

# EMCORE Volatility Picture

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

15 March 2024

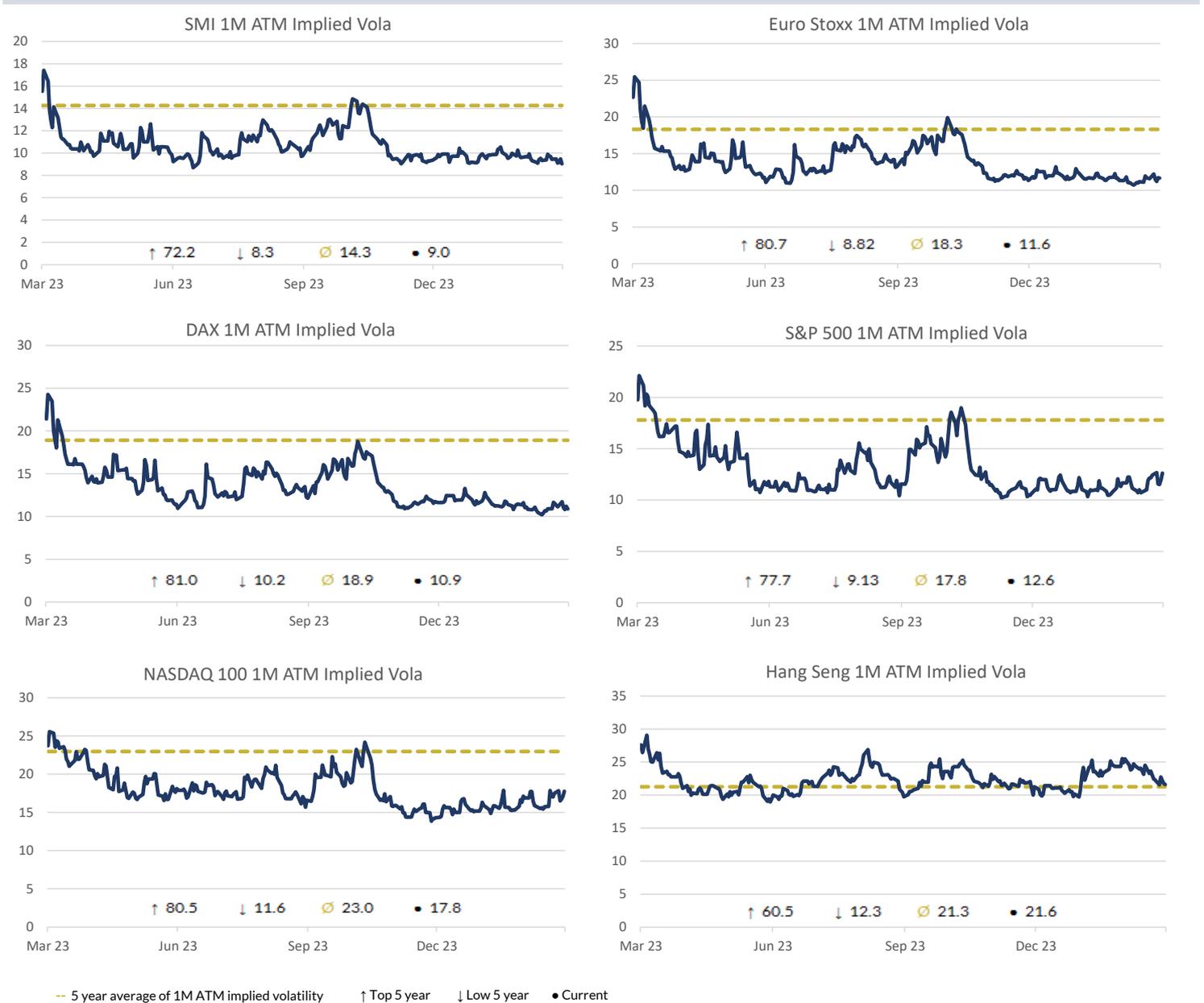


## Vola Headlines

- The leading equity indices have just reached record highs, which is an indicator of market sentiment and has a direct impact on implied volatility
- The derivatives activity of the crowded short vol ETFs is one reason why implied volatility has remained particularly low this year
- The implied volatilities of the currencies in the G10 universe have experienced a quiet 4 weeks and are trading basically unchanged at low levels

Cross-asset hedging: Equity puts (and VIX calls) are still the outlier in hedging in terms of lowest implied vol (%iles) and highest payout ratios versus historical drawdowns.

Overview							
SMI	9.03	Euro Stoxx	11.64	SPX	12.62	Nikkei	17.82
DAX	10.88	FTSE 100	10.48	NASDAQ	17.77	Hang Seng	21.62



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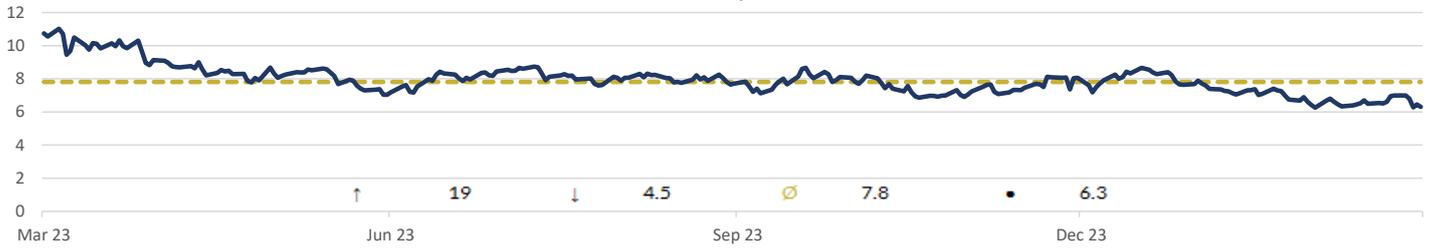


## Overview

G10	6.30	USDJPY	7.81	EURGBP	3.72	USDCHF	6.05
EURUSD	5.16	EURCHF	4.46	GBPUSD	5.73	EURJPY	7.28

## FX

JPM G10 FX Volatility 1M ATM Index



EURUSD 1M ATM Implied Vola



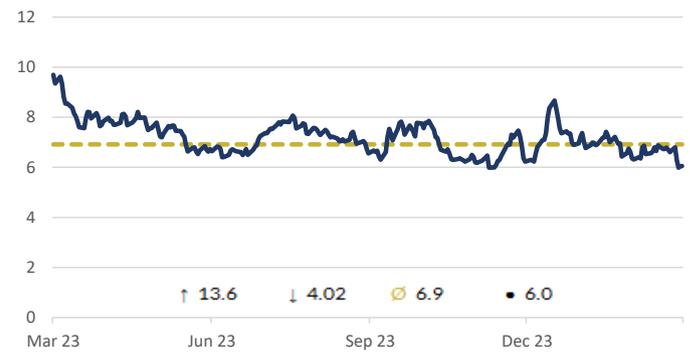
GBPUSD 1M ATM Implied Vola



USDJPY 1M ATM Implied Vola



USDCHF 1M ATM Implied Vola



EURCHF 1M ATM Implied Vola



GBPCHF 1M ATM Implied Vola



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

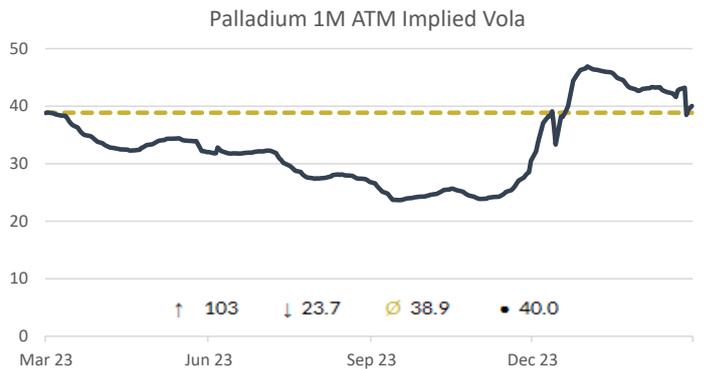
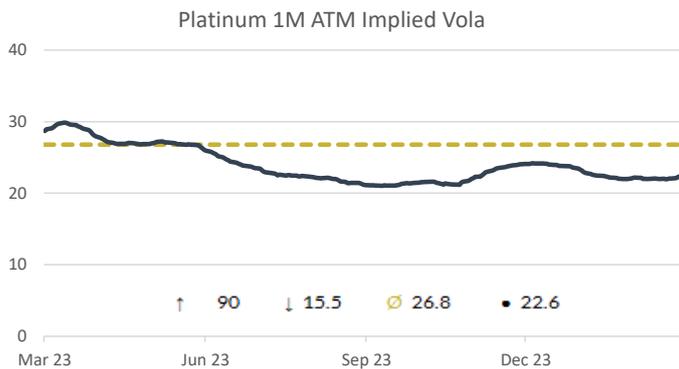
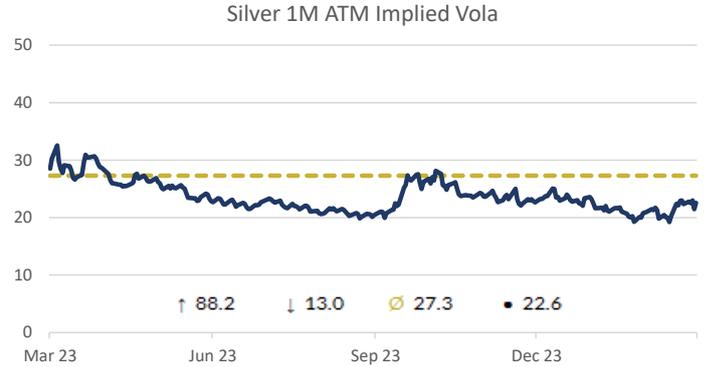
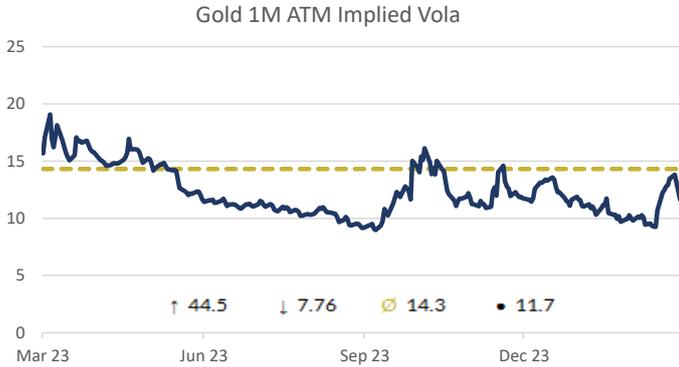
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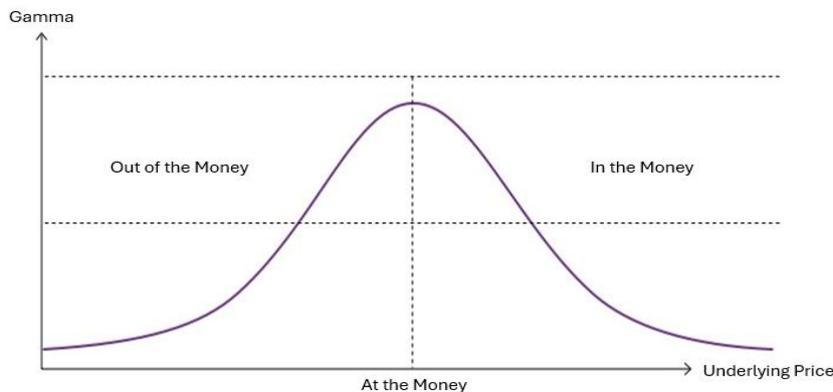


Overview							
Gold	11.70	Silver	22.58	Platinum	22.56	Palladium	40.03
Metals							



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## What is Gamma?



Gamma represents the rate of change between an option's Delta and the underlying asset's price. Higher Gamma values indicate that the Delta could change dramatically with even very small price changes in the underlying price.

At-the-money options have the highest Gamma because their Deltas are the most sensitive to underlying price changes.

"The ability to outperform in the financial market requires creativity, vision, and the ability to see things that others cannot see."

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