Vola Headlines

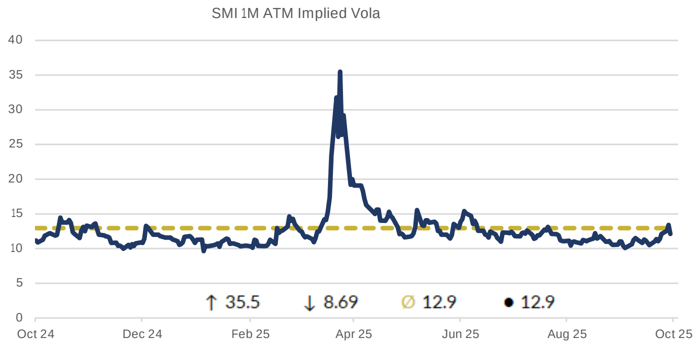
- Cross-asset volatility ticked higher in October, breaking its five-month streak of compression as geopolitical tensions, shifting rate expectations, and renewed policy uncertainty unsettled markets.
- Equity volatility firmed, with the VIX trading mostly between 17 and 21 amid uneven risk sentiment. Brief spikes on U.S.–China trade headlines and soft global data quickly faded, keeping overall risk pricing contained.
- FX volatility rose modestly, driven by realized volatility across currency pairs, primarily led by movements in the USD, CHF, and JPY.
- Metals volatility spiked sharply, driven by strong underlying price moves, triggered stop limits, and rising hedging demand, pushing implied levels into the high quantiles.

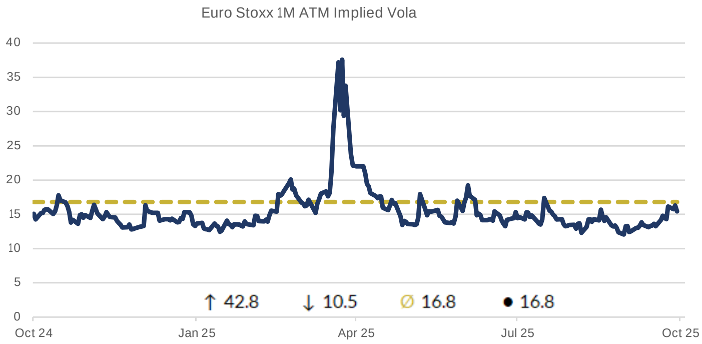
Overall, the shift reflects a normalization rather than a breakout in volatility. Sophisticated derivative strategies, such as selectively selling low-correlated cross-asset volatility to finance long equity volatility, capitalized on this move, providing targeted and cost-efficient downside protection while preserving upside potential. These strategies remain well positioned to navigate a moderately higher-volatility environment.

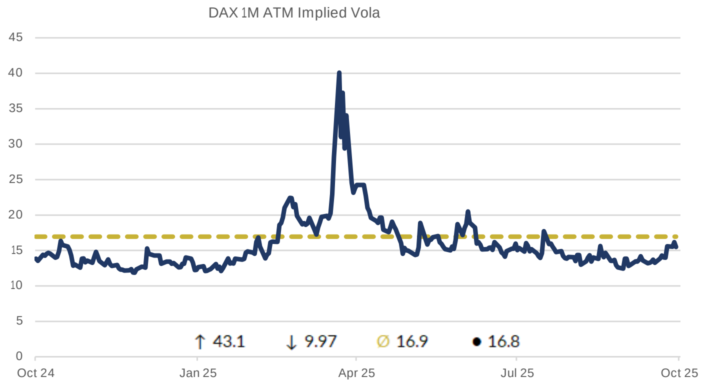
Overview

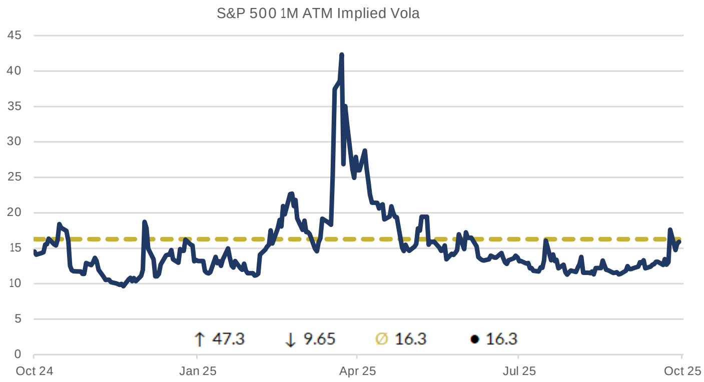
SMI	12.86	Euro Stoxx	16.76	SPX	16.29	Nikkei	27.84
DAX	16.80	FTSE 100	10.75	NASDAQ	21.47	Hang Seng	25.72

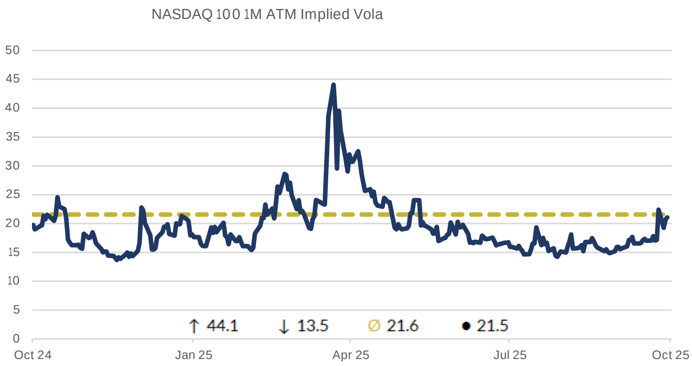
Equities

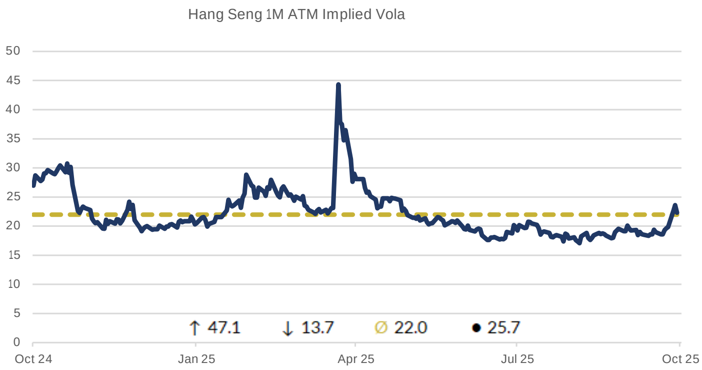












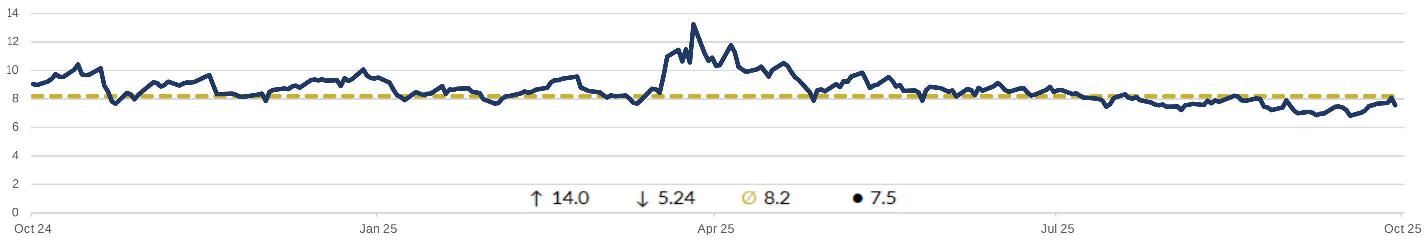
-- 5 year average of 1M ATM implied volatility ↑ Top 5 year ↓ Low 5 year ● Current

Overview

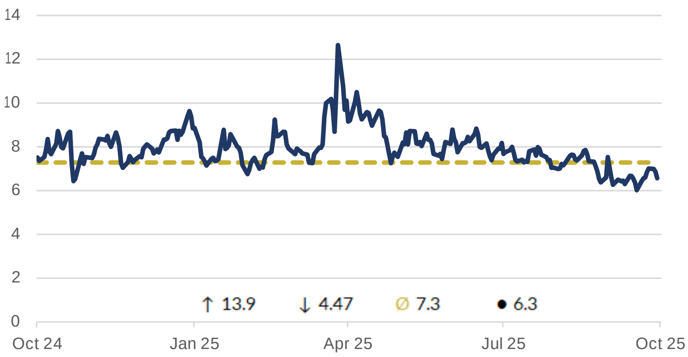
G10	7.53	USDJPY	9.50	EURGBP	4.41	USDCHF	7.59
EURUSD	6.34	EURCHF	4.36	GBPUSD	6.90	EURJPY	7.74

FX

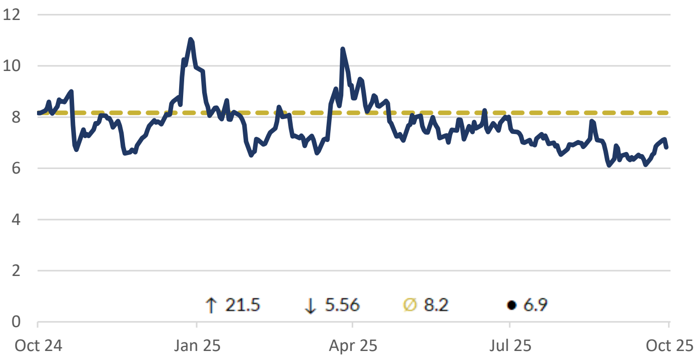
JPM G10 FX Volatility 1M ATM Index



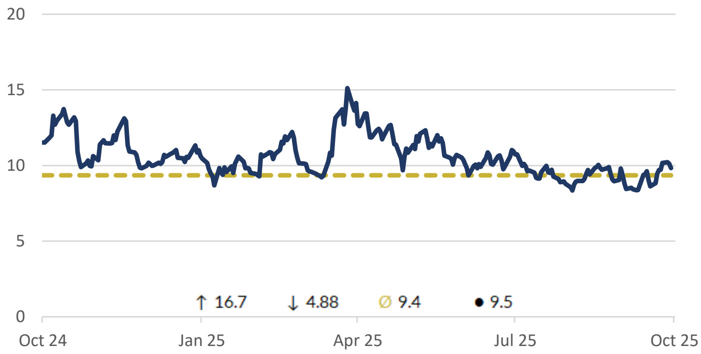
EURUSD 1M ATM Implied Vola



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

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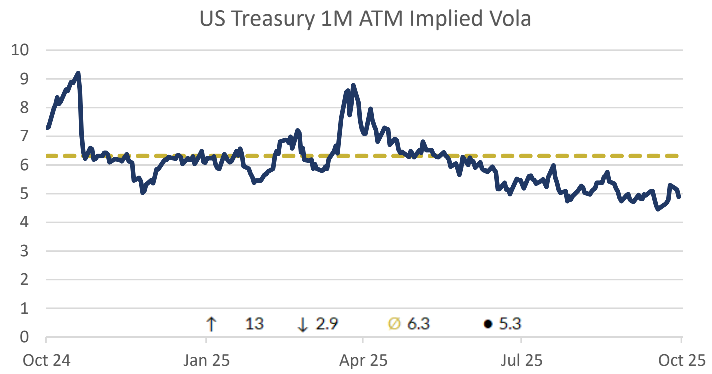
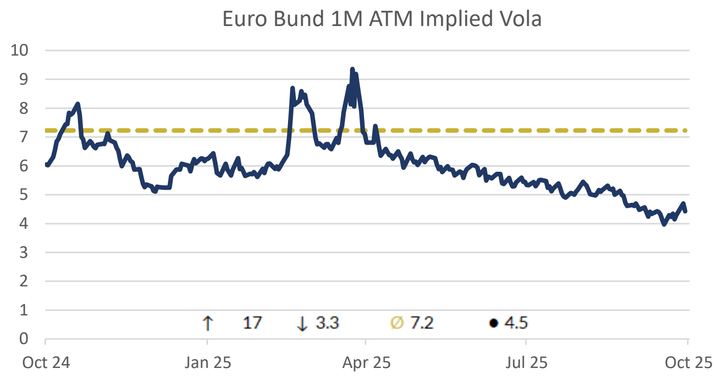
Overview

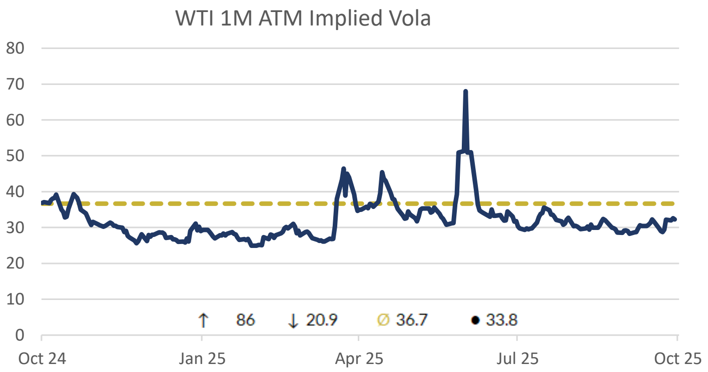
US Treasury	5.30	Euro Bund	4.45				
WTI	33.75	Brent	30.66	Natural Gas	56.78	Corn	14.69

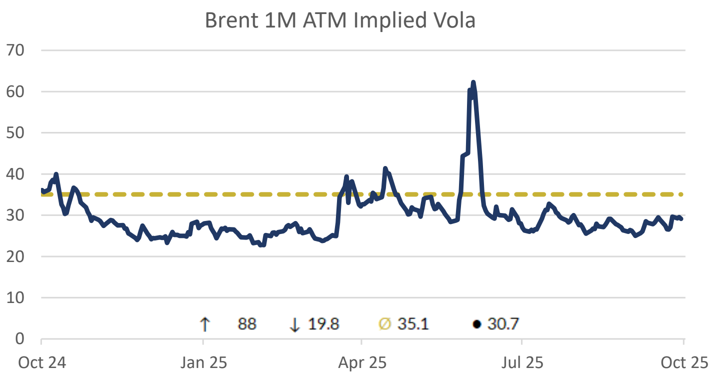
Rates

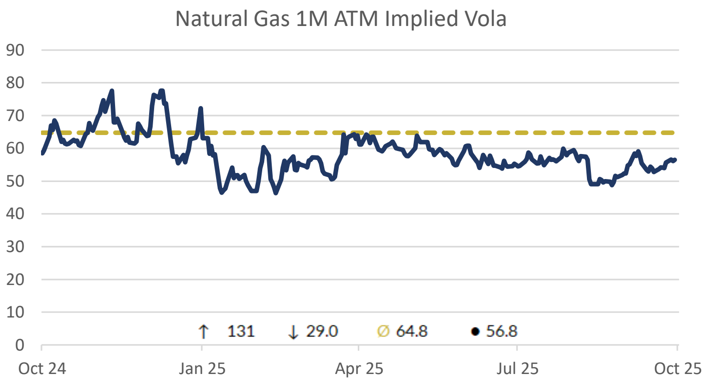


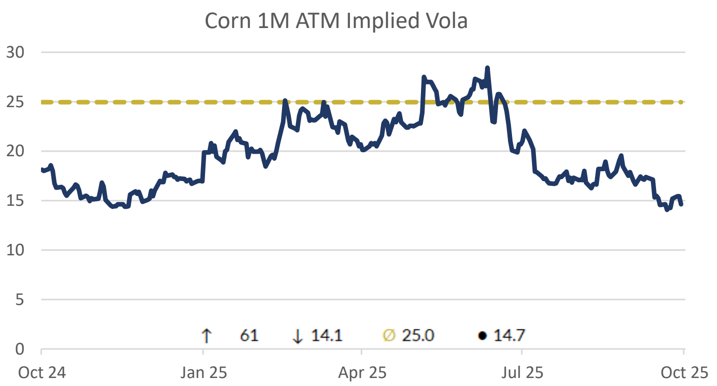


Commodities









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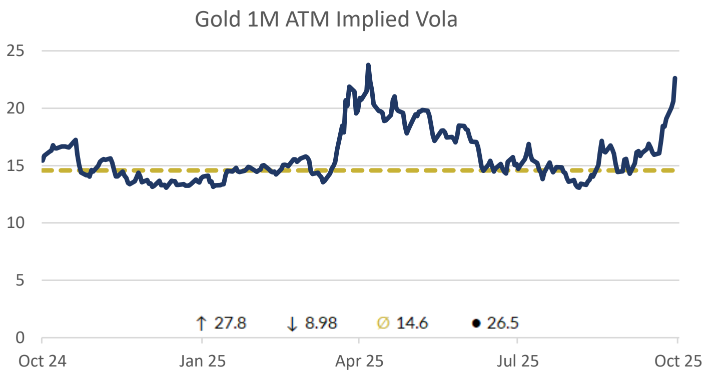
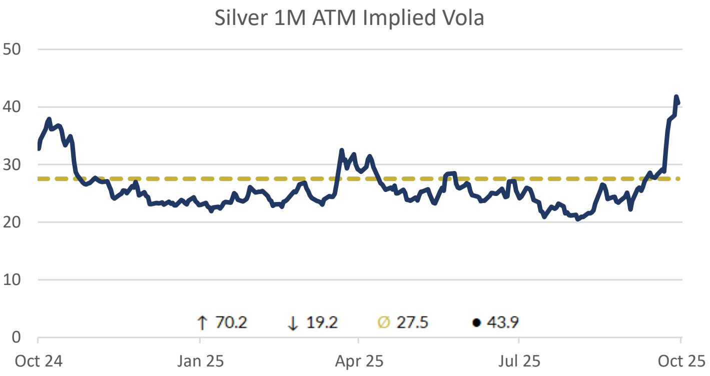
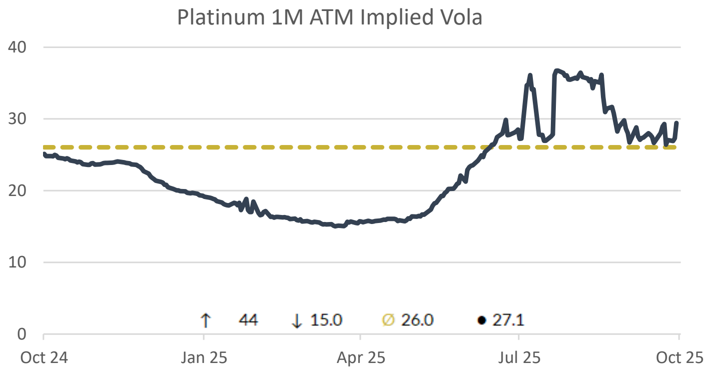
Overview

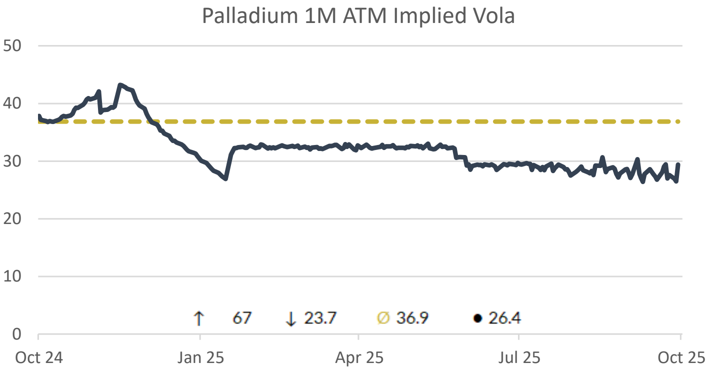
Gold	26.55	Silver	43.85	Platinum	27.11	Palladium	26.42

Metals









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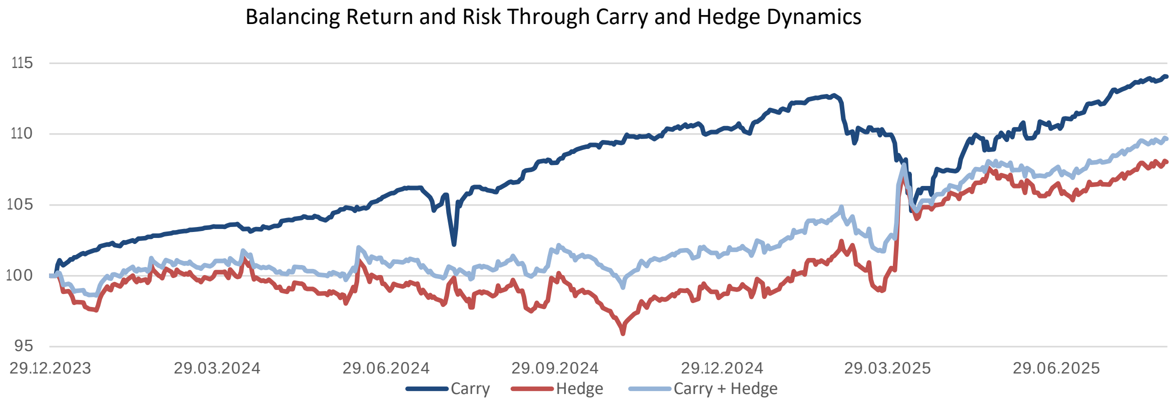

The Carry + Hedge Solution combines a systematic Carry strategy with a Hedge component to optimize risk-adjusted returns in today's uncertain markets. The Carry strategy systematically sells options, capturing consistent premium income during stable periods. This disciplined approach maximizes returns from option price decay while managing exposure to market swings.

The Hedge component, typically involving purchased options, introduces a drag effect in calm markets due to hedging costs, slightly reducing returns. However, it proves invaluable during volatility spikes, significantly limiting drawdowns. This blend is ideal for navigating current market uncertainty, balancing steady income from Carry with robust downside protection from the Hedge, delivering smoother performance and enhanced risk-adjusted returns.

“A good hedge should protect you; a great hedge should pay you while it does."

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