

EMCORE Volatility Picture

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

18 October 2024

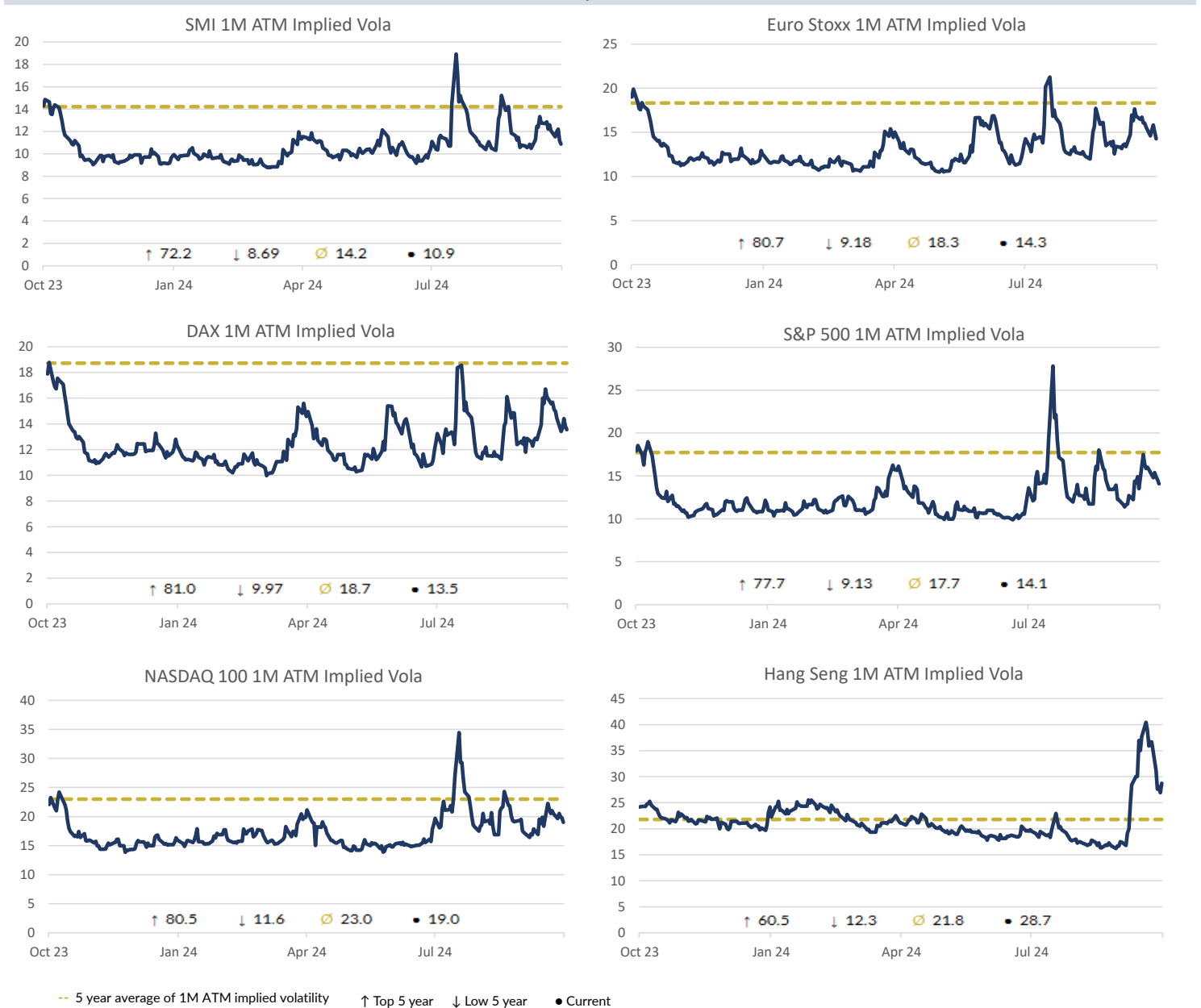


Vola Headlines

- In recent months, we have consistently observed short-term spikes in implied volatility, particularly within equity indices.
- In Spite of a brief spike's at the end of September/ beginning of October, most implied volatilities largely stayed within or derly ranges in the lower quantiles.
- Despite the ongoing geopolitical tensions and the upcoming presidential elections in the USA, implied volatility remains relatively low.

In light of upcoming uncertainties and with current implied volatilities below the 5-year average, implementing targeted hedging strategies (funded through low-correlation cross-asset shorts) can significantly enhance portfolio resilience in a cost-efficient manner.

Overview							
SMI	10.87	Euro Stoxx	14.27	SPX	14.10	Nikkei	24.87
DAX	13.55	FTSE 100	10.88	NASDAQ	19.01	Hang Seng	28.72



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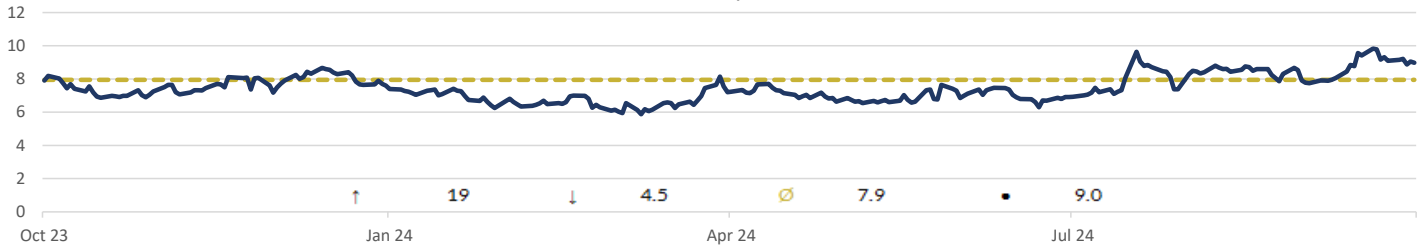


Overview

G10	8.98	USDJPY	11.53	EURGBP	4.69	USDCHF	7.96
EURUSD	7.35	EURCHF	5.76	GBPUSD	8.16	EURJPY	9.81

FX

JPM G10 FX Volatility 1M ATM Index



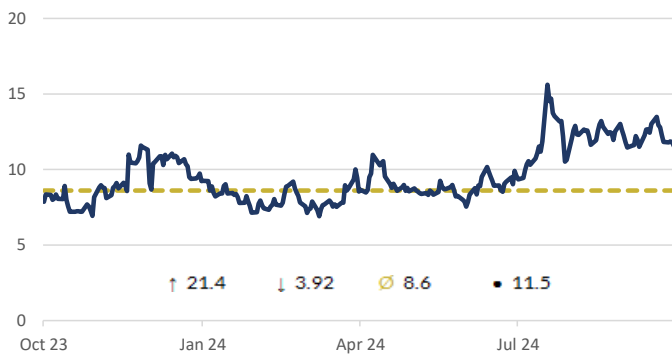
EURUSD 1M ATM Implied Vola



GBPUSD 1M ATM Implied Vola



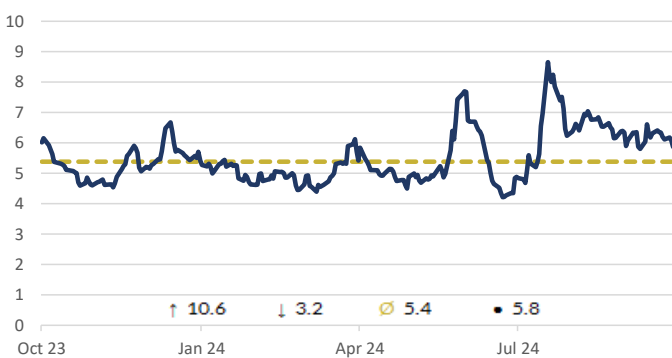
USDJPY 1M ATM Implied Vola



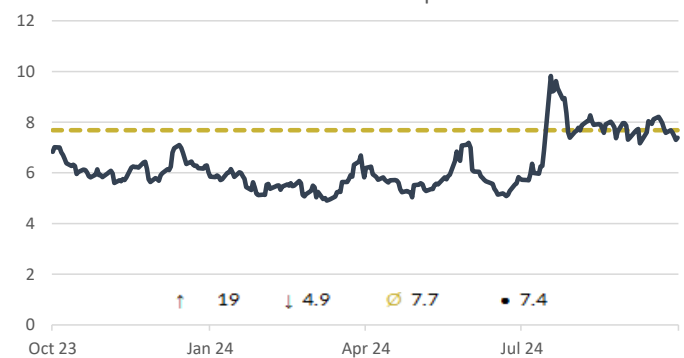
USDCHF 1M ATM Implied Vola



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

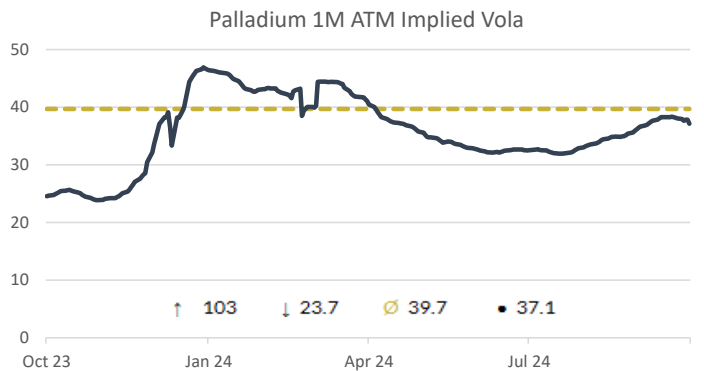
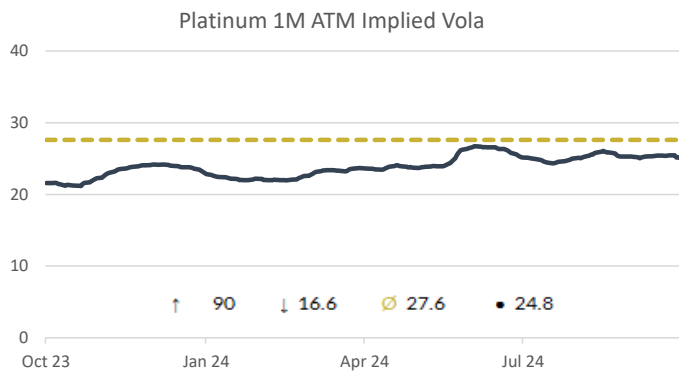
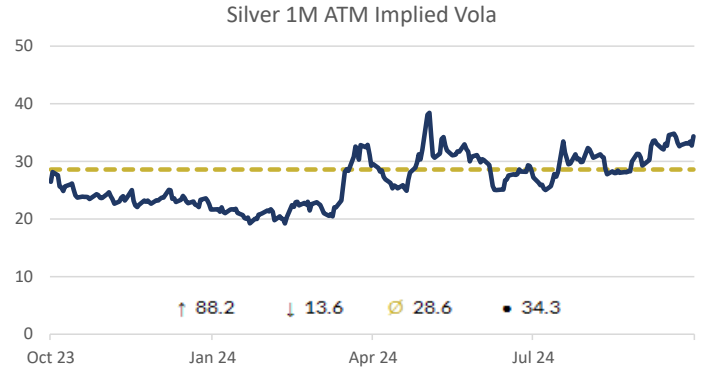
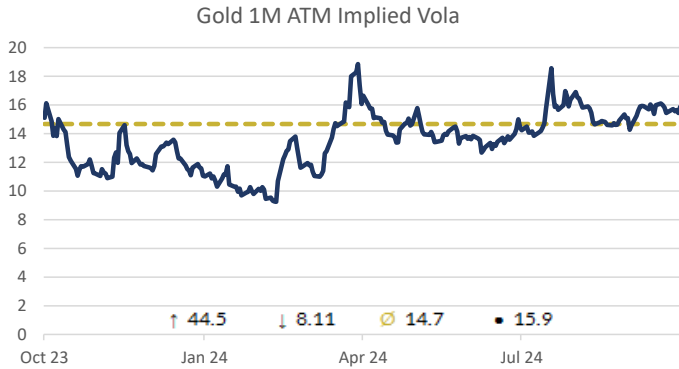
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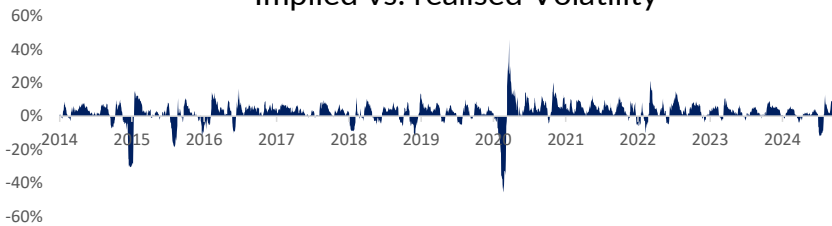


Overview							
Gold	15.86	Silver	34.34	Platinum	24.83	Palladium	37.15
Metals							

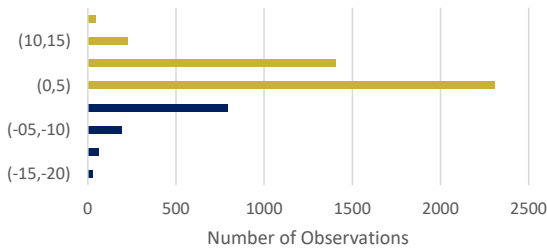


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Implied vs. realised Volatility



Volatility Premium



"Prices change and volatility increases when events differ from market expectations"

Implied Volatility: This is the market's forecast of how much a stock is expected to move over a certain period in the future. It's a predictive measure and reflects the market's sentiment.

Realized Volatility: This is the actual movement of the stock over a specified period

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