



Vola Headlines

- Cross-asset volatility has risen firmly above median quantiles as escalating US-Iran geopolitical tensions replaced January rotation pressures as the dominant market driver.
- Downside equity volatility, particularly in far out-of-the-money put options, has repriced higher as investors seek protection against an oil-driven inflation shock and a Fed on hold for longer.
- FX volatility in G10 currency pairs has picked up modestly, with safe-haven flows supporting the US dollar, with most pairs passing their five-year average.
- Bond market volatility has risen sharply from last month's historically low quantiles, as Treasuries sold off alongside equities on inflationary oil concerns. Oil volatility surged, with WTI implied vol reaching 68% before partially retracing. The metals complex remains volatile, with gold and silver subject to sharp swings between safe-haven demand and speculative unwinds.

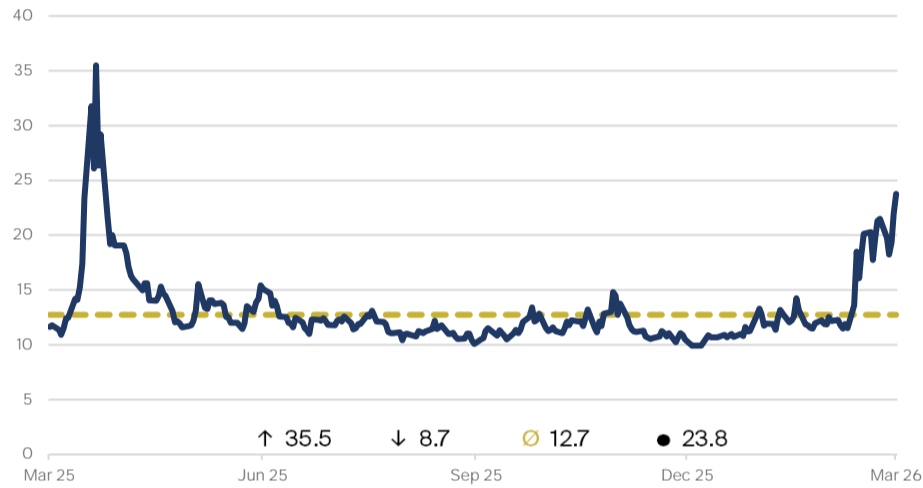
For the coming month, markets are likely to face continued elevated uncertainty driven by the Middle East conflict and its inflationary pass-through, increasing the risk of abrupt dislocations. Low-correlated, capital-efficient return generation through convex positioning remains key to navigating the current environment.

Overview

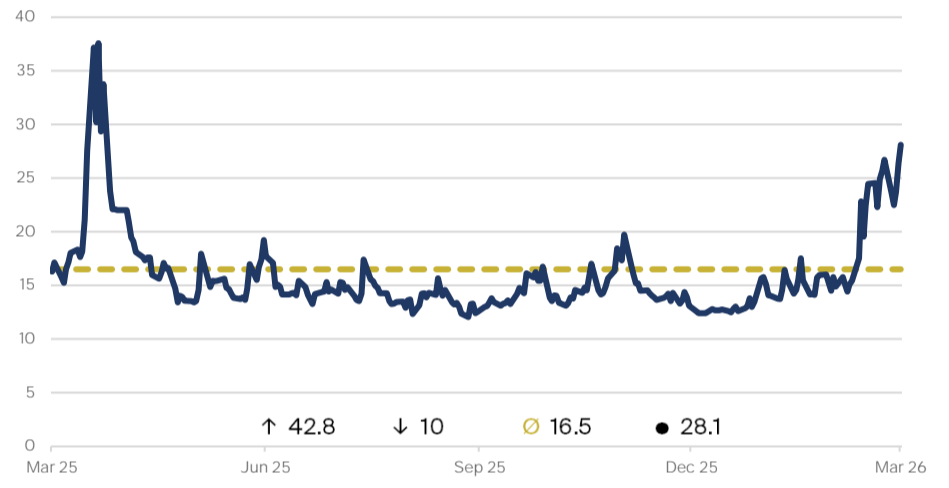
SMI	23.76	Euro Stoxx	28.11	SPX	23.60	Nikkei	32.06
DAX	28.61	FTSE 100	22.26	NASDAQ	27.11	Hang Seng	20.98

Equities

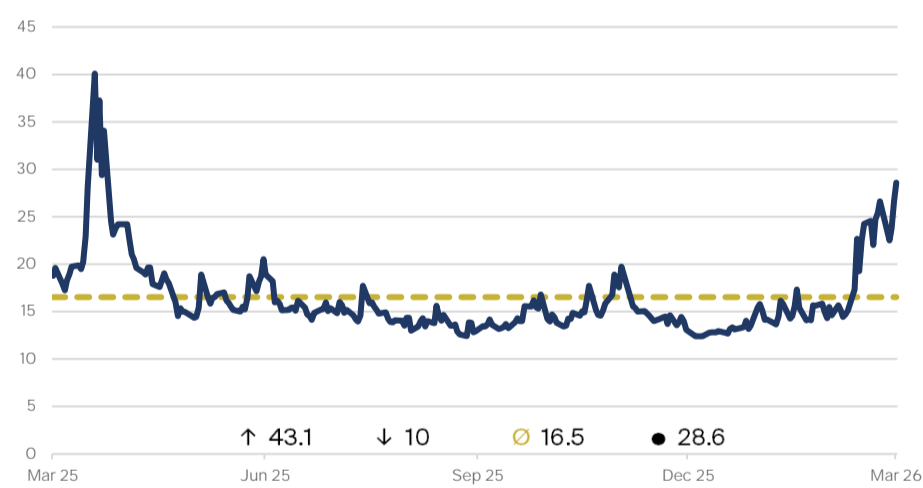
SMI 1M ATM Implied Vola



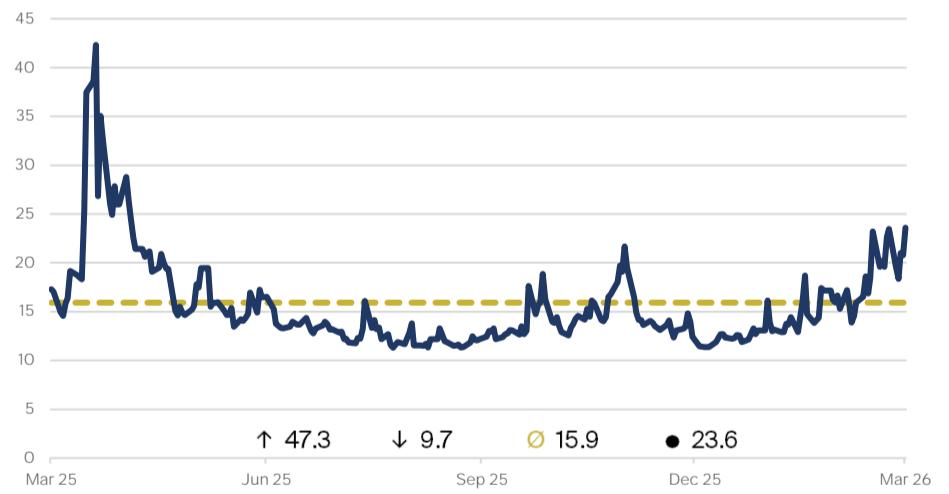
Euro Stoxx 1M ATM Implied Vola



DAX 1M ATM Implied Vola



S&P 500 1M ATM Implied Vola



NASDAQ 100 1M ATM Implied Vola



Hang Seng 1M ATM Implied Vola



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

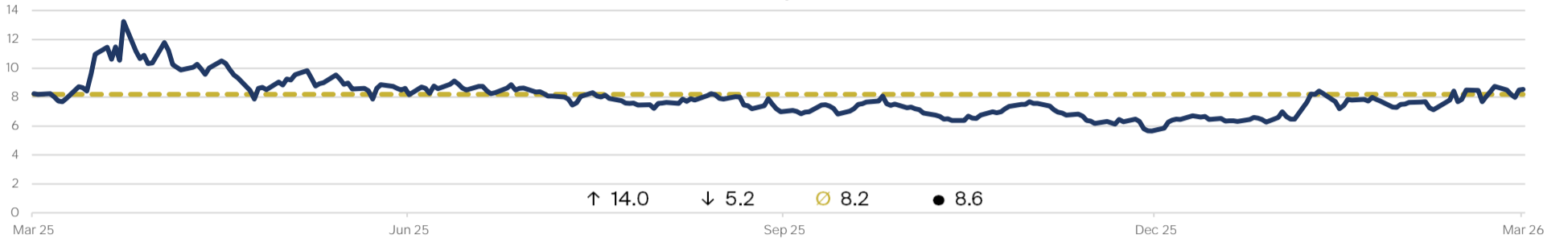


Overview

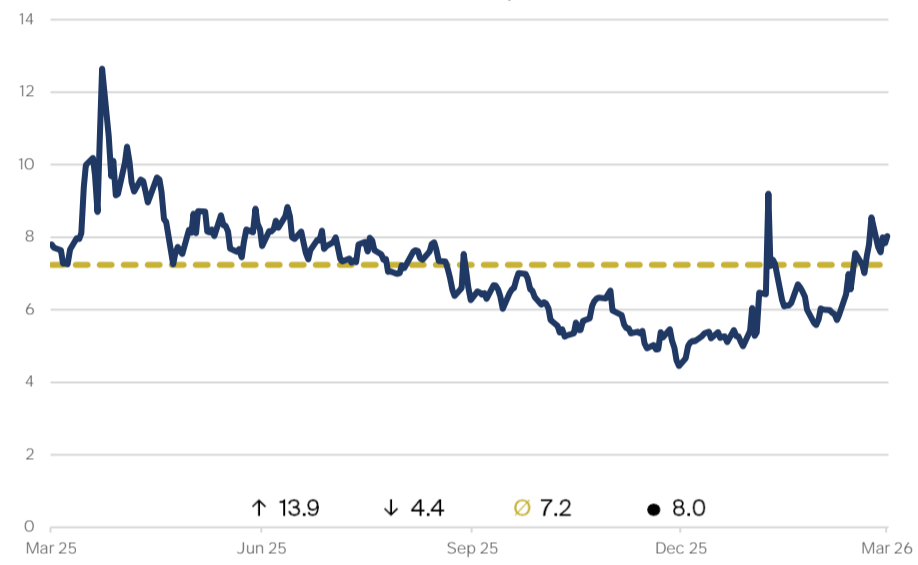
G10	8.55	USDJPY	9.89	EURGBP	4.83	USDCHF	8.46
EURUSD	8.03	EURCHF	5.19	GBPUSD	8.40	EURJPY	8.59

FX

JPM G10 FX Volatility 1M ATM Index



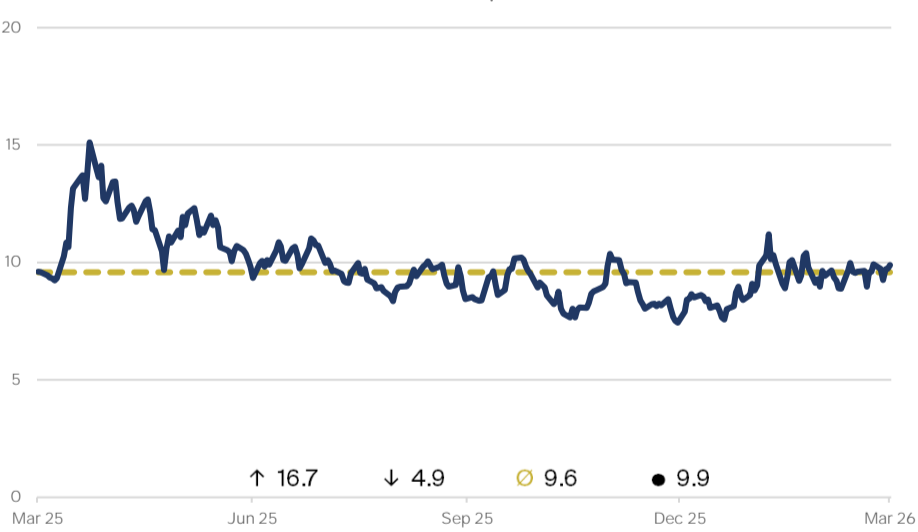
EURUSD 1M ATM Implied Vola



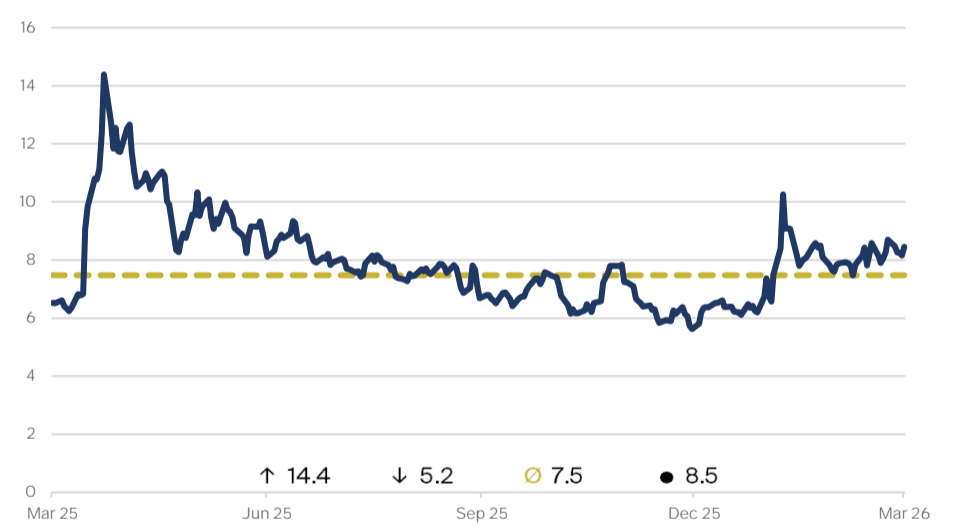
GBPUSD 1M ATM Implied Vola



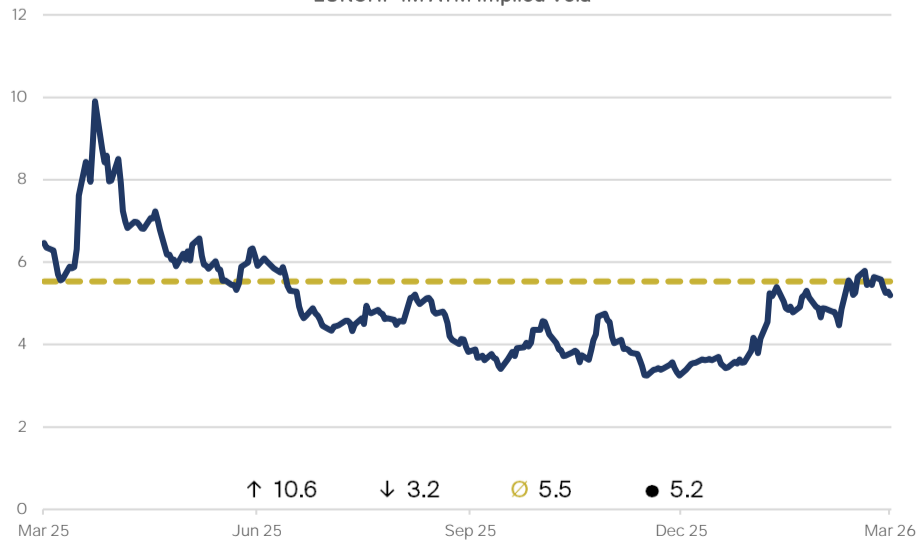
USDJPY 1M ATM Implied Vola



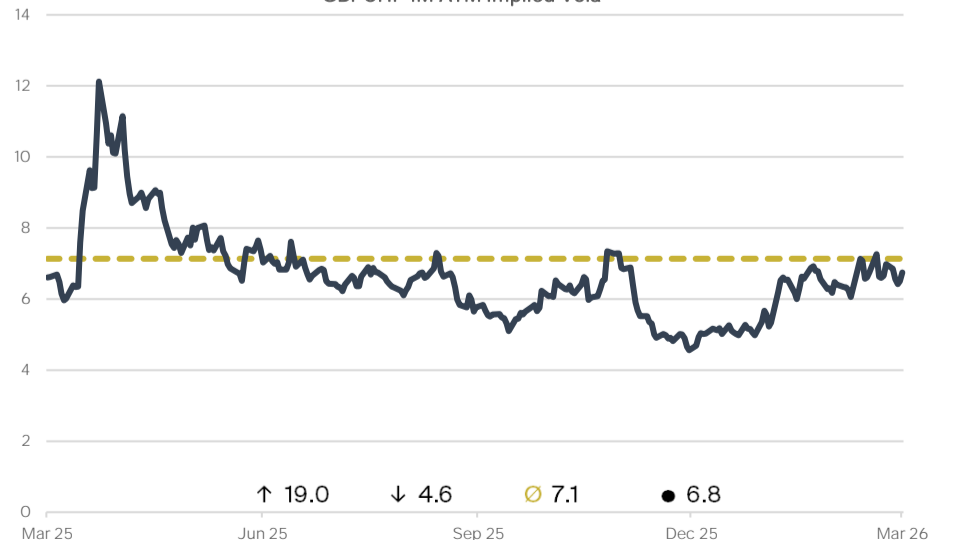
USDCHF 1M ATM Implied Vola



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

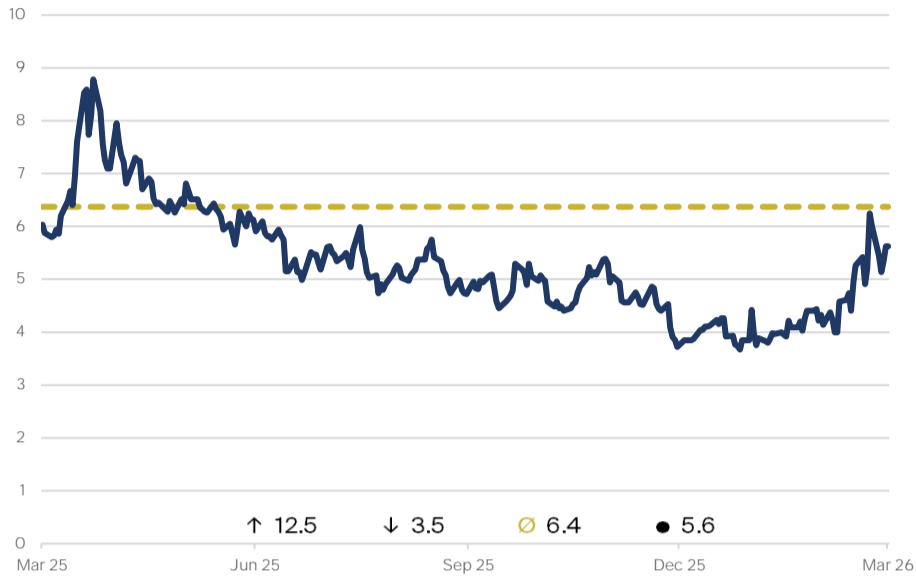


Overview

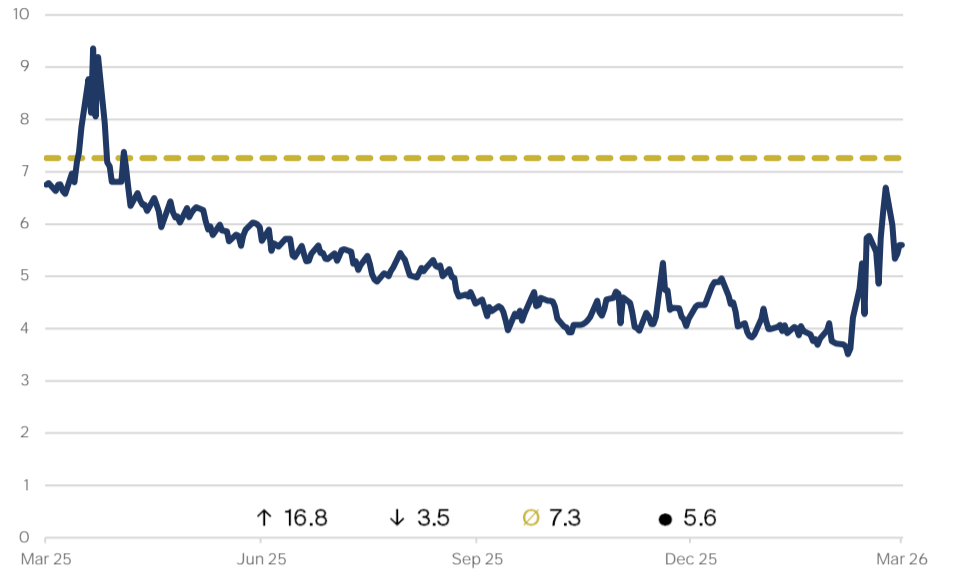
US Treasury	5.63	Euro Bund	5.60
WTI	72.51	Brent	87.47
Natural Gas	62.68	Corn	26.63

Rates

US Treasury 1M ATM Implied Vola

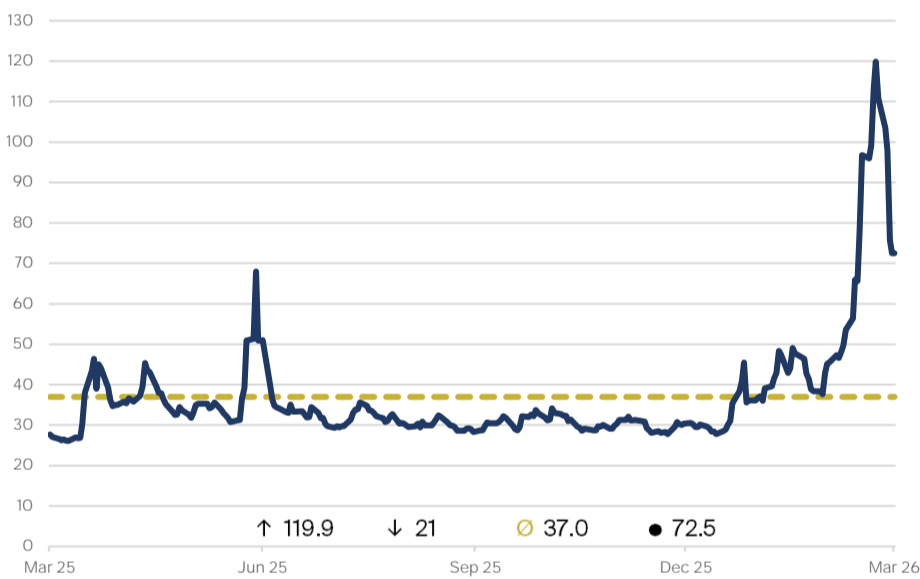


Euro Bund 1M ATM Implied Vola

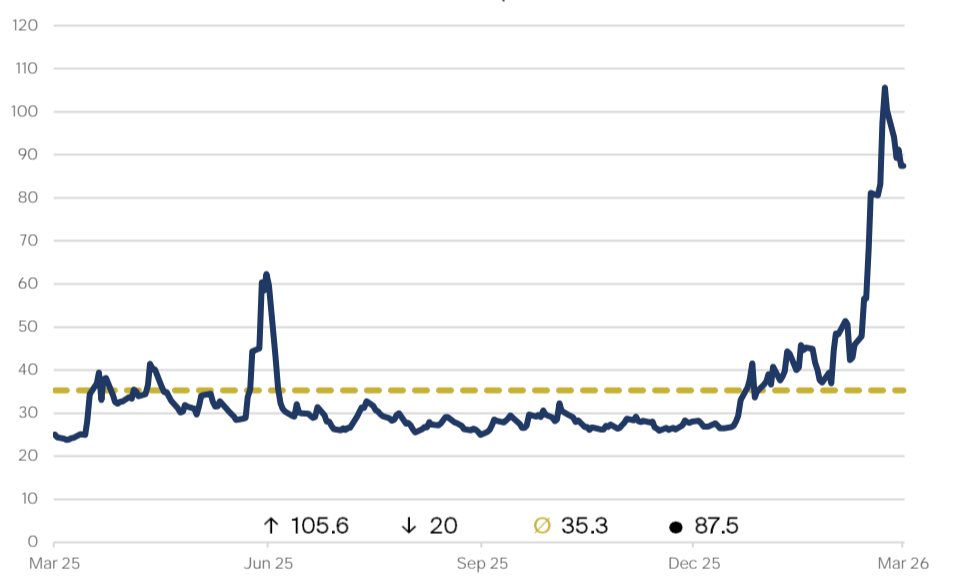


Commodities

WTI 1M ATM Implied Vola



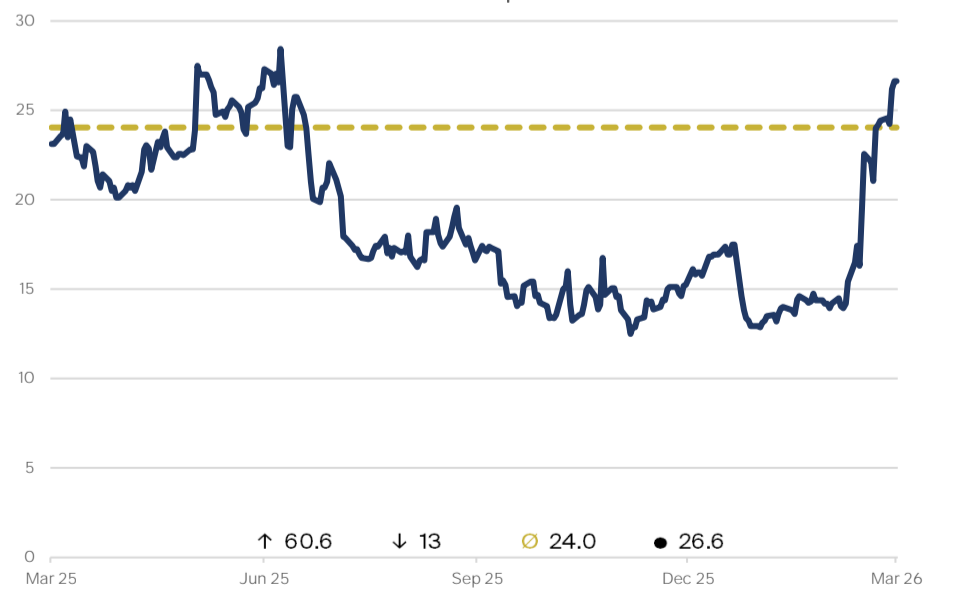
Brent 1M ATM Implied Vola



Natural Gas 1M ATM Implied Vola



Corn 1M ATM Implied Vola



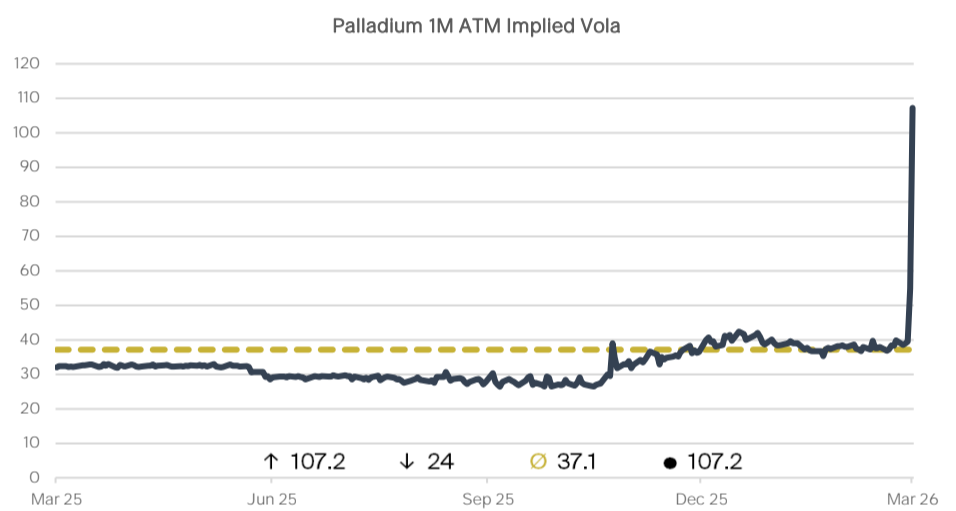
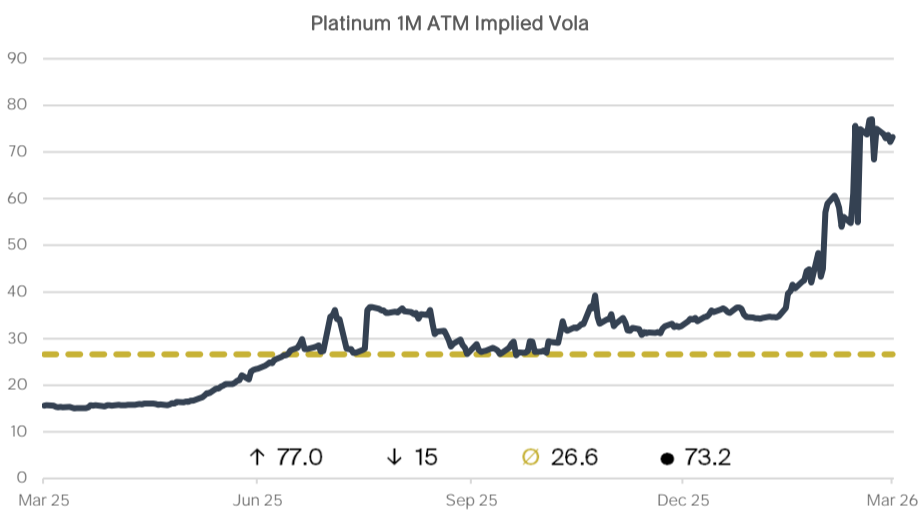
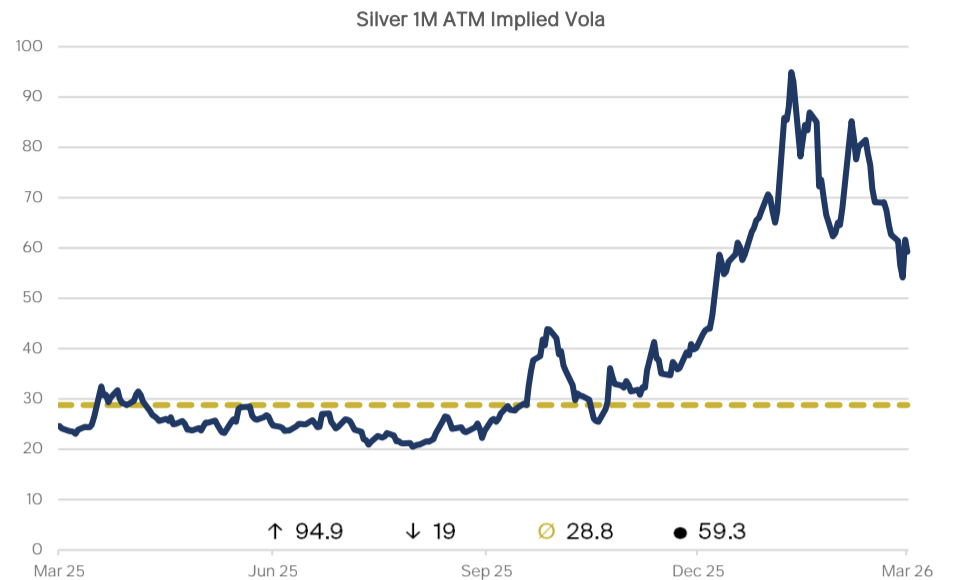
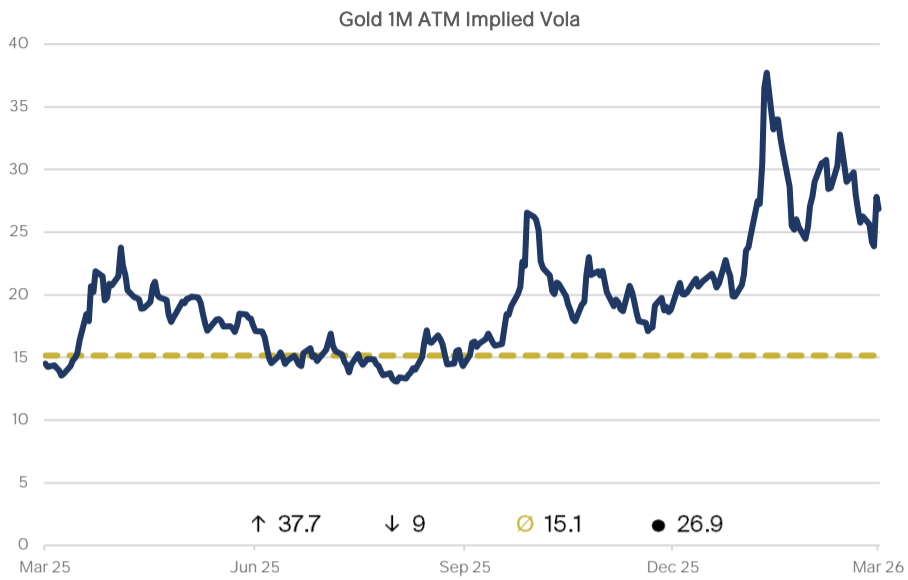
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Overview

Gold	26.85	Silver	59.26	Platinum	73.23	Palladium	107.22
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Metals



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Volatility in Focus: Comparison of two Market Stress Periods



The chart illustrates two distinct volatility episodes over the past 14 months, highlighting how quickly market conditions can deteriorate even from elevated levels.

In April 2025, the S&P 500 fell 18.9% from its February all-time high of 6,144 to a trough of 4,983 on April 8, driven by the announcement of sweeping global tariffs on Liberation Day. The VIX spiked to 52.33 – a level last seen during the COVID-19 pandemic – reflecting extreme investor uncertainty and a rapid repricing of risk.

More recently, escalating geopolitical tensions have introduced a second period of elevated volatility. From its January 2026 all-time high of 6,979, the S&P 500 declined 6.8% to 6,506 by 20 March 2026, with the VIX rising to 26.78. While smaller in magnitude, this episode serves as a further reminder that volatility can re-emerge rapidly and from unexpected sources.

Taken together, both episodes underscore the relevance of a beta replacement approach. In each case, an investor holding a long call structure would have had their downside capped at the premium paid, materially reducing drawdown exposure during the sharpest periods of market stress.

“Every spike in volatility is an invitation to step in where others step back.”

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