page displays a table showing the market sensitivities per individual position. This is quite useful in identifying where a specific exposure comes from. For instance, we can see that our net EURUSD vega exposure (sensitivity to implied volatility) is mostly coming from our long position in 8th April 2013, 1.3105 EUR calls (last line of the table).

The Spot Ladder

The Spot Ladder is useful in clarifying the sensitivity of a portfolio. In the Ladder below, you can easily assess how variations in the spot rate changes the value and the Greeks of our sample EURUSD portfolio.

Summary
 SpotLadder
 Spot/Vol Grid
 2.50% Spot
 10.00% Spot

Accounts:
 DMA_263235 TRIAL
 TRIAL_263235 TRIAL

Note: FX Binary Touch Options positions are not yet in

Spot Ladder

This report contains trial data

EURUSD	Value Chg (USD)	Delta (EUR)	Gamma (EUR)	Vega (USD)	Theta (USD)	
2.50%	1.3259	24,943	939,875	137,735	933	-246
2.00%	1.3195	18,878	869,193	161,199	1,082	-270
1.50%	1.3130	13,292	787,137	176,912	1,167	-280
1.00%	1.3065	8,241	697,485	183,001	1,180	-274
0.50%	1.3001	3,792	605,163	177,682	1,118	-252
spot	1.2936	0	517,222	160,446	989	-218
-0.50%	1.2871	-3,155	441,322	134,275	818	-179
-1.00%	1.2807	-5,803	381,195	104,956	636	-139
-1.50%	1.2742	-8,096	336,161	77,234	468	-102
-2.00%	1.2677	-10,145	303,949	53,614	325	-71
-2.50%	1.2613	-12,025	282,173	35,133	212	-46

4 Positions (Last 2013-03-07 03:31:20)

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The Spot Ladder above shows the sensitivity to a variation of up to +/- 2.5% in the spot rate. You can also choose to show the table for a variation of up to +/- 10% in the spot rate.

The Spot/Volatility Grid

The Spot / Volatility Grid takes the analysis even further, enabling you to see a two dimensional picture of the sensitivity of your portfolio.

With the Spot/Volatility Grid, you can assess the impact on your portfolio of a variation of up to +/- 2.5% in the spot rate, combined with a variation in volatility of up to +/- 2 points of volatility.

The table provides both a profit and loss measure and an estimate of the portfolio delta.

Summary SpotLadder Spot/Vol Grid 2.50% Spot, 2.000 Vol 10.00% Spot, 5.000 Vol
 Accounts: DMA_263235 TRIAL TRIAL_263235 TRIAL
 Note: FX Binary Touch Options positions are not yet incl

Spot/Vol Grid

This report contains trial d

EURUSD		-2.000	-1.000	vol	+1.000	+2.000
2.50%	1.3254	22,875	23,796	24,713	25,592	26,411
		987.7K	961.1K	934.8K	908.2K	881.3K
2.00%	1.3190	16,518	17,608	18,686	19,725	20,706
		898.4K	880.5K	863.1K	845.2K	826.4K
1.50%	1.3125	10,765	11,963	13,142	14,285	15,375
		792.1K	786.6K	780.3K	772.5K	762.8K
1.00%	1.3060	5,702	6,927	8,137	9,320	10,461
		674.1K	683.9K	690.3K	693.4K	693.3K
0.50%	1.2996	1,459	2,591	3,739	4,886	6,013
		554.4K	579.3K	598.1K	611.8K	621K
spot	1.2931	-1,893	-983	0	1,026	2,069
		450K	483.4K	510.9K	532.8K	549.7K
-0.50%	1.2866	-4,534	-3,874	-3,109	-2,263	-1,363
		372.5K	406.1K	436.1K	462.1K	483.8K
-1.00%	1.2802	-6,737	-6,286	-5,724	-5,066	-4,331
		320.1K	349.1K	377.3K	403.3K	426.7K
-1.50%	1.2737	-8,675	-8,388	-7,994	-7,502	-6,926
		287.2K	309.4K	333.3K	357K	379.5K
-2.00%	1.2672	-10,455	-10,286	-10,027	-9,675	-9,238
		268.3K	283.6K	302K	321.9K	342.1K
-2.50%	1.2608	-12,149	-12,057	-11,896	-11,658	-11,340
		258.3K	267.8K	280.9K	296.4K	313.4K

4 Positions (Last 2013-03-07 03:31:20) Report generated: 2013-03-19 03:24:28 PM GMT

Note that you also have also the possibility to choose the combination of a variation of up to +/-10% in Spot with a variation of +/-5 points of volatility.

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