EMCORE Volatility Picture

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

20 September 2024

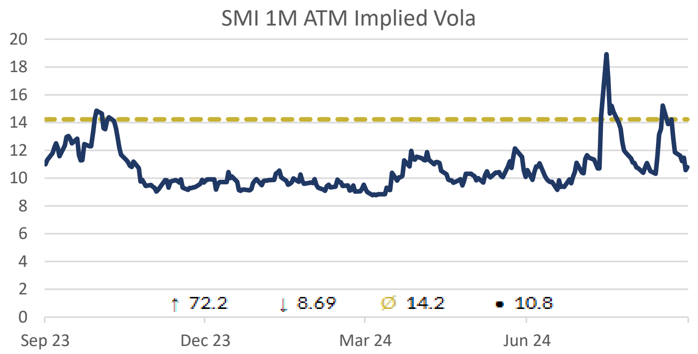
Vola Headlines

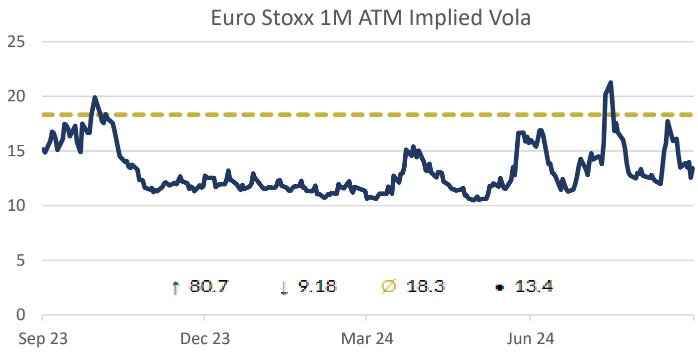
- Overall, implied volatility fell as confidence in the financial markets quickly returned
- After a volatile August, the implied volatilities of the equity indices are back at their usual low level with a good gap to the 5y average
- The G10 currencies have also calmed down after the extraordinary movements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

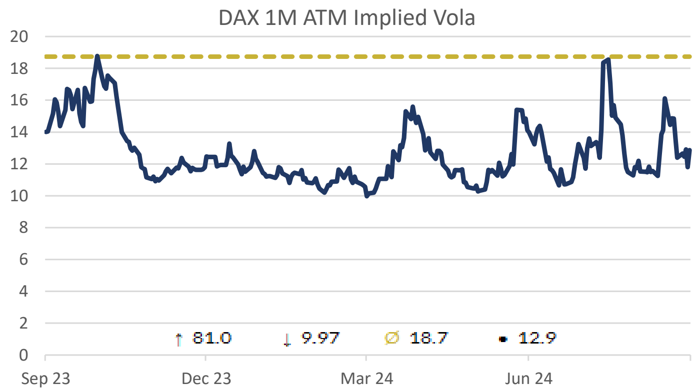
Given the uncertainties in the coming months and implied volatilities below the 5 -year average, targeted derivative strategies such as cost-efficient hedging or the replacement of long positions by call strategies with capital protection improve the portfolio's resilience and optimise returns

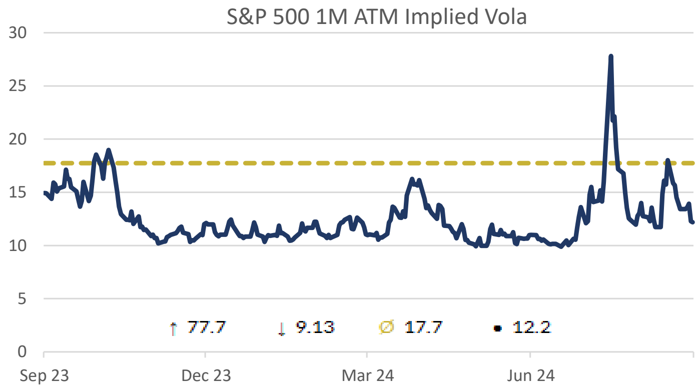
Overview							
SMI	10.78	Euro Stoxx	13.40	SPX	12.19	Nikkei	22.73
DAX	12.86	FTSE 100	10.73	NASDAQ	17.24	Hang Seng	17.43

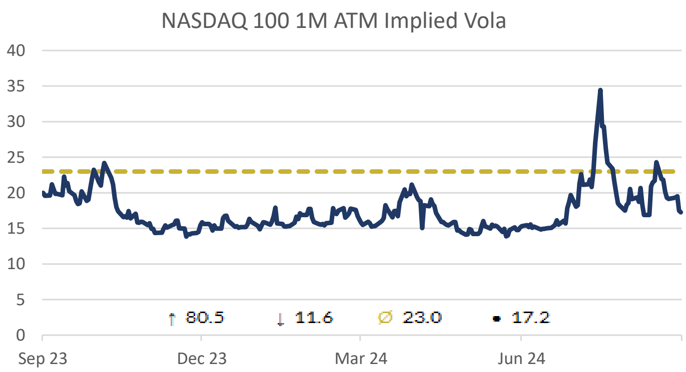
Equities

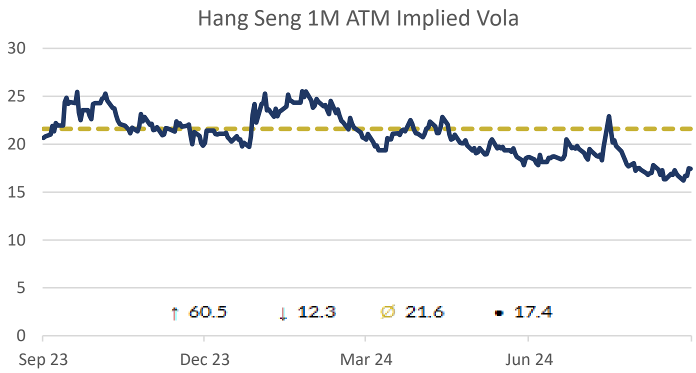












-- 5 year average of 1M ATM implied volatility ↑ Top 5 year ↓ Low 5 year • Current

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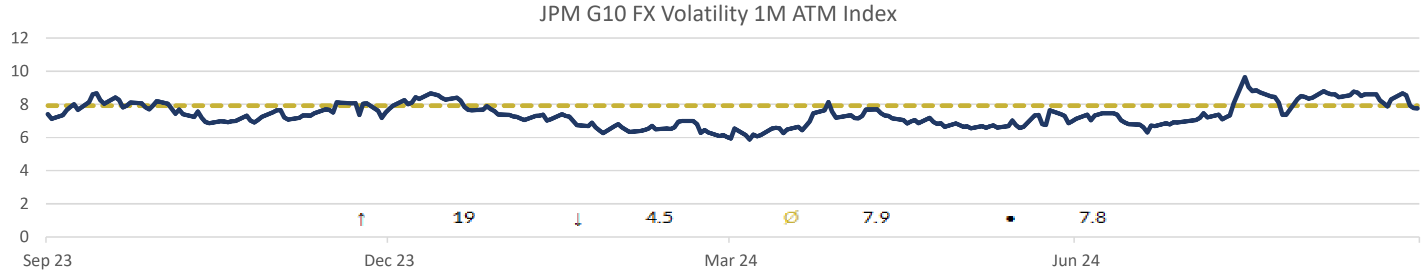
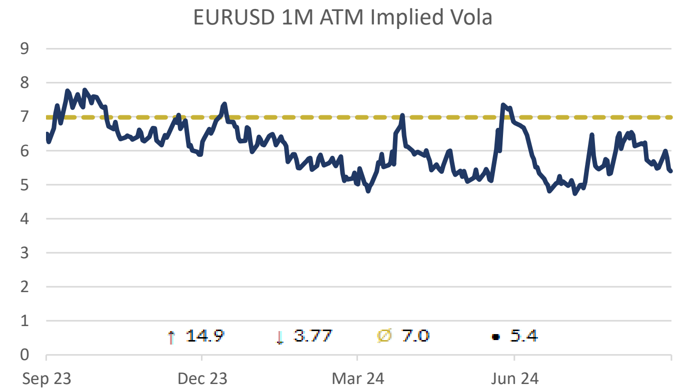
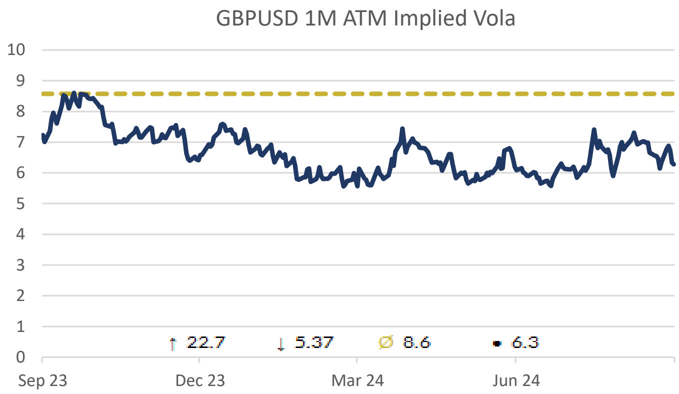
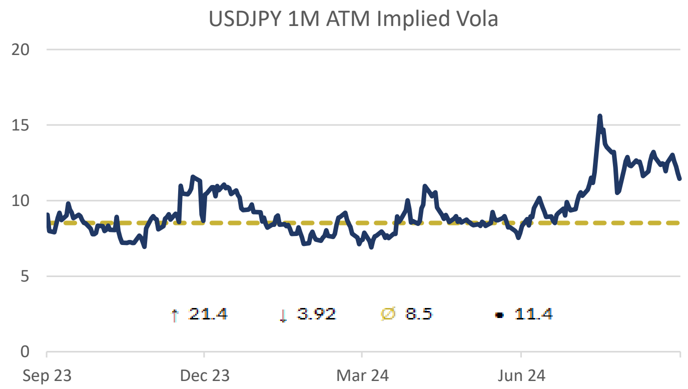
G10	7.75	USDJPY	11.45	EURGBP	3.83	USDCHF	7.06
EURUSD	5.40	EURCHF	6.08	GBPUSD	6.28	EURJPY	10.18

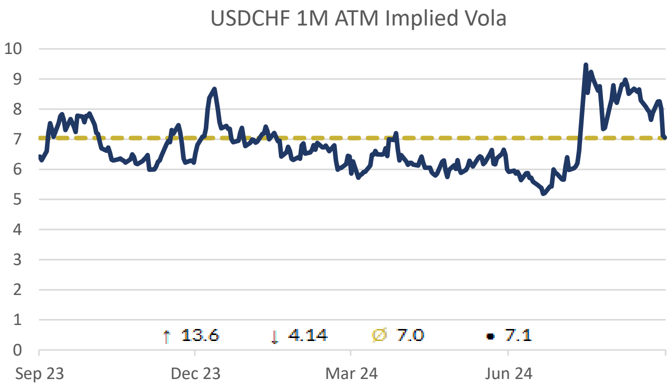
FX

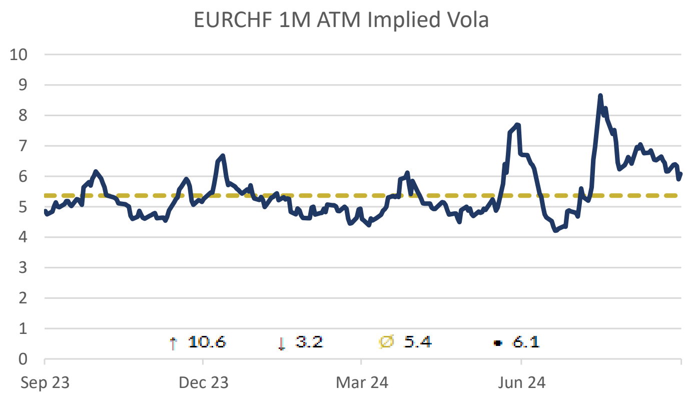


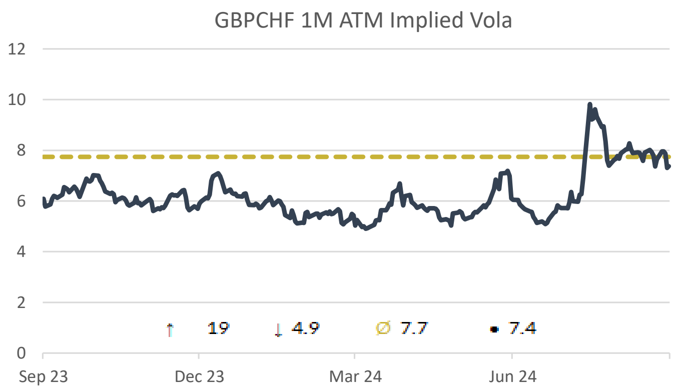












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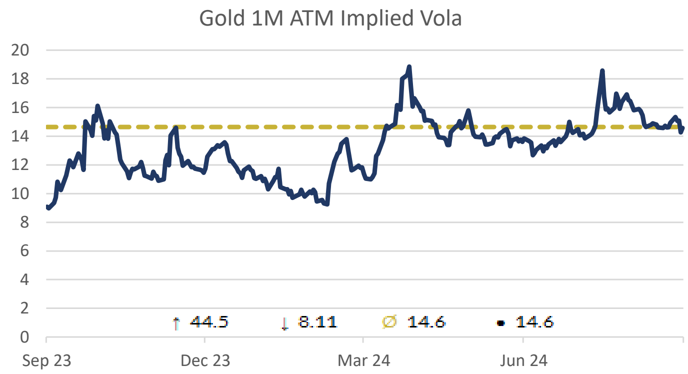
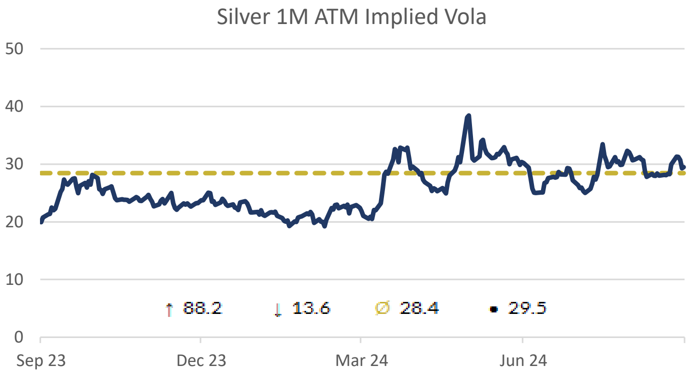
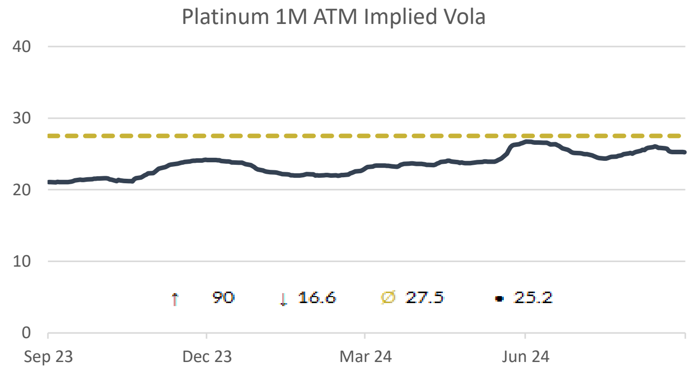
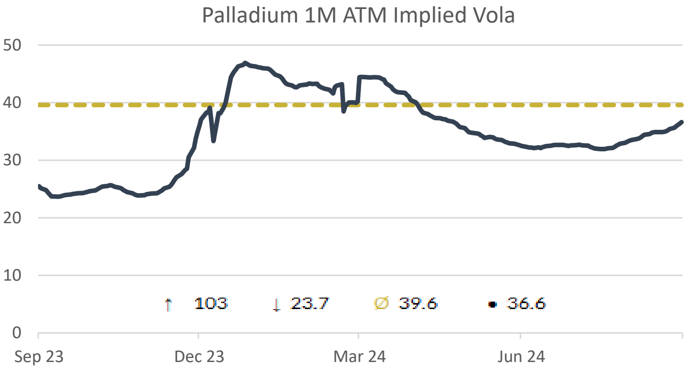
Overview							
Gold	14.58	Silver	29.50	Platinum	25.24	Palladium	36.62

Metals









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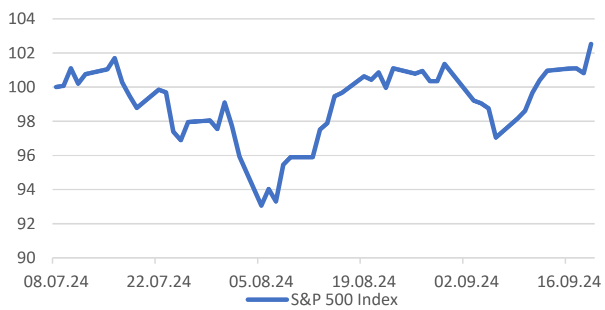
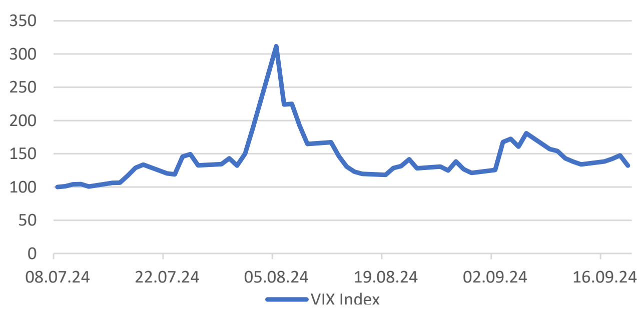
Buy the dip or sell the peak?





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 September

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

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