



Vola Headlines

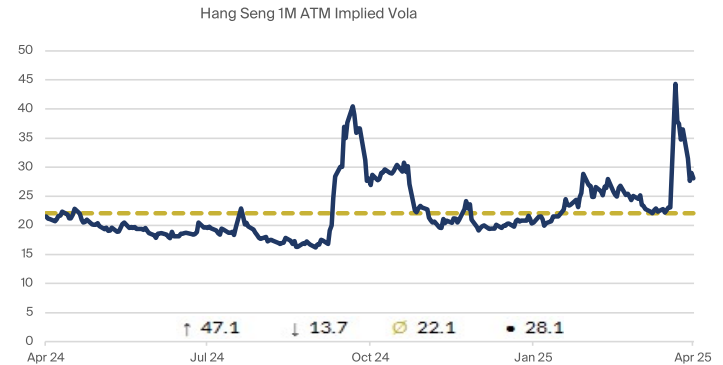
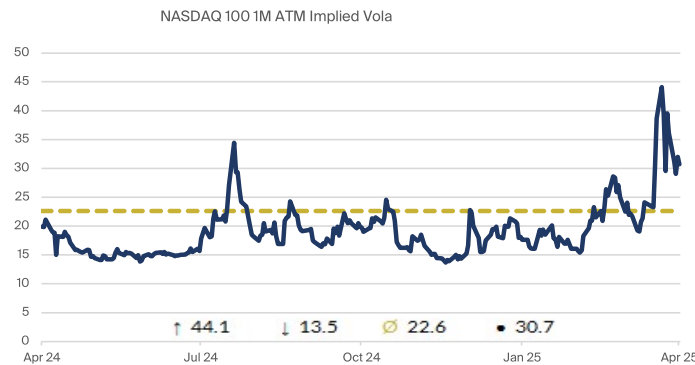
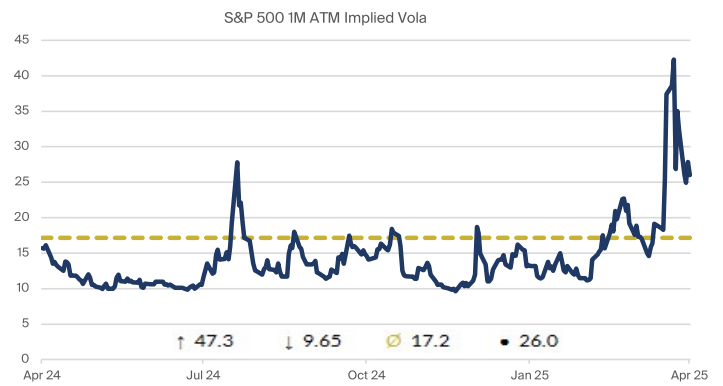
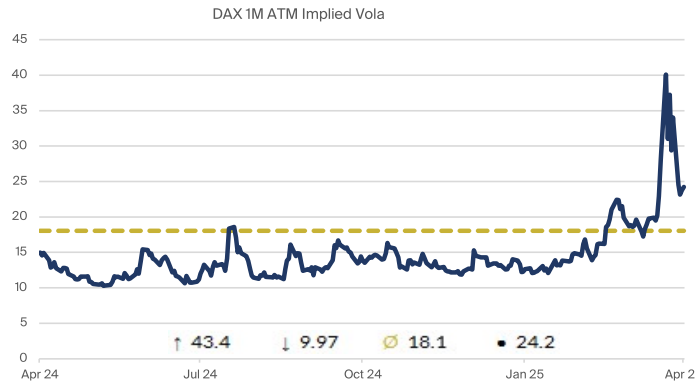
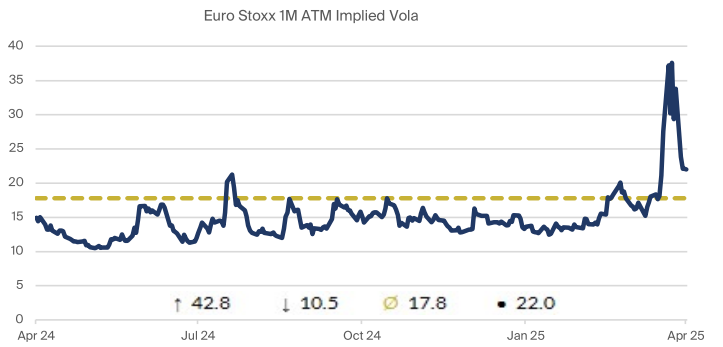
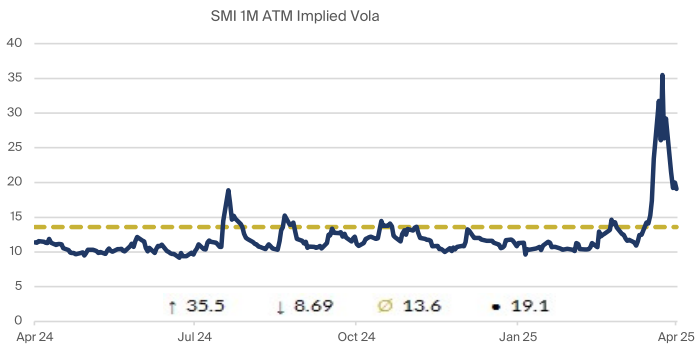
- Global financial markets experienced market turbulence in early April, driven by escalating tariffs, macroeconomic tensions, and mounting recession fears, which fueled heightened volatility and broad-based risk aversion across asset classes.
- The VIX skyrocketed from the low 20s to above 60 intraday during the first few trading days of April.
- Implied volatility across G10 currencies has risen significantly and remains elevated above its 5-year historical mean.
- Implied volatility on 10-year US Treasuries remains elevated. In contrast, implied vols for EUR bonds, commodities and metals, except for gold (which is trading well above its 5-year average), are hovering at or even below their historical norms.

During the cross asset volatility spike, active market participants reduced hedges and long vega positions, exploiting the market setup for short-term, anti-cyclical trades. With elevated volatility, daily theta in these portfolios remains high. Classic capital-protected strategies have significantly outperformed long-only strategies.

Overview

SMI	19.07	Euro Stoxx	22.01	SPX	25.99	Nikkei	25.62
DAX	24.23	FTSE 100	17.25	NASDAQ	30.73	Hang Seng	28.09

Equities



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

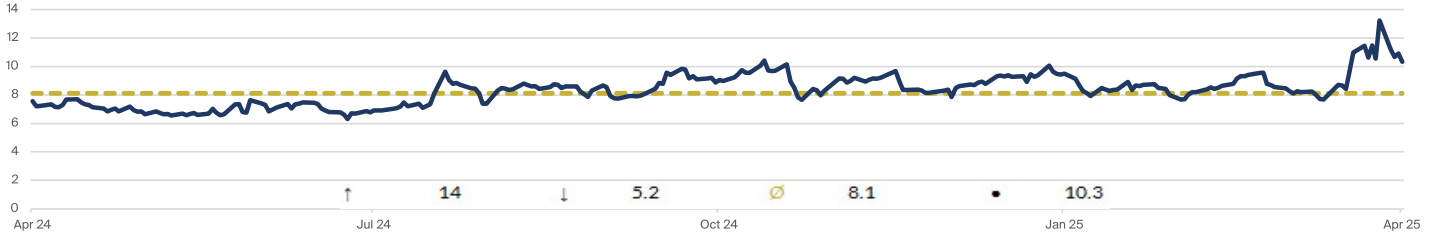


Overview

G10	10.32	USDJPY	12.75	EURGBP	6.86	USDCHF	11.76
EURUSD	9.16	EURCHF	7.96	GBPUSD	8.74	EURJPY	10.70

FX

JPM G10 FX Volatility 1M ATM Index



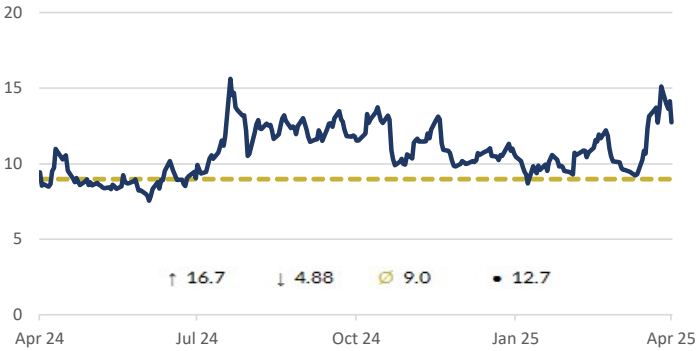
EURUSD 1M ATM Implied Vola



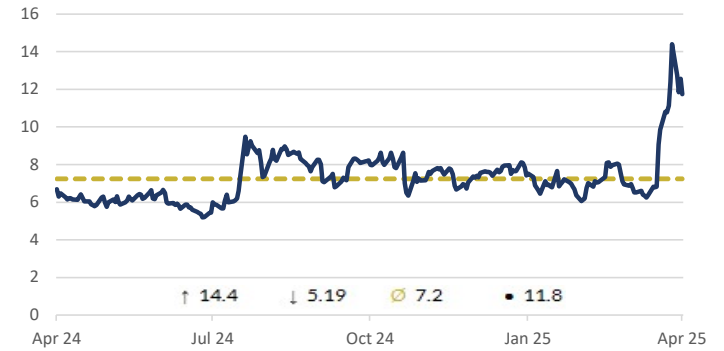
GBPUSD 1M ATM Implied Vola



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



Overview

US Treasury	7.09	Euro Bund	6.81
WTI	34.96	Brent	32.67
Natural Gas	61.20	Corn	20.13

Rates

US Treasury 1M ATM Implied Vola

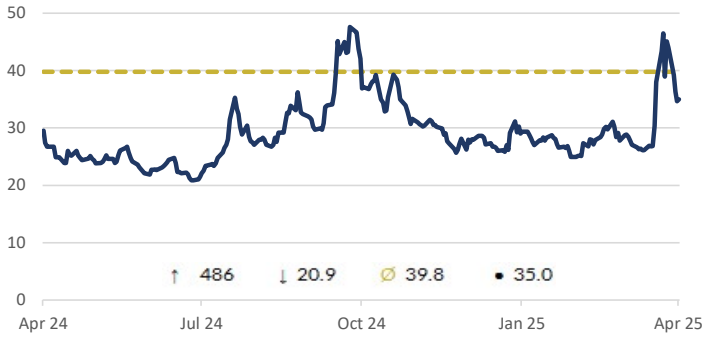


Euro Bund 1M ATM Implied Vola

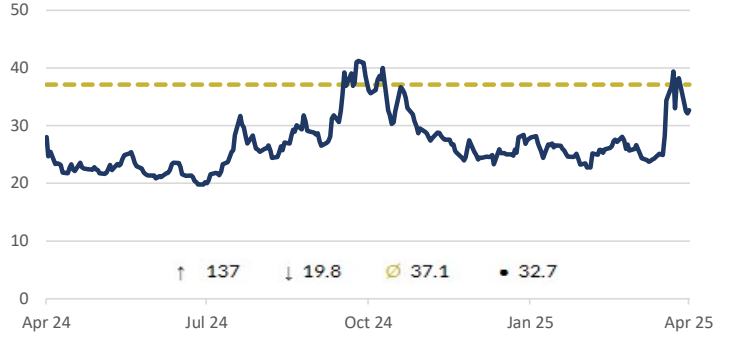


Commodities

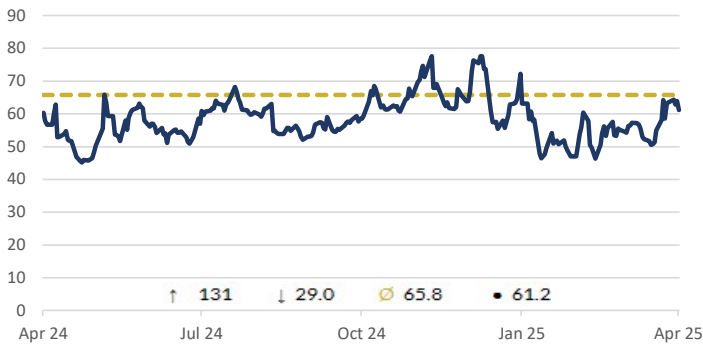
WTI 1M ATM Implied Vola



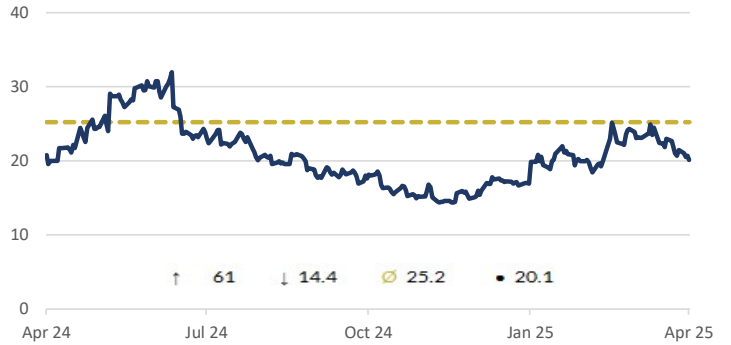
Brent 1M ATM Implied Vola



Natural Gas 1M ATM Implied Vola



Corn 1M ATM Implied Vola



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

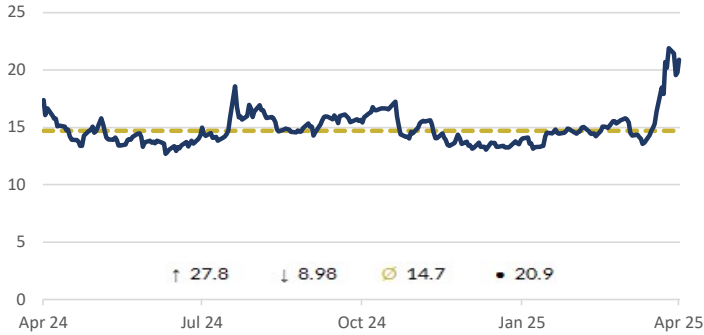


Overview

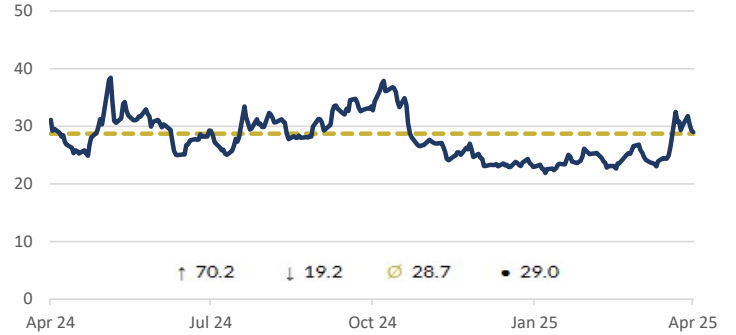
Gold	20.88	Silver	29.01	Platinum	15.70	Palladium	32.50
------	-------	--------	-------	----------	-------	-----------	-------

Metals

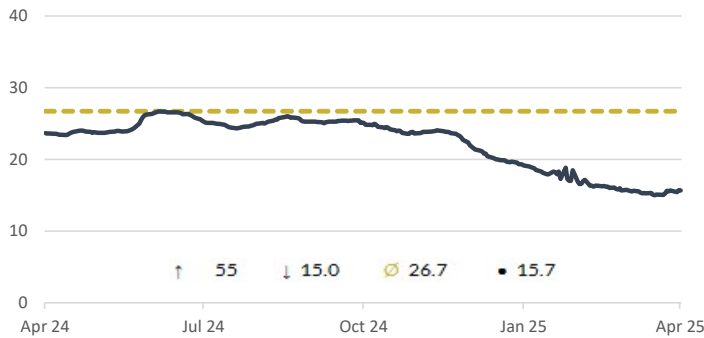
Gold 1M ATM Implied Vola



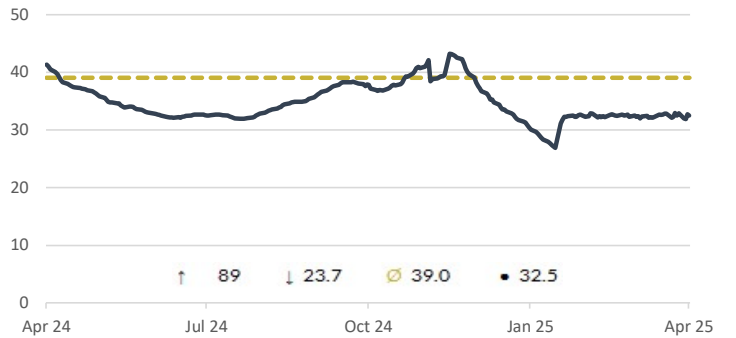
Silver 1M ATM Implied Vola



Platinum 1M ATM Implied Vola

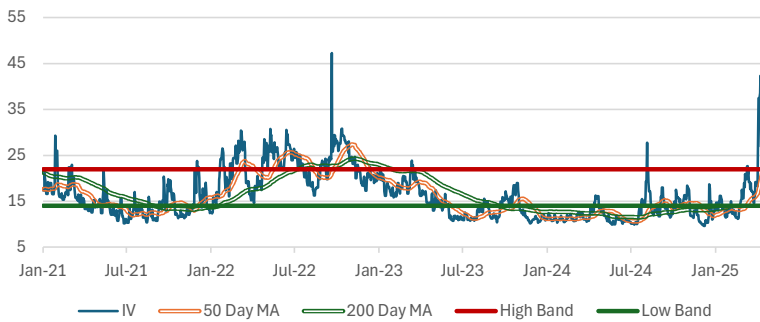


Palladium 1M ATM Implied Vola



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

Mean-Reversion-Effect



The graph shows how implied volatility tends to revert to its long-term average over time, often illustrated using the 30 day ATM Implied Volatility of the S&P 500 with a moving average overlay.

Volatility spikes are short-lived

Implied volatility often surges during market stress but typically reverts back to its long-term average once uncertainty fades.

Reversion Speed Varies

The pace of mean reversion depends on the severity of the shock and market sentiment—some corrections are rapid, others more gradual.

Moving average as anchor

The long-term moving average acts as a gravity point, with IV generally oscillating around it—illustrating its mean-reverting behavior.

"Hedging is about mitigating risk so that we can profit from our prediction of volatility."

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

This document is intended for institutional investors only. The information contained herein is for the purpose of personal use and information only and should not be construed as an offer or a solicitation of an offer to purchase, subscribe, sell or redeem any investments. Past performance is no guarantee for future returns. While EMCORE uses reasonable efforts to obtain information from sources, which it believes to be reliable, EMCORE makes no representation or warranty as to the accuracy, reliability or completeness of the information.