



Vola Headlines

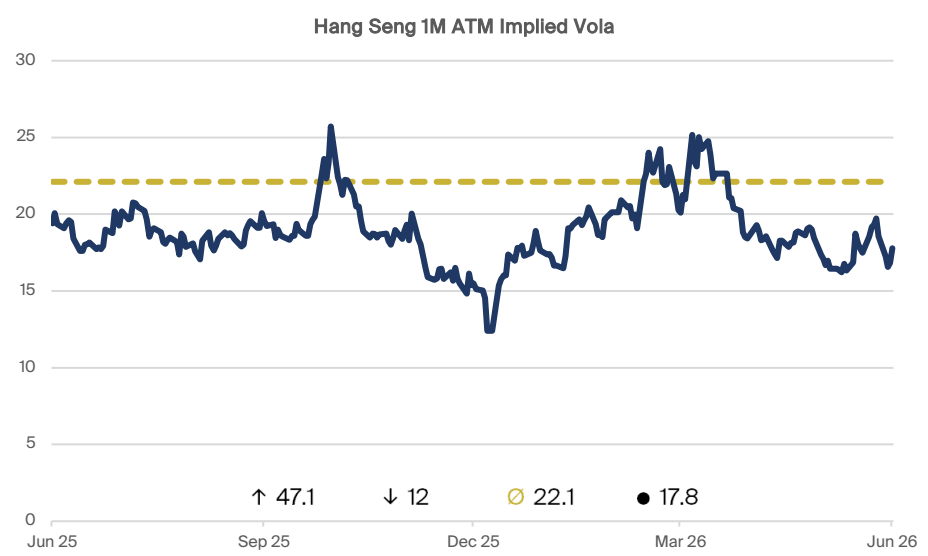
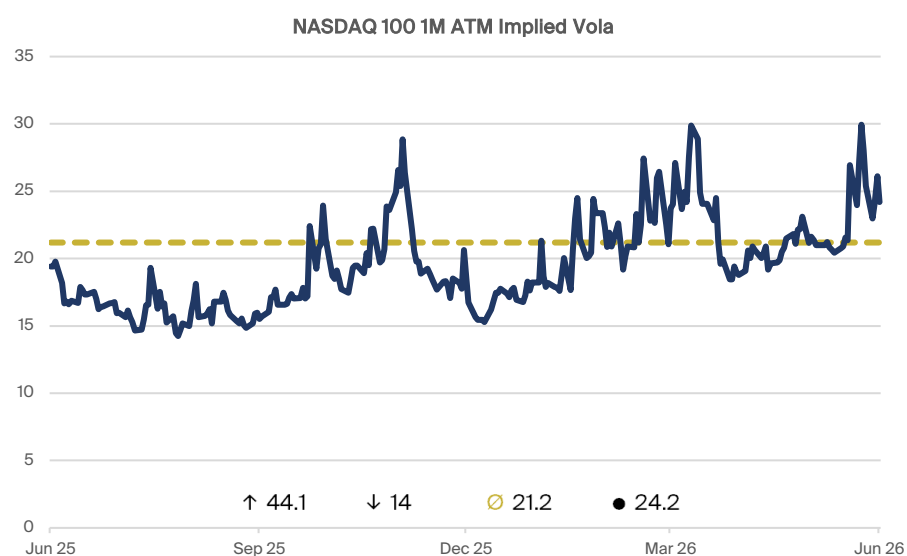
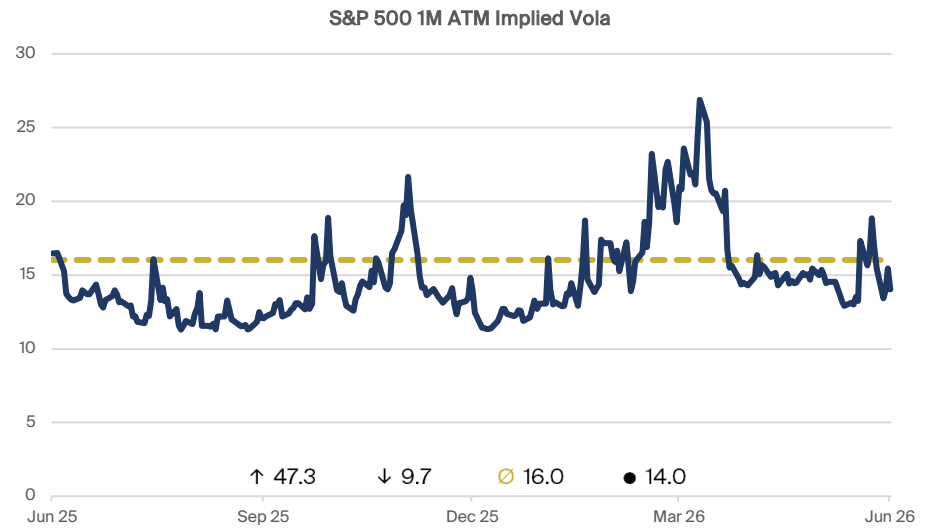
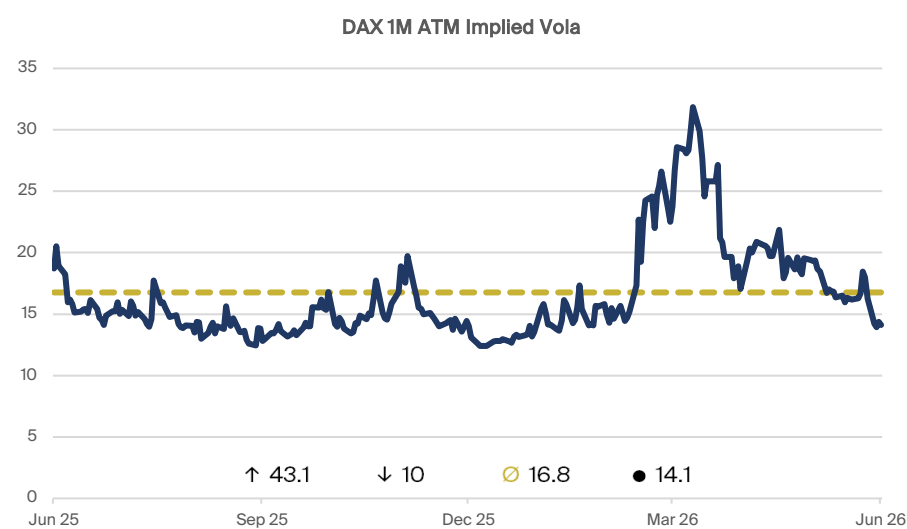
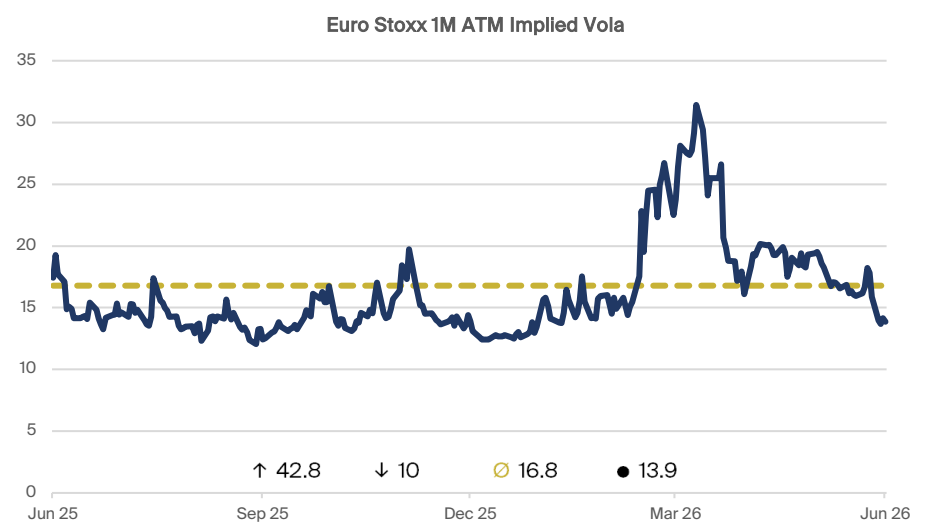
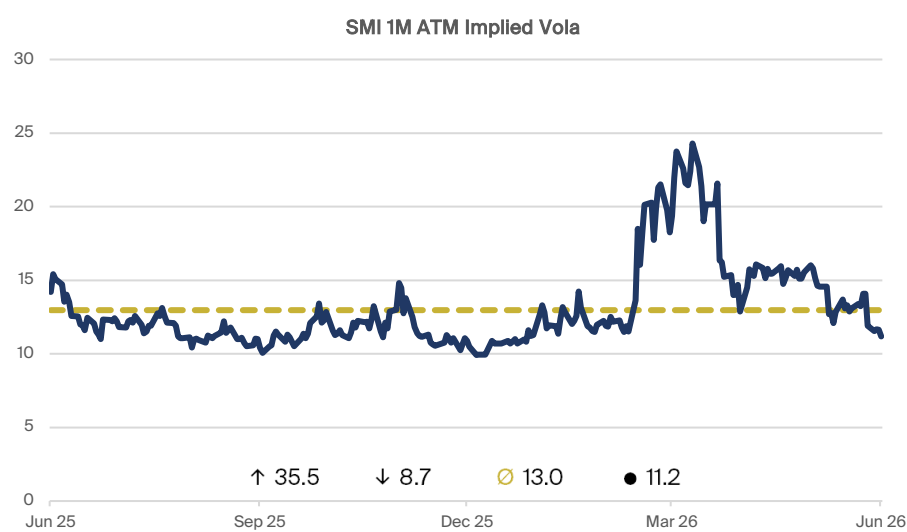
- Cross-asset volatility extended its compression through June. Measured against trailing five-year averages, implied volatility now sits at or below its recent norm across equities, rates and currencies, with agricultural markets and the NASDAQ being the only material exception.
- Equity volatility declined further over the month, leaving the major benchmarks at or marginally below their five-year averages. Downside protection remains inexpensive, though no longer notably so relative to the past twelve months.
- Currency and rates volatility are the lowest relative to their recent norms. The JPM G10 FX volatility index trades roughly 20% below its five-year average, with Bund and US Treasury volatility in the low-teens below theirs, and natural gas volatility comparably subdued. These segments offer the most inexpensive protection relative to the prevailing regime.
- The commodity complex is less elevated than a longer horizon implies. Gold and silver, rich against multi-year averages, oil volatility eased modestly from its recent range. Agricultural volatility is the clear outlier, with corn implied volatility roughly two-thirds above its five-year average – the largest dislocation across the cross-asset spectrum.

Sophisticated institutional investors build protection positions in equities, rates, and currencies using relative cheap volatility. When opportunities arise, the associated costs can be reduced by harvesting elevated volatility premiums in other markets. The result is convex protection carried at little net cost.

Overview

SMI	11.19	Euro Stoxx	13.87	SPX	14.03	Nikkei	28.26
DAX	14.13	FTSE 100	11.25	NASDAQ	24.20	Hang Seng	17.80

Equities



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

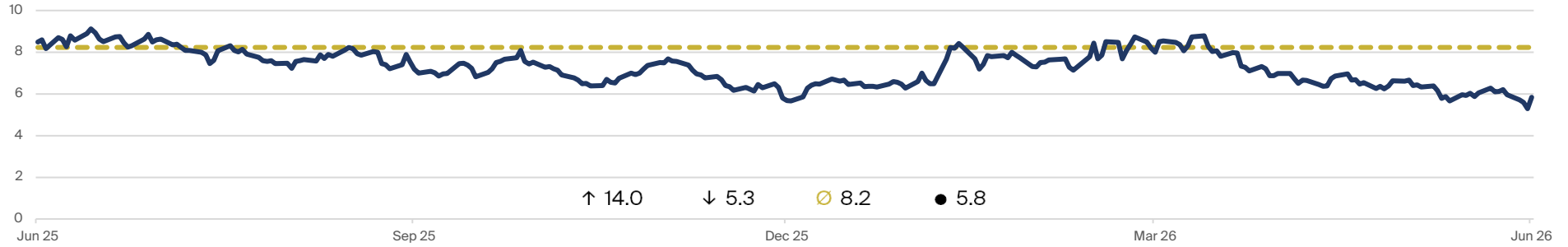


Overview

G10	5.84	USDJPY	7.81	EURGBP	3.29	USDCHF	6.57
EURUSD	5.60	EURCHF	3.38	GBPUSD	6.23	EURJPY	7.11

FX

JPM G10 FX Volatility 1M ATM Index



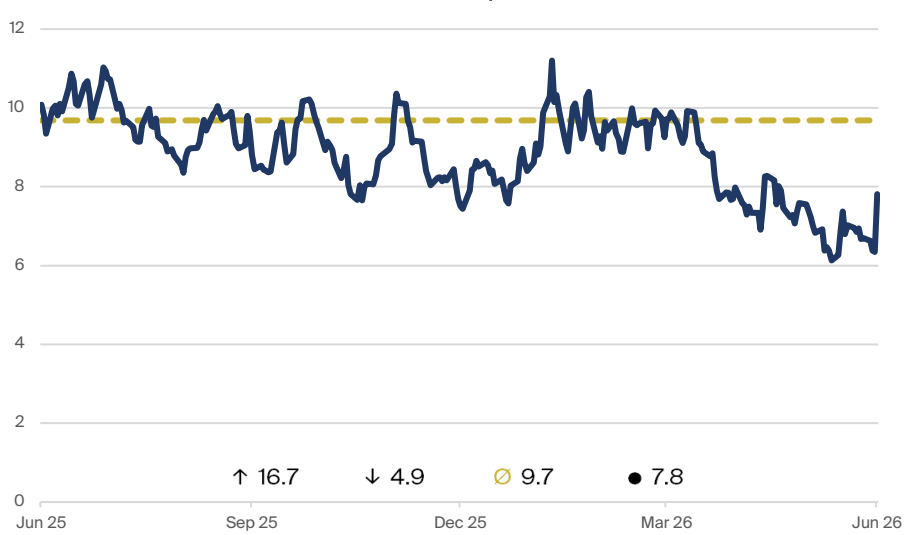
EURUSD 1M ATM Implied Vola



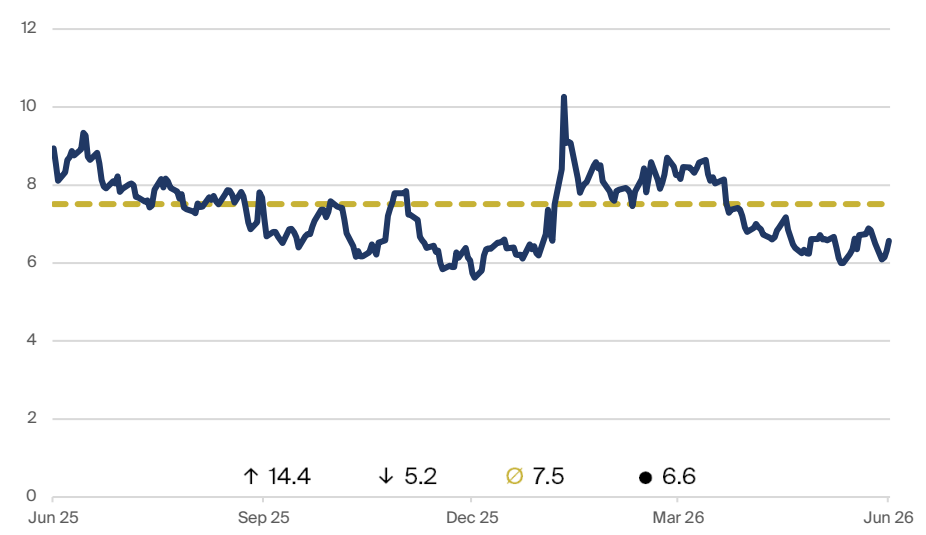
GBPUSD 1M ATM Implied Vola



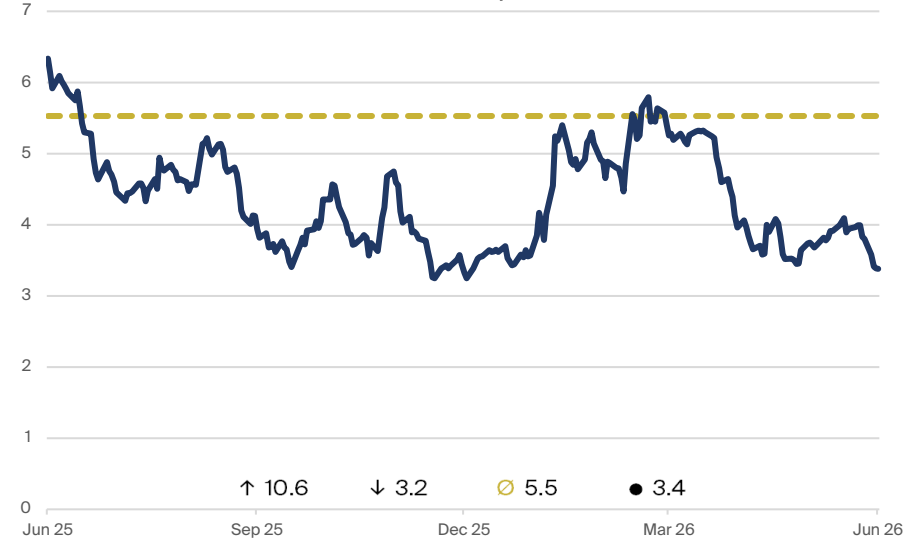
USDJPY 1M ATM Implied Vola



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

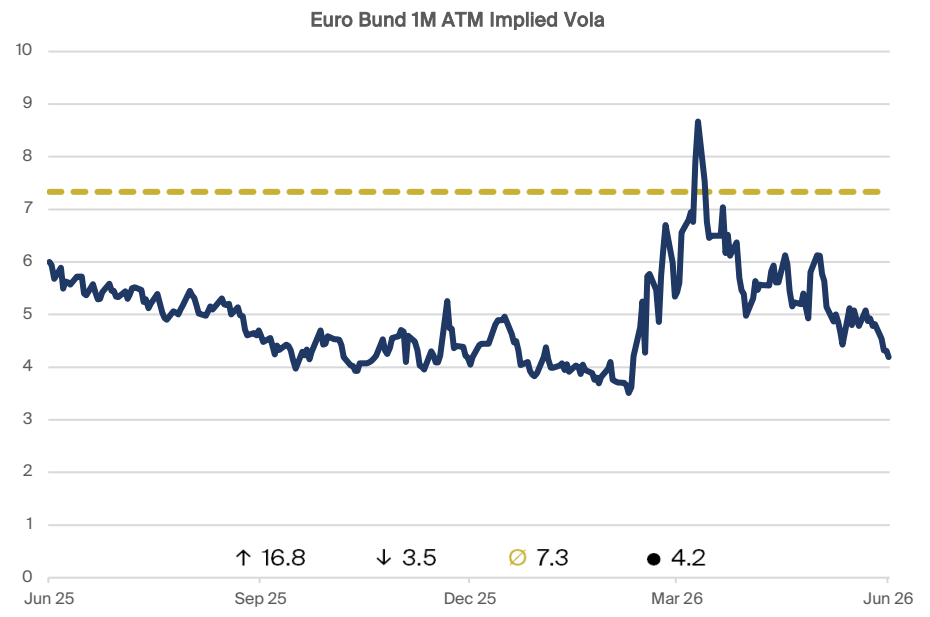
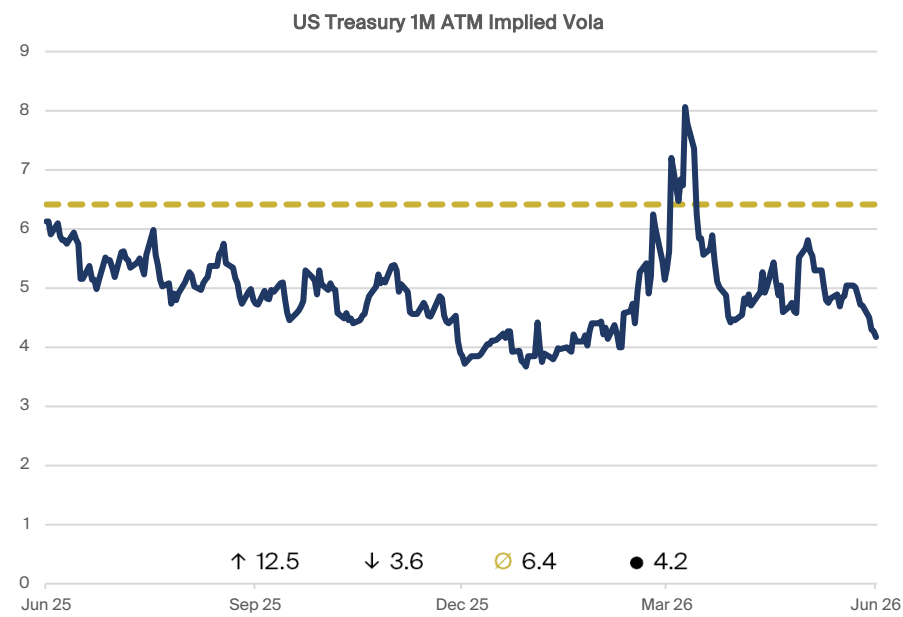




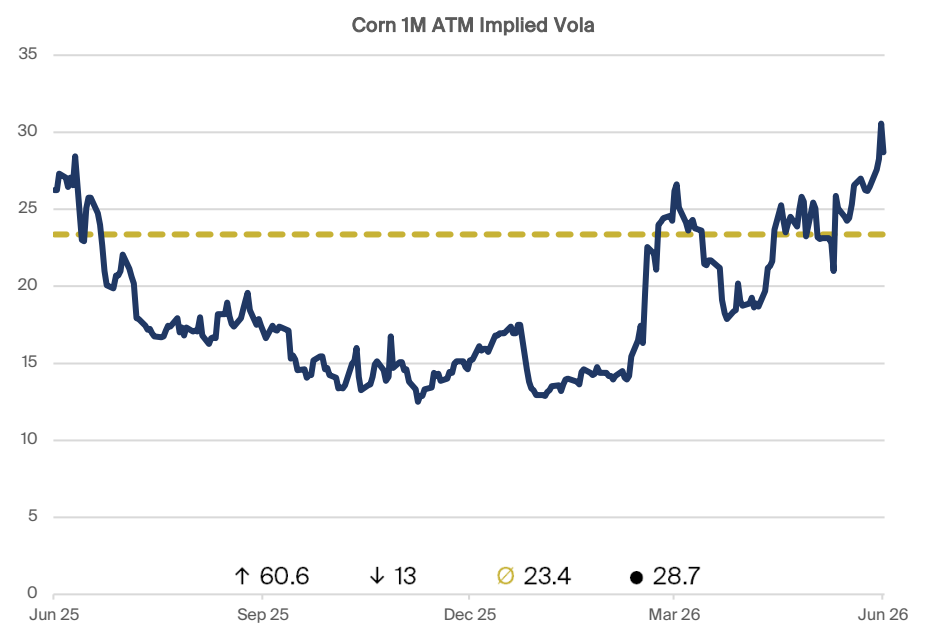
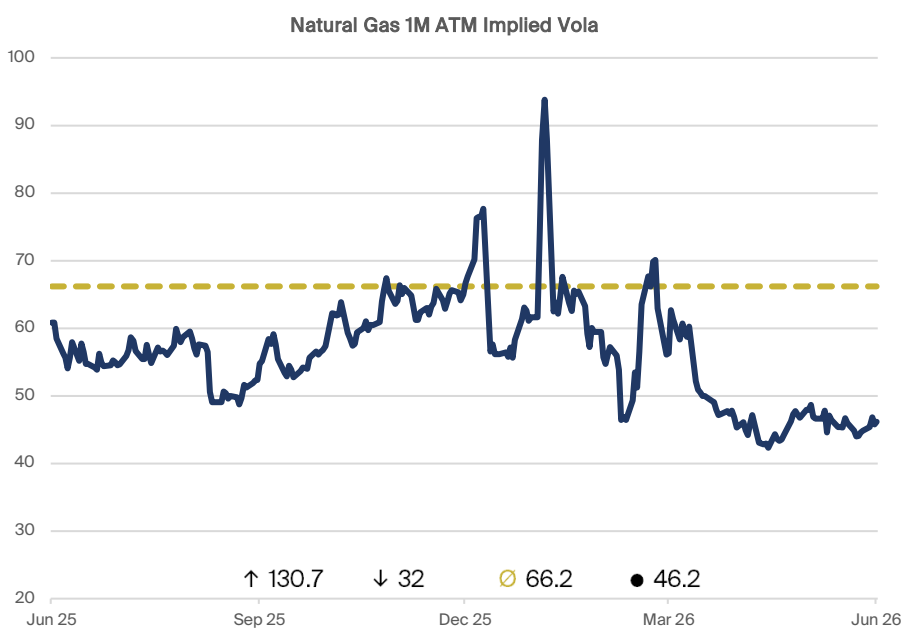
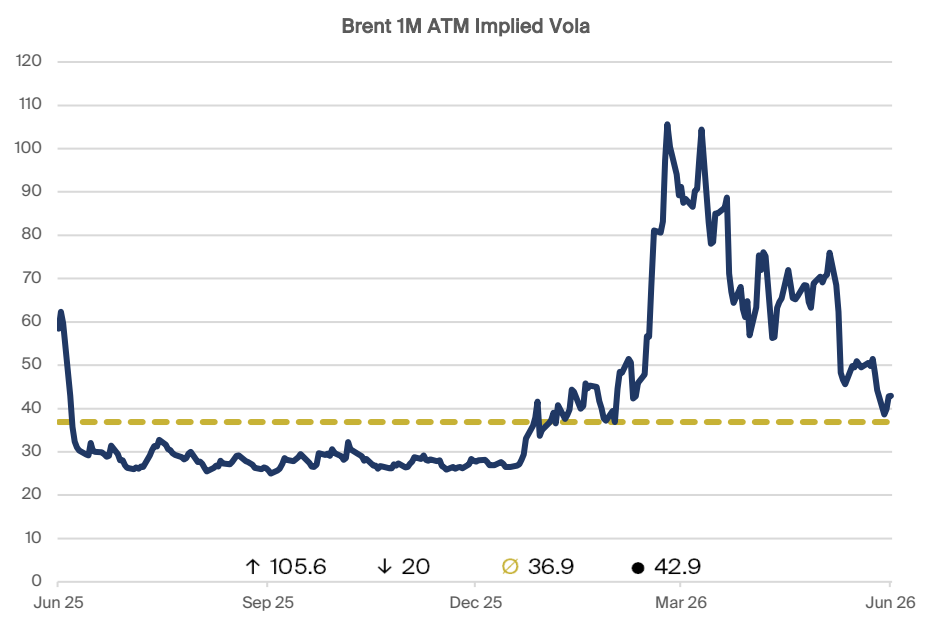
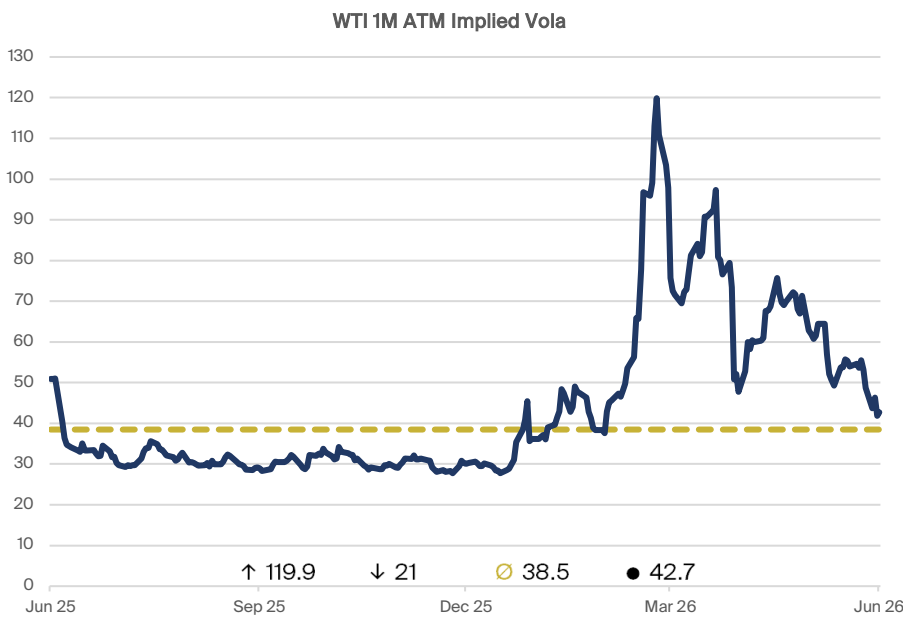
Overview

US Treasury	4.17	Euro Bund	4.19
WTI	42.68	Brent	42.94
Natural Gas	46.17	Corn	28.69

Rates



Commodities



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

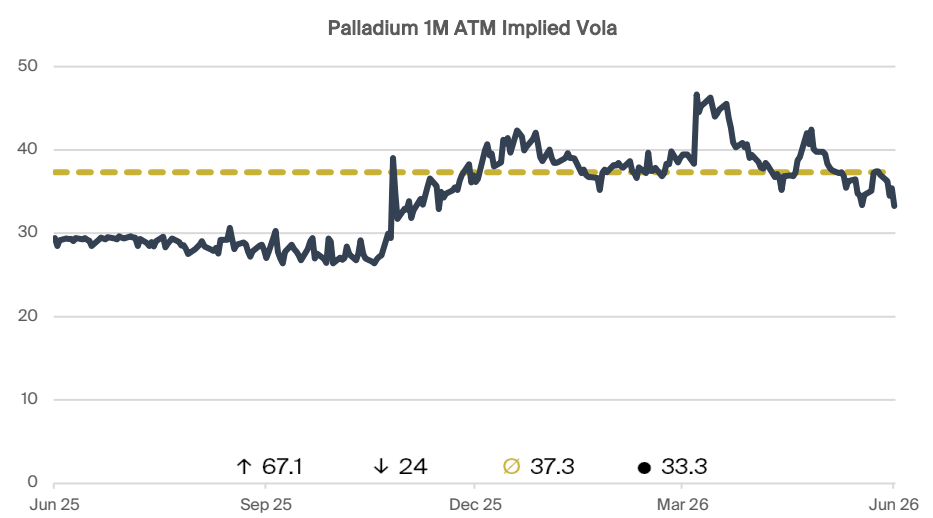
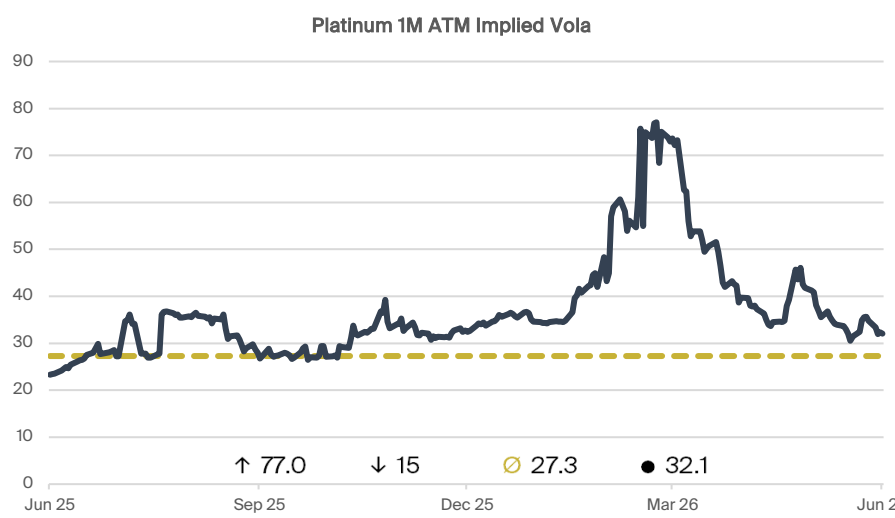
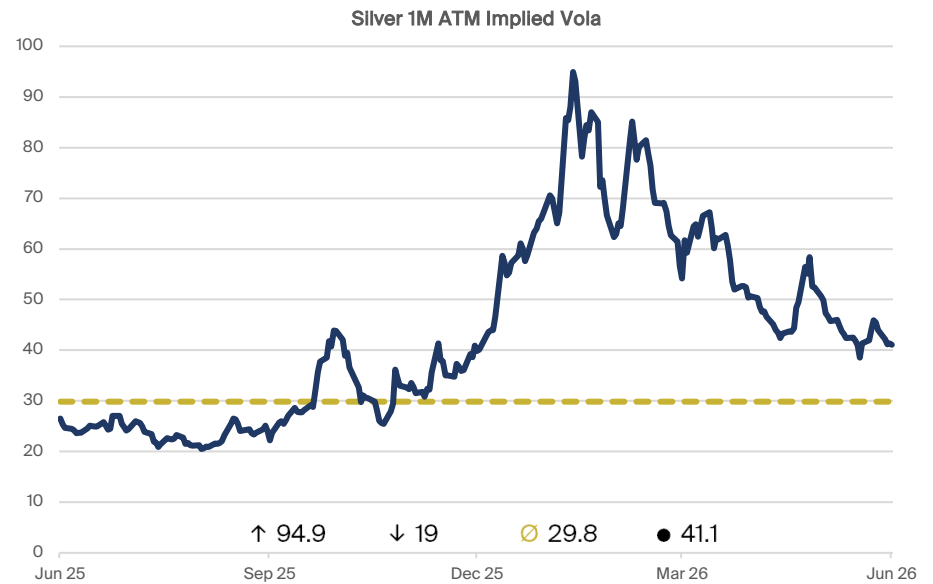
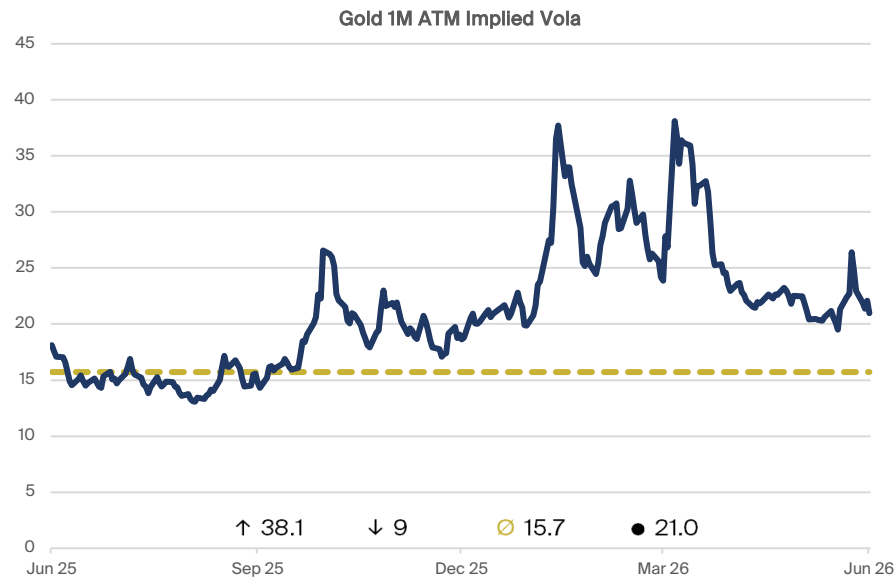




Overview

Gold	20.97	Silver	41.05	Platinum	32.10	Palladium	33.27
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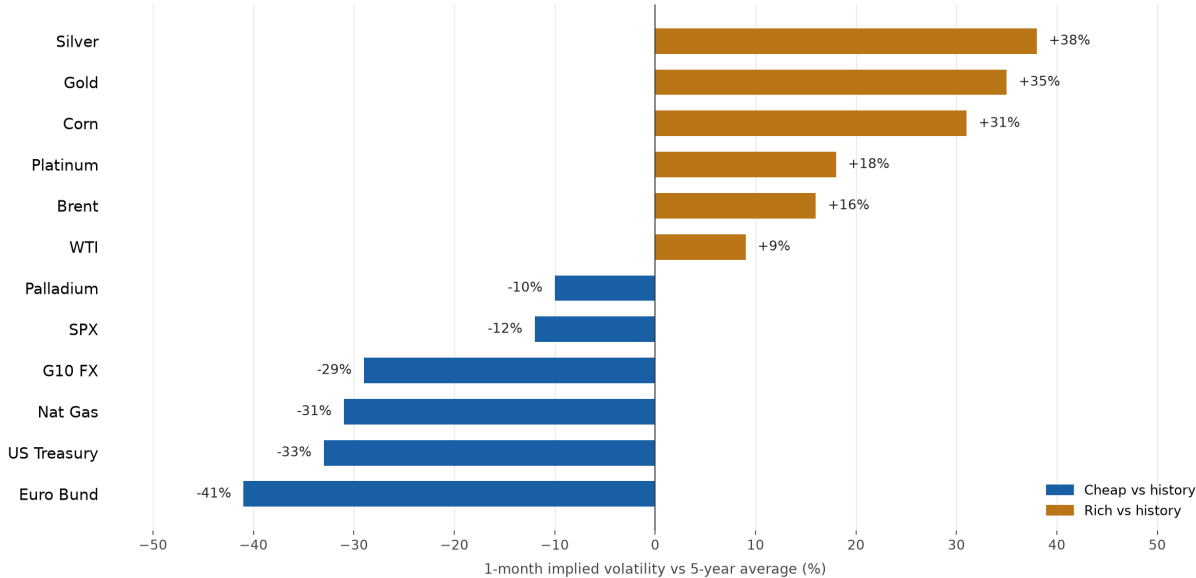
Metals



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A Split-Screen Implied Volatility Market

Where implied volatility is cheap vs rich, ranked against each market's own 5-year average



Each bar ranks a market's one-month implied volatility against its own five-year average. The split is clean – commodities hold the rich half, financial assets the cheap half:

- Cheapest: rates and FX: Bund volatility trades some 41% below its norm, with US Treasury and G10 FX close behind, held down by calm macro data and range-bound rates.
- Richest: commodities: precious metals sit in their top decile, while crude and agricultural volatility remain firm on supply-side and geopolitical premia.
- In between: equities: volatility sits modestly below average, leaving downside protection inexpensive.

Financial markets are priced for calm, real-asset markets are not.

"Markets can remain irrational longer than you can remain solvent."

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