

EMCORE Volatility Picture

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

15 November 2024

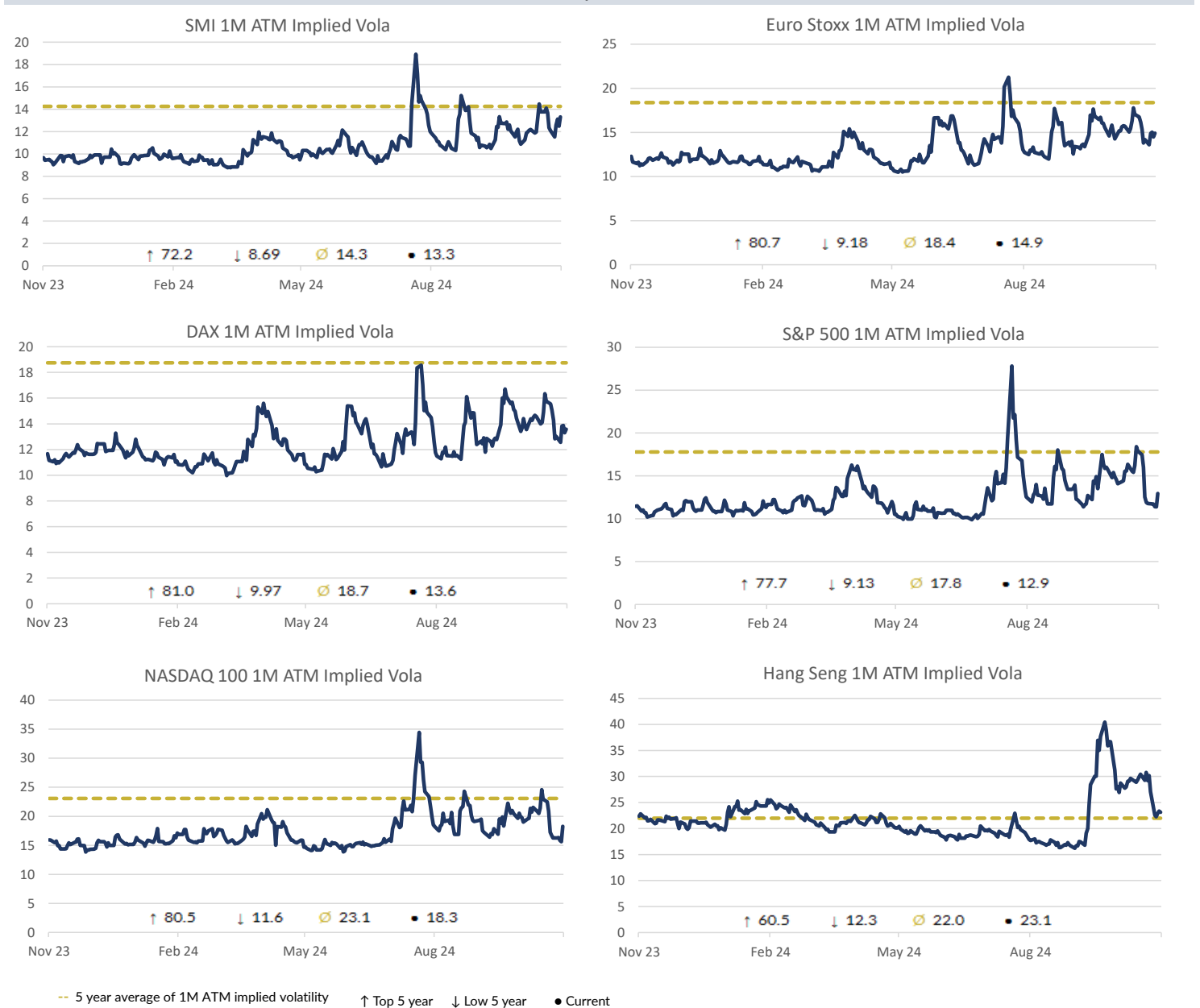


Vola Headlines

- Implied volatility on equity indices, particularly the S&P 500, has dropped sharply since the morning of November 6th, following the resolution of the U.S. presidential election, which brought clarity to market participants.
- The uptick from mid-October through the first week of November was noticeable across multiple asset classes.
- Since the spike on August 5, FX implied volatility across the G10 currency universe has persisted at elevated levels.

The current low levels of implied volatility in equity indices present an opportunity to enhance portfolio value protection through derivative strategies while maintaining upside exposure.

Overview							
SMI	13.32	Euro Stoxx	14.91	SPX	12.94	Nikkei	20.61
DAX	13.58	FTSE 100	10.75	NASDAQ	18.25	Hang Seng	23.11



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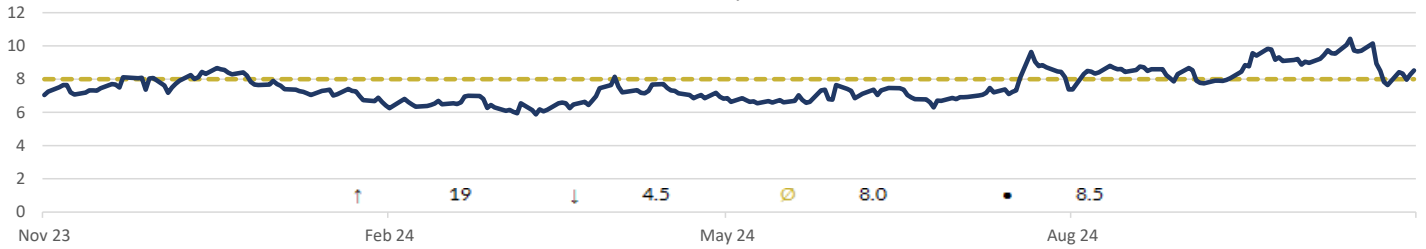


Overview

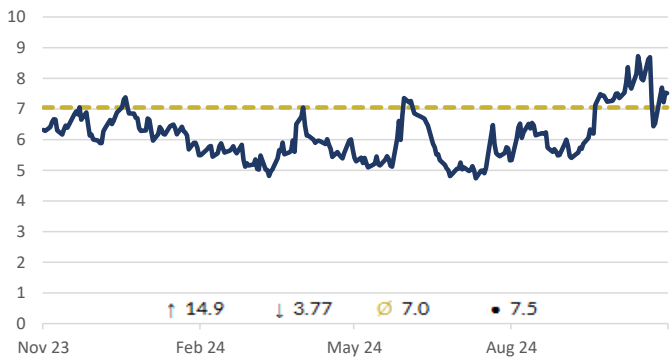
G10	8.52	USDJPY	10.62	EURGBP	4.72	USDCHF	7.15
EURUSD	7.52	EURCHF	5.48	GBPUSD	7.27	EURJPY	9.48

FX

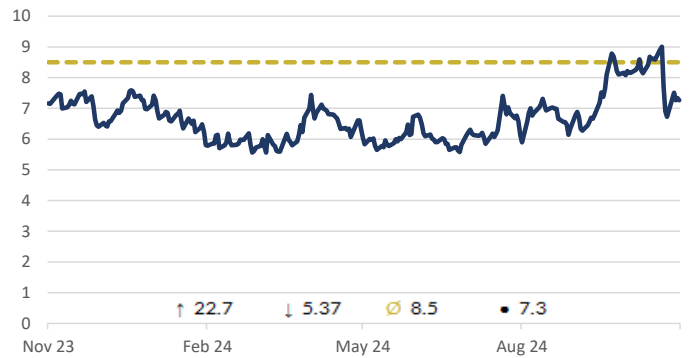
JPM G10 FX Volatility 1M ATM Index



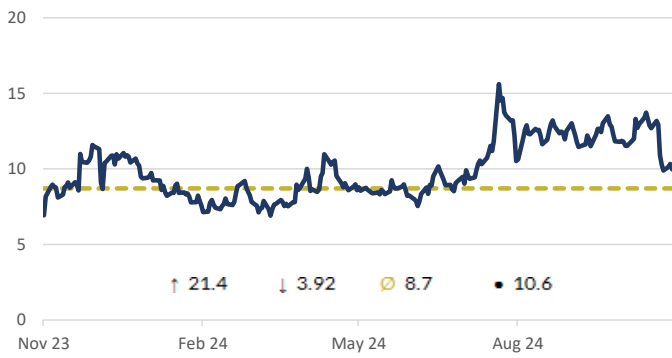
EURUSD 1M ATM Implied Vola



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



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

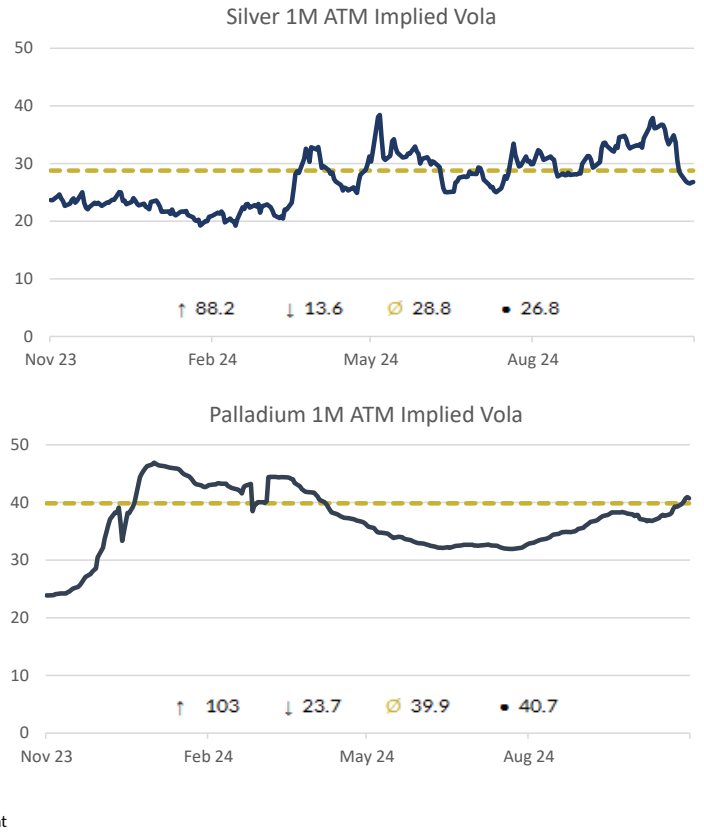
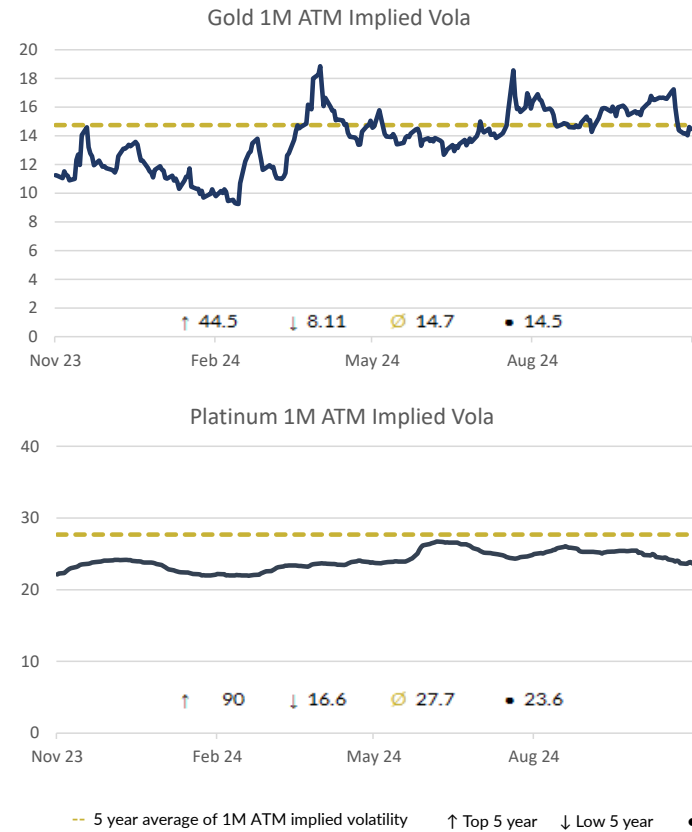
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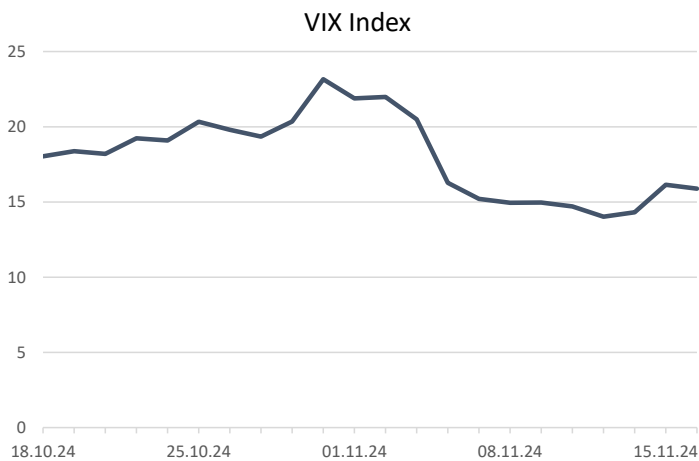
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Overview			
Gold	14.49	Silver	26.81
Platinum	23.64	Palladium	40.71



Before and after the planned market event



Before and after significant market events, such as the U.S. presidential election, market participants often display distinct behavioral patterns. These can be effectively analyzed using the VIX (Volatility Index), which captures market expectations of future volatility.

Before the Event:

Uncertainty Increases: As the event approaches, uncertainty drives a rise in the VIX, signaling heightened demand for options as traders hedge positions.

After the Event:

Volatility Crush: Once the event concludes, realized volatility often drops sharply, leading to a decrease in

"Volatility is a symptom that people have no clarity about the outcome of an event"

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