EMCORE Volatility Picture

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

15 November 2024

Vola Headlines

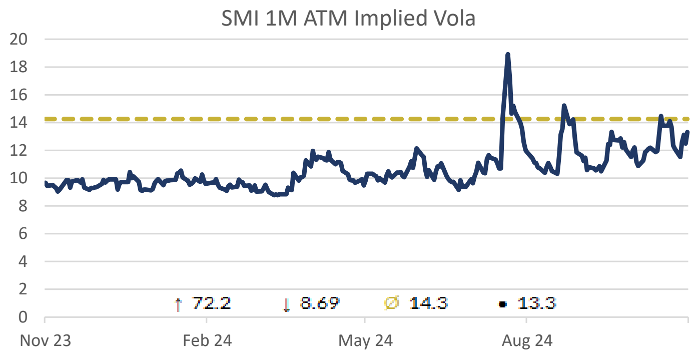
- Implied volatility on equity indices, particularly the S&P 500, has dropped sharply since the morning of November 6th, following the resolution of the U.S. presidential election, which brought clarity to market participants.
- The uptick from mid-October through the first week of November was noticeable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

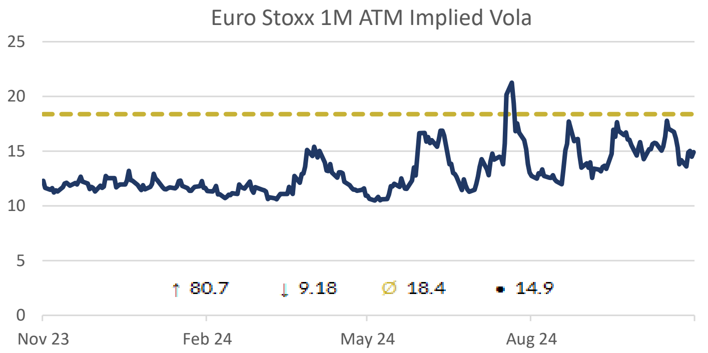
The current low levels of implied volatility in equity indices present an opportunity to enhance portfolio value protection through derivative strategies while maintaining upside exposure.

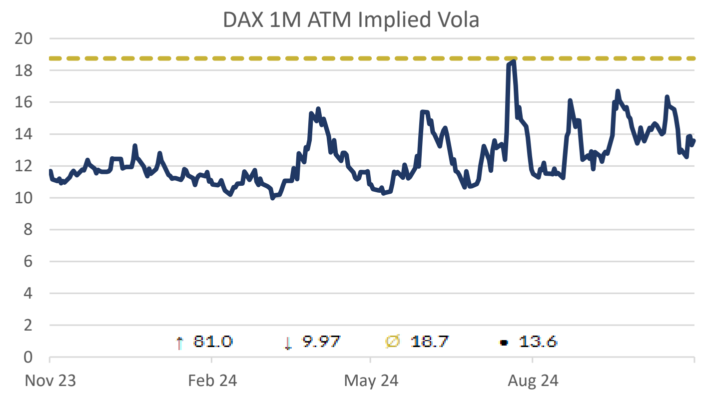
Overview

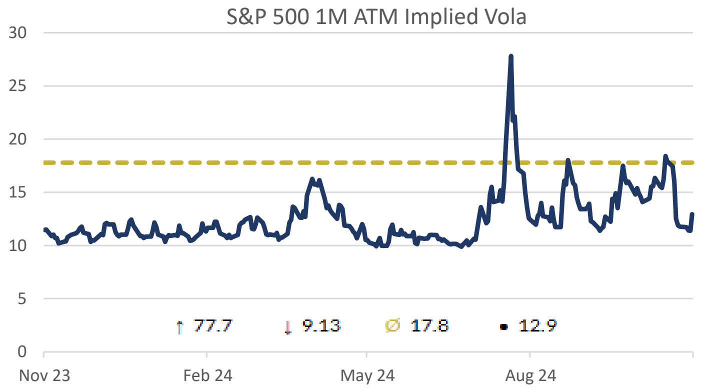
SMI	13.32	Euro Stoxx	14.91	SPX	12.94	Nikkei	20.61
DAX	13.58	FTSE 100	10.75	NASDAQ	18.25	Hang Seng	23.11

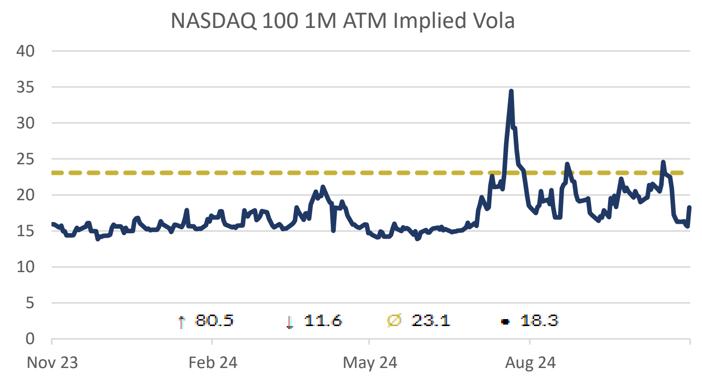
Equities

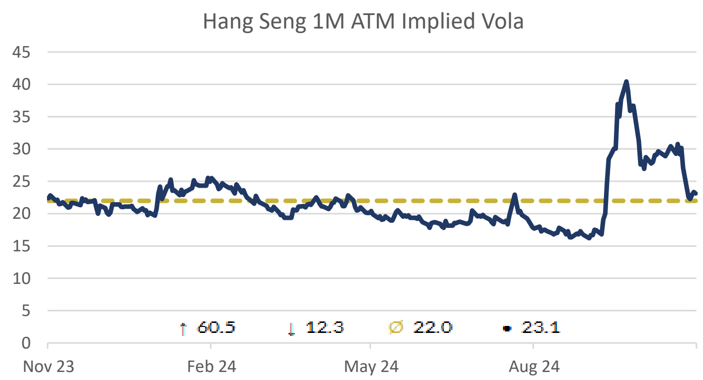












-- 5 year average of 1M ATM implied volatility ↑ Top 5 year ↓ Low 5 year • Current

EMCORE Volatility Picture

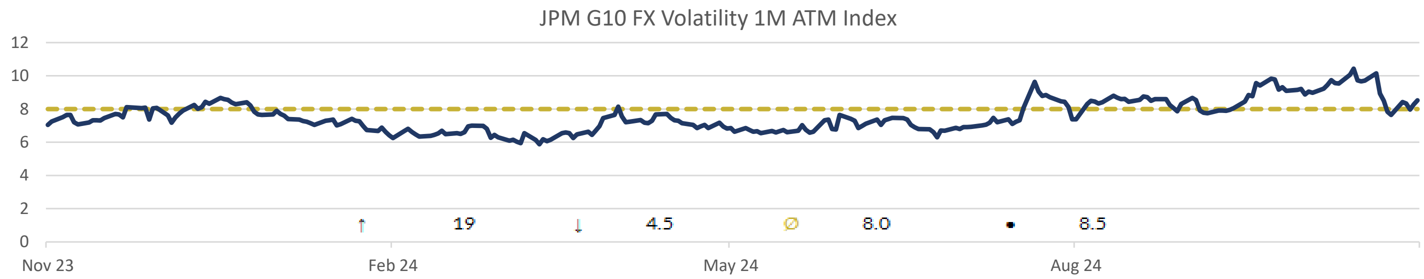
$C = SN(d_1) - N(d_2)Ke^{-rt}$

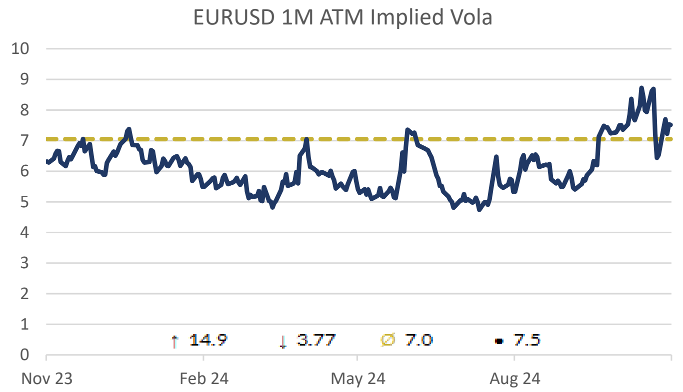
EMCORE
House of Asymmetry

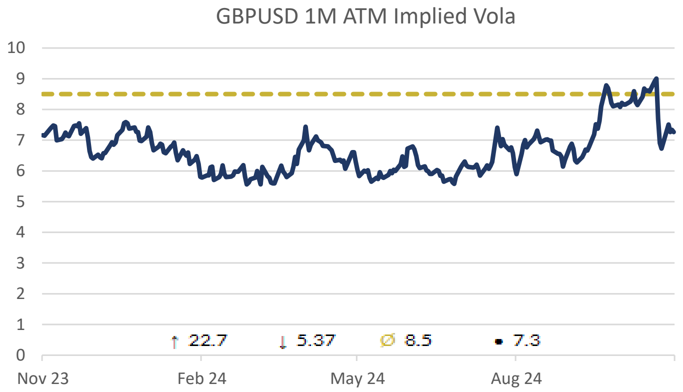
Overview

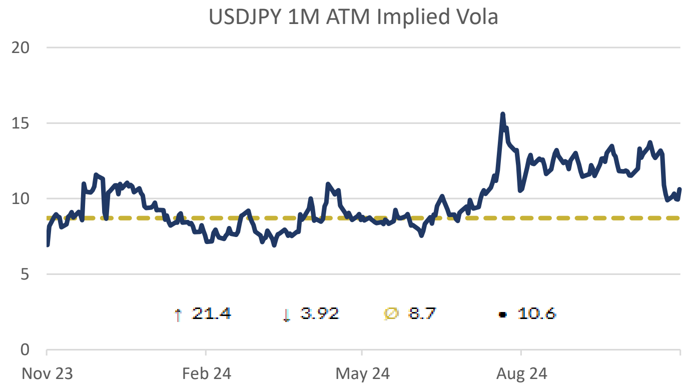
G10	8.52	USDJPY	10.62	EURGBP	4.72	USDCHF	7.15
EURUSD	7.52	EURCHF	5.48	GBPUSD	7.27	EURJPY	9.48

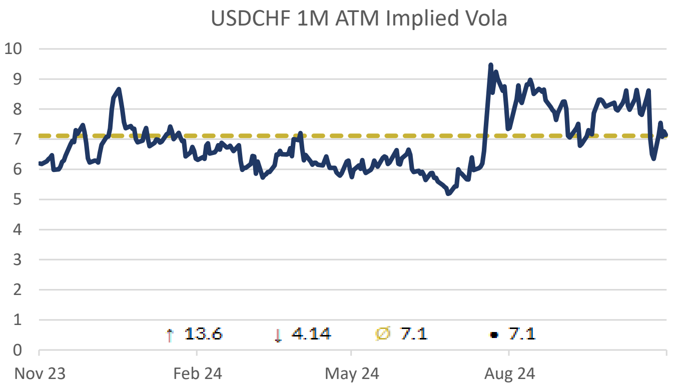
FX

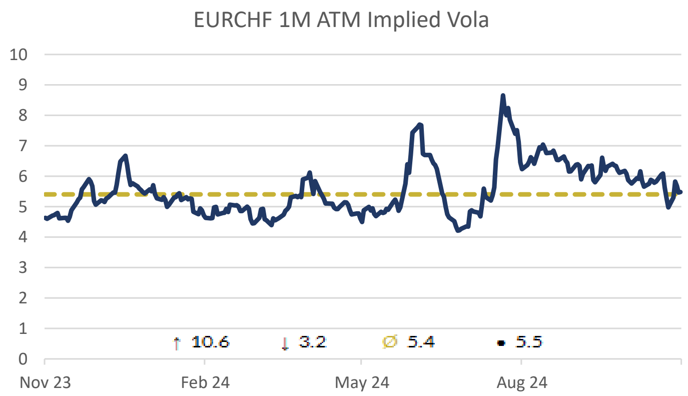


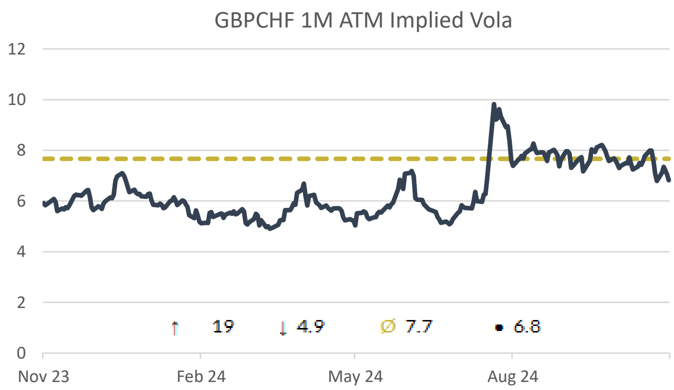












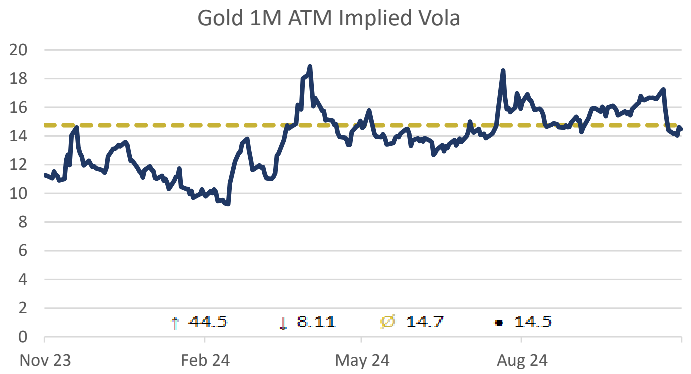
-- 5 year average of 1M ATM implied volatility ↑ Top 5 year ↓ Low 5 year ● Current

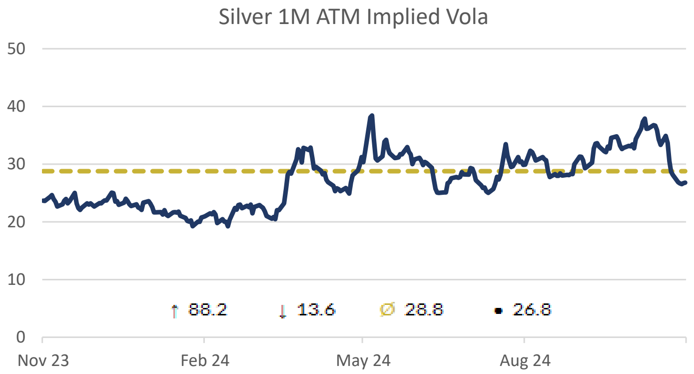
EMCORE Volatility Picture

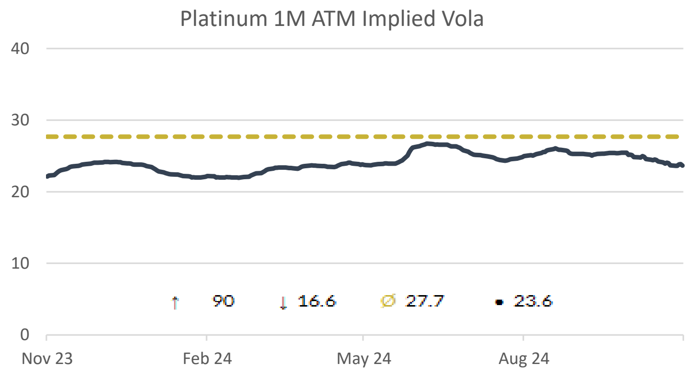
$C = SN(d_1) - N(d_2)\,Ke^{-rt}$

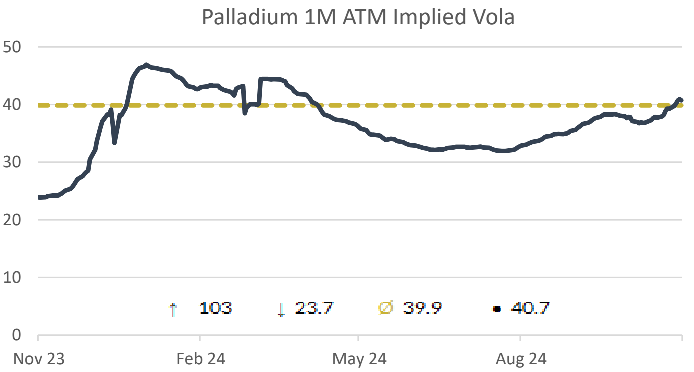
Overview							
Gold	14.49	Silver	26.81	Platinum	23.64	Palladium	40.71

Metals



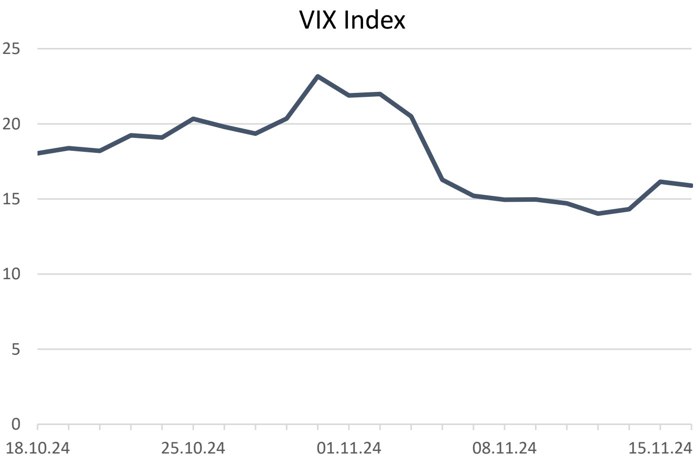






-- 5 year average of 1M ATM implied volatility ↑ Top 5 year ↓ Low 5 year • Current

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"

EMCORE AG
Pflugstrasse 20
9490 Vaduz
Liechtenstein

Phone: +423 239 81 71
info@emcore.li
www.emcore.li

EMCORE Asset Management AG
Schochenmühlestrasse 6
6340 Baar (ZG)
Switzerland

Phone: +41 41 729 70 00
info@emcore.ch
www.emcore.ch