Vola Headlines

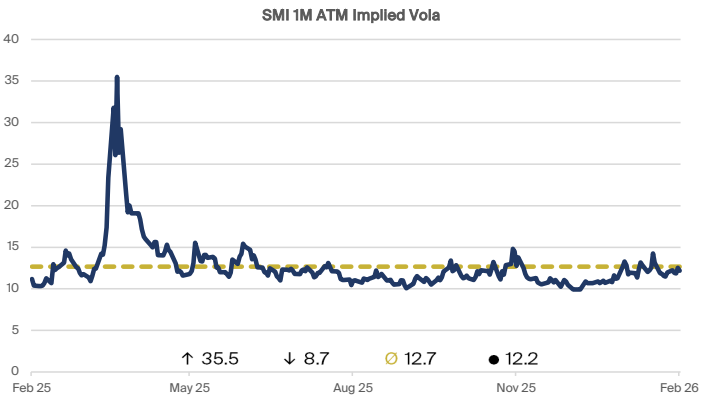
- Cross-asset volatility has rebounded from the January 2026 lows observed around the post-holiday unwind and metals correction, yet returning to the median quantiles.
- Downside equity volatility, particularly in far out-of-the-money put options, has moved higher following the January rotation pressures and policy-related jitters.
- FX volatility in the majority of G10 currency pairs continues to trade materially below the five-year average.
- Bond market volatility is currently in the lowest historical quantiles, whereas oil and gas prices are trading close to their long-term levels.
- An exception is the metals complex, where implied volatility remains elevated, with silver trading in the highest quantiles.

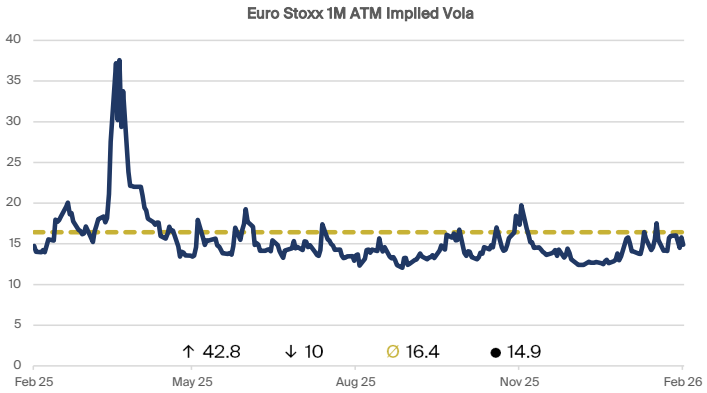
For the coming month, markets are likely to face elevated uncertainty, primarily driven by geopolitical tensions and crowded, leveraged positioning, increasing the risk of heightened volatility and abrupt dislocations. Low-correlated, capital-efficient return generation, combined with an optimised risk–reward profile through convex positioning, is key to navigating the current market environment.

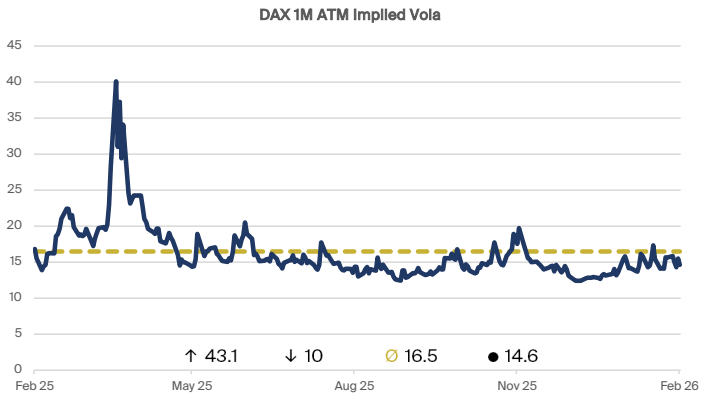
Overview

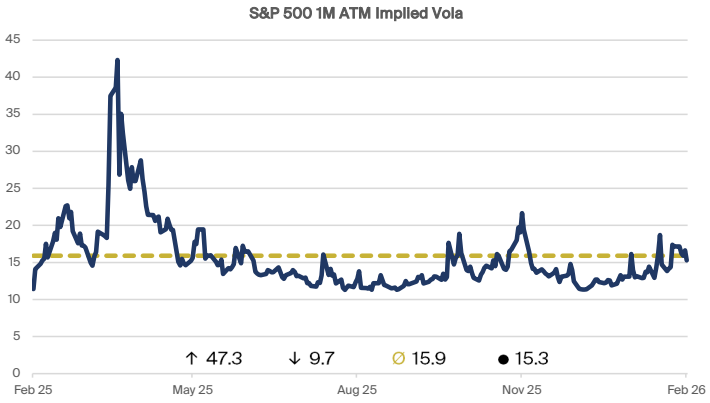
SMI	12.17	Euro Stoxx	14.89	SPX	15.27	Nikkei	24.61
DAX	14.61	FTSE 100	11.92	NASDAQ	20.91	Hang Seng	20.90

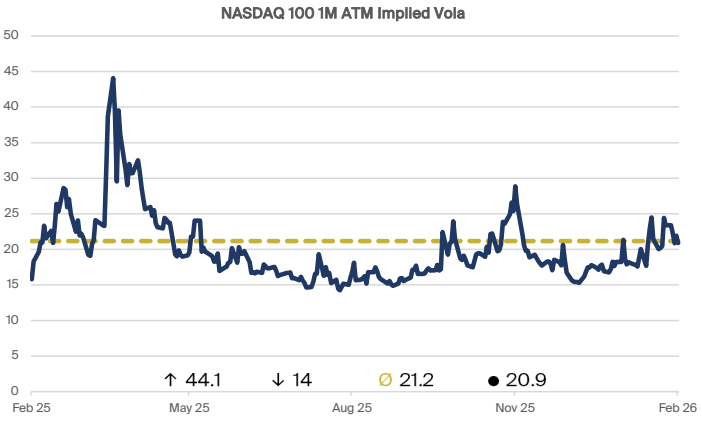
Equities

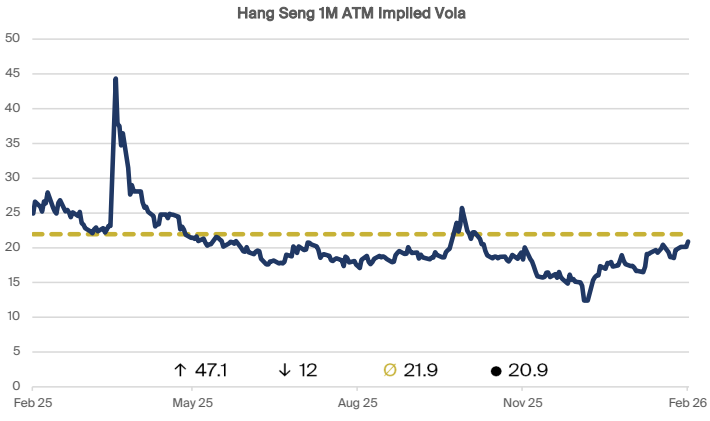










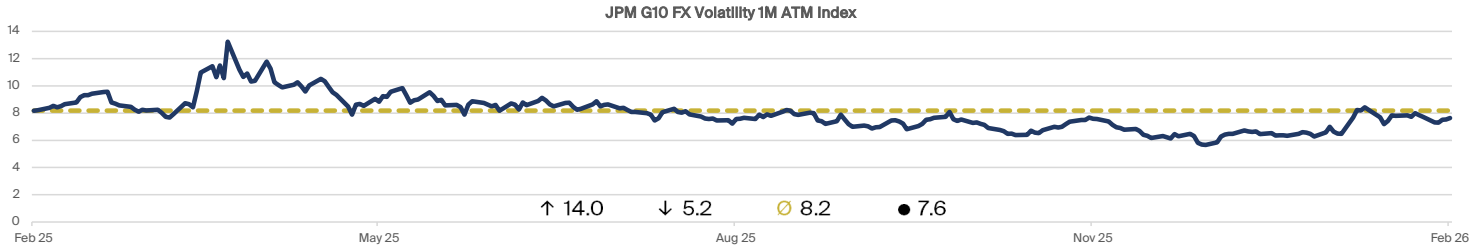


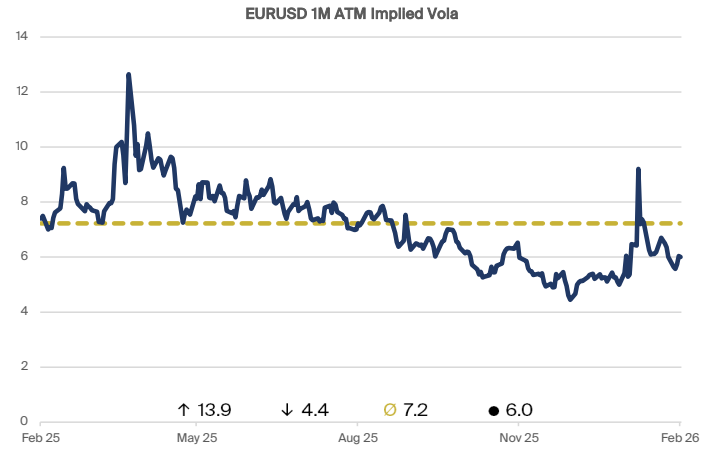
-- 5 year average of 1M ATM implied volatility ↑ Top 5 year ↓ Low 5 year ● Current

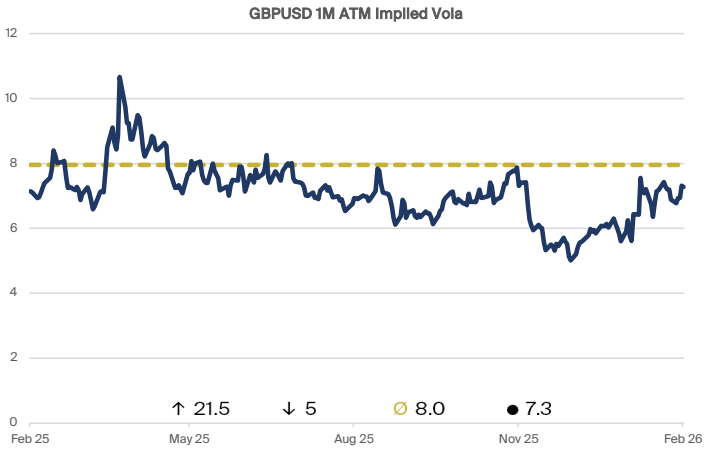
Overview

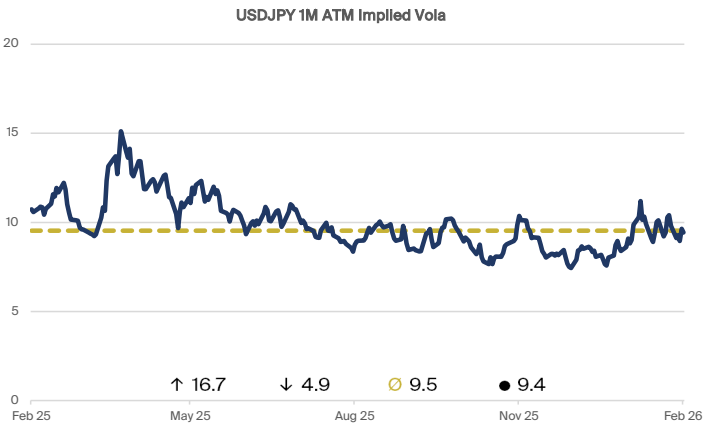
G10	7.63	USDJPY	9.43	EURGBP	4.47	USDCHF	7.88
EURUSD	6.01	EURCHF	4.87	GBPUSD	7.28	EURJPY	8.56

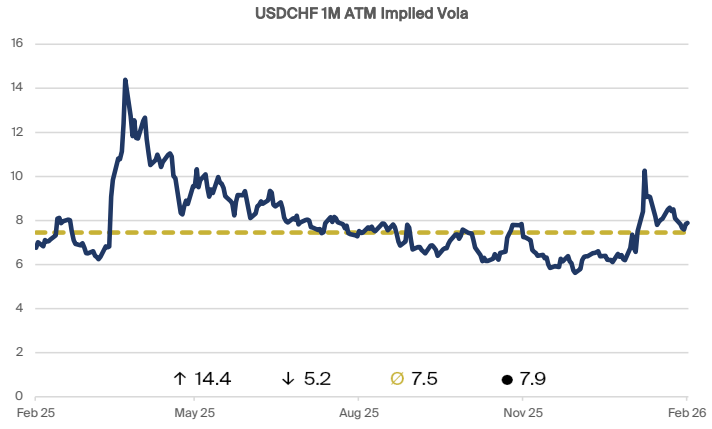
FX

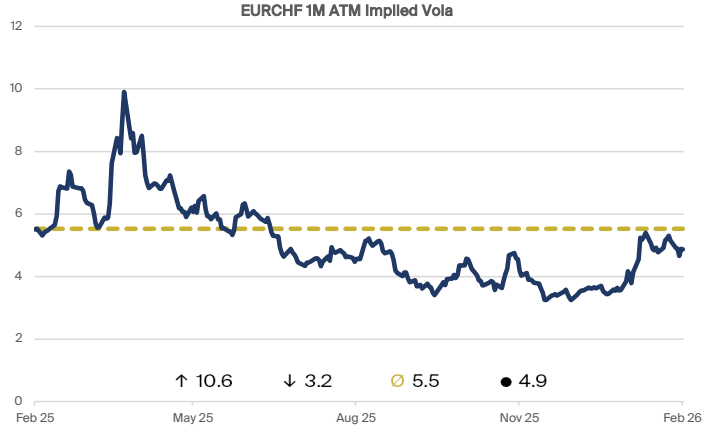


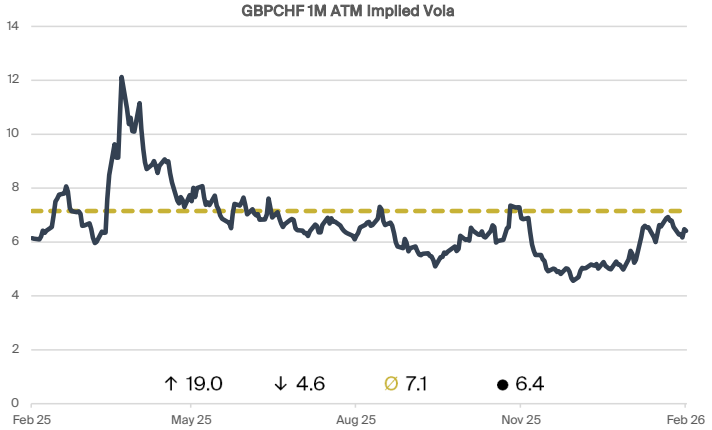












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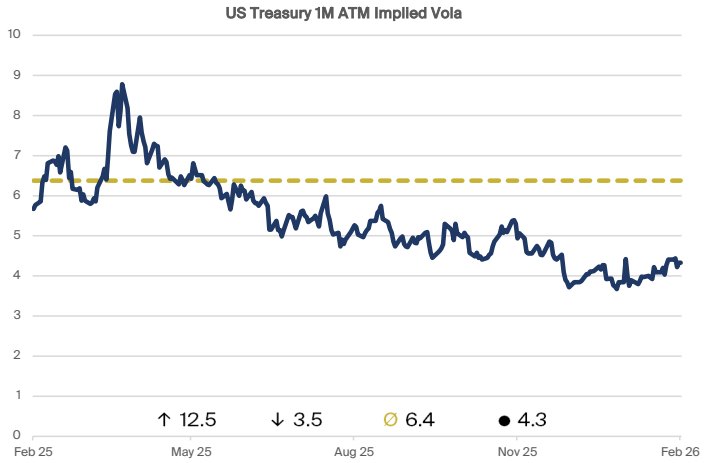
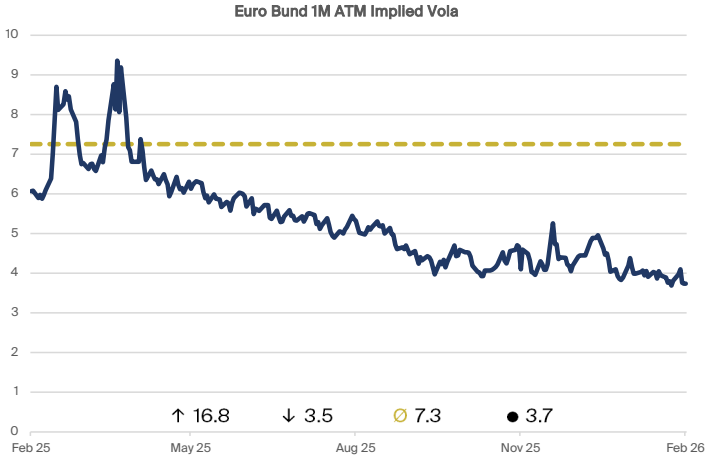
Overview

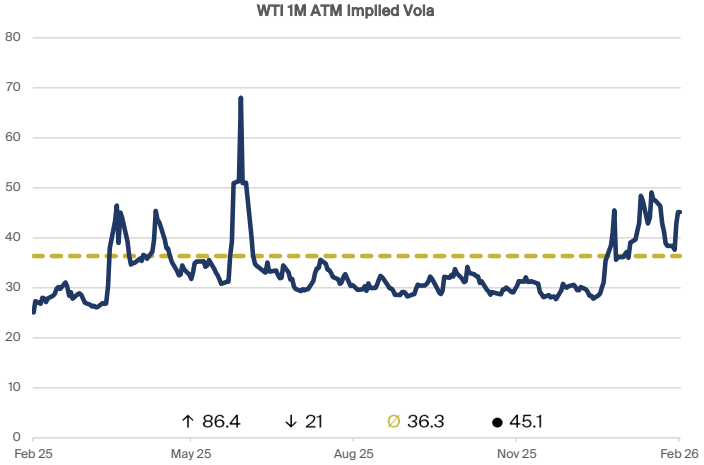
US Treasury	4.33	Euro Bund	3.74				
WTI	45.14	Brent	48.49	Natural Gas	56.11	Corn	13.94

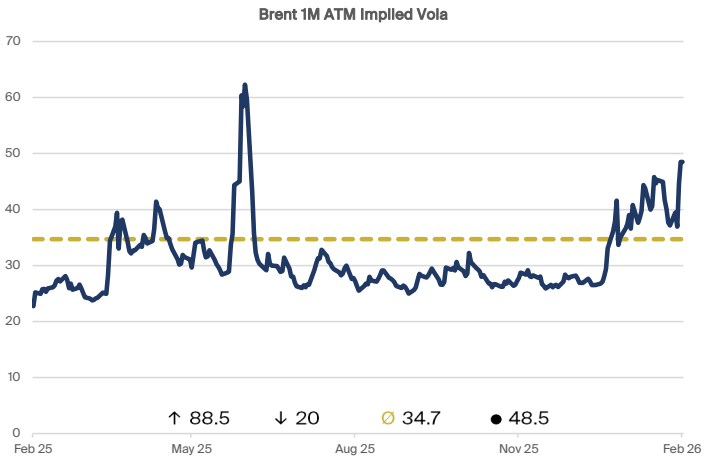
Rates

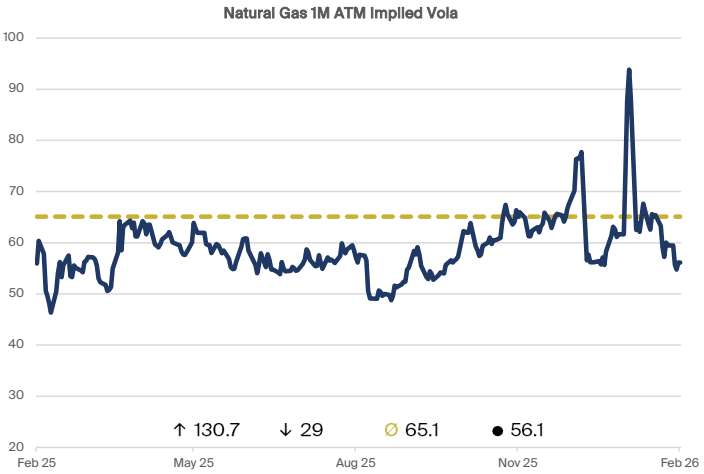


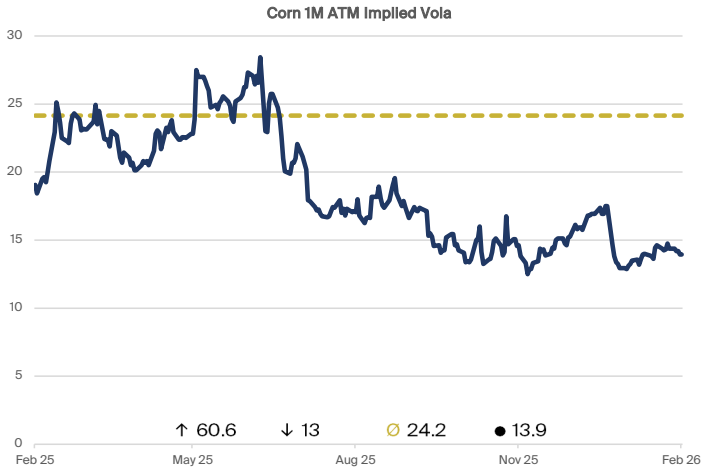


Commodities









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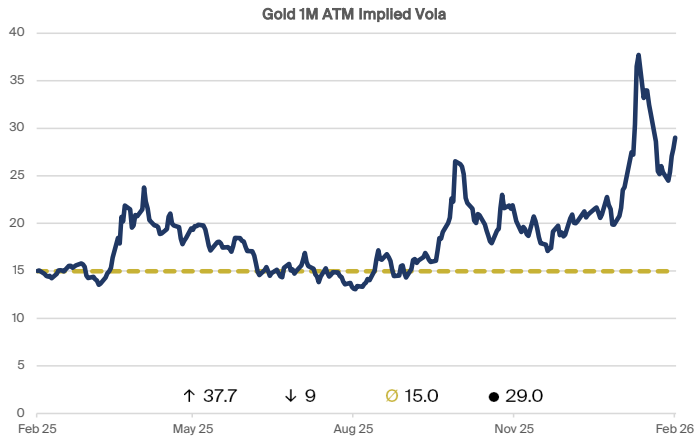
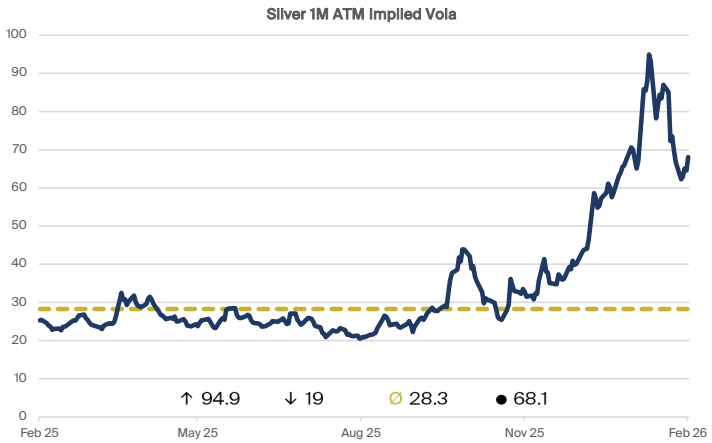
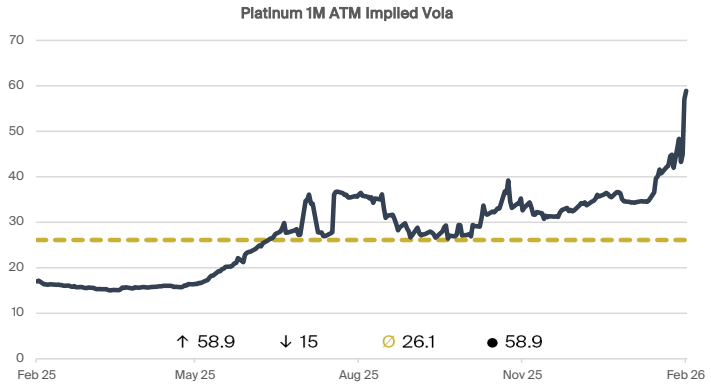
Overview

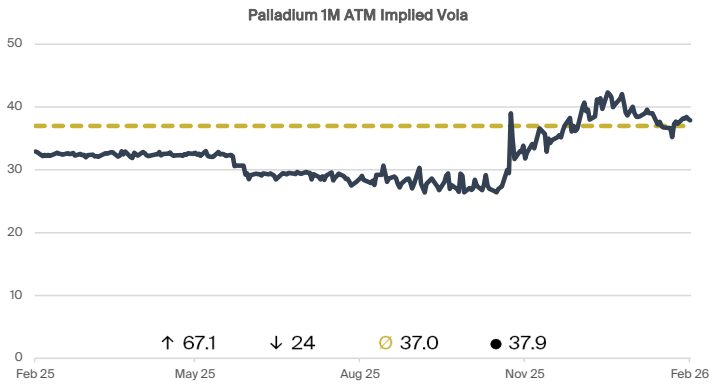
Gold	29.02	Silver	68.06	Platinum	58.91	Palladium	37.88

Metals









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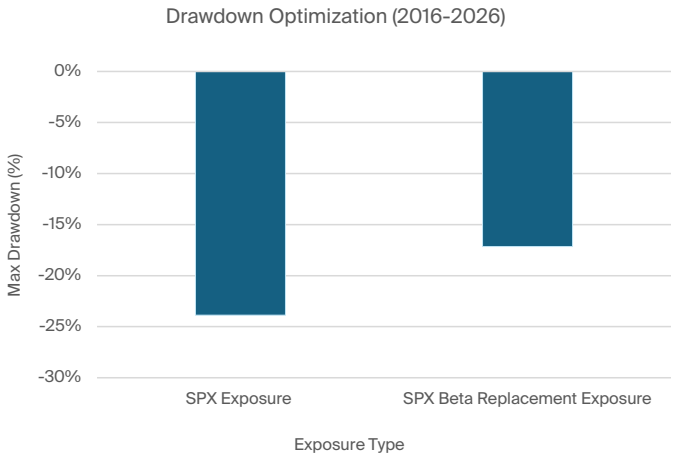
Beta Replacement — Capture the Market & Control the Risk



When global equity markets are trading near record highs, maintaining full traditional market exposure can leave portfolios more vulnerable to sharp corrections. A beta replacement approach seeks to keep investors invested in market upside while improving the portfolio's resilience to adverse scenarios.

A central benefit of this approach is **reduced downside exposure**. Because the maximum loss on a long call position is limited to the premium paid, investors are not fully exposed to large market drawdowns in the same way as direct equity holdings. In severe downturns, losses are capped, which can materially reduce portfolio volatility and improve overall risk control.

"Participation matters. So does protection."

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