Vola Headlines

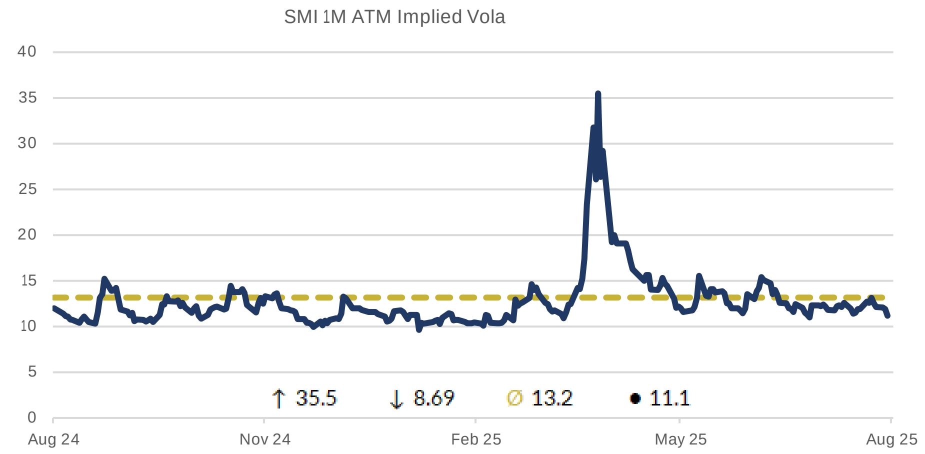
- Cross-asset volatility extended its decline into August, marking a fourth straight month of compression, with all major benchmarks now trading below their 5 year averages
- Equity volatility continued to drift lower, with spot VIX hovering near 15 by mid-August after repeated mean reversion. Brief upticks tied to renewed tariff announcements and lingering Fed succession speculation were quickly faded, underscoring resilient risk appetite.
- FX volatility remained the relative outlier: geopolitical tensions in the Middle East and shifting rate-differentials around the August data cycle triggered renewed swings across G10 pairs.
- Rates volatility continue to ground lower, touching fresh post-2022 lows as markets priced in policy stability after the July Fed meeting.

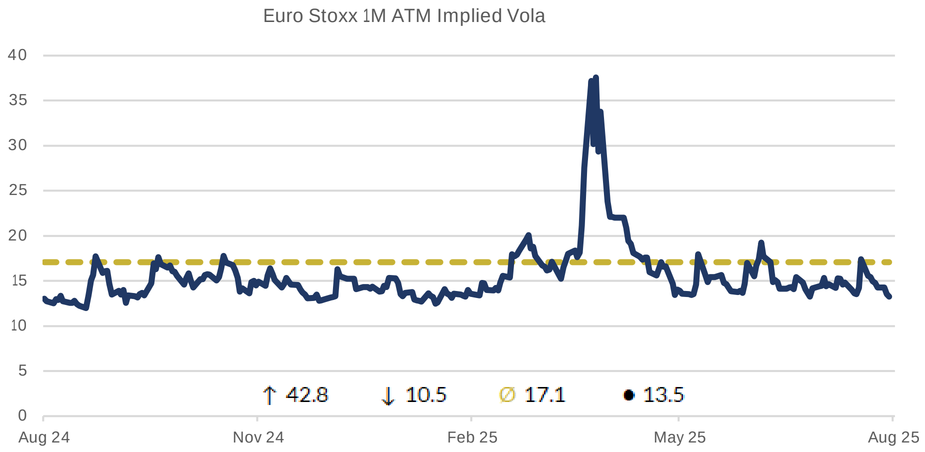
Overall, markets remain in a low-volatility environment. This creates room for investors to manage risks at relatively low cost.

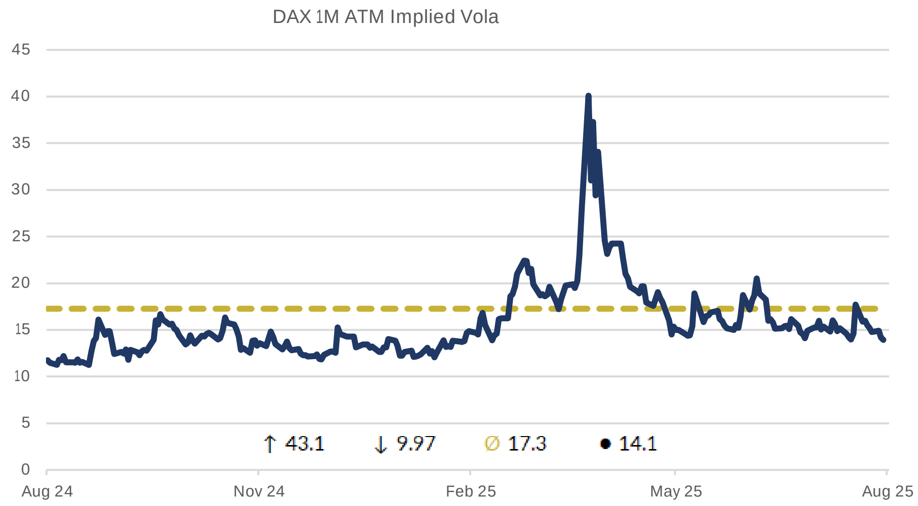
Overview

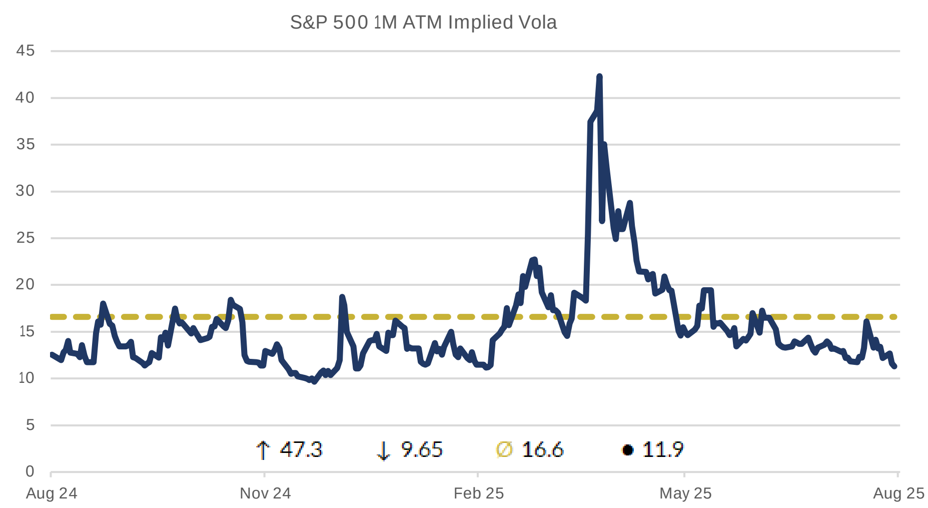
SMI	11.06	Euro Stoxx	13.45	SPX	11.88	Nikkei	19.11
DAX	14.09	FTSE 100	9.02	NASDAQ	15.18	Hang Seng	17.88

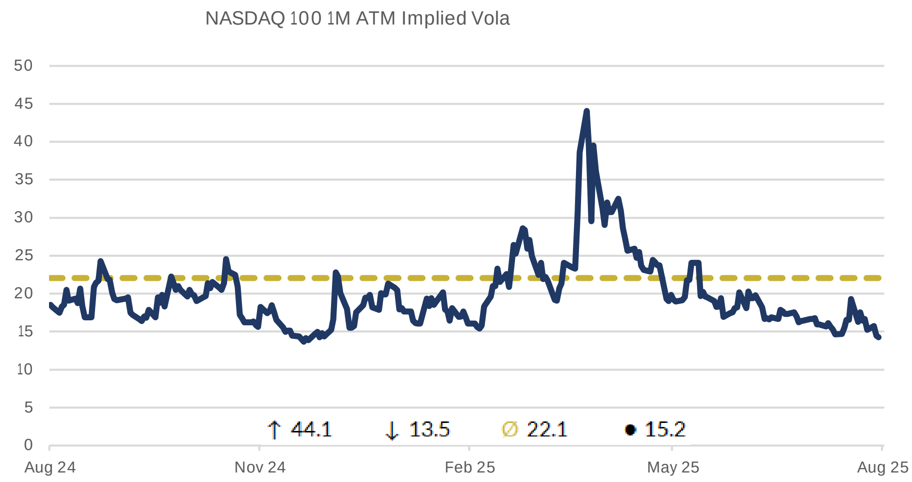
Equities

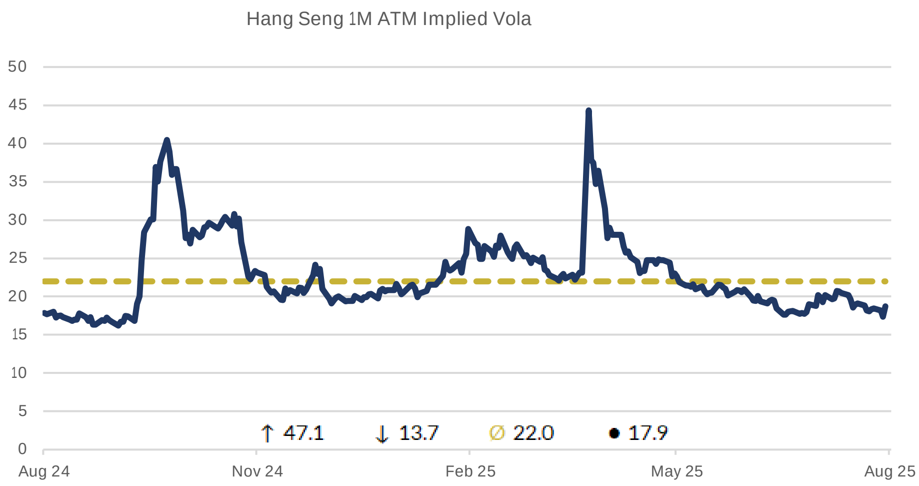












-- 5 year average of 1M ATM implied volatility ↑ Top 5 year ↓ Low 5 year ● Current

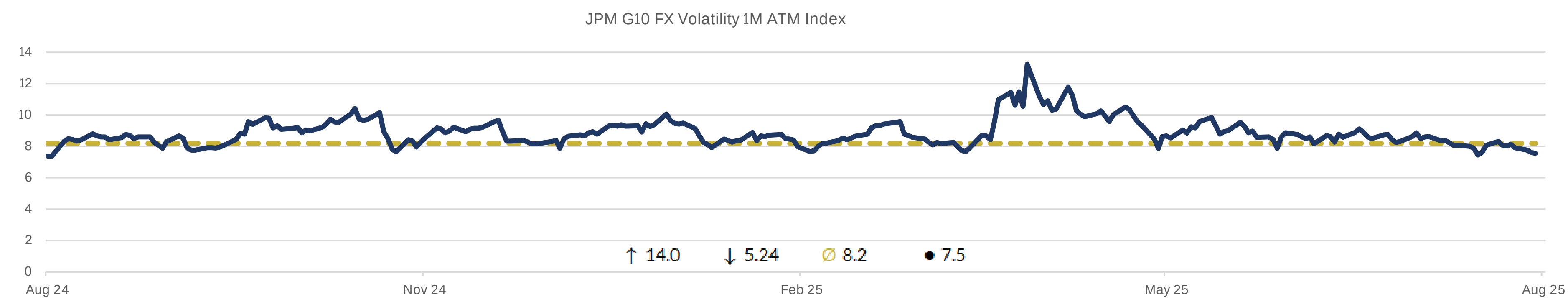
Volatility Picture

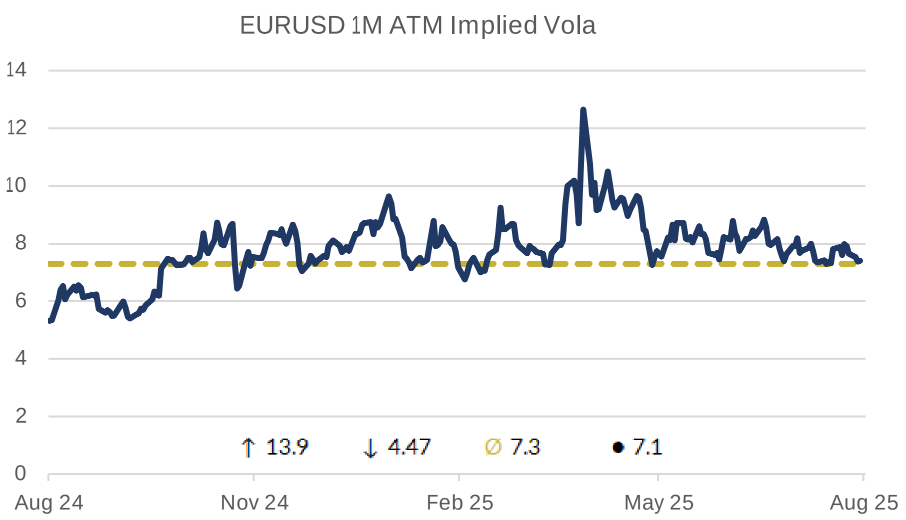
August 2025

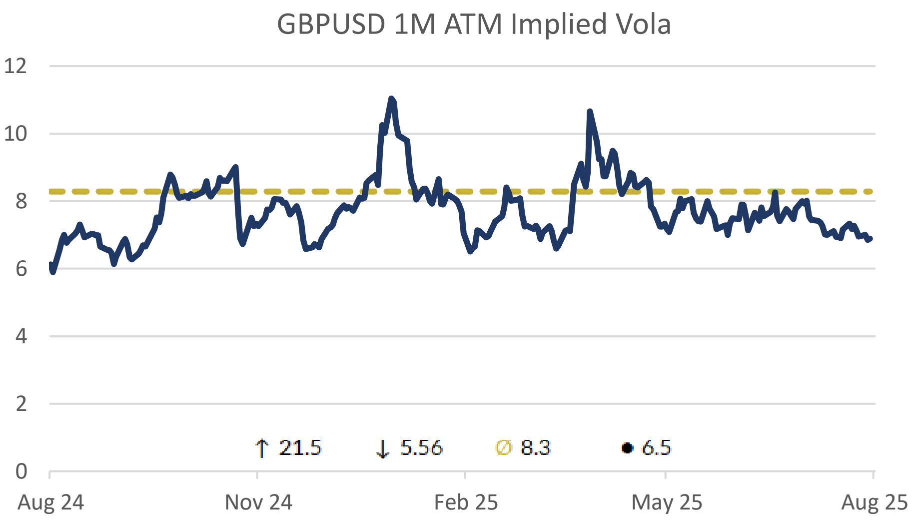
Overview

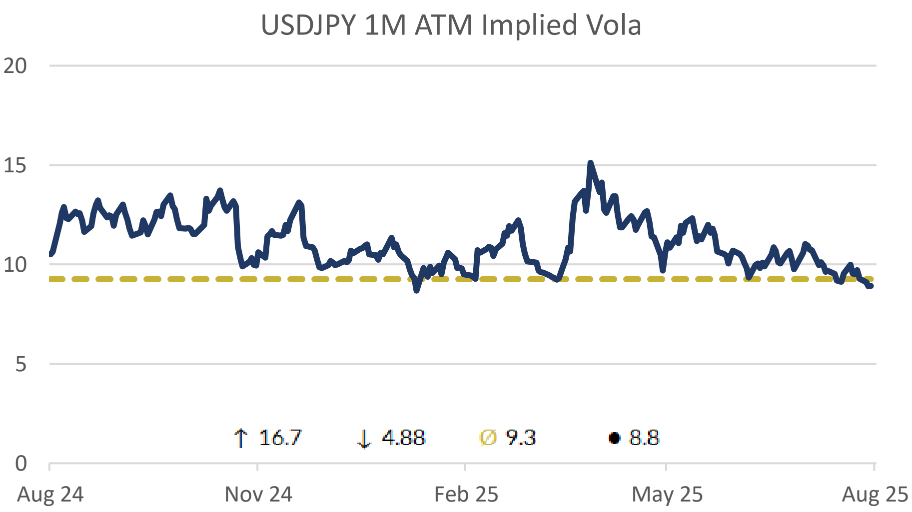
G10	7.45	USDJPY	8.79	EURGBP	4.45	USDCHF	7.38
EURUSD	7.06	EURCHF	4.64	GBPUSD	6.54	EURJPY	7.28

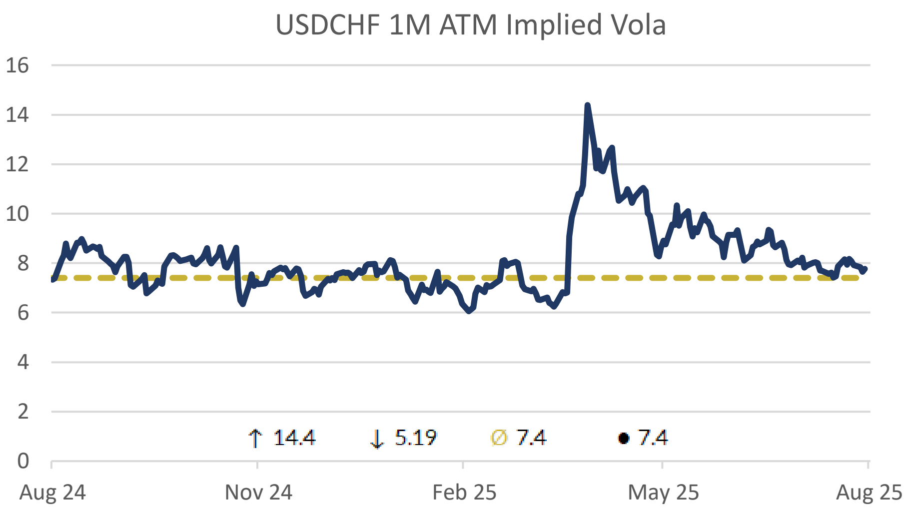
FX

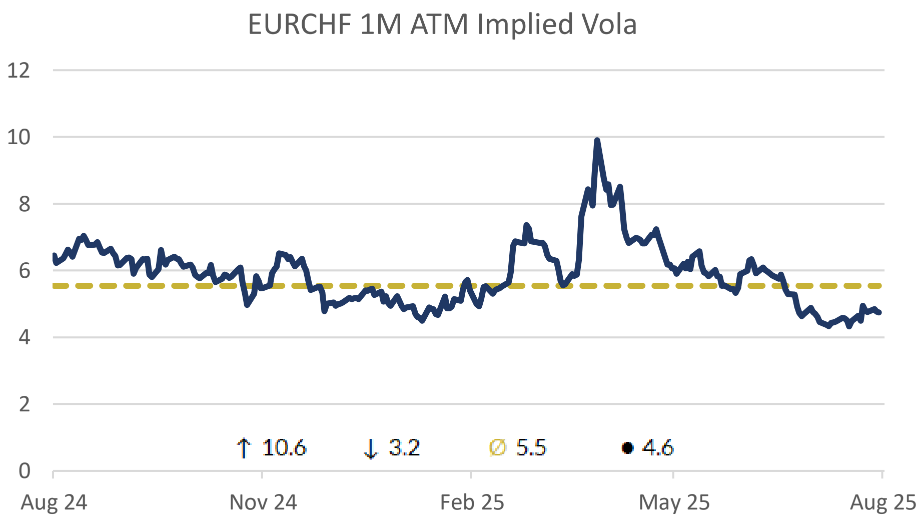


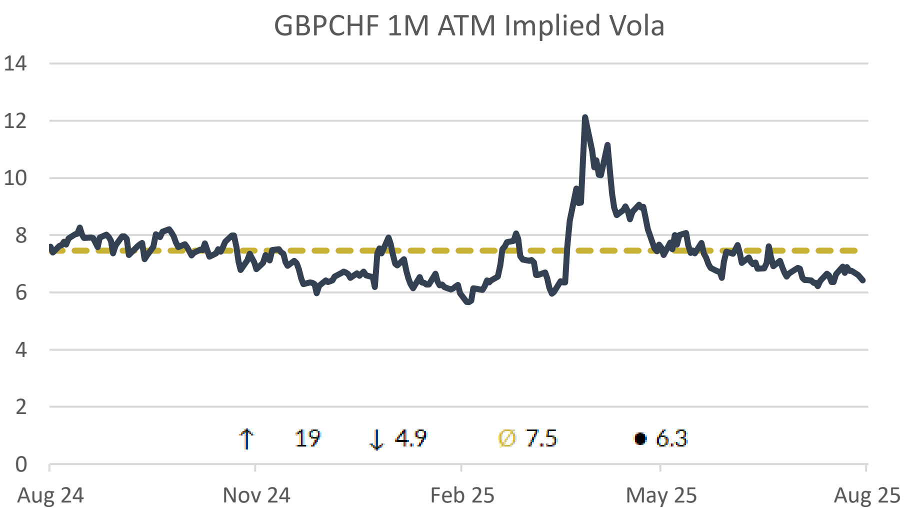












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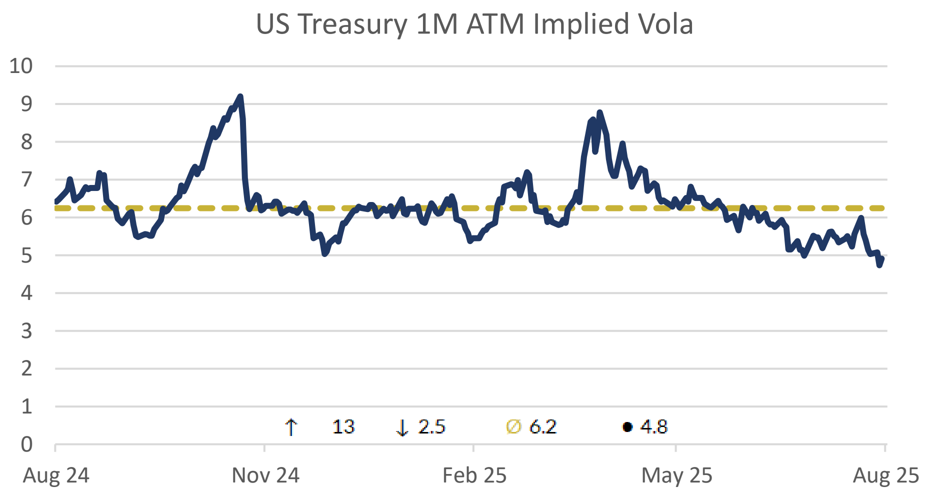
Volatility Picture

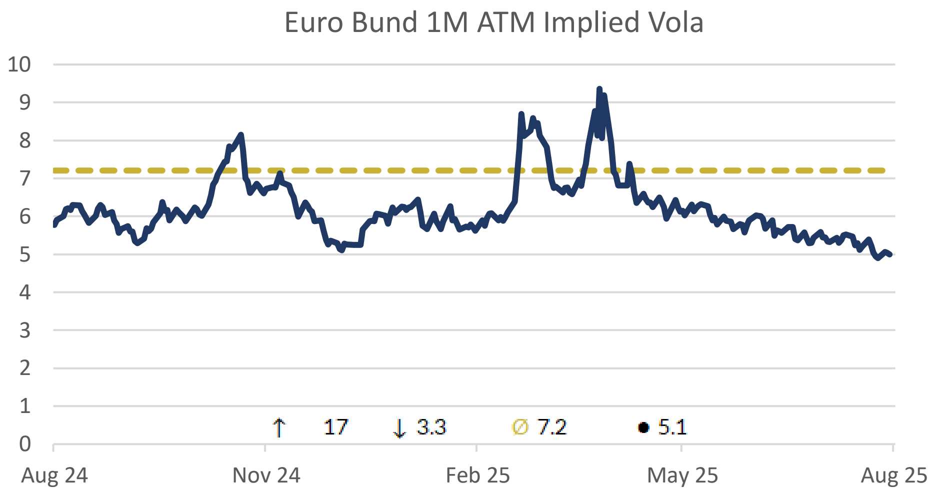
August 2025

Overview

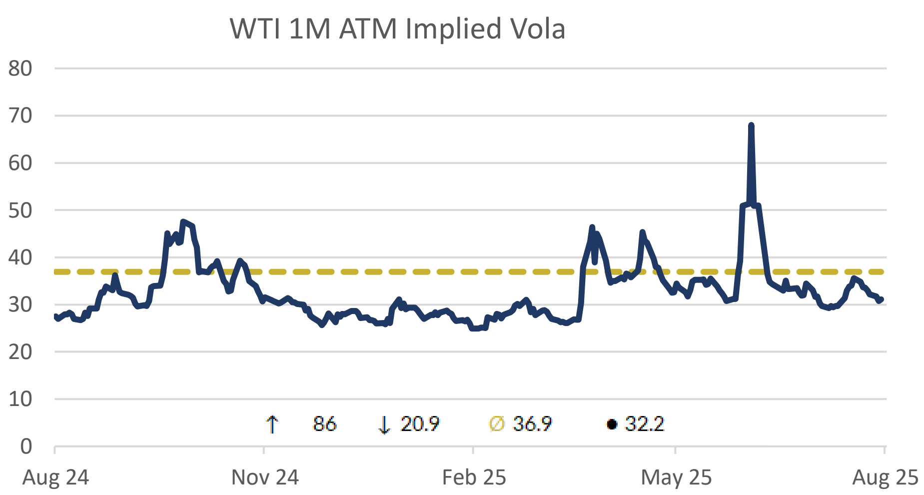
US Treasury	4.80	Euro Bund	5.10				
WTI	32.17	Brent	29.57	Natural Gas	57.92	Corn	16.81

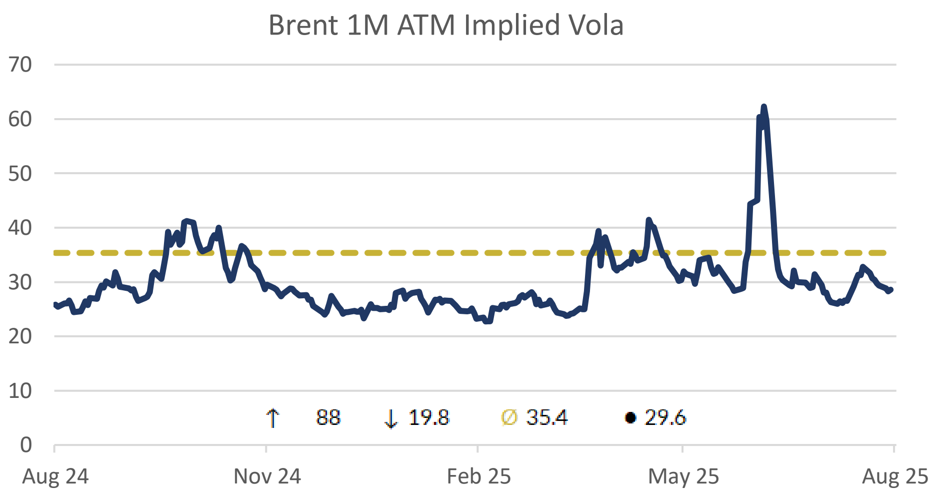
Rates

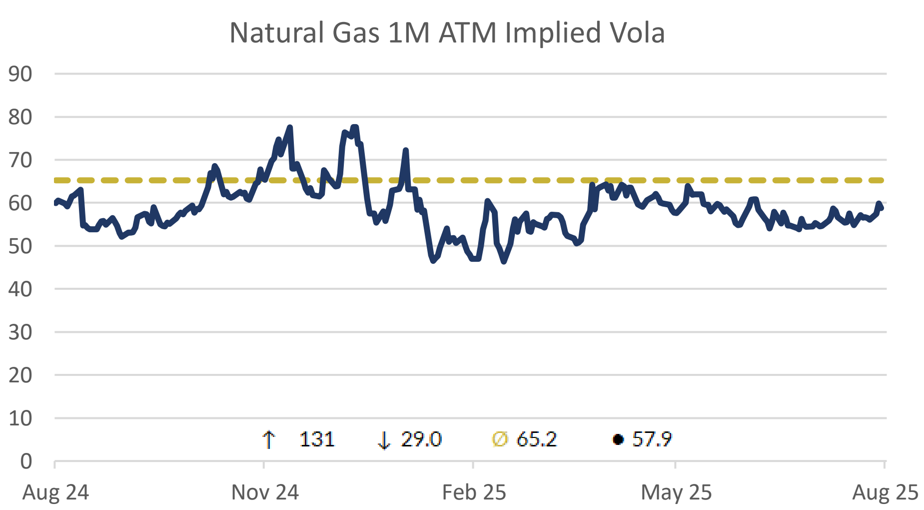


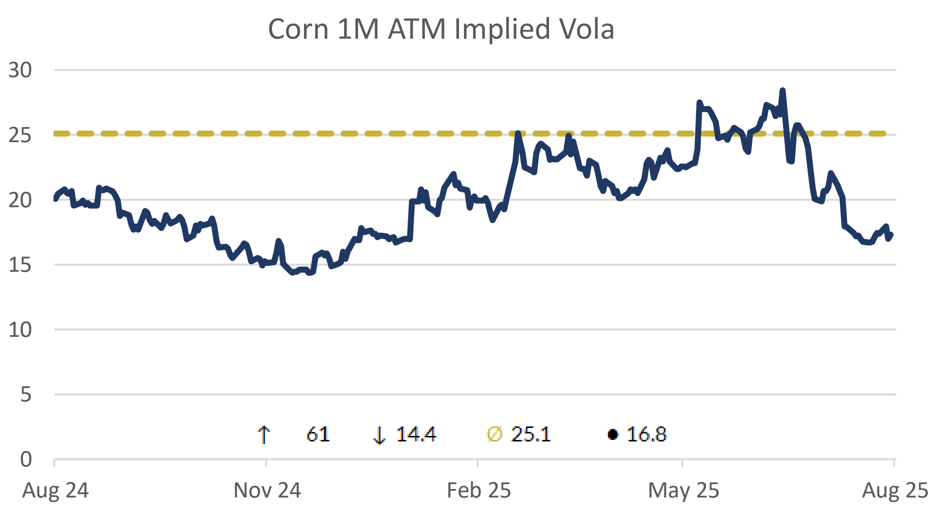


Commodities









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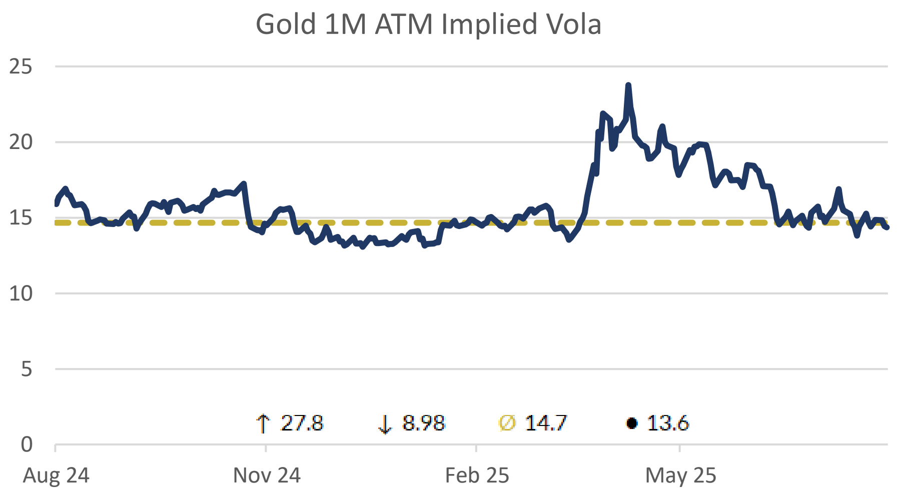
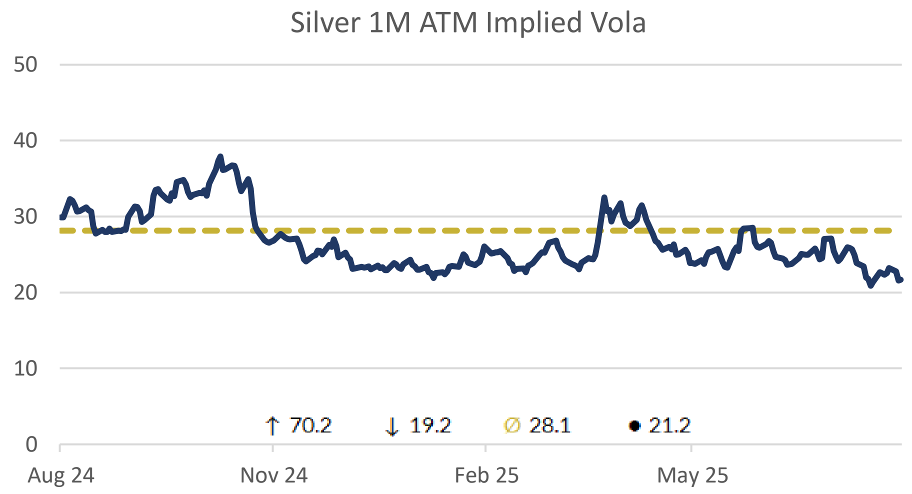
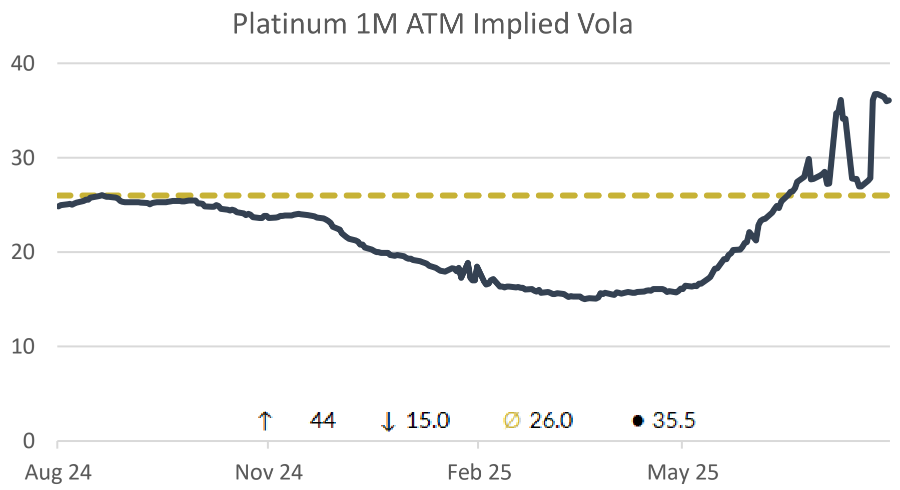
Overview

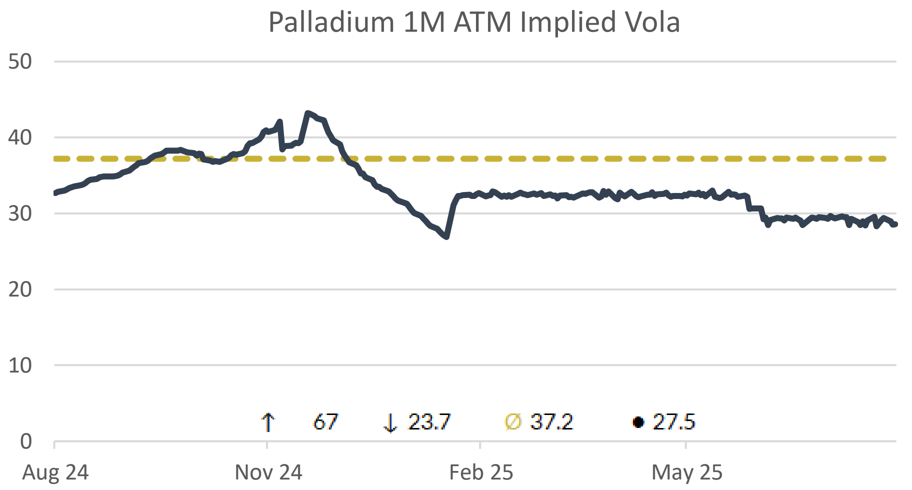
Gold	13.59	Silver	21.16	Platinum	35.48	Palladium	27.49

Metals









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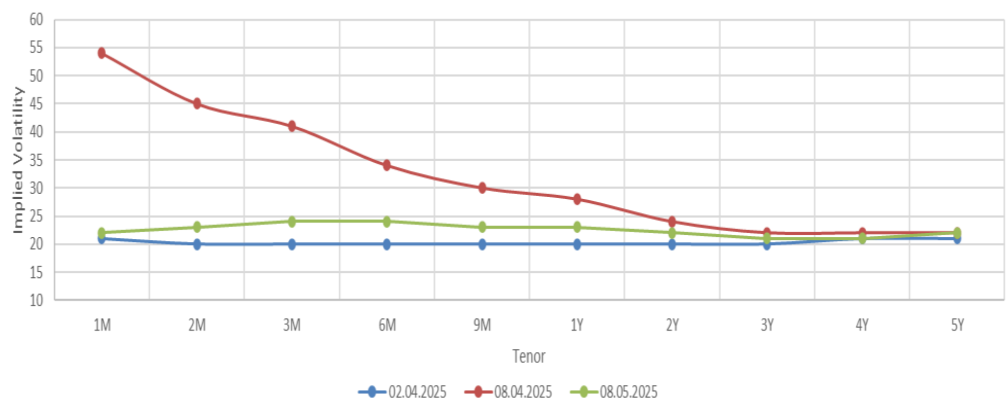
Term Structure Behaviour



Underlying SPX Index; 25DP Term Structure

The chart illustrates implied volatility term structure dynamics around Liberation Day. Prior to the event (02.04.2025), the curve is flat, anchored near 20 points across all maturities. During the shock (08.04.2025), front-end volatility exploded above 50 before cascading lower along the curve. One month later (08.05.2025), the structure had largely normalized, flattening back into the low-20 range.

Shock-Front Loading
Liberation Day volatility was heavily front-loaded: short-tenor contracts bore the brunt of uncertainty, while longer maturities priced in a faster reversion to stability.

Reversion Dynamics
Post-shock normalization was swift. Within weeks, front-end vol collapsed, and the curve re-anchored near pre-event levels,

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