EMCORE Volatility Picture

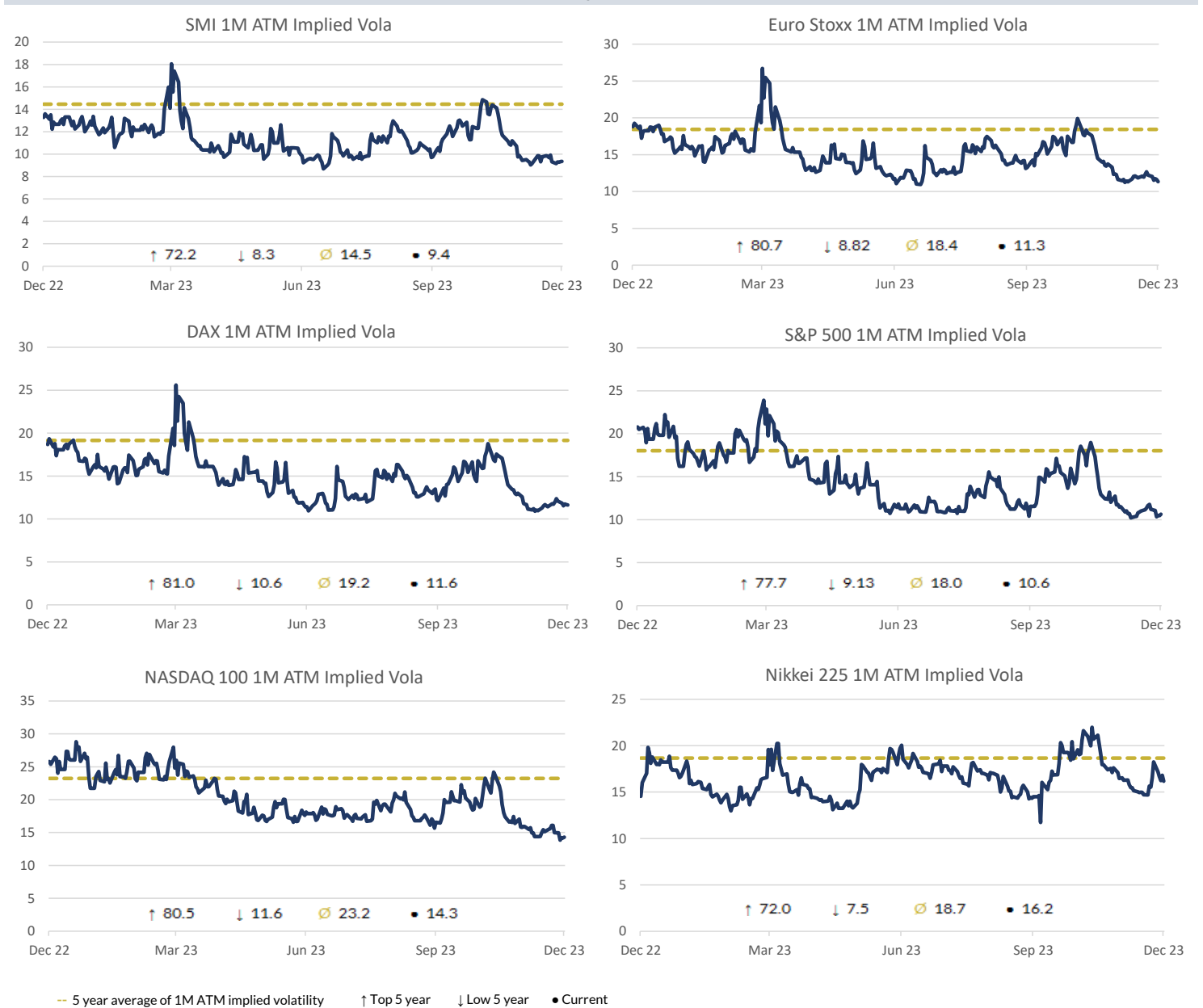$C = SN(d_1) - N(d_2) Ke^{-rt}$

15 December 2023

Vola Headlines

- Implied volatility for equity indices is currently at its year-to-date low, significantly deviating from the five-year average.
- FX volatilities in the G10 universe trade around the 5-year average. Individual currency pairs show attractive constellations.
- Precious Metal - The recent upswing in implied volatilities for palladium and platinum marks the potential end of a prolonged downward trend that persisted since June.

The implied volatility in 2024 will depend on geopolitical developments, inflation dynamics and the measures taken by central banks. Given the current implied volatility levels, the market expects a very relaxed future.

Overview

SMI	9.35	Euro Stoxx	11.32	SPX	10.64	Nikkei	16.17
DAX	11.63	FTSE 100	10.40	NASDAQ	14.30	Hang Seng	21.25

Equities

SMI 1M ATM Implied Vola
↑ 72.2   ↓ 8.3   ∅ 14.5   ● 9.4

Euro Stoxx 1M ATM Implied Vola
↑ 80.7   ↓ 8.82   ∅ 18.4   ● 11.3

DAX 1M ATM Implied Vola
↑ 81.0   ↓ 10.6   ∅ 19.2   ● 11.6

S&P 500 1M ATM Implied Vola
↑ 77.7   ↓ 9.13   ∅ 18.0   ● 10.6

NASDAQ 100 1M ATM Implied Vola
↑ 80.5   ↓ 11.6   ∅ 23.2   ● 14.3

Nikkei 225 1M ATM Implied Vola
↑ 72.0   ↓ 7.5   ∅ 18.7   ● 16.2

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

EMCORE Volatility Picture

$$C = SN(d_1) - N(d_2) Ke^{-rt}$$

Overview

G10	8.07	USDJPY	11.50	EURGBP	4.35	USDCHF	6.23
EURUSD	6.01	EURCHF	5.06	GBPUSD	6.40	EURJPY	10.89

FX

JPM G10 FX Volatility 1M ATM Index

↑ 19   ↓ 4.5   ∅ 7.8   ● 8.1
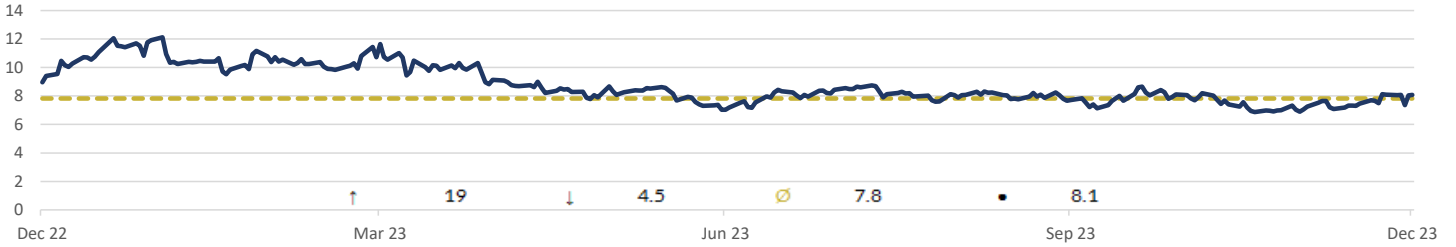
EURUSD 1M ATM Implied Vola

↑ 14.9   ↓ 3.77   ∅ 6.9   ● 6.0

GBPUSD 1M ATM Implied Vola

↑ 22.7   ↓ 5.37   ∅ 9.0   ● 6.4

USDJPY 1M ATM Implied Vola

↑ 21.4   ↓ 3.92   ∅ 8.0   ● 11.5

USDCHF 1M ATM Implied Vola

↑ 13.6   ↓ 4.02   ∅ 6.9   ● 6.2

EURCHF 1M ATM Implied Vola

↑ 10.6   ↓ 3.2   ∅ 5.2   ● 5.1

GBPCHF 1M ATM Implied Vola

↑ 19   ↓ 5.5   ∅ 8.1   ● 5.6

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

EMCORE Volatility Picture

$C = SN(d_1) - N(d_2) Ke^{-rt}$

Overview

Gold	11.75	Silver	22.65	Platinum	24.07	Palladium	30.49

Metals

Gold 1M ATM Implied Vola

↑ 44.5 ↓ 7.76 ∅ 14.2 ● 11.8

Silver 1M ATM Implied Vola

↑ 88.2 ↓ 13.0 ∅ 27.0 ● 22.7

Platinum 1M ATM Implied Vola

↑ 90 ↓ 15.1 ∅ 26.5 ● 24.1

Palladium 1M ATM Implied Vola

↑ 103 ↓ 23.7 ∅ 38.1 ● 30.5

-- 5 year average of 1M ATM implied volatility   ↑ Top 5 year   ↓ Low 5 year   ● Current
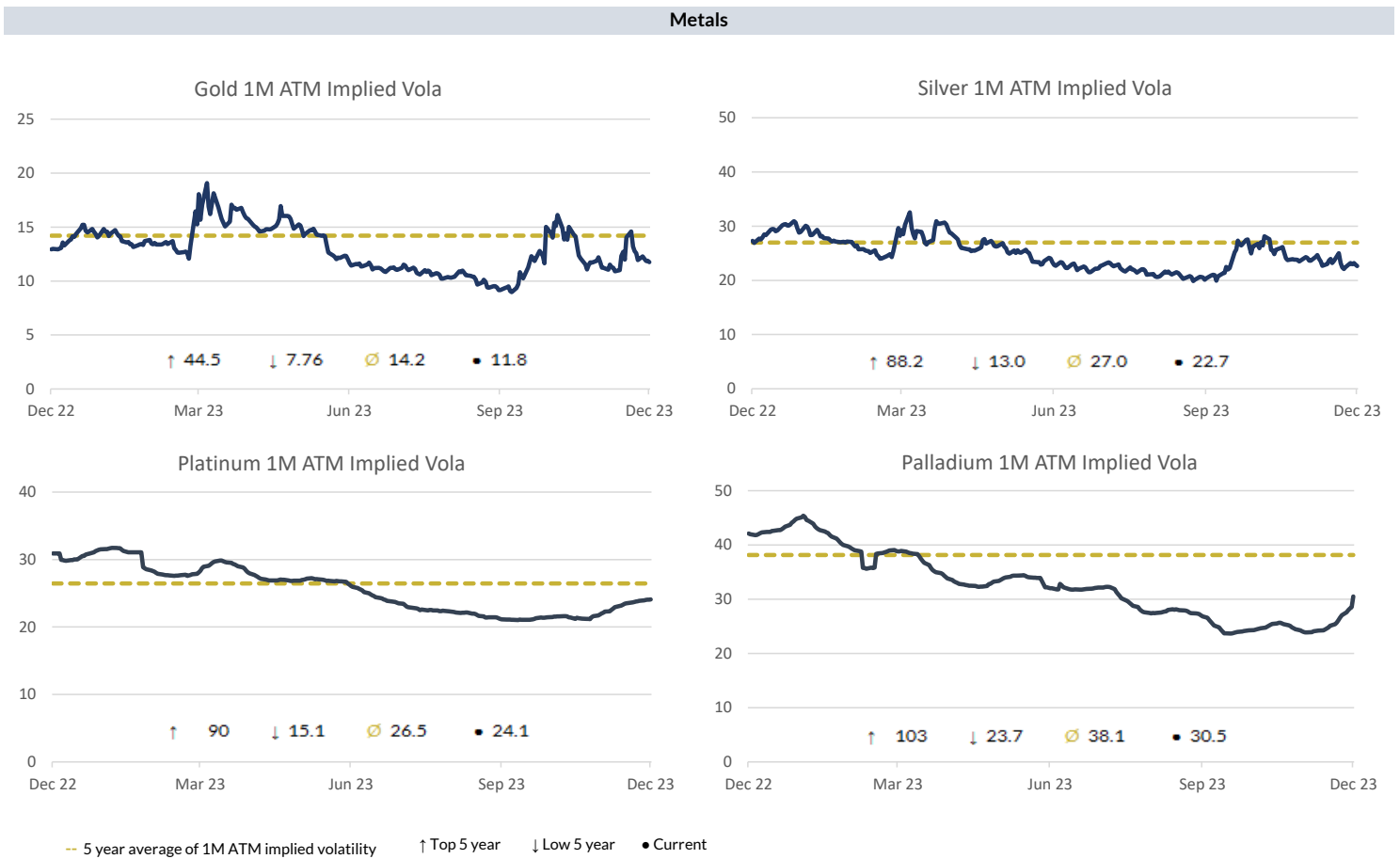
VIX Index (S&P 500 implied volatility) 2023

-43.3%

—— VIX Index
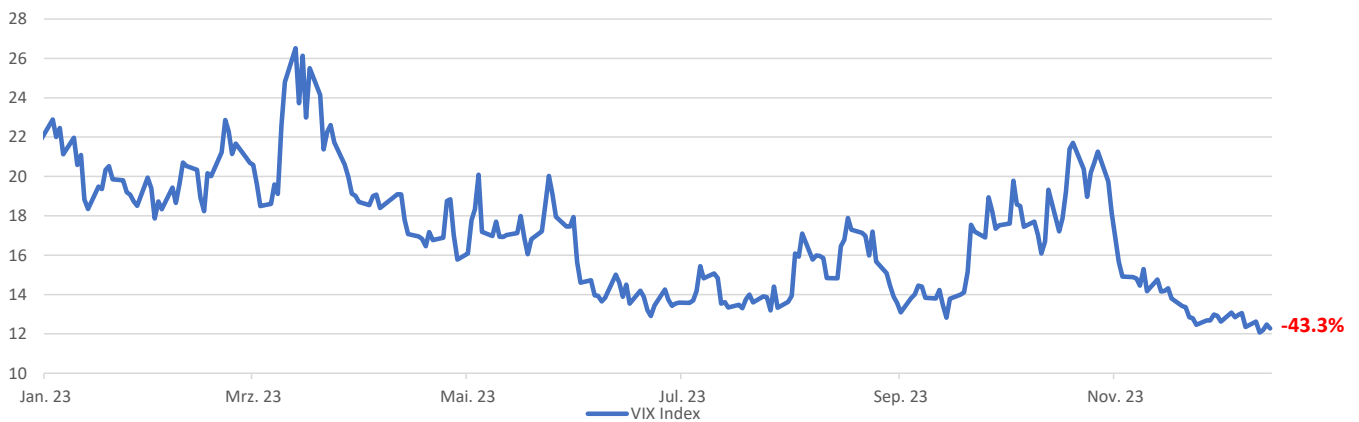
"Return profiles that are asymmetrical through optionality are better than symmetrical risk/rewards"

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