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EQDerivatives

Opportunities in Trading VIX and VOLQ Based on the Relative Term Structure

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Outline

- Contract Information
- Strategy Indices
- VIX Term Structure
- Q&A / Contact



VIX / Mini-VIX / VOLQ Futures

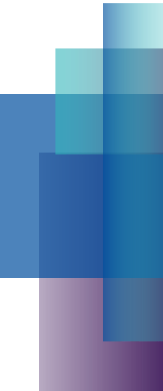
	VIX	Mini-VIX	VOLQ
Multiplier	\$1,000	\$100	\$100
Contracts	Weekly / Monthly	Weekly / Monthly	Monthly
Hours	24 / 5*	24 / 5*	24 / 5*
Exchange	Cboe	Cboe	CME

Data Sources: Bloomberg and EQDerivatives Calculations

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VIX vs. VOLQ Indices

- VIX is calculated using S&P 500 index options while VOLQ uses NDX options
- Both calculations result in expected volatility for the underlying indices over the next 30 calendar days
- The VOLQ calculation uses at-the-money options while VIX uses a strip of options



VIX vs. VOLQ Indices – Monthly Relationship

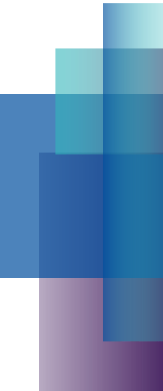
Month	VIX > VOLQ	VOLQ > VIX	Month	VIX > VOLQ	VOLQ > VIX
Jan	36.42%	63.58%	Jul	31.18%	68.82%
Feb	51.63%	48.37%	Aug	38.07%	61.93%
Mar	51.43%	48.00%	Sep	43.29%	56.71%
Apr	31.33%	68.07%	Oct	25.29%	74.12%
May	35.71%	64.29%	Nov	40.76%	59.24%
Jun	46.51%	53.49%	Dec	37.28%	62.72%

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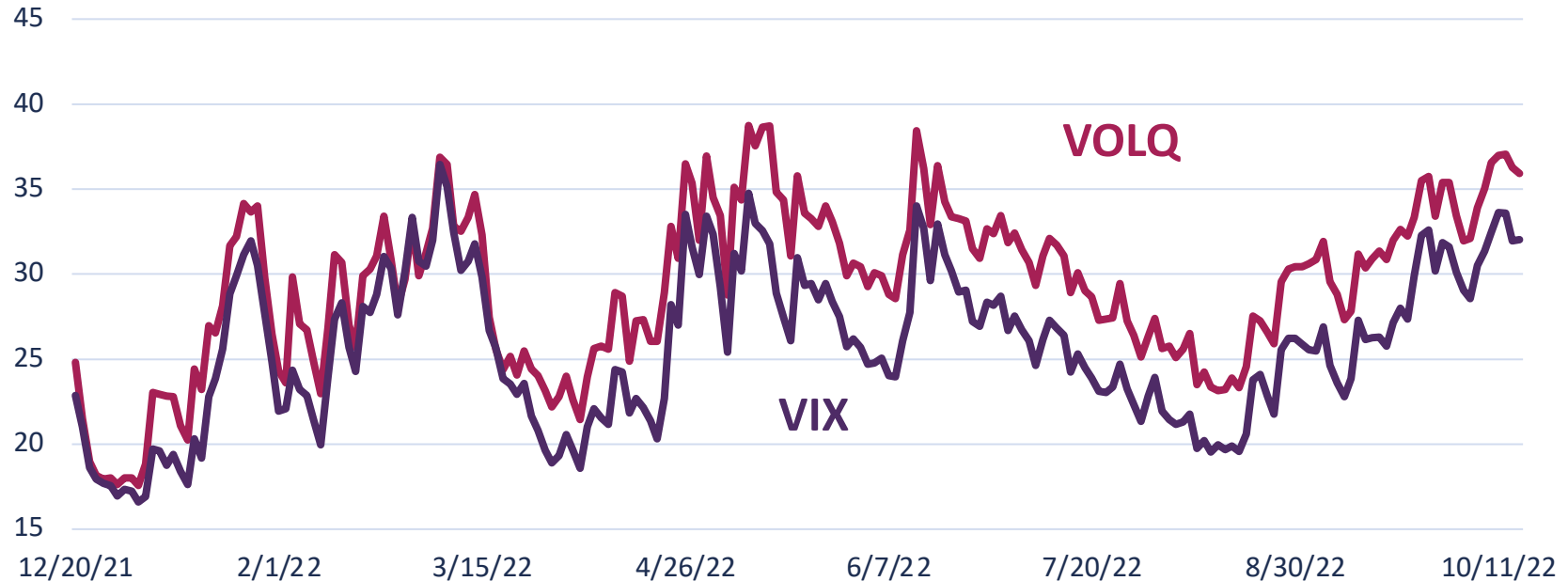
VIX vs. VOLQ Indices

- The relationship between VIX and VOLQ is of interest
- However, we cannot trade spot VIX or spot VOLQ
- We have ten VOLQ and VIX futures contract cycles to work with (Jan 2022 – Oct 2022)



VIX vs. VOLQ Indices

Indices 12/20/2021 - 10/14/2022



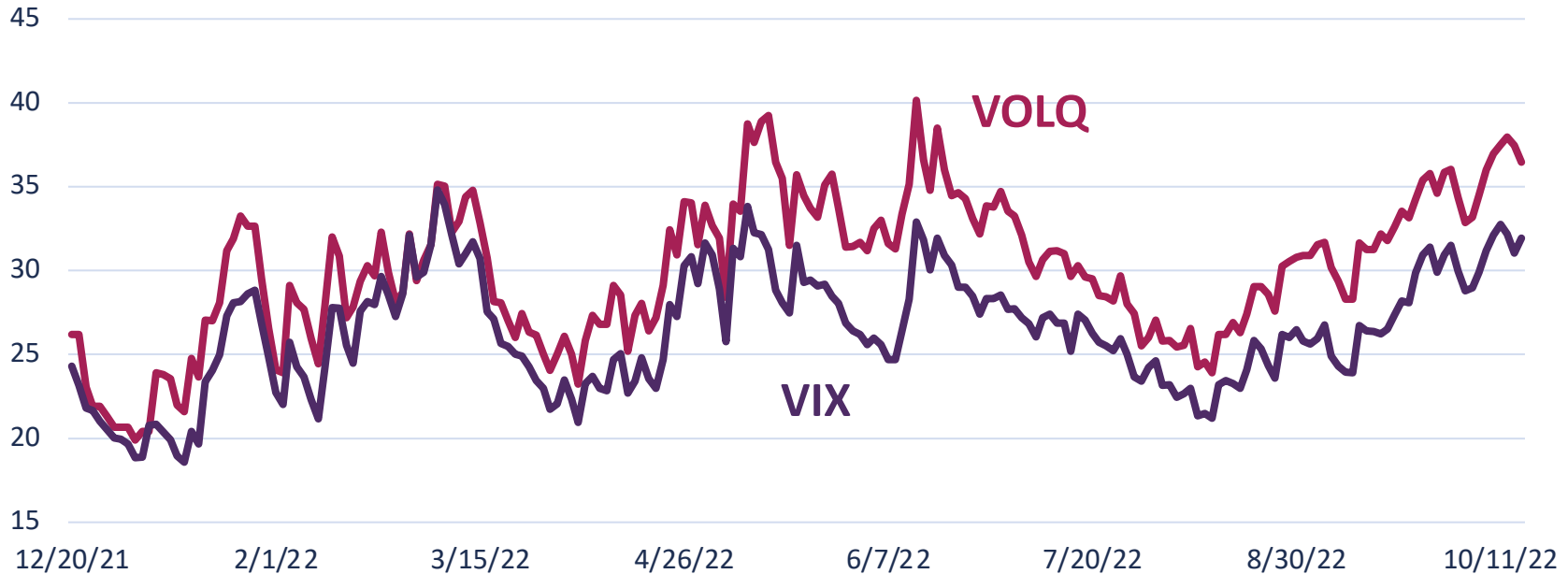
Data Sources: Bloomberg and EQDerivatives Calculations

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VIX vs. VOLQ Markets

First Month (Mo1) Futures 12/20/2021 - 10/14/2022

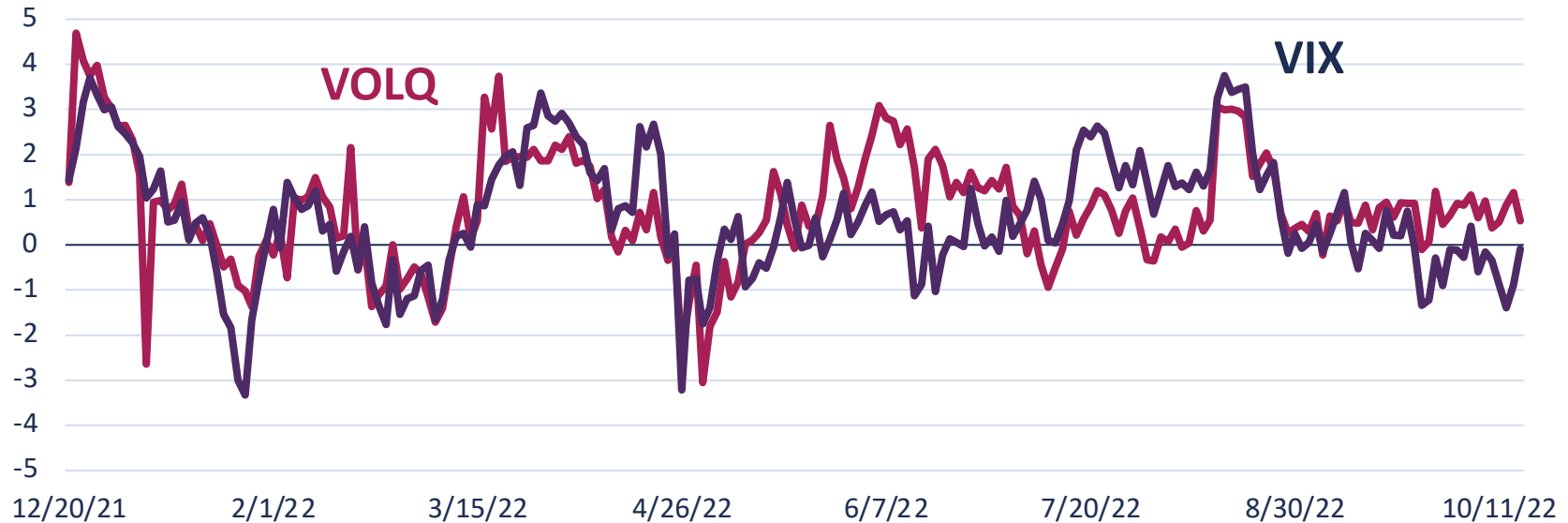


Data Sources: Bloomberg and EQDerivatives Calculations

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VIX vs. VOLQ Markets

Futures - Spot 12/20/2021 - 10/14/2022



Data Sources: Bloomberg and EQDerivatives Calculations

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VIX vs. VOLQ Markets

Market State	Observations
Mo1 > VIX	68.10%
Mo1 > VOLQ	78.30%
Mo1 > VIX & Mo1 < VOLQ	9.88%
Mo1 < VIX & Mo1 > VOLQ	17.90%

Data Sources: Bloomberg and EQDerivatives Calculations

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Disconnect Example #1

July 12, 2022

VIX @ 27.29 / July VIX @ 27.39

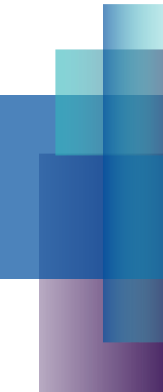
VOLQ @ 32.09 / July VOLQ @ 31.15

July VIX – VIX = 0.10

July VOLQ – VOLQ = -0.94

Data Sources: Bloomberg and EQDerivatives Calculations

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Disconnect Example #1

July 15, 2022

VIX @ 24.23 / July VIX @ 25.21

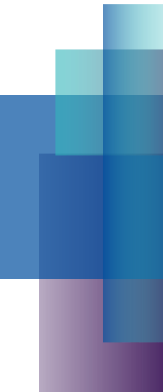
VOLQ @ 28.90 / July VOLQ @ 29.65

July VIX – VIX = 0.75

July VOLQ – VOLQ = 0.97

Data Sources: Bloomberg and EQDerivatives Calculations

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Disconnect Example #2

June 13, 2022

VIX @ 34.02 / June VIX @ 32.90

VOLQ @ 38.44 / June VOLQ @ 40.15

June VIX – VIX = -1.12

June VOLQ – VOLQ = 1.71

Data Sources: Bloomberg and EQDerivatives Calculations

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Disconnect Example #2

June 15, 2022

VIX @ 29.62 / June VIX @ 30.03

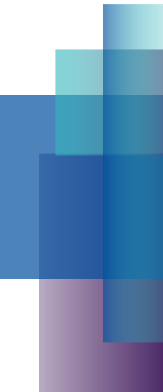
VOLQ @ 32.90 / June VOLQ @ 34.80

June VIX – VIX = 0.41

June VOLQ – VOLQ = 1.90

Data Sources: Bloomberg and EQDerivatives Calculations

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Questions / Contact

Questions?

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