

# FX OPTIONS MARKET UPDATE

- MXN vols lower as US is not going forward with the tariffs after deal with Mexico.

	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	5.10	-1.59	5.85	-0.65	6.54	0.50	5.84	-0.61	5.12	-0.01	5.24	-0.46	4.29	-0.34	5.27	0.32
1m	5.62	-0.26	6.61	-0.50	7.31	0.04	6.49	-0.53	5.71	0.43	5.48	-0.29	4.35	-0.24	5.32	0.01
3m	5.48	-0.17	6.52	-0.50	7.37	-0.12	7.11	-0.36	5.45	0.11	6.18	-0.26	4.51	-0.11	5.36	-0.16
6m	5.79	-0.17	6.78	-0.40	7.83	-0.14	8.89	-0.38	5.71	0.05	7.85	-0.28	4.76	-0.11	5.69	-0.04
1y	6.25	-0.19	7.13	-0.26	8.31	-0.09	9.60	-0.17	6.10	-0.04	8.47	-0.10	5.01	-0.01	5.88	-0.03

	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	5.14	-0.07	3.90	0.03	15.58	0.29	13.77	-0.98	10.85	-2.58	7.01	-0.03	3.15	0.03	5.08	-0.41
1m	5.83	0.26	5.20	0.05	18.06	0.09	15.46	0.18	11.07	-1.56	8.99	0.04	3.39	0.04	5.05	-0.07
3m	5.84	0.11	5.13	-0.15	19.34	0.21	15.25	0.01	10.91	-1.08	9.87	-0.10	3.62	0.00	4.99	-0.03
6m	6.22	0.08	5.34	-0.14	21.48	0.13	15.53	-0.09	11.14	-0.84	10.74	-0.07	3.96	-0.02	5.05	-0.02
1y	6.60	0.00	5.69	-0.06	23.43	-0.10	15.98	-0.15	11.65	-0.53	11.69	-0.06	4.33	-0.02	5.15	0.02



Strong employment data from Canada and no tariffs from US against Mexico and a weak USD had USDCAD break out of the long-term trend channel on Friday. US vs CAD 2 year yield spread has traded lower over the last month, black line in the chart above, and indicates the move lower in USDCAD can continue down to 1.2800 levels.

USDCAD vols have traded higher on the break with 1 month up 0.5 vol from last week but it still trades well below the YTD average. Risk reversals have been marked lower but still

trades small favor for the topside, 1 month 0.1 for calls.

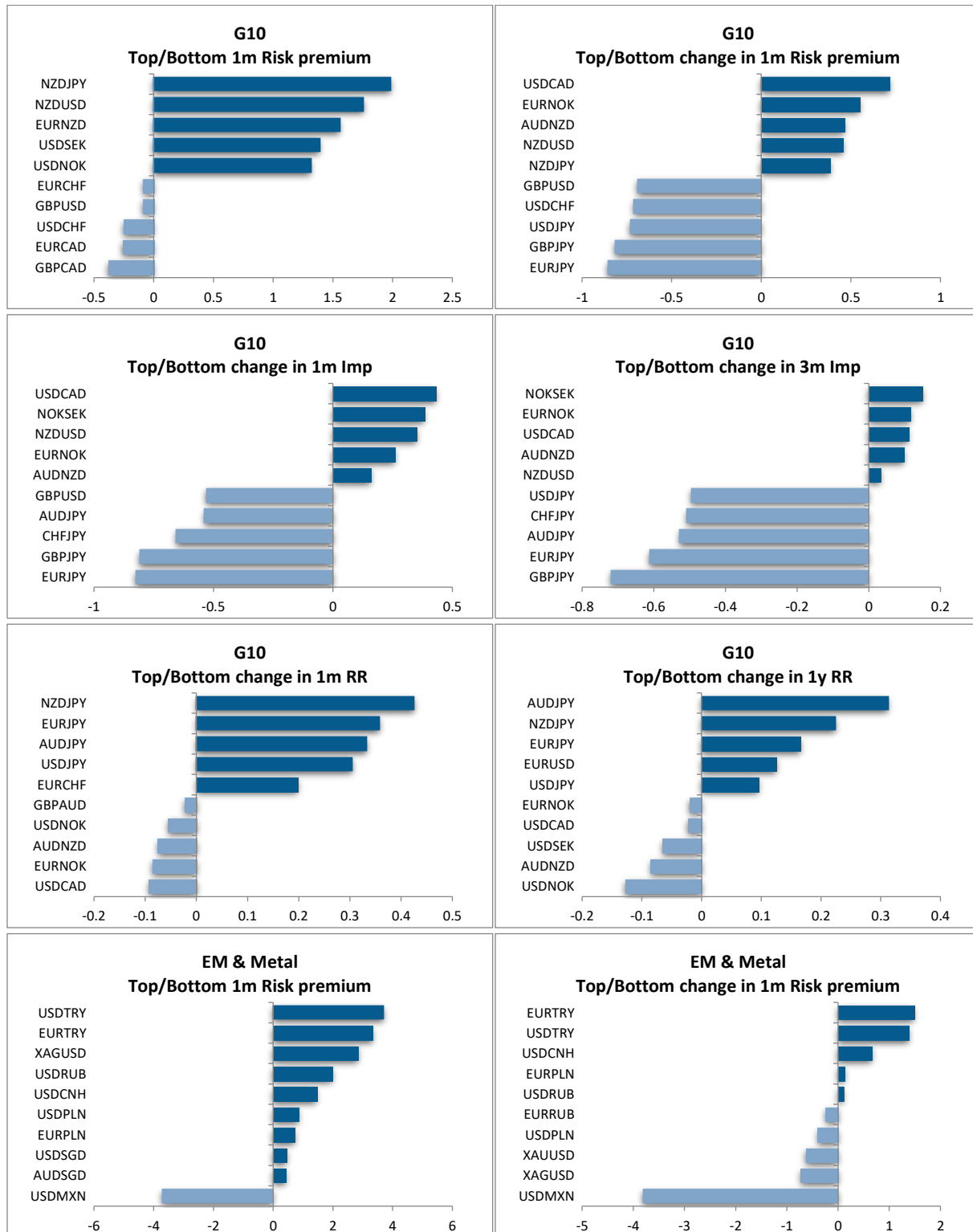
**Buy 1 month 1.3100 USDCAD put  
Cost 34 pips**

**Alt.**

**Buy 1 month 1.3200 USDCAD put  
Sell 1 month 1.3050 USDCAD put  
Sell 1 month 1.3450 USDCAD call  
Cost 29 pips**

**Spot ref. 1.3255**

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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.