# EMCORE Volatility Picture

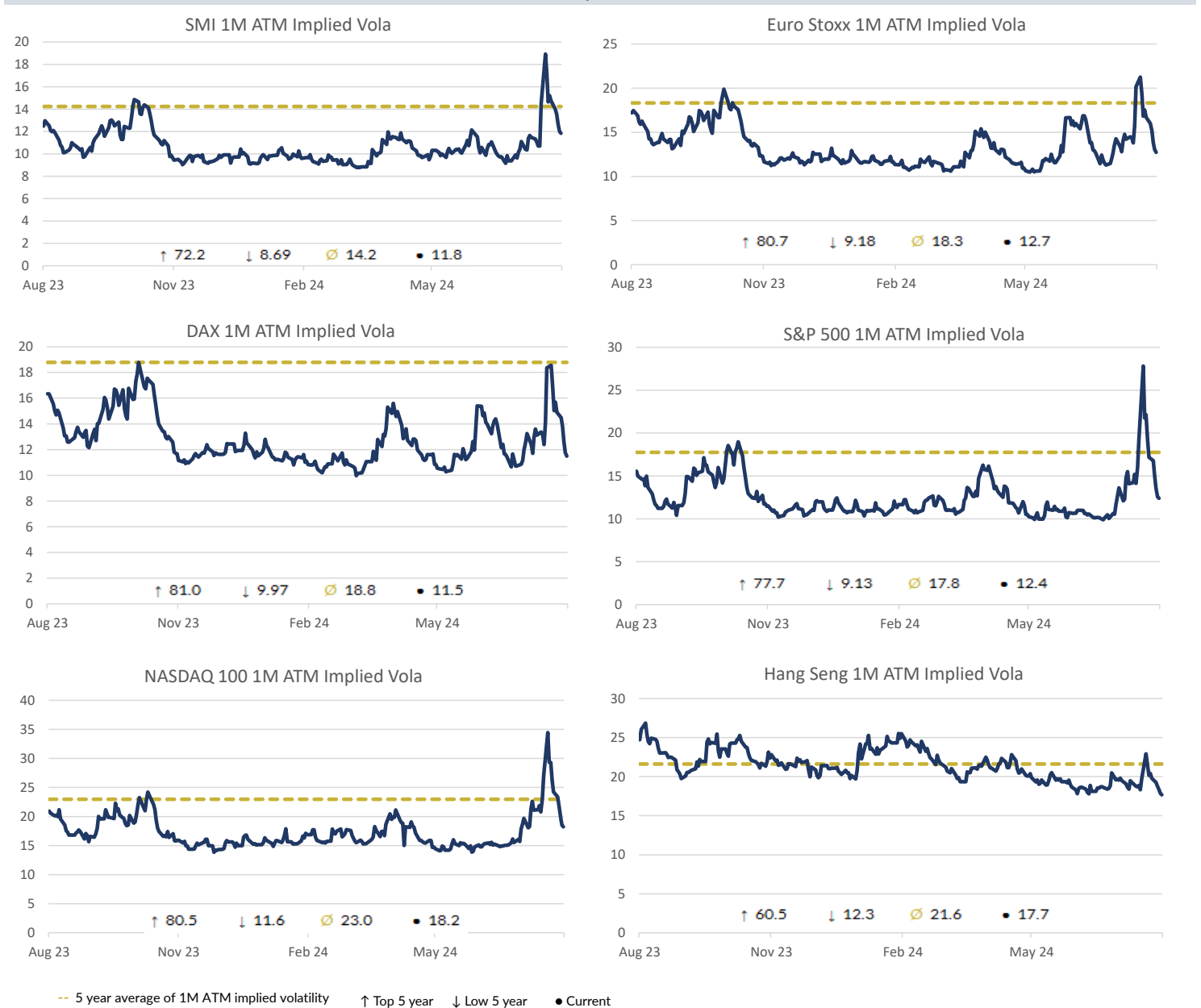$C = SN(d_1) - N(d_2)Ke^{-rt}$

16 August 2024

## Vola Headlines

- Overall, implied volatility fell as confidence in the financial markets quickly returned
- After a volatile August, the implied volatilities of the equity indices are back at their usual low level with a good gap to the 5y average
- The G10 currencies have also calmed down after the extraordinary movements in August, but some currency pairs are still trading at elevated levels

Given the uncertainties in the coming months and implied volatilities below the 5-year average, targeted derivative strategies such as cost-efficient hedging or the replacement of long positions by call strategies with capital protection improve the portfolio's resilience and optimise returns

| Overview | | | | | | | |
|---|---|---|---|---|---|---|---|
| SMI | 11.85 | Euro Stoxx | 12.73 | SPX | 12.40 | Nikkei | 20.26 |
| DAX | 11.49 | FTSE 100 | 10.51 | NASDAQ | 18.23 | Hang Seng | 17.68 |

| Equities |
|---|

### SMI 1M ATM Implied Vola
↑ 72.2    ↓ 8.69    Ø 14.2    ● 11.8

### Euro Stoxx 1M ATM Implied Vola
↑ 80.7    ↓ 9.18    Ø 18.3    ● 12.7

### DAX 1M ATM Implied Vola
↑ 81.0    ↓ 9.97    Ø 18.8    ● 11.5

### S&P 500 1M ATM Implied Vola
↑ 77.7    ↓ 9.13    Ø 17.8    ● 12.4

### NASDAQ 100 1M ATM Implied Vola
↑ 80.5    ↓ 11.6    Ø 23.0    ● 18.2

### Hang Seng 1M ATM Implied Vola
↑ 60.5    ↓ 12.3    Ø 21.6    ● 17.7

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

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

## FX

### JPM G10 FX Volatility 1M ATM Index



↑ 19    ↓ 4.5    Ø 7.9    • 7.4
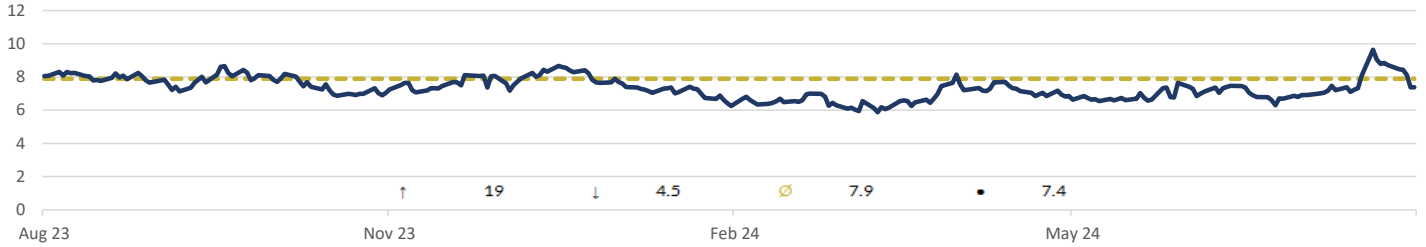
### EURUSD 1M ATM Implied Vola



↑ 14.9    ↓ 3.77    Ø 7.0    • 5.3
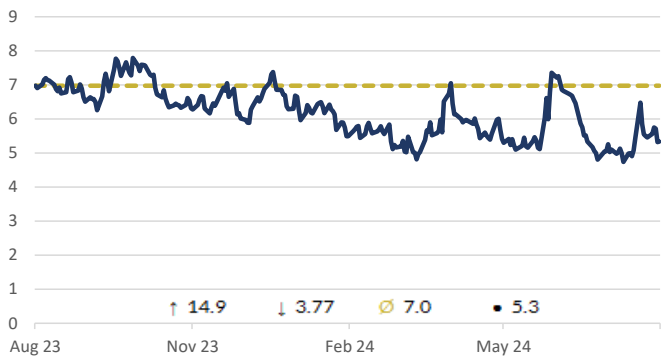
### GBPUSD 1M ATM Implied Vola



↑ 22.7    ↓ 5.37    Ø 8.6    • 5.9

### USDJPY 1M ATM Implied Vola



↑ 21.4    ↓ 3.92    Ø 8.4    • 10.6
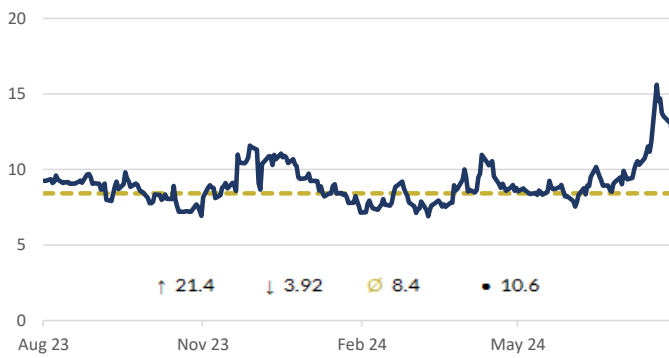
### USDCHF 1M ATM Implied Vola



↑ 13.6    ↓ 4.14    Ø 7.0    • 7.4
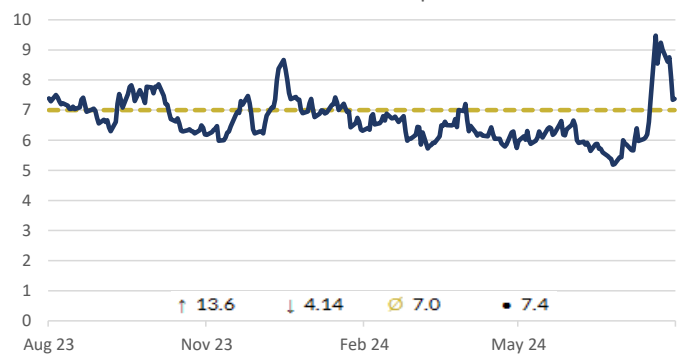
### EURCHF 1M ATM Implied Vola



↑ 10.6    ↓ 3.2    Ø 5.3    • 6.2

### GBPCHF 1M ATM Implied Vola



↑ 19    ↓ 4.9    Ø 7.8    • 7.4

-- 5 year average of 1M ATM implied volatility    ↑ Top 5 year    ↓ Low 5 year    • Current
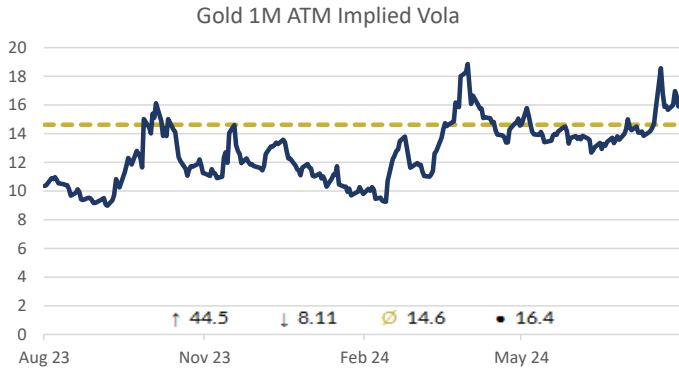
# EMCORE Volatility Picture

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

| Overview | | | | | | | |
|---|---|---|---|---|---|---|---|
| Gold | 16.37 | Silver | 29.92 | Platinum | 24.96 | Palladium | 32.86 |

## Metals

### Gold 1M ATM Implied Vola

↑ 44.5    ↓ 8.11    Ø 14.6    ● 16.4

### Silver 1M ATM Implied Vola

↑ 88.2    ↓ 13.6    Ø 28.4    ● 29.9

### Platinum 1M ATM Implied Vola

↑ 90    ↓ 16.6    Ø 27.4    ● 25.0

### Palladium 1M ATM Implied Vola

↑ 103    ↓ 23.7    Ø 39.5    ● 32.9
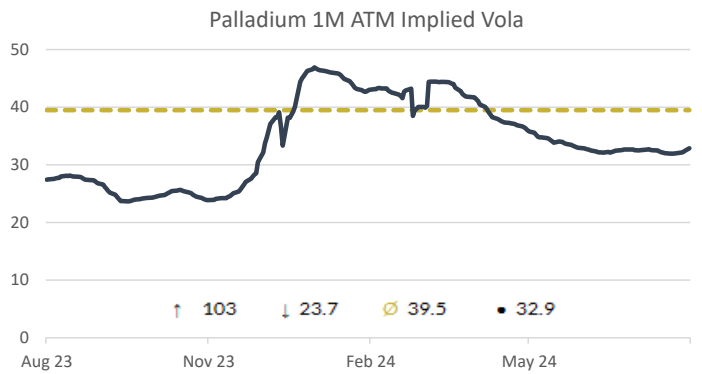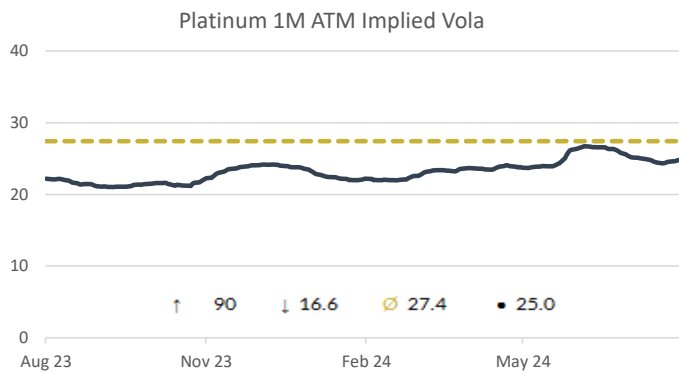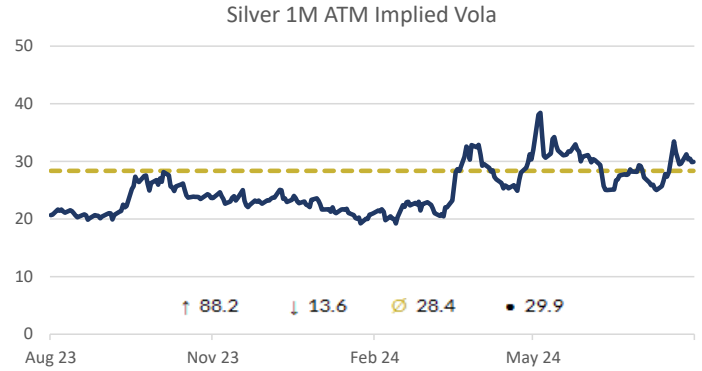
-- 5 year average of 1M ATM implied volatility    ↑ Top 5 year    ↓ Low 5 year    ● Current

## Buy the dip or sell the peak?

S&P 500 Index

VIX Index
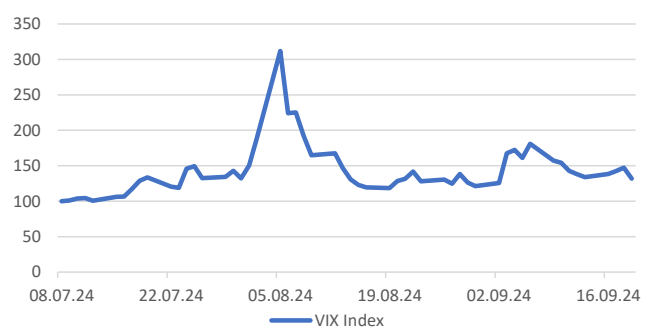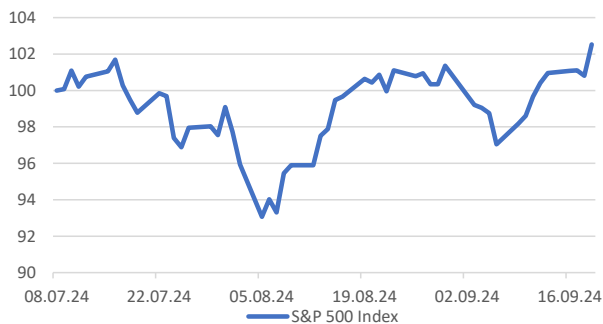
You could either go long S&P 500 on 5 August and achieve a return of +9.95%, or sell the implied volatility of the S&P 500 (VIX) the same day and achieve a return of +58.13% by 20 Septeber

"For the investor who knows what he is doing, implied volatility creates opportunity"

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