

EMCORE Volatility Picture

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

16 February 2024



Vola Headlines

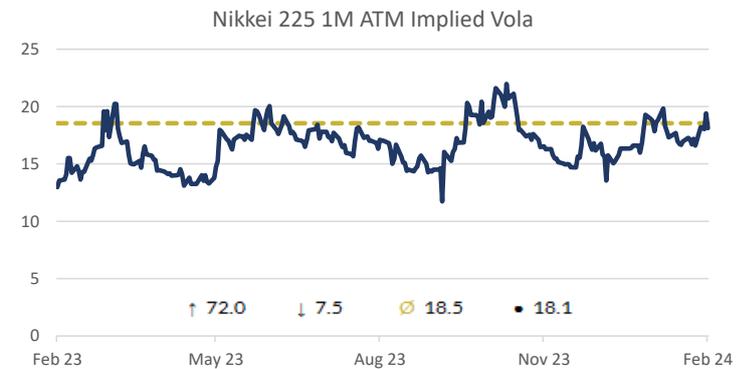
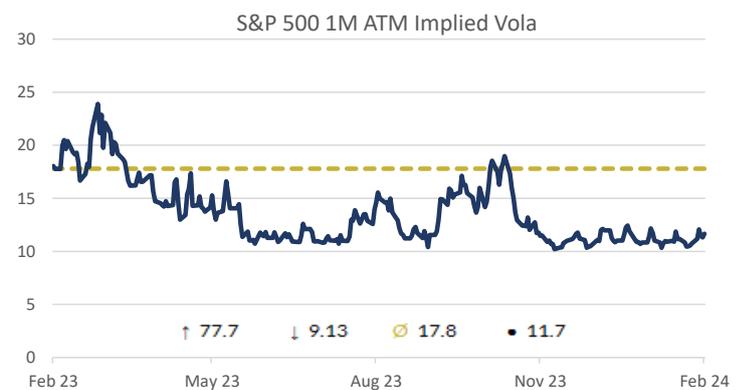
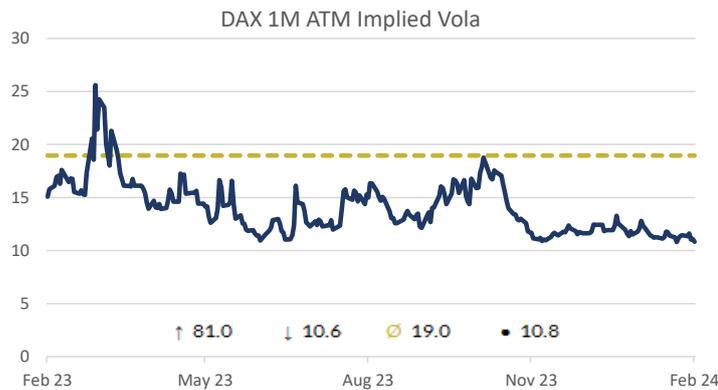
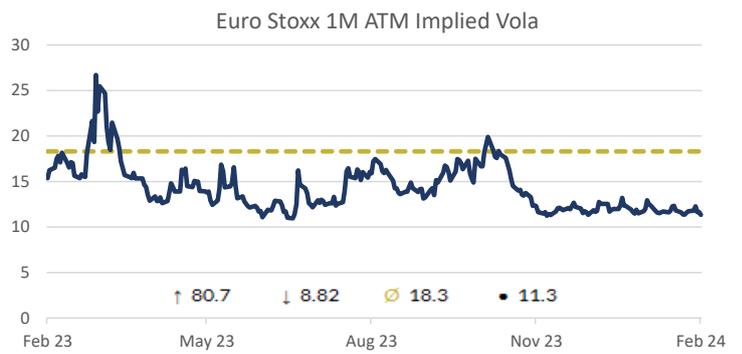
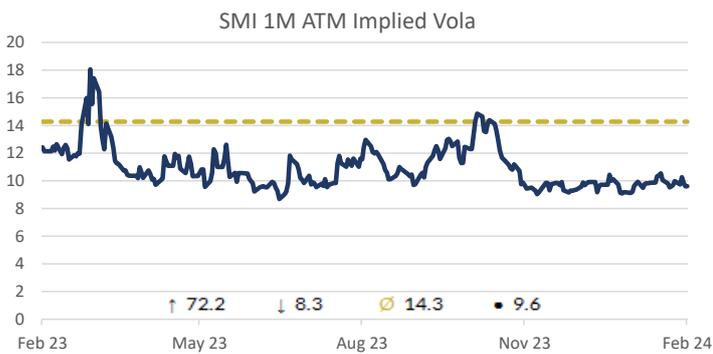
- The financial markets are showing continued optimism in the first 7 weeks of the year and the implied volatility of the various assets is under pressure.
- The tradable volatility of the equity markets has experienced a quiet period since the January expiry and remains in the lowest quantile.
- The start of the year was affected by a lack of demand for the implied volatilities of the currencies in the G10 universe.
- The trend also continued for metals, almost all of them are below the five-year average.

Evaluations mirror investor expectations but are complex due to uncertain futures and the challenge of accurate predictions. Volatility arises when investors are confronted with new information, and their previous assumptions prove to be incorrect.

Overview

SMI	9.62	Euro Stoxx	11.35	SPX	11.66	Nikkei	18.12
DAX	10.84	FTSE 100	9.81	NASDAQ	16.88	Hang Seng	25.50

Equities



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

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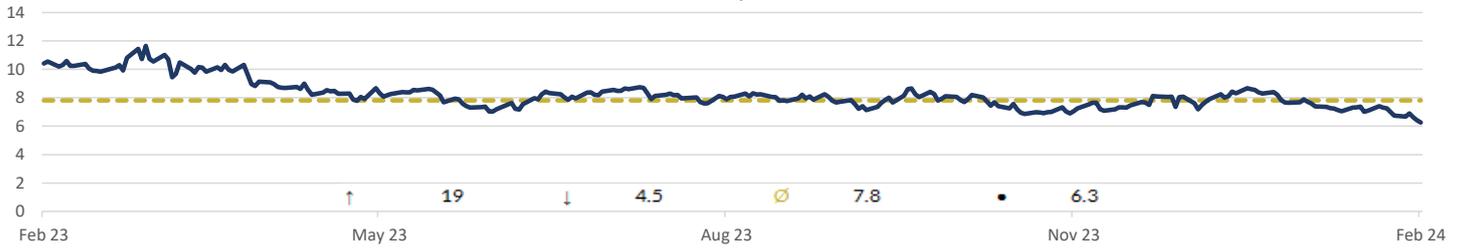


Overview

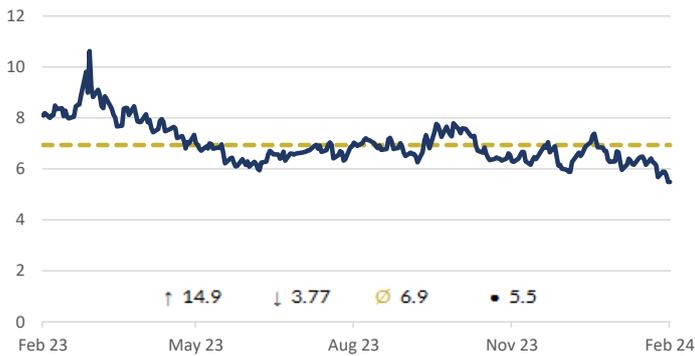
G10	6.26	USDJPY	7.13	EURGBP	3.73	USDCHF	6.32
EURUSD	5.49	EURCHF	4.63	GBPUSD	5.78	EURJPY	6.48

FX

JPM G10 FX Volatility 1M ATM Index



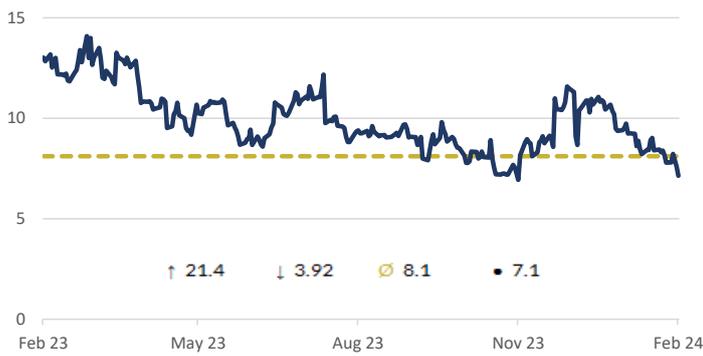
EURUSD 1M ATM Implied Vola



GBPUSD 1M ATM Implied Vola



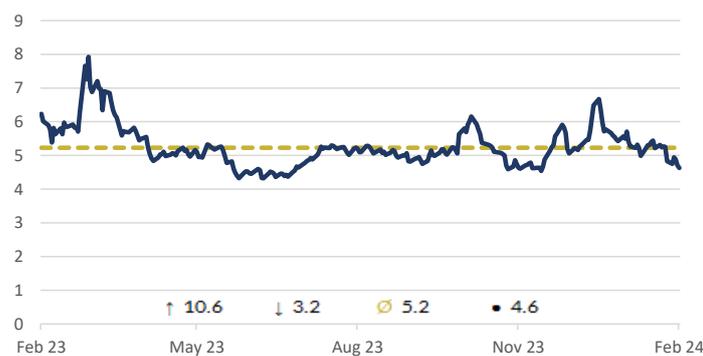
USDJPY 1M ATM Implied Vola



USDCHF 1M ATM Implied Vola



EURCHF 1M ATM Implied Vola



GBPCHF 1M ATM Implied Vola



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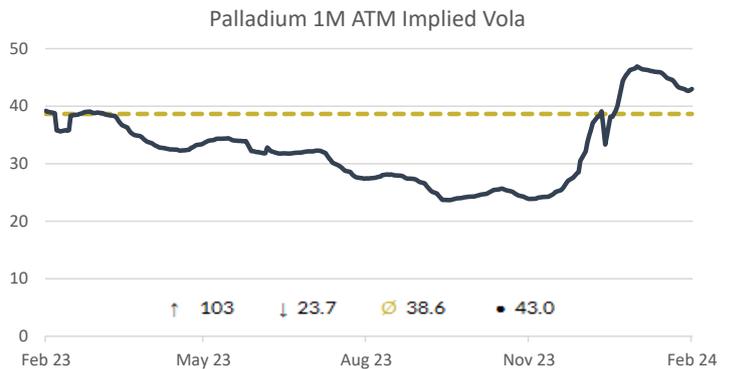
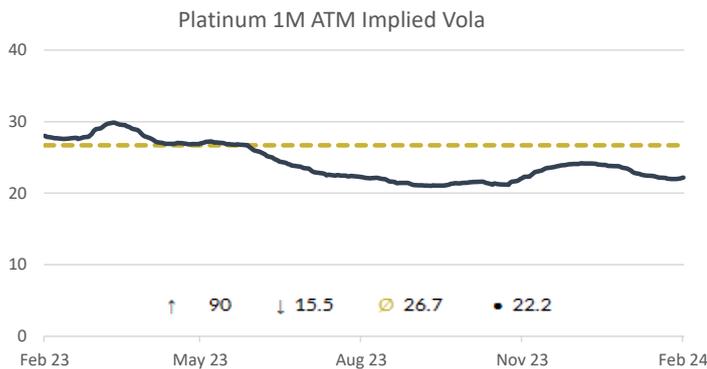
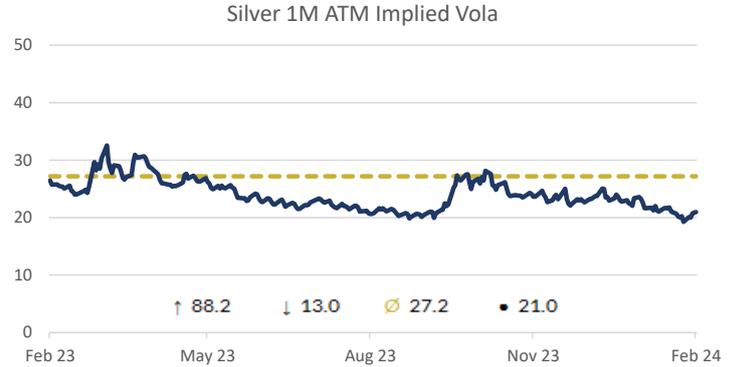
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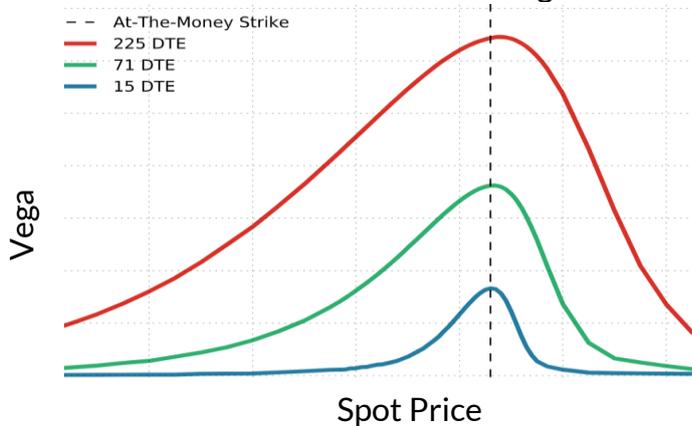


Overview							
Gold	9.80	Silver	20.98	Platinum	22.19	Palladium	42.99
Metals							



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What is Vega?



Vega measures the amount of increase or decrease in an option premium based on a 1% change in implied volatility.

Longer dated options have a higher Vega value. This is a reflection of Vega's sensitivity to time. The more time an option has to be above or below its strike, the more sensitive the option will be to changes in implied volatility.

"The intelligent investor is a realist who sells to optimists and buys from pessimists."

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