

FX OPTIONS MARKET UPDATE

- The Vollgeld vote did not pass, EURCHF 1w down from 9.0 on Friday to 6.75.

	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	7.76	0.19	7.13	0.29	7.88	0.27	8.10	0.04	7.17	0.21	9.47	0.71	8.34	0.33
3 mth	7.42	0.20	7.33	0.09	7.97	0.19	7.72	0.00	6.84	0.18	9.25	0.61	8.33	0.18
	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	7.00	0.25	6.68	-0.07	5.87	0.20	8.13	0.33	9.82	0.81	9.63	0.12	10.08	0.24
3 mth	6.80	0.01	6.70	-0.07	5.69	0.18	7.46	0.05	9.90	0.61	9.36	0.15	9.72	0.27
	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	4.19	0.09	27.71	3.91	14.01	1.14	18.65	0.08	17.54	2.52	9.07	0.33	16.33	1.20
3 mth	4.28	0.02	20.80	0.80	13.79	0.81	15.58	0.13	16.69	1.85	9.38	0.09	16.85	0.81



There are several important events this week, especially in GBP. We have earning and the Brexit debate/vote today, CPI tomorrow followed by ECB and FED and on top of this we got the Trump/Kim meeting. This has made the front end vols to trade inverted, 1w/1m spread trades around 2% in both GBPUSD and EURGBP.

We see this as a good opportunity to do some time spreads, buying longer dated and finance it by selling short dated. We see more value doing

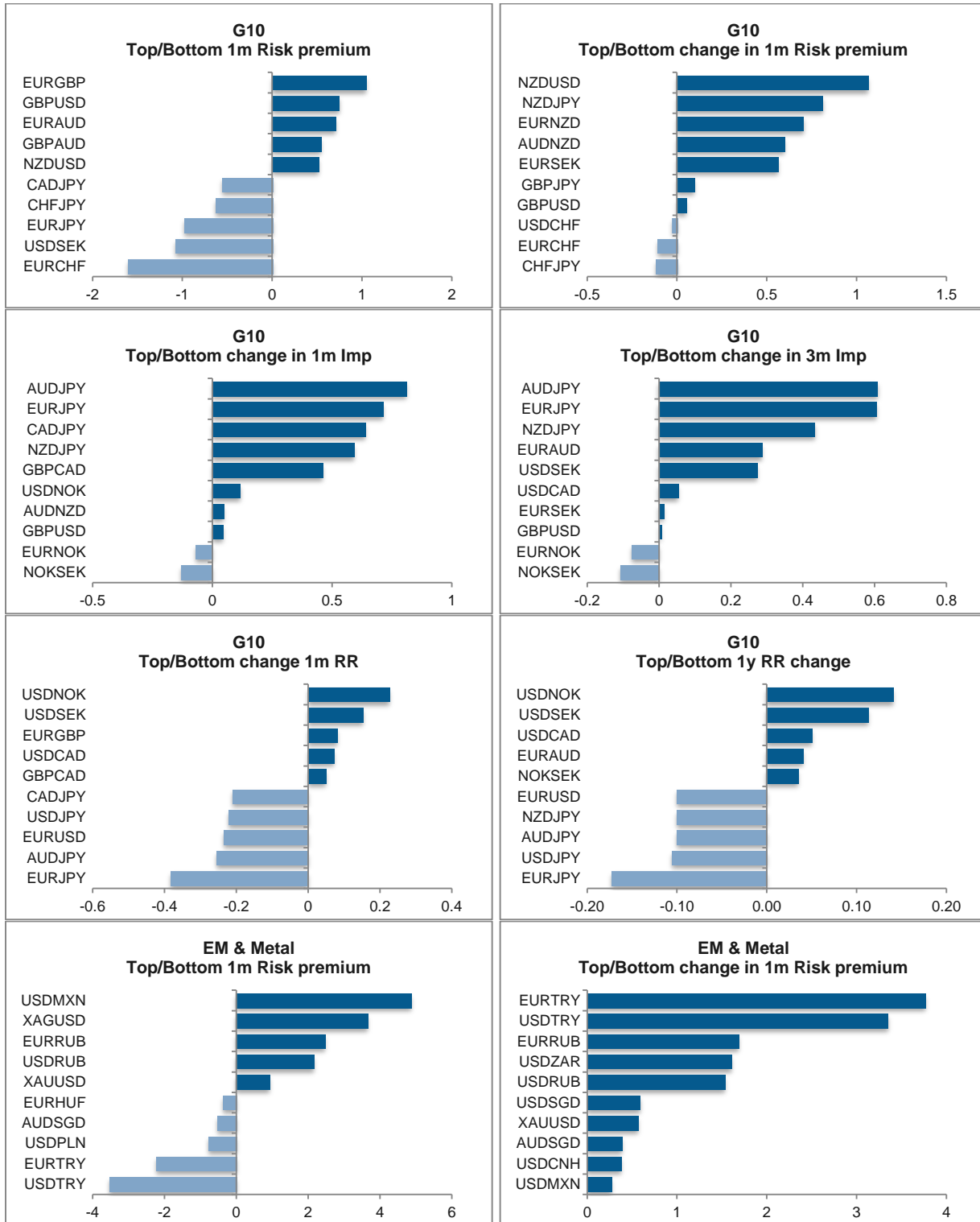
this in GBPUSD over EURGBP as we see ECB as a bigger event than FED.

For example for bearish GBPUSD:

Sell 1 week 1.3200 GBPUSD put
Sell 1 week 1.3500 GBPUSD call
Buy 1 month 1.3300 GBPUSD put
Cost 45 pips

Spot ref. 1.3380

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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.