

FX OPTIONS MARKET UPDATE

- Vols lower after FED yesterday and now all eyes are on G20 next week.

	EURUSD		USDJPY		AUDUSD		GBPUSD		USDCAD		EURGBP		EURCHF		EURSEK	
	Vol	1w	Vol	1w	Vol	1w	Vol	1w	Vol	1w	Vol	1w	Vol	1w	Vol	1w
1w	5.29	-1.14	5.66	-1.10	6.08	-1.41	5.76	-0.82	5.62	-0.58	4.72	-0.05	4.55	0.47	4.30	-0.10
1m	4.98	-0.14	6.05	-0.26	6.79	-0.21	5.92	-0.09	5.57	0.22	4.81	0.04	4.29	0.14	4.76	-0.07
3m	5.39	0.13	6.46	0.01	7.37	0.06	6.85	0.00	5.45	0.15	5.80	0.02	4.49	0.02	5.03	-0.09
6m	5.70	0.02	6.73	-0.07	7.82	-0.05	8.76	-0.12	5.67	0.03	7.55	-0.17	4.72	0.03	5.40	-0.04
1y	6.12	-0.03	7.02	-0.13	8.26	-0.07	9.52	-0.18	6.04	0.01	8.18	-0.23	4.96	0.01	5.67	-0.06
	EURNOK		USDCNH		USDTRY		USDZAR		USDMXN		USD RUB		EURPLN		EURHUF	
	Vol	1w	Vol	1w	Vol	1w	Vol	1w	Vol	1w	Vol	1w	Vol	1w	Vol	1w
1w	5.47	-1.74	4.52	0.31	17.74	1.45	14.68	-1.33	8.40	-2.51	6.61	-0.64	2.93	-0.04	4.54	0.01
1m	5.32	-0.28	5.22	0.04	17.44	-0.10	14.59	-0.38	8.72	-1.09	7.88	-0.29	3.09	-0.04	4.38	-0.23
3m	5.88	0.19	5.19	-0.09	19.20	-0.13	15.19	-0.03	9.80	-0.69	9.08	-0.37	3.44	0.00	4.60	-0.18
6m	6.23	0.09	5.33	-0.19	20.92	-0.52	15.49	-0.11	10.55	-0.47	10.00	-0.43	3.78	-0.06	4.75	-0.15
1y	6.58	0.04	5.61	-0.18	22.75	-0.51	15.90	-0.16	11.48	-0.35	11.03	-0.45	4.15	-0.09	4.87	-0.14



USD under pressure after a dovish FED yesterday and EM currencies have traded stronger. With Mexico also avoiding the tariffs from US, outlook for Mexico looks more positive.

Vols have traded softer after the turbulent period around the tariffs at the start of June. 1 month has traded down to just above YTD lows.

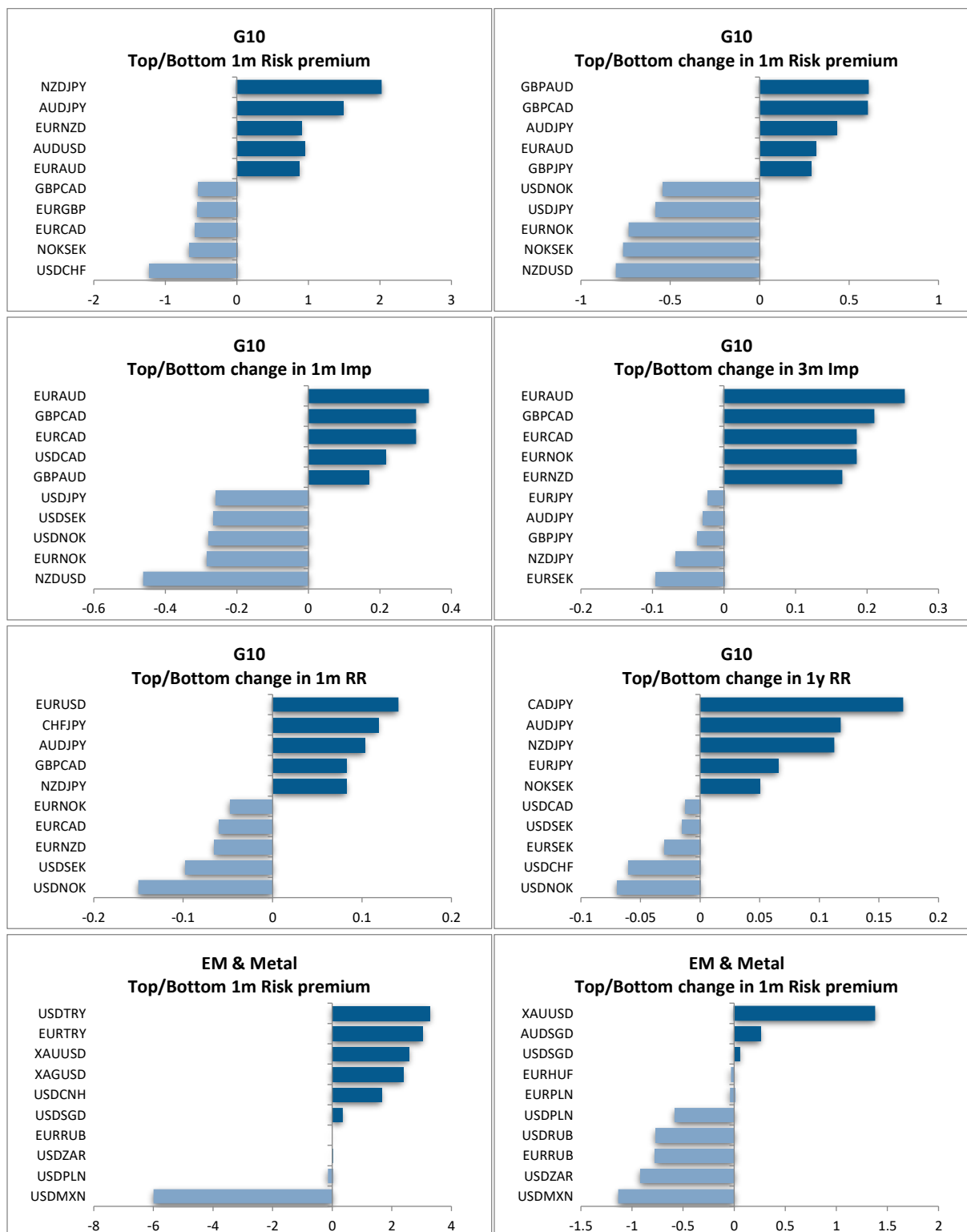
A break of the 18.85/18.75 area could open for a move considerably lower.

Buy 3 month 18.75 USDMXN put in 1 mio
Sell 3 month 18.25 USDMXN put in 2 mio
Cost 660 pips

Buy 3 month 19.00 USDMXN put in 1 mio
Sell 3 month 18.25 USDMXN put in 1 mio
Sell 3 month 19.50 USDMXN call in 0.5 mio
Cost 630 pips

Spot ref. 18.9900

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- Risk premium: Implied minus realized volatility. A positive risk premium means implied volatility trades above realized volatility, i.e. the implied volatility can be seen as “rich”.
- Change: The difference between current price and where it closed 1w ago.