Vola Headlines

- Cross-asset volatility rose sharply in November, driven by, AI-sector concerns, Bitcoin selloff and geopolitical tensions
- Equity volatility spiked, with VIX hitting 26 as S&P 500 shed over 5% and Nasdaq over 7% from October highs on fading rate-cut bets and tech weakness
- FX vol climbed moderately, led by US-Dollar swings against most G10 currencies
- Metals volatility exploded, with gold/silver seeing 4%+ intraday moves and implieds reaching extreme quantiles amid supply fears and hedging

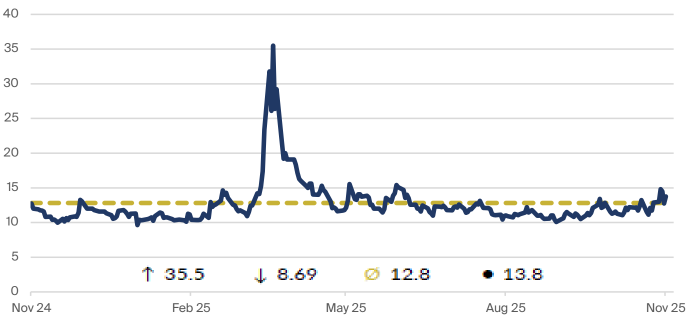
Overall, the shift reflects a normalization rather than a breakout in volatility. Sophisticated derivative strategies, such as selectively selling low-correlated cross-asset volatility to finance long equity volatility, capitalized on this move, providing targeted and cost-efficient downside protection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

Overview

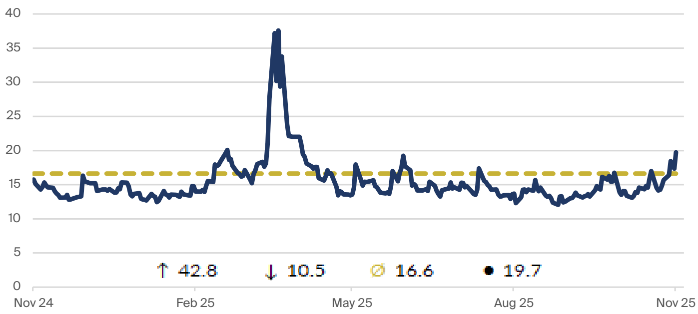
SMI	13.77	Euro Stoxx	19.73	SPX	19.47	Nikkei	32.16
DAX	19.72	FTSE 100	14.12	NASDAQ	26.39	Hang Seng	20.04

Equities

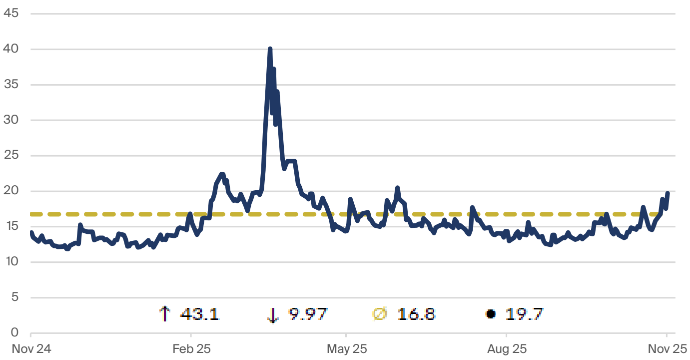
SMI 1M ATM Implied Vola



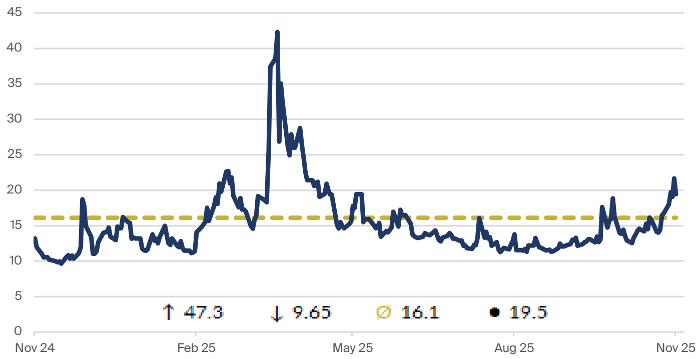
Euro Stoxx 1M ATM Implied Vola



DAX 1M ATM Implied Vola

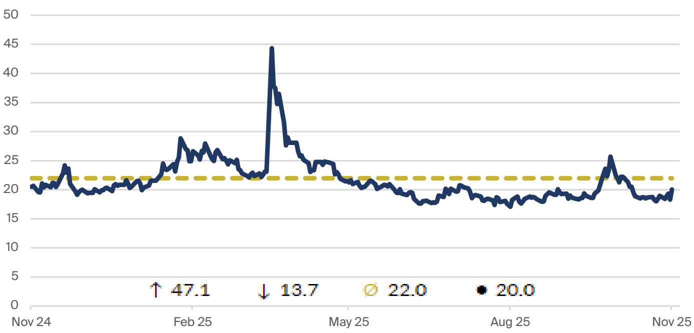


S&P 500 1M ATM Implied Vola



NASDAQ 100 1M ATM Implied Vola

Hang Seng 1M ATM Implied Vola



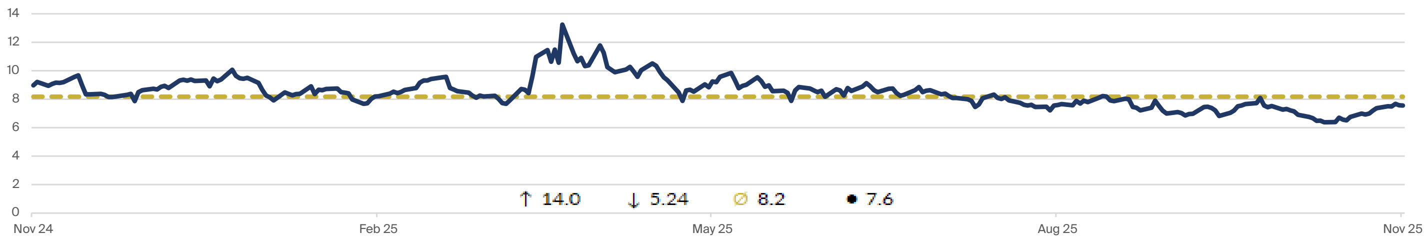
-- 5 year average of 1M ATM implied volatility ↑ Top 5 year ↓ Low 5 year ● Current

Overview

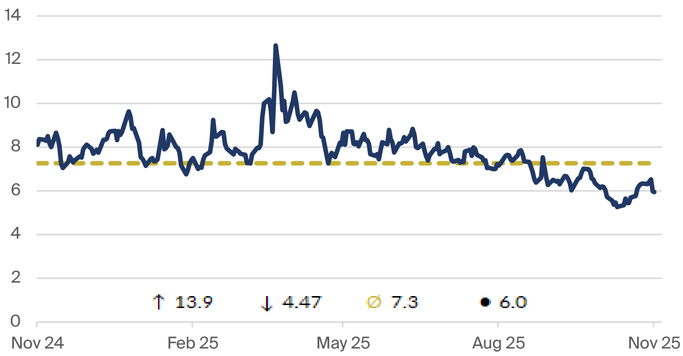
G10	7.56	USDJPY	10.13	EURGBP	5.55	USDCHF	7.24
EURUSD	5.95	EURCHF	4.03	GBPUSD	7.41	EURJPY	8.39

FX

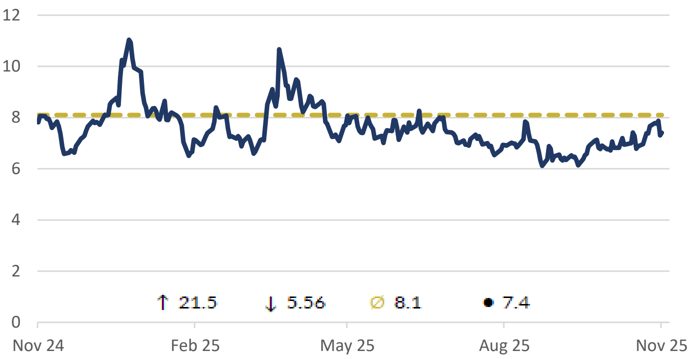
JPM G10 FX Volatility 1M ATM Index



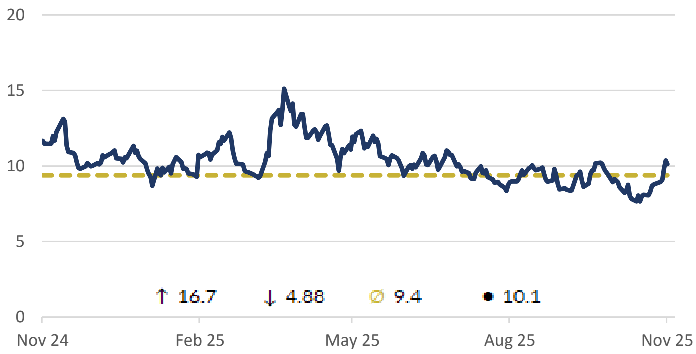
EURUSD 1M ATM Implied Vola



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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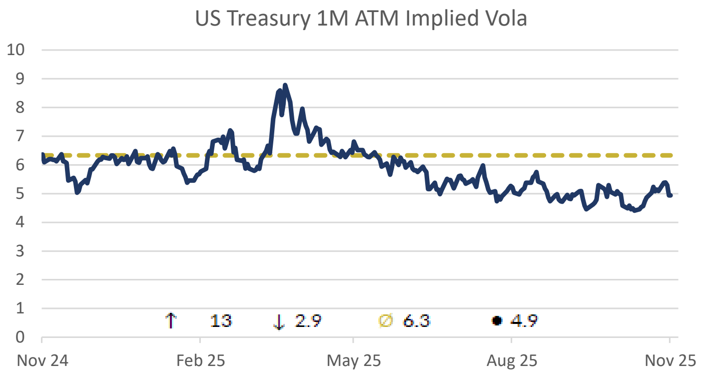
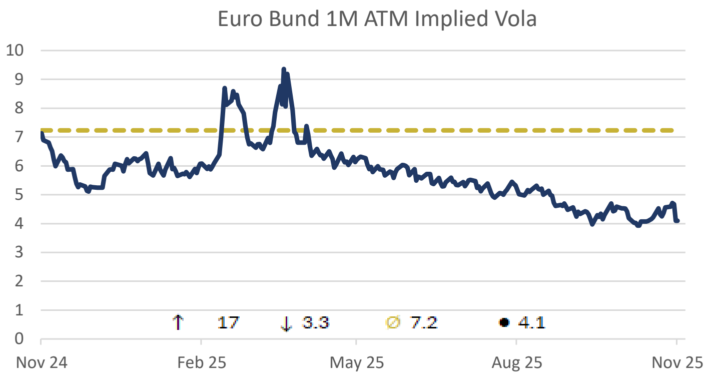
Overview

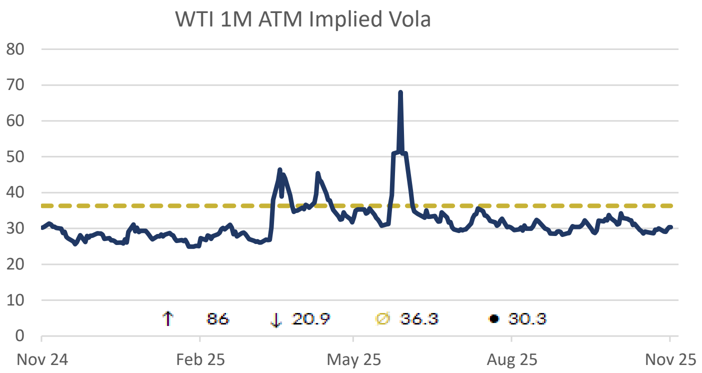
US Treasury	4.94	Euro Bund	4.10				
WTI	30.33	Brent	27.79	Natural Gas	65.02	Corn	14.63

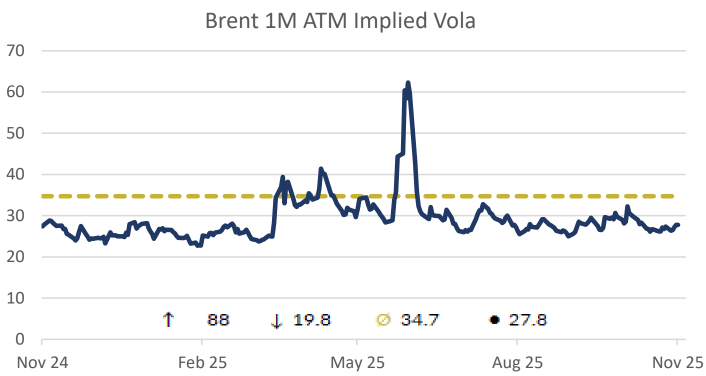
Rates

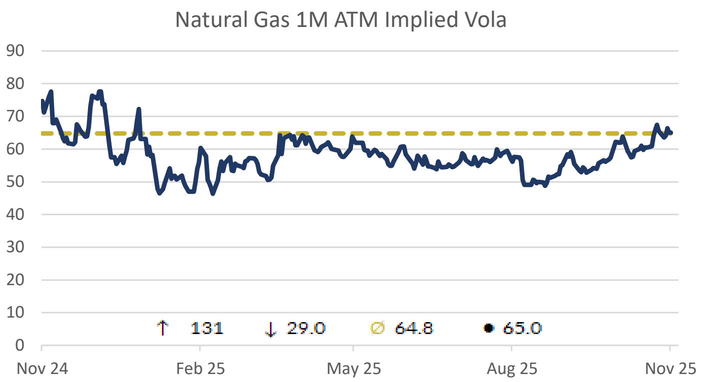


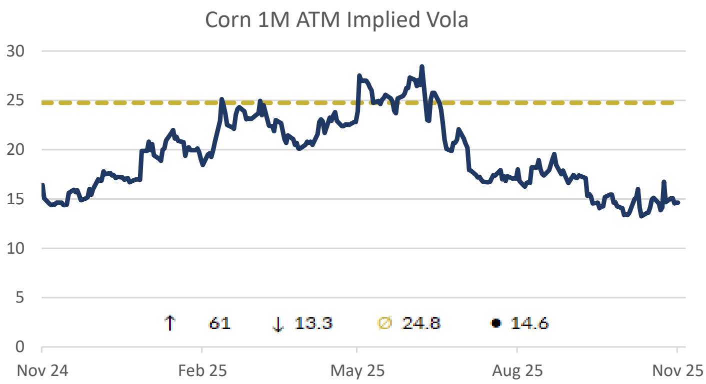


Commodities







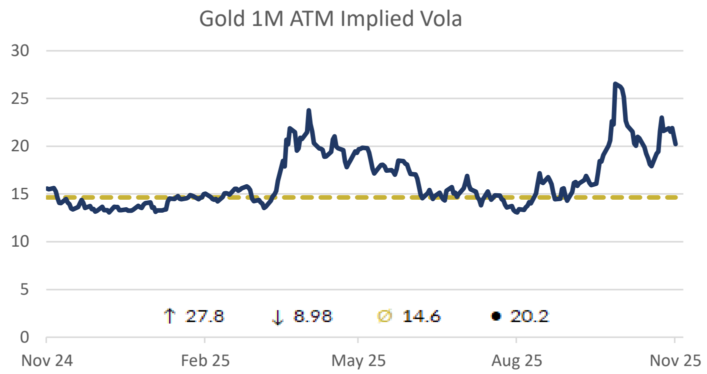


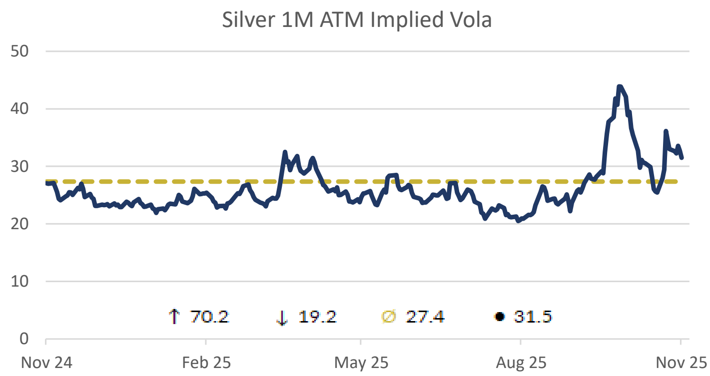
-- 5 year average of 1M ATM implied volatility ↑ Top 5 year ↓ Low 5 year ● Current

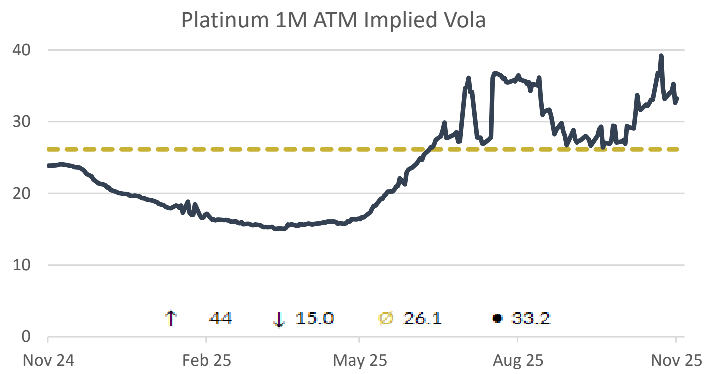
Overview

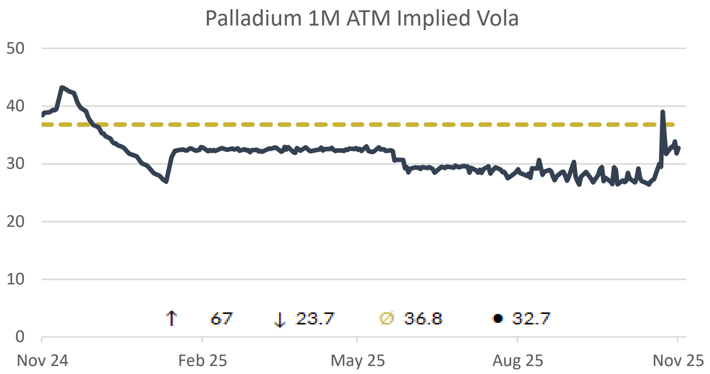
Gold	20.23	Silver	31.49	Platinum	33.22	Palladium	32.73

Metals



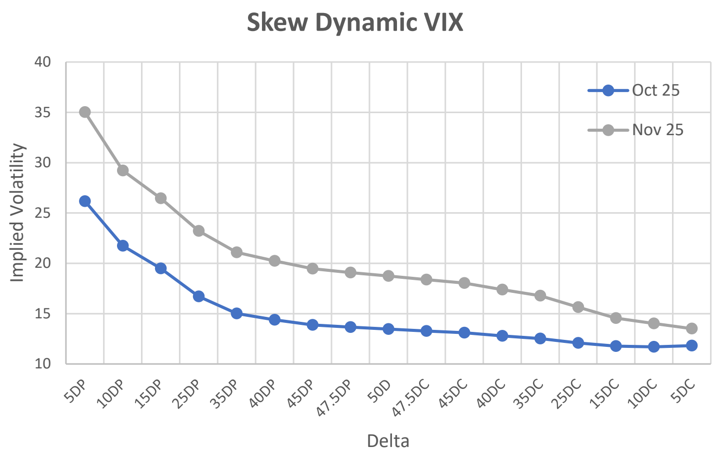






-- 5 year average of 1M ATM implied volatility   ↑ Top 5 year   ↓ Low 5 year   ● Current

VIX Skew: Oct 25 vs Nov 25



The volatility skew in the S&P 500 (SPX) options market refers to the asymmetric pattern of implied volatility (IV) across different strike prices. For equity indices like the SPX, a "reverse skew" is typical: out-of-the-money (OTM) puts exhibit higher IV than OTM calls. This reflects stronger demand for crash protection and indicates that the market assigns greater likelihood or impact to negative tail events.

A "smile" shape occurs when IV rises at both extremes of the strike distribution (very low and very high strikes). That configuration signals expectations of large price moves in either direction.

The slope of the skew—often measured as the difference between the IV of 90%-moneyness puts and 110%-moneyness calls—serves as a sentiment gauge. A steeper (more negative) skew points to increasing hedging activity and rising risk aversion.

Since the last expiry, SPX skew shifted clearly from bullish to bearish, signaling stronger put demand and a heightened preference for downside protection, which pushed implied volatilities into higher quantiles—an environment that always brings opportunities: reduce long exposure and start building short positions according to your rule-book.

"Everybody wants cheap puts—right after they stop being cheap."

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