



### Vola Headlines

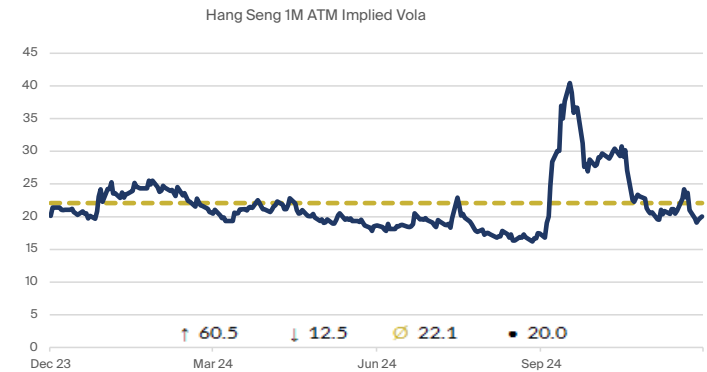
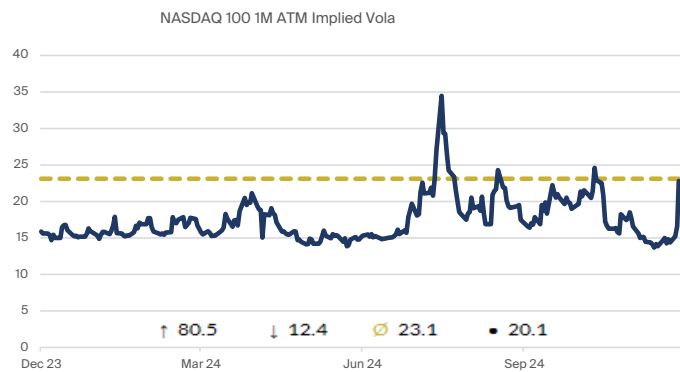
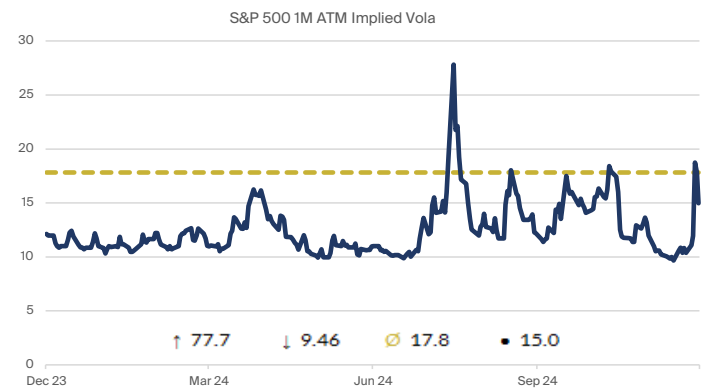
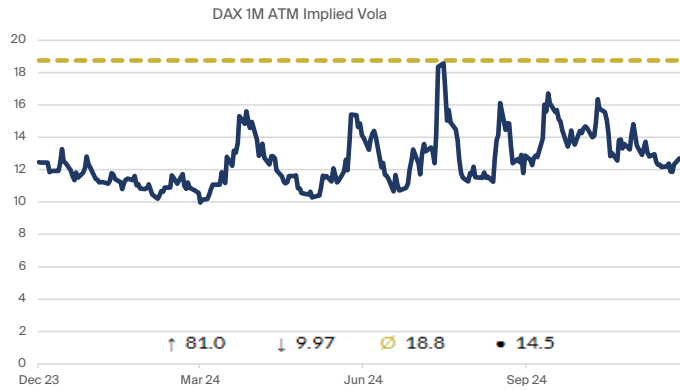
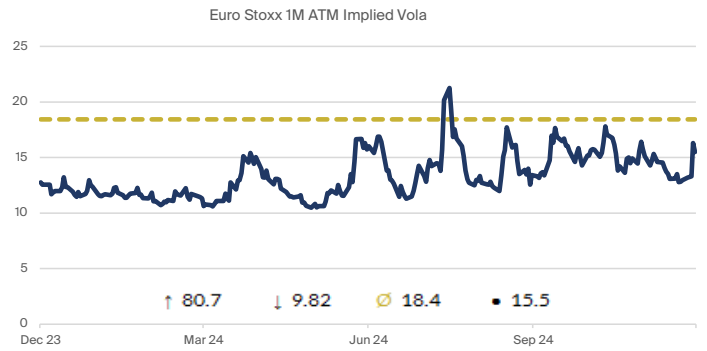
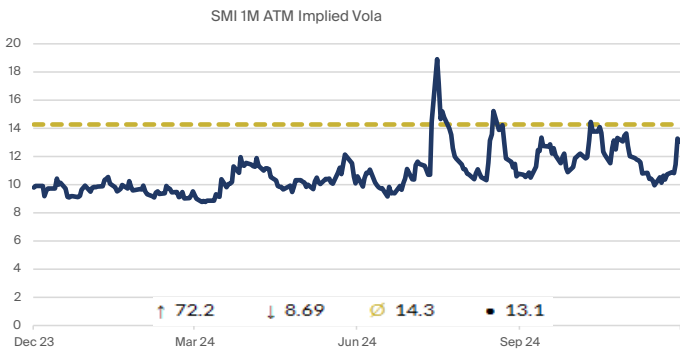
- After the uneventful days since the November expiry, the implied volatilities really came to life in the december expiry
- The VIX index doubled between St. Nicholas' Day and the witches' Sabbath - the implied volatility of the S&P 500 briefly jumped above the 5-year average
- FX volatilities in the G10 universe concluded the reporting period largely unchanged, despite notable fluctuations. Nevertheless, they remain at elevated levels. USD crosses are trading in the highest quantiles of implied volatility, now ranking as strong contenders among the top 20, alongside JPY currency pairs

The increased market nervousness leads to noticeable overreactions to new developments and unexpected news. This dynamic creates excellent opportunities for capitalisation, particularly through derivatives and implied volatilities

#### Overview

SMI	13.07	Euro Stoxx	15.50	SPX	14.97	Nikkei	20.51
DAX	14.54	FTSE 100	11.59	NASDAQ	20.08	Hang Seng	20.01

#### Equities



-- 5 year average of 1M ATM implied volatility    ↑ Top 5 year    ↓ Low 5 year    ● Current

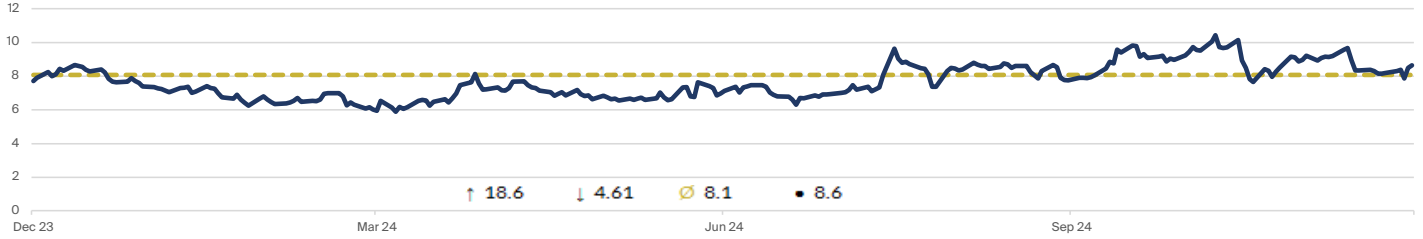


## Overview

G10	8.64	USDJPY	10.01	EURGBP	4.46	USDCHF	7.56
EURUSD	8.11	EURCHF	5.04	GBPUSD	7.65	EURJPY	10.17

## FX

JPM G10 FX Volatility 1M ATM Index



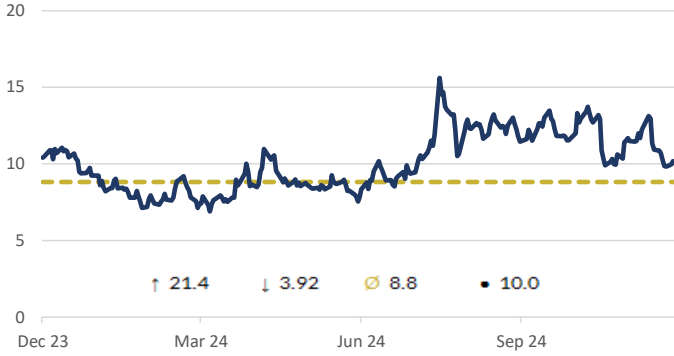
EURUSD 1M ATM Implied Vola



GBPUSD 1M ATM Implied Vola



USDJPY 1M ATM Implied Vola



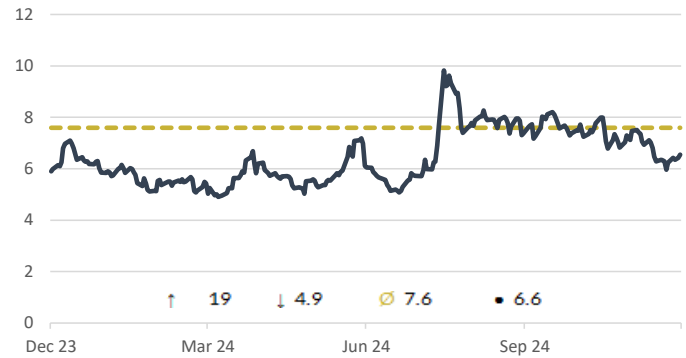
USDCHF 1M ATM Implied Vola



EURCHF 1M ATM Implied Vola



GBPCHF 1M ATM Implied Vola



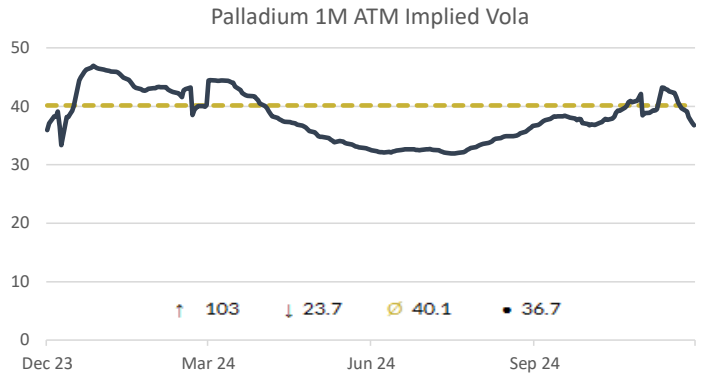
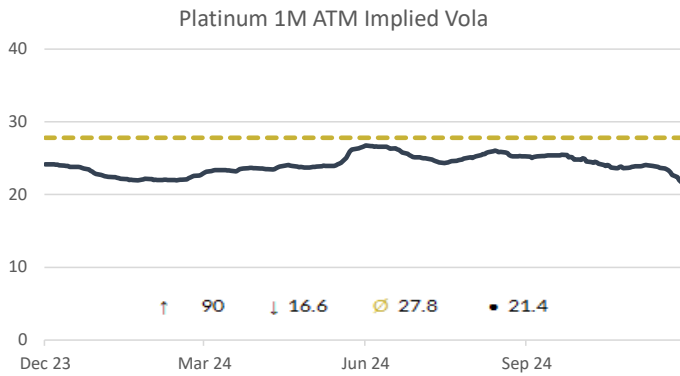
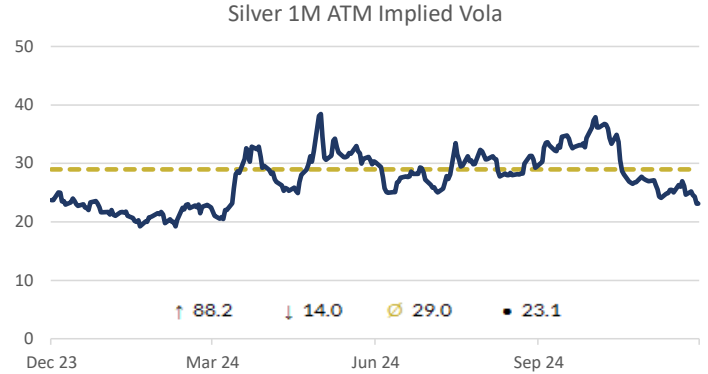
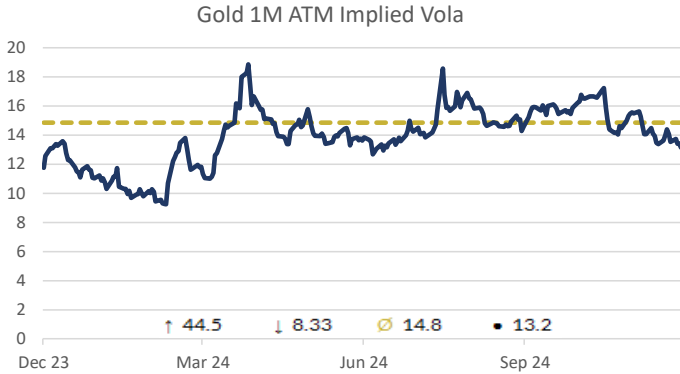
-- 5 year average of 1M ATM implied volatility    ↑ Top 5 year    ↓ Low 5 year    ● Current



Overview

Gold	13.23	Silver	23.14	Platinum	21.41	Palladium	36.74
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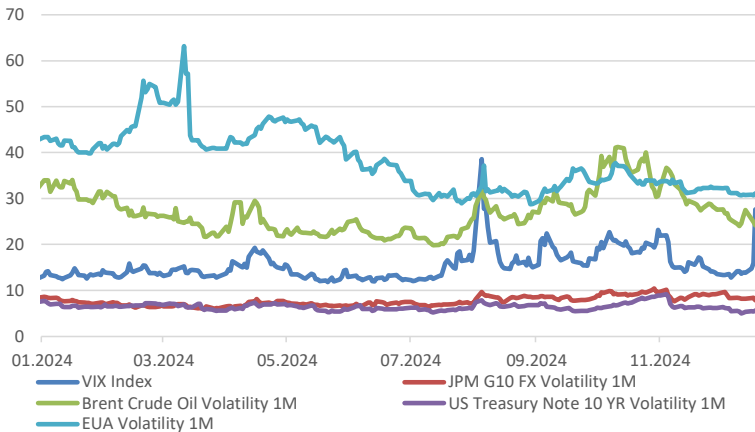
Metals



-- 5 year average of 1M ATM implied volatility    ↑ Top 5 year    ↓ Low 5 year    ● Current

Cross Asset Implied Volatilities

Volatilities YTD



The behavior of implied volatilities across asset classes such as equities, oil, currencies, interest rates, and carbon emissions has shown distinct dynamics over the past 12 months

During periods of market stress, behaviors often aligned, with equities and oil typically reacting similarly to geopolitical tensions. FX and interest rate volatilities, however, remained closely tied to monetary policy decisions

Carbon emissions exhibited a more idiosyncratic behavior, influenced predominantly by regulatory and environmental policy developments, rather than broader market trends

These patterns highlight the importance of understanding each asset class's unique drivers to effectively navigate complex market environments and take advantage of diversification opportunities within your overall portfolio

"Volatility is like climbing a mountain—each peak reveals new challenges, but also the most breathtaking views"

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