



Month End Summary of Commodity Options
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Intro:

We are pleased to welcome you to our January 2022 month end report.

2021 was a tumultuous year in markets. It is no surprise that 2022 is off to the races (or crashes depending on your views).

Interest rate futures in the US seem to have moved down across the board, with the size of the move driven by maturity. The front Eurodollar future was off 20bps, the Five and Ten Year contracts fell by 110bps, while the Thirty Year and Ultra Bond Contract fell by 140bps. The vol moves were upwards at the front end of the curve and down on the lower ends.

Major equity index futures were down significantly with the Russell leading the plunge. The VIX was up more than 8 vol points. Vol was up across the board. The VIX options showed the greatest moves, but on the index futures it was Russell vol that was most strongly bid

The energy patch was full of vigor (with the lone exception of Ethanol). There was a strong bid in the prices for Crude (both WTI and Brent), natural gas and refined products. Implied volatility was up dramatically in natural and oil, but down in the Dutch TTF natural gas contract.

In Forex and Crypto, the dollar seems to have strengthened against the major world currencies-with Yen and Australian Dollar vol strengthening. Bitcoin plummeted, but that seems to not have had a material impact on vol.

Agriculture was a mixed bag. Soybean oil was up significantly as were soybeans, wheat and corn. Lumber sold off aggressively. Implied volatility spiked in wheat and beans. It was generally sold off in Milk and Hogs products.

The Metals action was concentrated in palladium. It was the biggest mover in the futures prices and implied vol. US Hot Rolled Steel was the worst performer.

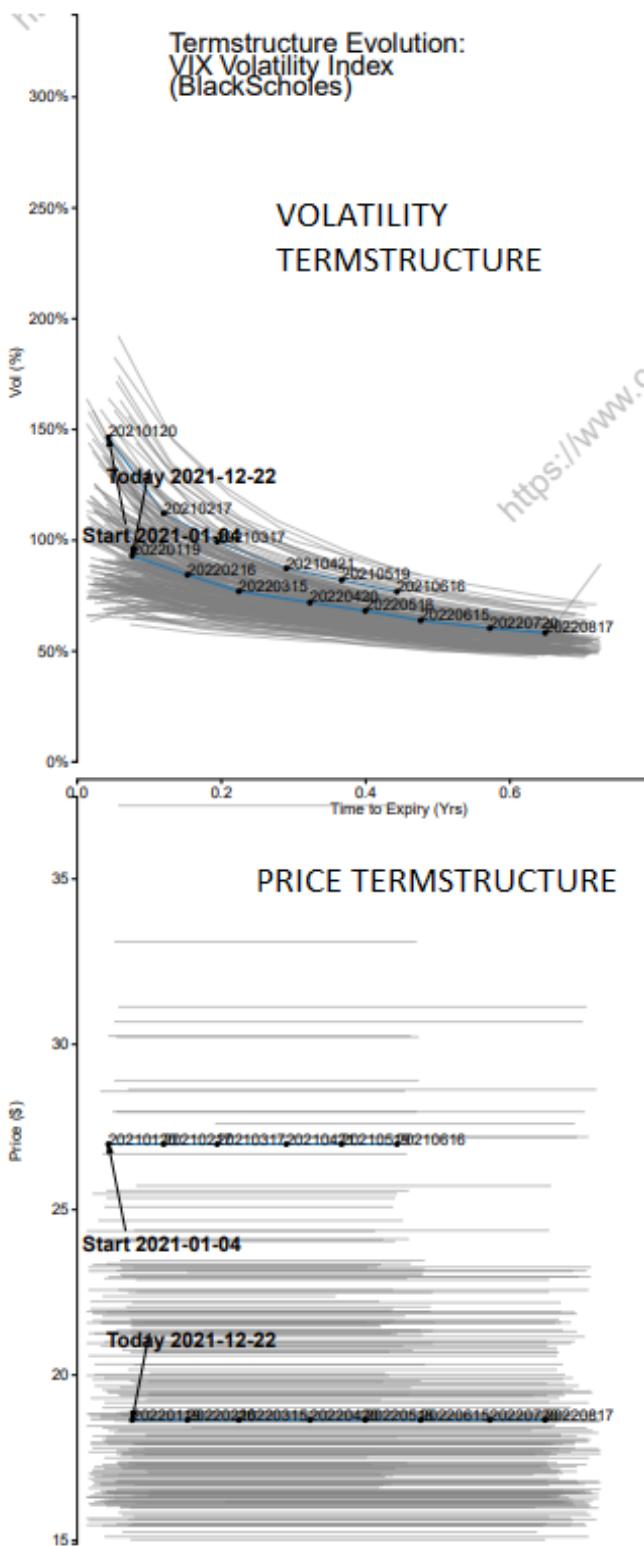
CommodityVol.com is here to serve your needs around modeling, forecasting and understanding the market. If you have needs for commodity skews, parameterized surfaces (including stochastic volatility models), please do not hesitate to contact us! info@commodityvol.com

Explanation:

The document is composed of two parts. There is a tabular portion which summarizes the changes in front month futures prices and the changes in the at the money front month implied volatility. The results are presented as raw differences and percentage changes. The plots in this document try to give a feel for the evolution of the futures and options for each product type. The skew/termstructure/xyplots are broken out by major asset classes: Indexes, Fixed Income and so on.

At the Money Volatility and Price Term Structures:

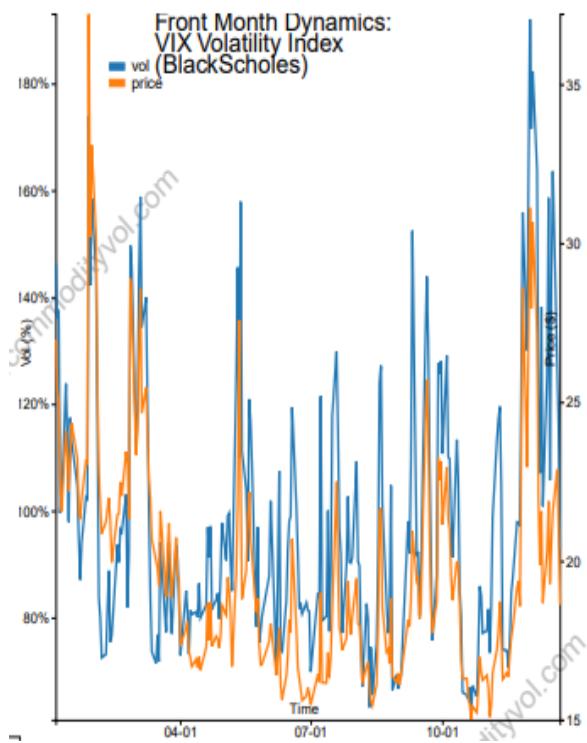
Stacked on top of the other on the left hand side, see the termstructures of vol and the (underlying) futures contract price.



The starting curve is the termstructure at the beginning of the period. This curve is labelled start and is typically colored blue. The ending curve is typically colored red and denoted by the text: Today. The greyed out lines are the termstructures for each day of the period. The hope is that the range of movements becomes apparent.

Front Month At the Money Volatility and Front Month Price Over the Year:

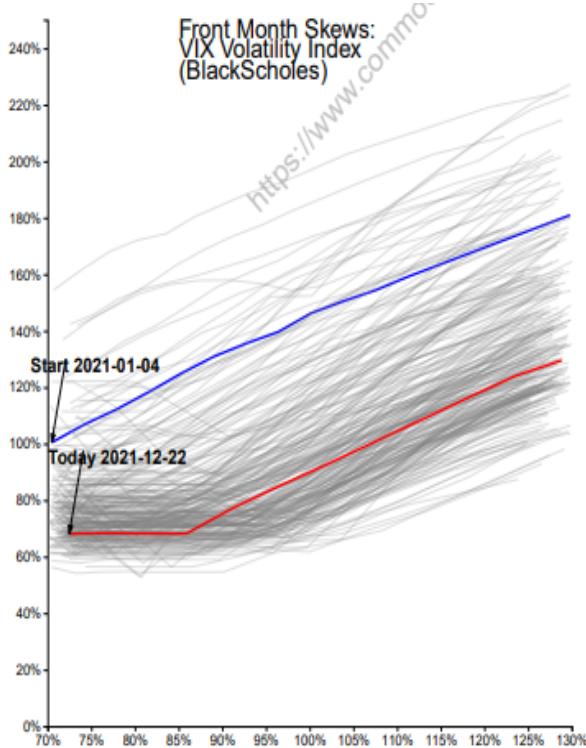
On the right hand panel we have the price and implied volatility of the front month contract.



At the money implied volatility is shown in blue and the axis on the left should be used to read off the values. The front month futures price is in orange and the right hand axis is where its value can be read.

Front Month Skew:

On the right hand in the bottom panel we have the starting front month skew and the ending front month skew.



The front month skew is shown for the starting date. The starting curve is labelled as 'Start' and captioned with the date. The starting curve is blue. Conversely, the ending curve is shown in red and labeled Today. The y-axis shows the implied volatility and the x-axis shows the moneyness. The moneyness is a way to normalize the skew so that it is comparable across time.

At The Money Roundup of Products

InterestRates

exch/prod	desc	futures chng [%]	vol chng [%]
CBT/26	2 YR Treasury Note	-0.648 [-0.6%]	+0.001 [+8.6%]
CBT/25	5 YR Treasury Note	-1.234 [-1.0%]	+0.001 [+3.3%]
CBT/21	10 YR US Treasury Note	-1.469 [-1.1%]	-0.001 [-1.4%]
CBT/17	30 YR US Treasury Bond	-2.281 [-1.4%]	+0.000 [+0.4%]
CME/ED	Eurodollar	-0.155 [-0.2%]	+0.001 [+22.8%]
CBT/UBE	Long Term US Treasury Bond	-3.313 [-1.7%]	-0.011 [-7.0%]

EquityIndex

exch/prod	desc	futures chng [%]	vol chng [%]
CBT/YM	E-Mini Dow	-1458.000 [-4.0%]	+0.037 [+24.6%]
CME/NQ	E-Mini Nasdaq	-1580.500 [-9.6%]	+0.062 [+30.8%]
CME/RTO	E-Mini Russell 2000	-245.000 [-10.8%]	+0.068 [+32.8%]
CME/RTM	E-Mini Russell EOM	-245.000 [-10.8%]	+0.085 [+44.9%]
CME/ES	E-Mini S&P 500	-281.750 [-5.9%]	+0.059 [+39.9%]
CBOE/VIX	VIX Volatility Index	+8.230 [+49.6%]	+0.699 [+93.5%]

Energy

exch/prod	desc	futures chng [%]	vol chng [%]
NYMEX/BZO	Brent Crude Oil Margin	+10.280 [+13.0%]	+0.050 [+14.5%]
NYMEX/BE	Brent Euro Style	+9.730 [+12.5%]	+0.086 [+17.0%]
NYMEX/CVR	Chicago Ethanol(platts) Average Price	-0.175 [-7.6%]	-0.101 [-35.6%]
NYMEX/LO	Crude Oil	+12.070 [+15.9%]	+0.026 [+7.2%]
NYMEX/TFO	Dutch TTF Natural Gas	+4.238 [+5.3%]	-0.296 [-17.7%]
NYMEX/LN	European Natural Gas	+1.059 [+27.8%]	+0.247 [+39.1%]
NYMEX/E7	Henry Hub Financial Last Day	+1.059 [+27.8%]	+0.264 [+41.7%]
NYMEX/ON	Natural Gas	+1.059 [+27.8%]	+0.247 [+38.9%]
NYMEX/OH	NY Harbor ULSD	+0.358 [+15.2%]	+0.013 [+3.8%]
NYMEX/OB	RBOB	+0.298 [+13.2%]	-0.003 [-0.8%]

Forex

exch/prod	desc	futures chng [%]	vol chng [%]
CME/ADU	AUDUSD 2pmfix	-0.012 [-1.6%]	+0.038 [+42.3%]
CME/BTC	Bitcoin	-7380.000 [-16.1%]	-0.018 [-3.0%]
CME/BR	BRLUSD Monthly	+0.008 [+4.8%]	-0.024 [-15.5%]
CME/CAU	CADUSD 2pmfix	+0.003 [+0.4%]	+0.006 [+8.2%]
CME/CHU	CHFUSD 2pmfix	-0.009 [-0.8%]	+0.011 [+16.3%]
CME/EUU	EURUSD 2pmfix	-0.006 [-0.5%]	+0.016 [+23.2%]
CME/GBU	GBPUSD 2pmfix	-0.003 [-0.2%]	+0.015 [+22.1%]
CME/JPU	JPYUSD 2pmfix	+0.000 [+0.3%]	+0.012 [+20.1%]
CME/MP	Mexican Peso	+0.000 [+0.1%]	-0.023 [-17.3%]
CME/NE	New Zealand	-0.020 [-2.9%]	-0.000 [-0.2%]

Ags

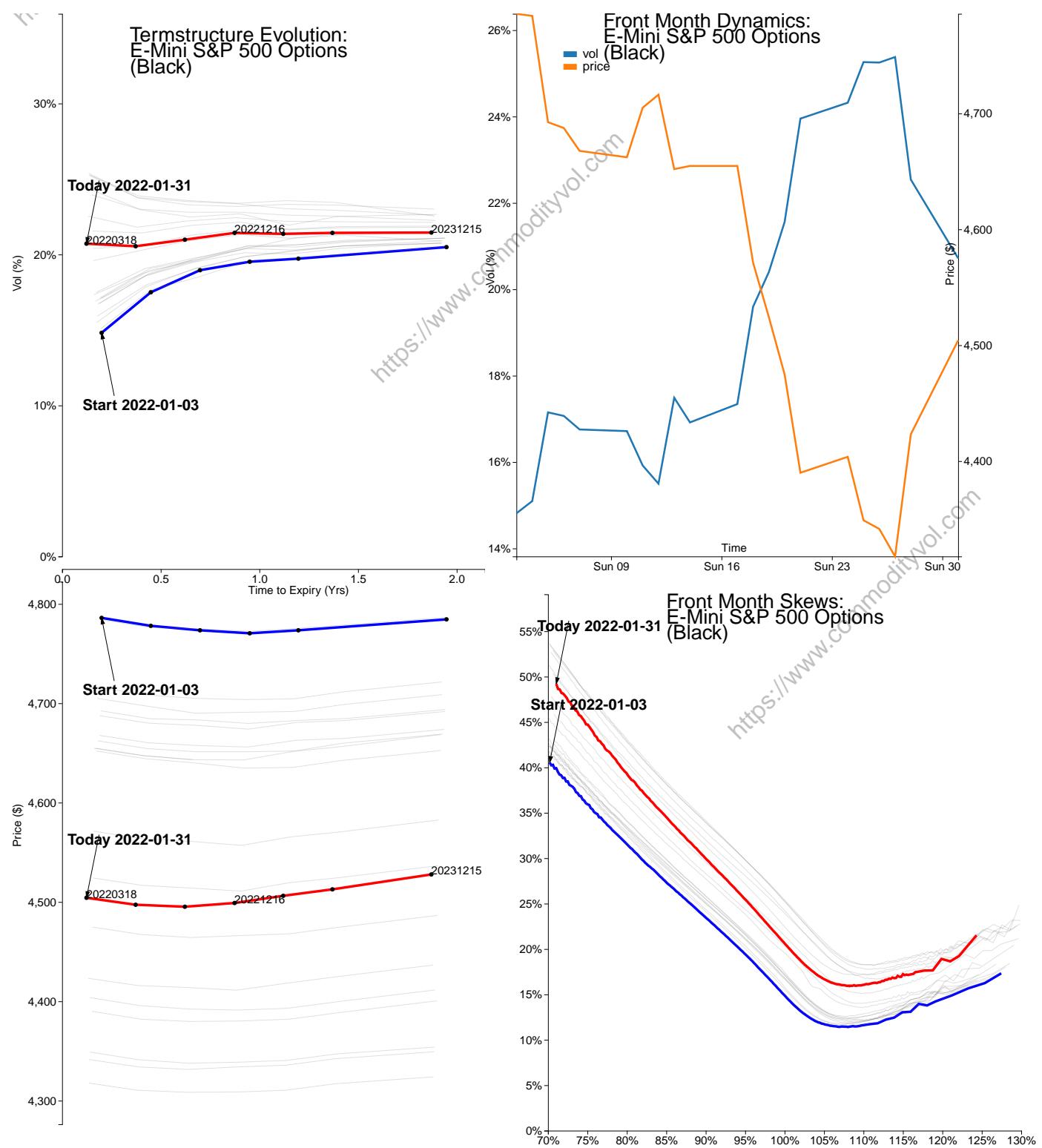
exch/prod	desc	futures chng [%]	vol chng [%]
CME/DK	Class IV Milk	+2.170 [+10.1%]	-0.070 [-42.2%]
CBT/C	Corn	+0.367 [+6.2%]	-0.003 [-1.2%]
CME/62	Feeder Cattle	-3.225 [-1.9%]	+0.025 [+23.5%]
CBT/KW	KC HRW Wheat	-0.103 [-1.3%]	+0.090 [+33.8%]
CME/LN	Lean Hog	+7.350 [+9.1%]	-0.060 [-26.6%]
CME/48	Live Cattle	+0.650 [+0.5%]	-0.008 [-5.4%]
CME/LB	Lumber110	-134.400 [-12.1%]	+0.065 [+10.0%]
CME/NF	Nonfat Dry Milk	+18.000 [+11.4%]	-0.000 [-0.4%]
CBT/O	Oats	+0.147 [+2.2%]	-0.030 [-7.7%]
ENXT_COM/OCO	Rapeseed	-77.750 [-9.9%]	-0.005 [-1.9%]
CBT/14	Rough Rice	+0.425 [+2.9%]	-0.009 [-5.8%]
CBT/S	Soybean	+1.350 [+10.0%]	+0.027 [+13.4%]
CBT/06	Soybean Meal	+7.600 [+1.8%]	-0.017 [-5.5%]
CBT/07	Soybean Oil	+8.400 [+14.9%]	-0.043 [-12.3%]
CBT/W	Wheat	+0.032 [+0.4%]	+0.079 [+31.5%]

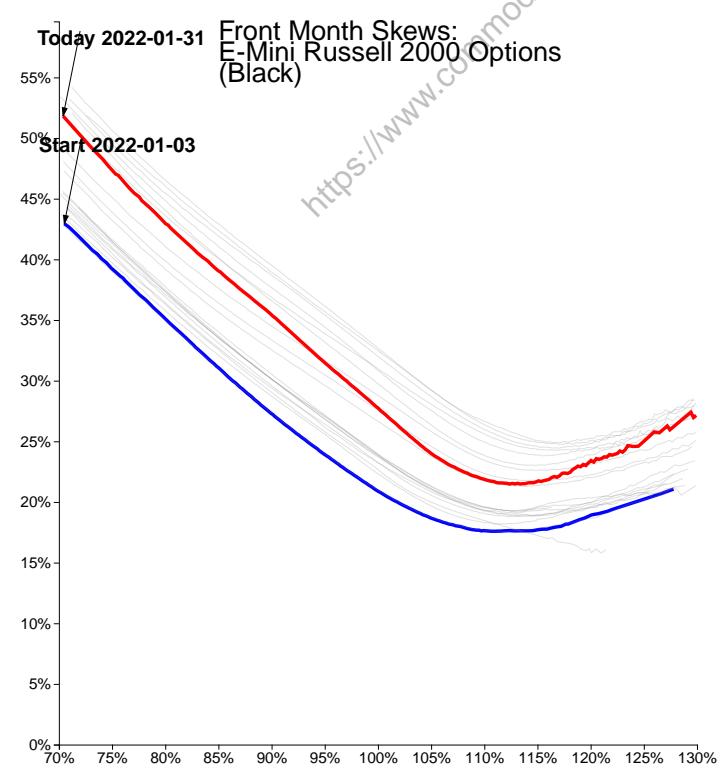
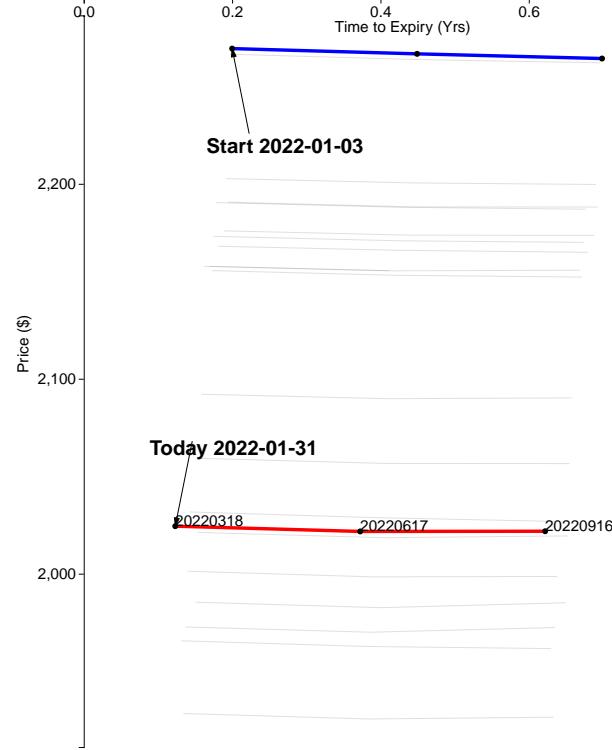
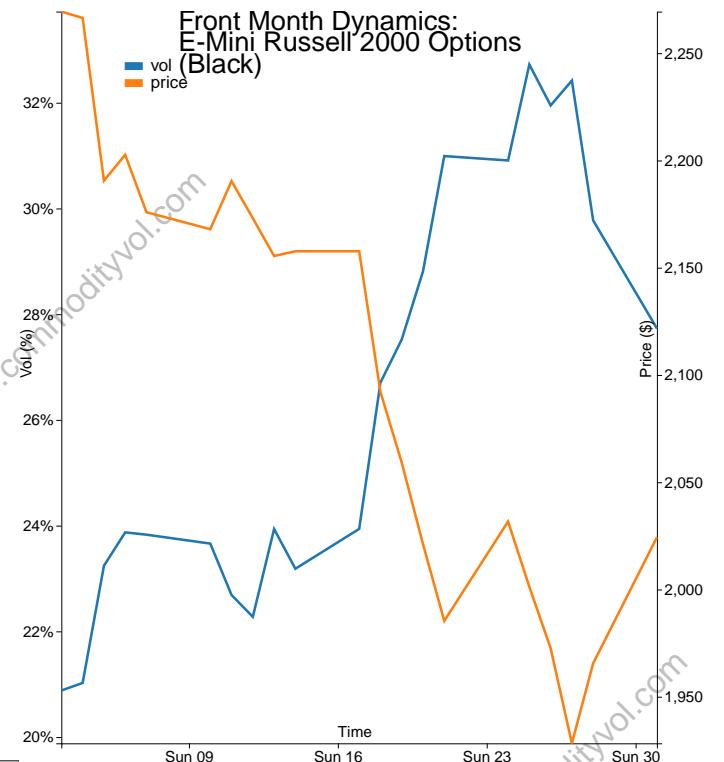
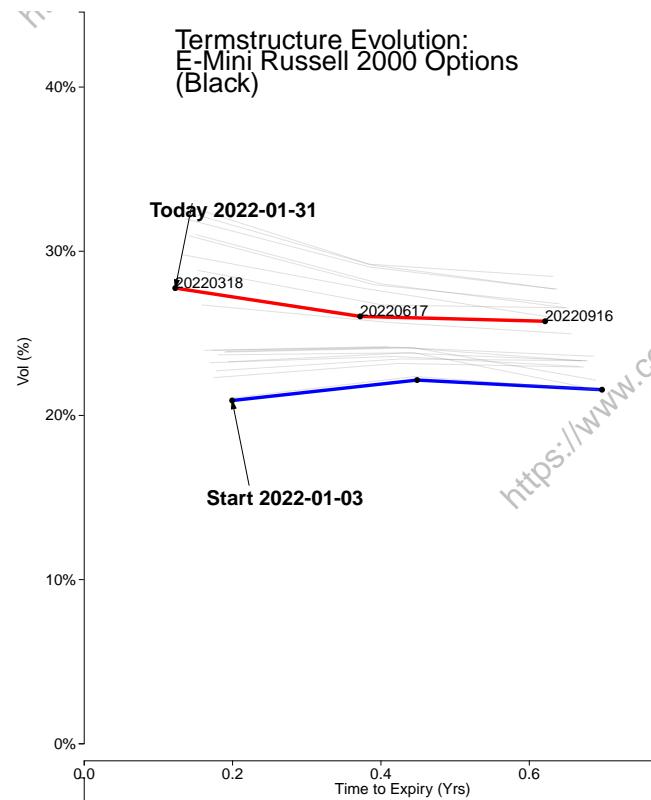
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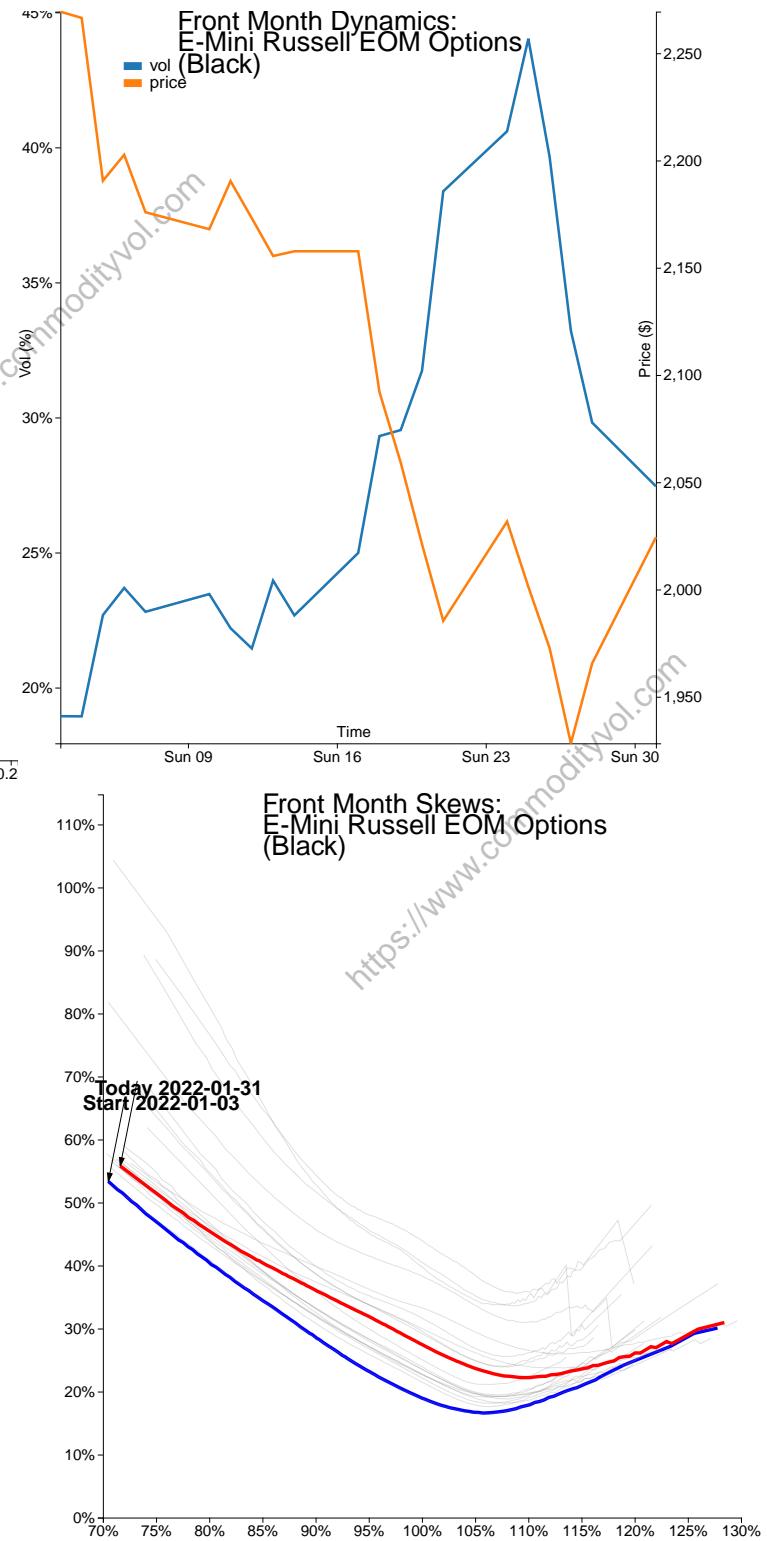
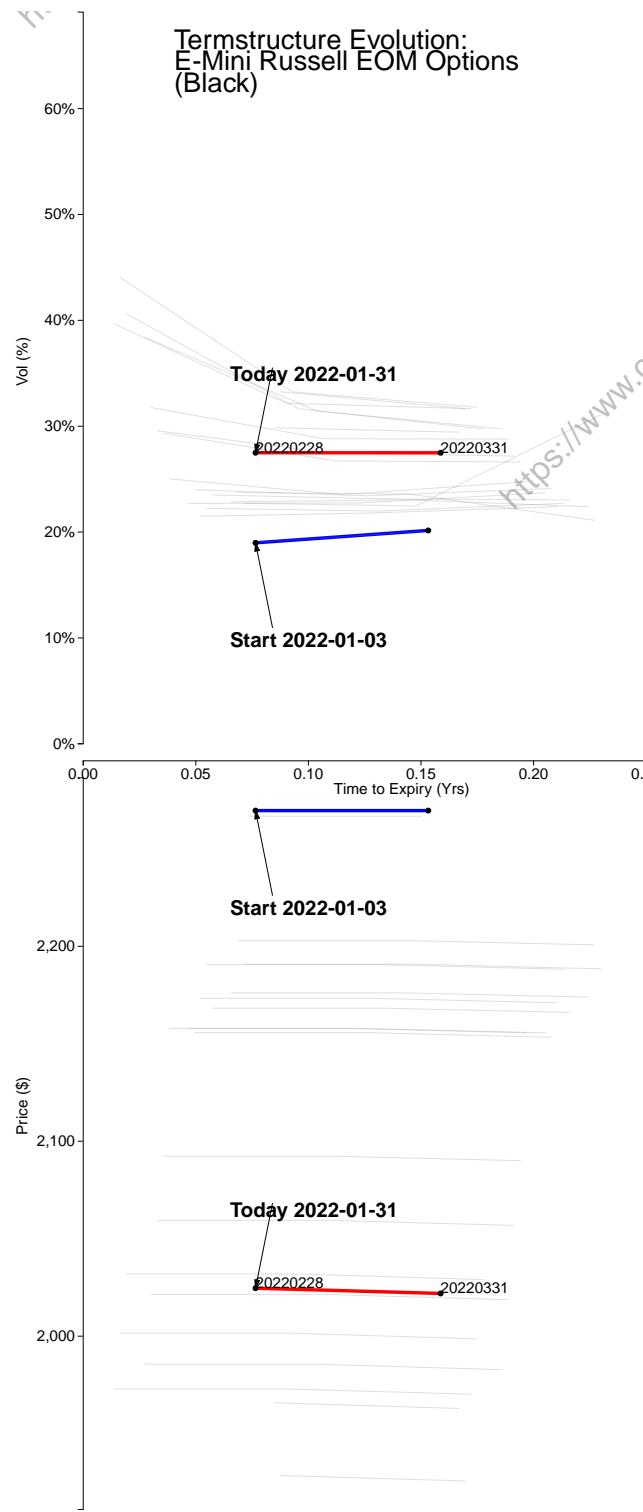
exch/prod	desc	futures chng [%]	vol chng [%]
COMEX/HX	Copper	-0.097 [-2.2%]	+0.032 [+13.1%]
COMEX/OG	Gold	-3.700 [-0.2%]	+0.004 [+3.5%]
COMEX/ICT	Iron Ore 62% Fe	+10.750 [+8.9%]	-0.167 [-42.0%]
NYMEX/PAO	Palladium	+529.800 [+29.0%]	+0.065 [+14.9%]
NYMEX/PO	Platinum	+66.800 [+7.0%]	+0.010 [+3.6%]
COMEX/SO	Silver	-0.417 [-1.8%]	+0.028 [+11.9%]
COMEX/HRO	Us. Midwest Domestic Hot- rolled Coil Steel (CRU) Index Average Price	-273.000 [-19.0%]	+0.176 [+91.7%]

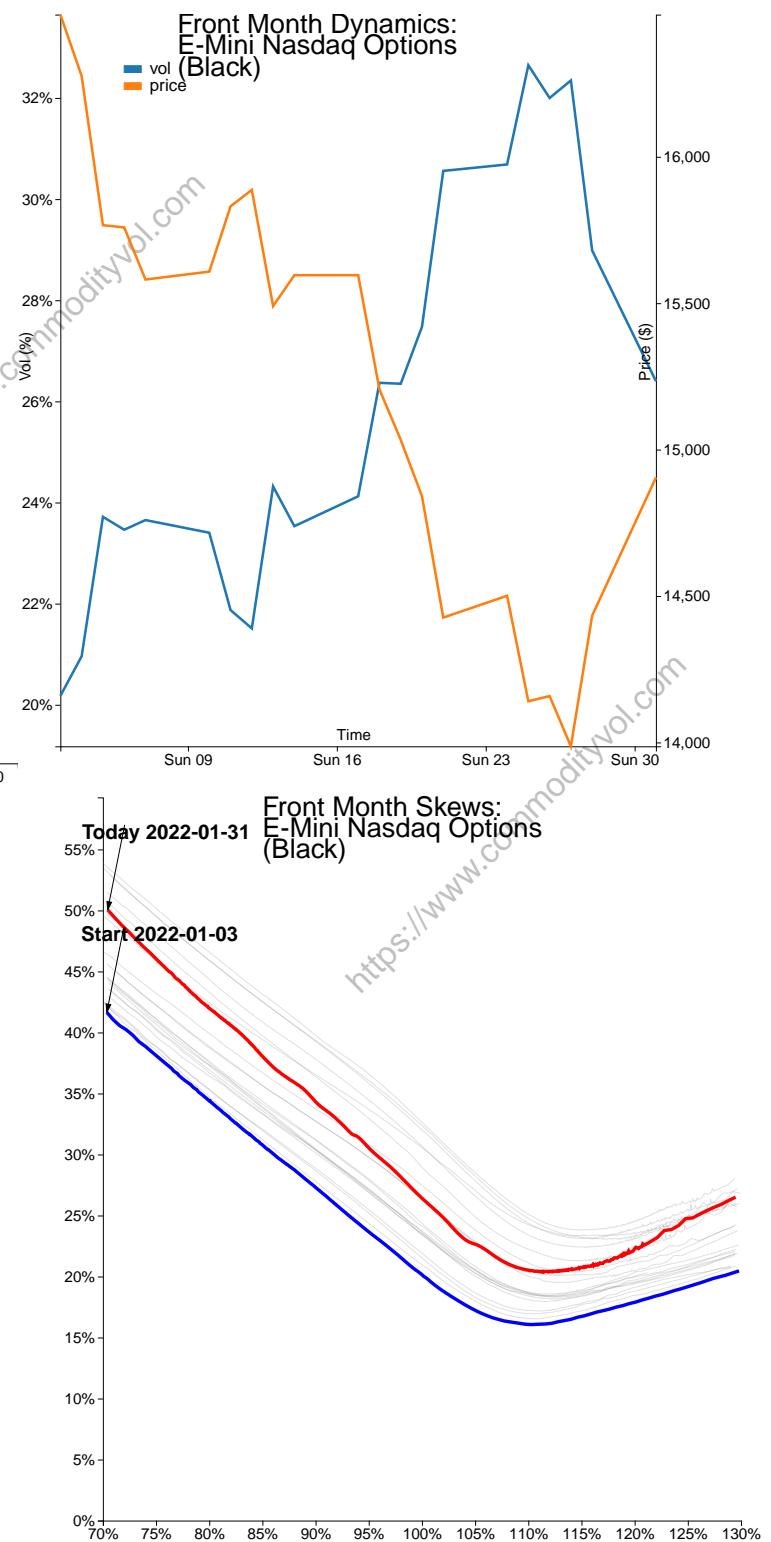
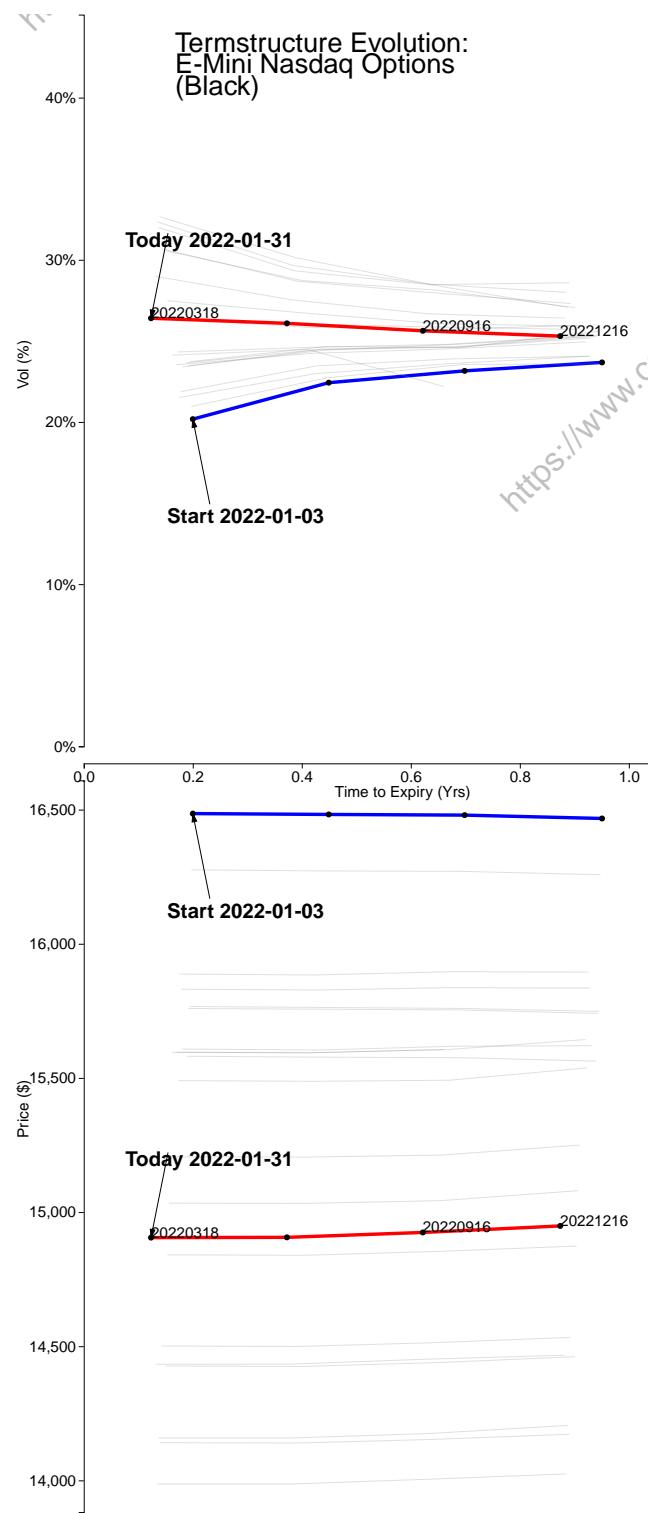
Skews, Termstructures and more

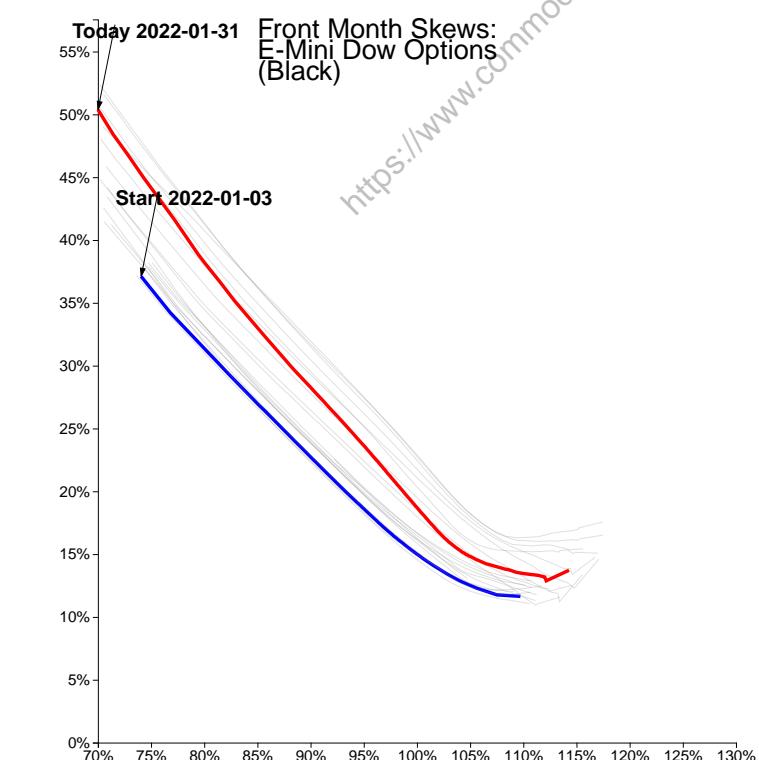
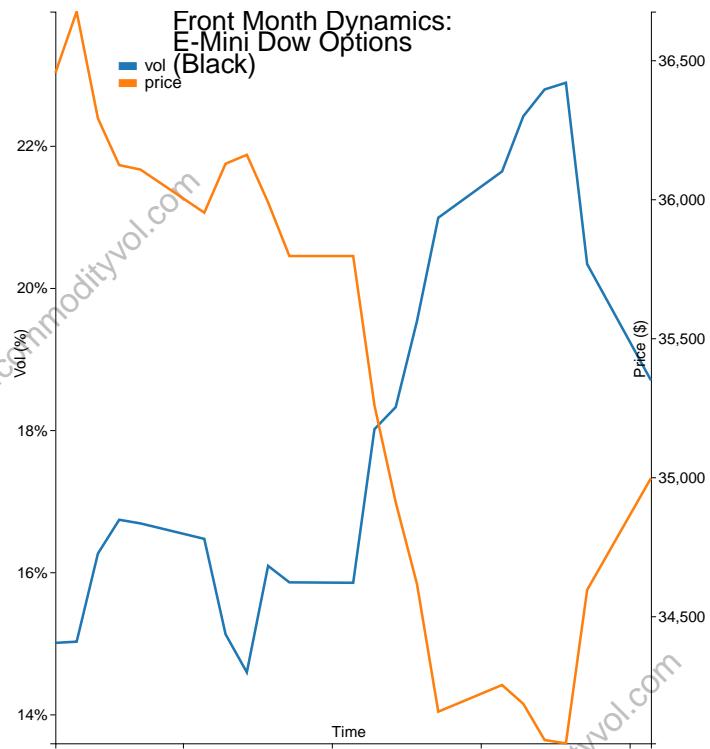
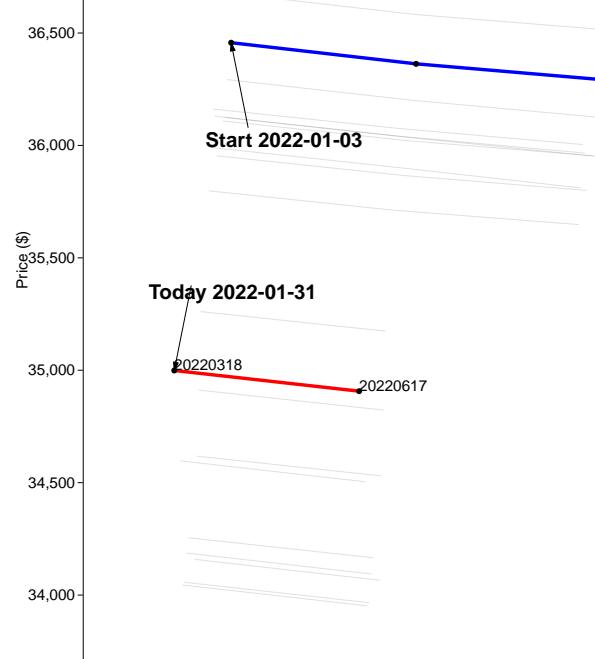
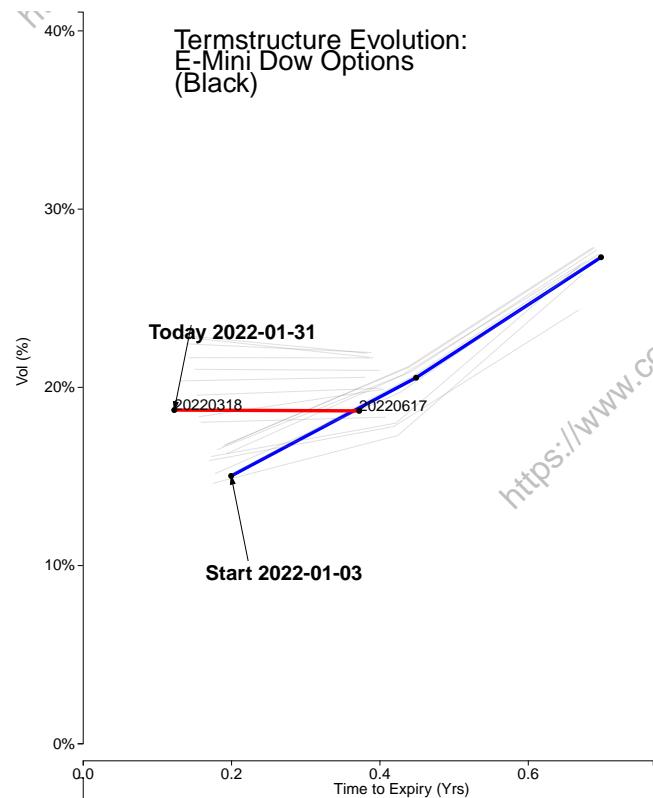
Equity Index

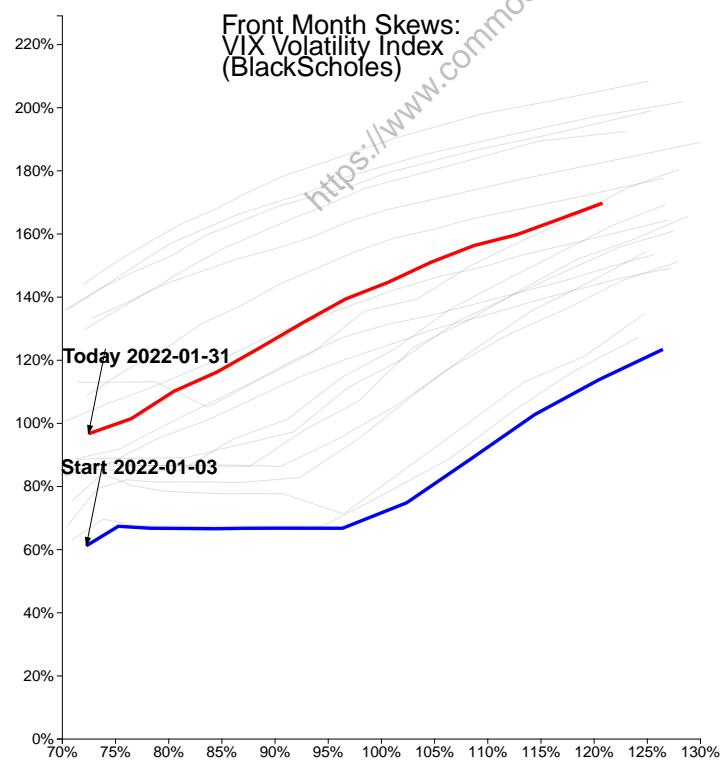
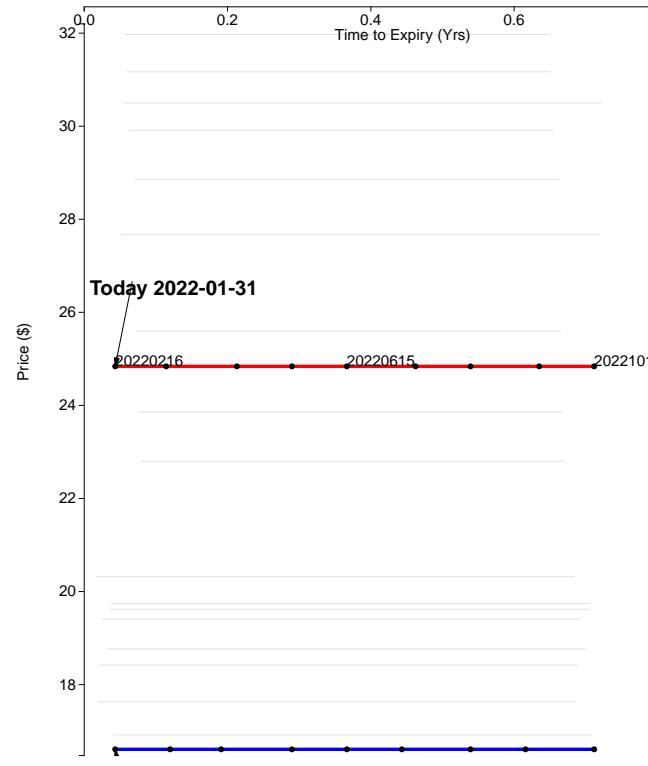
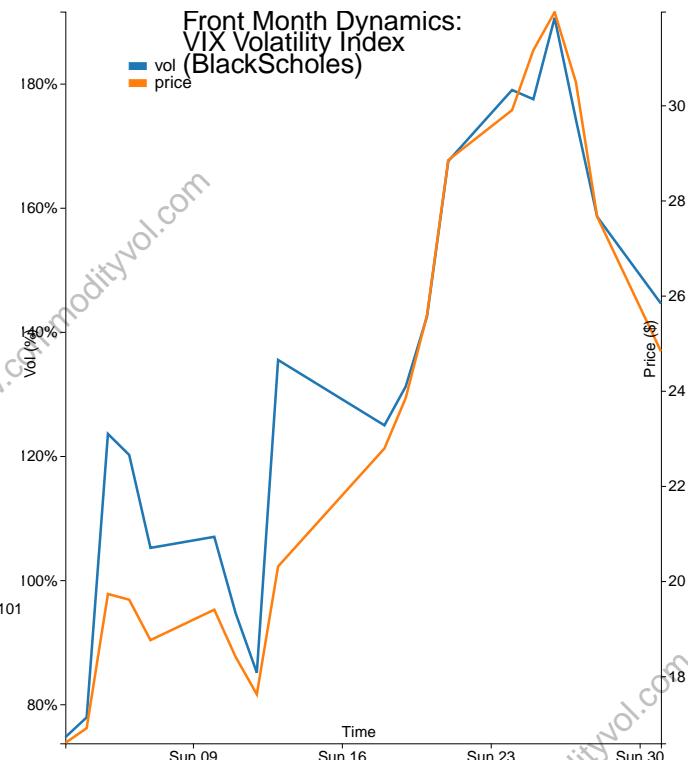
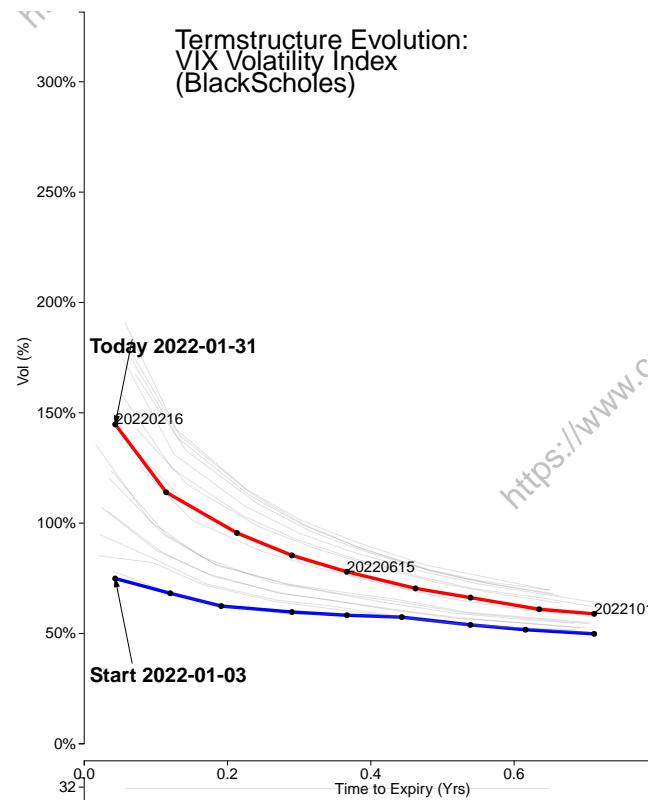




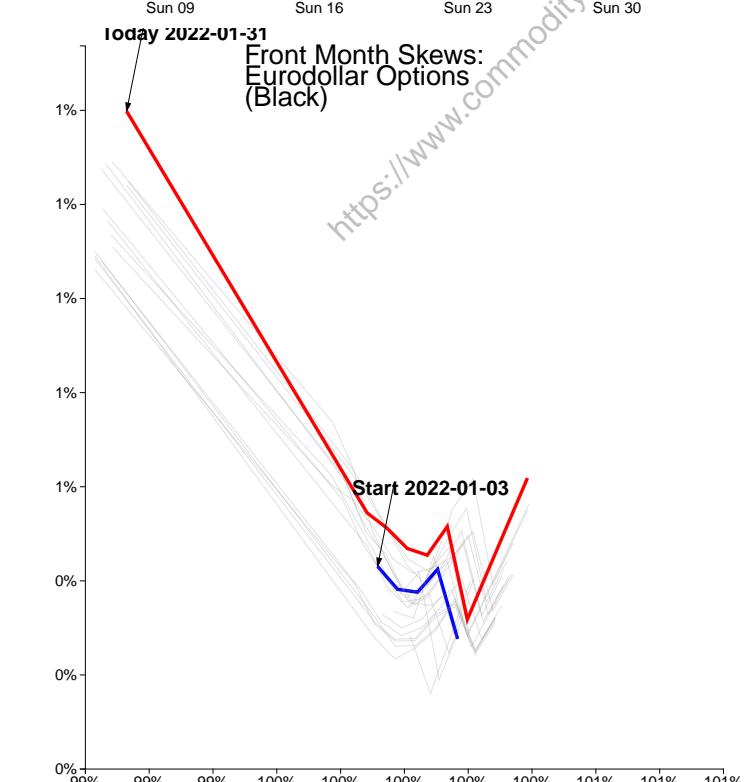
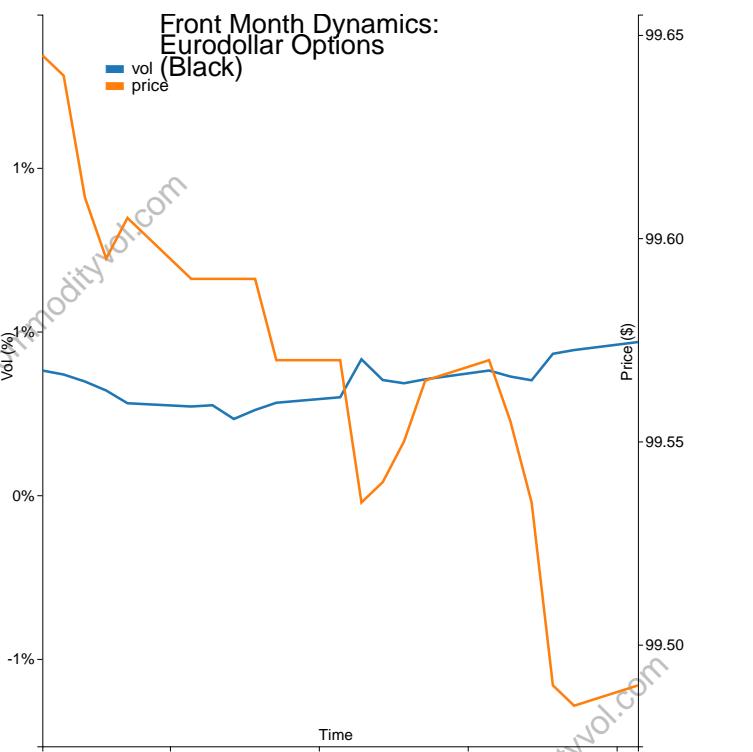
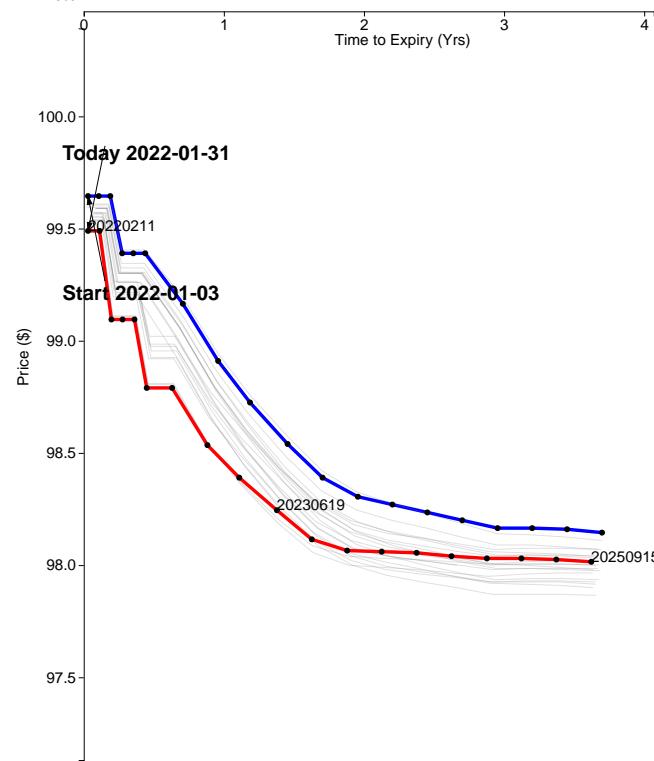
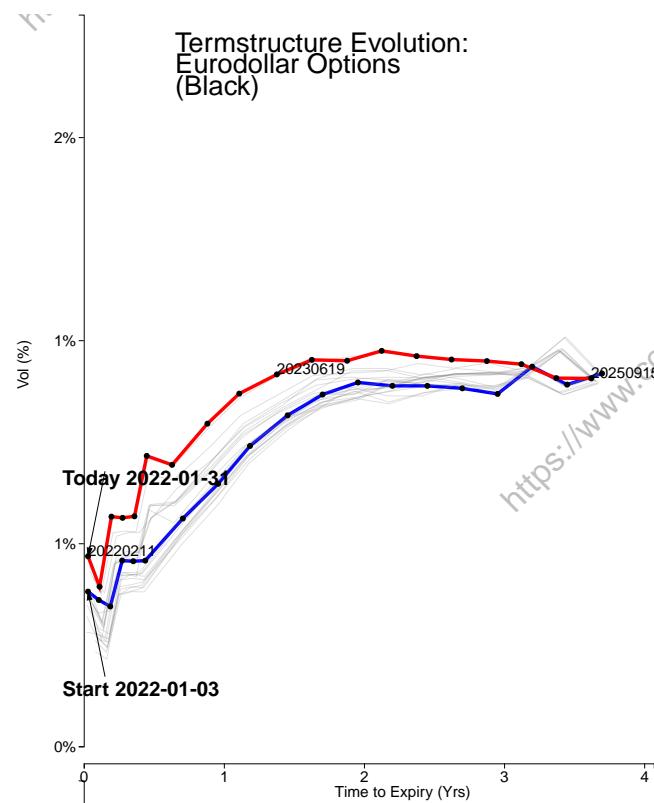


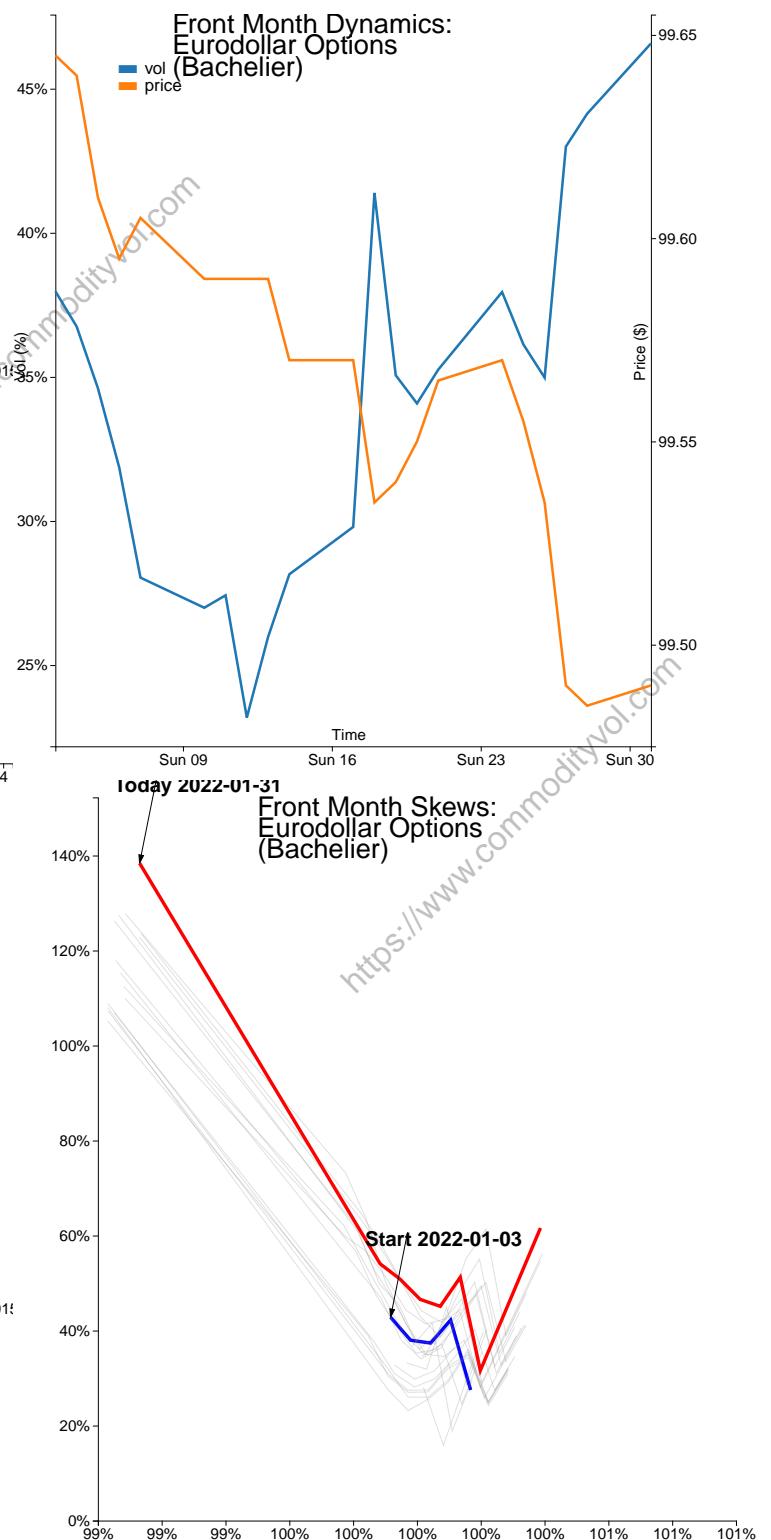
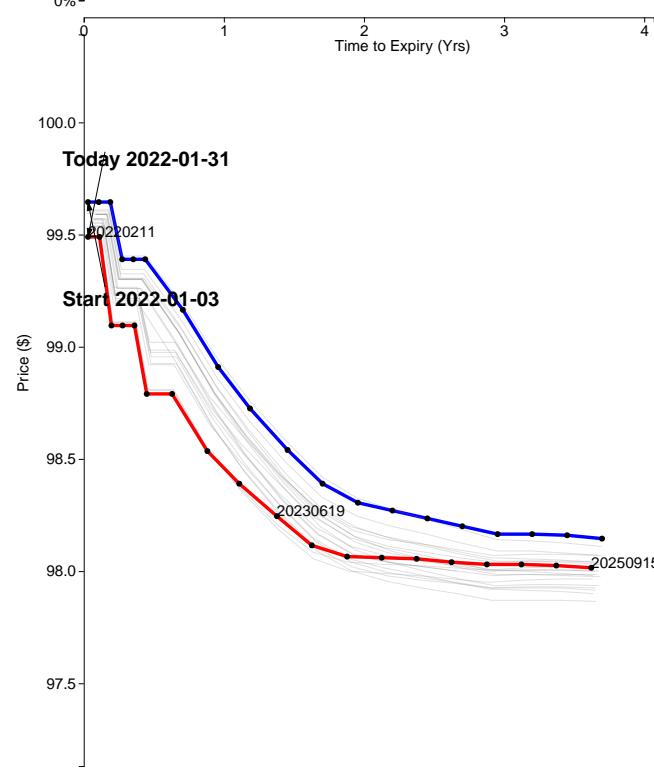
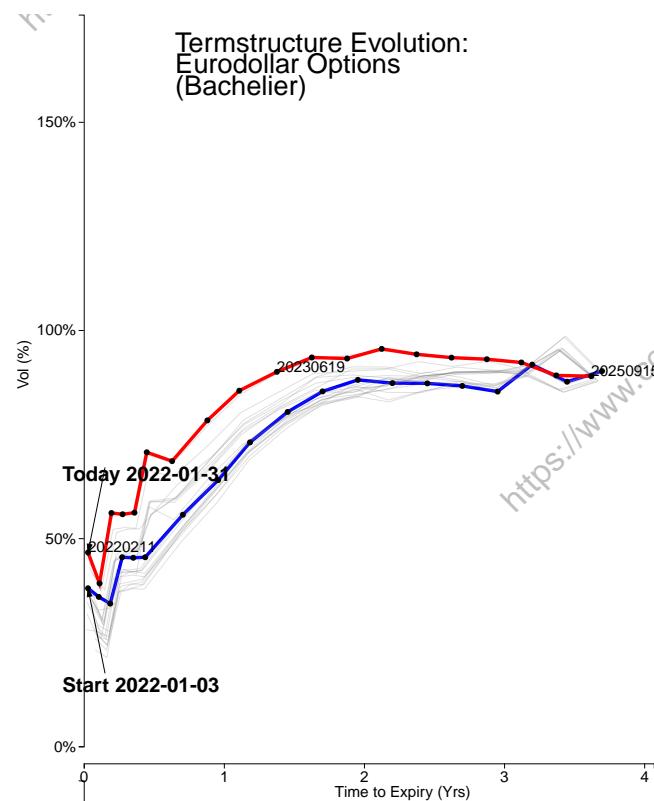


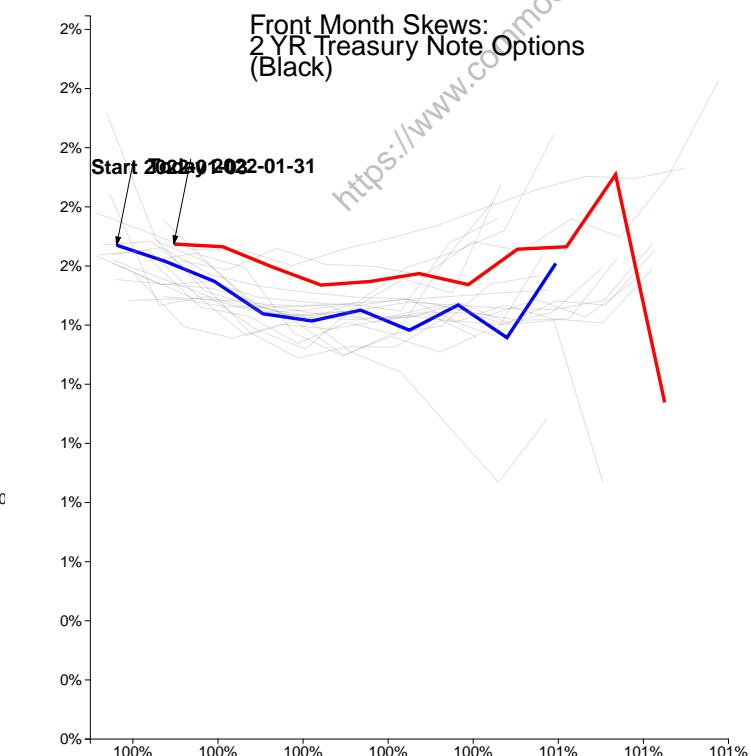
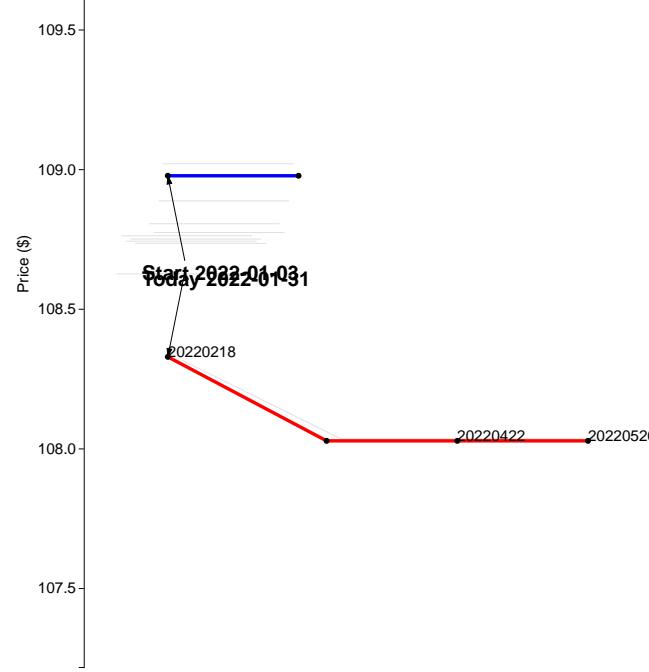
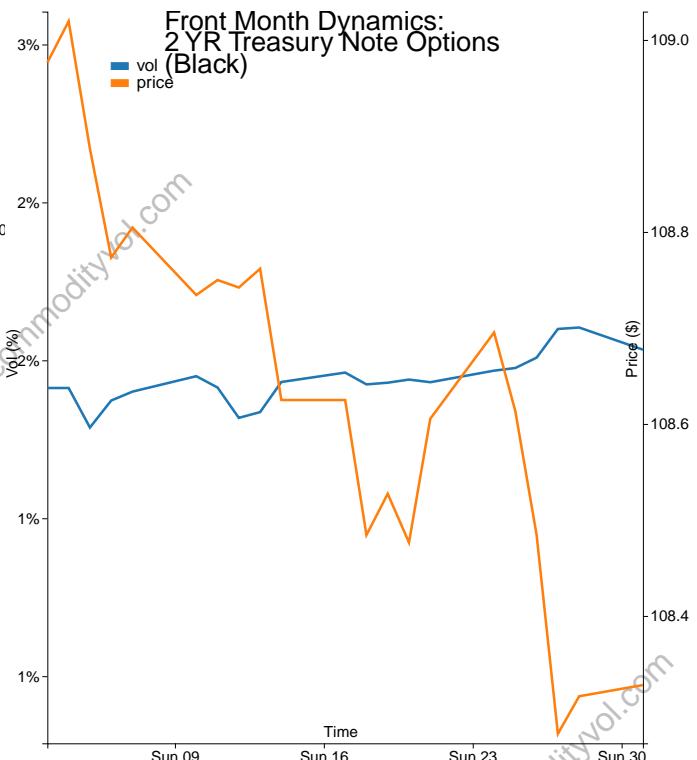
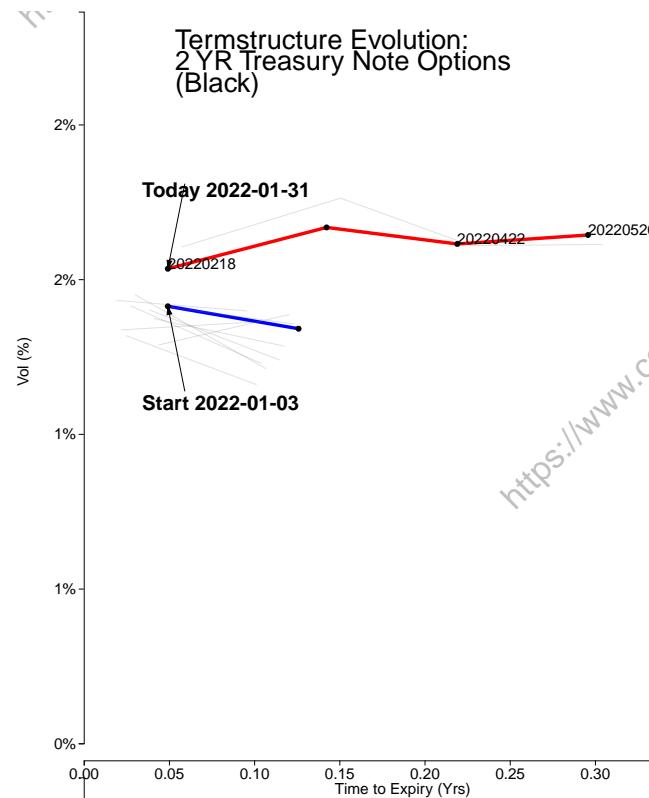


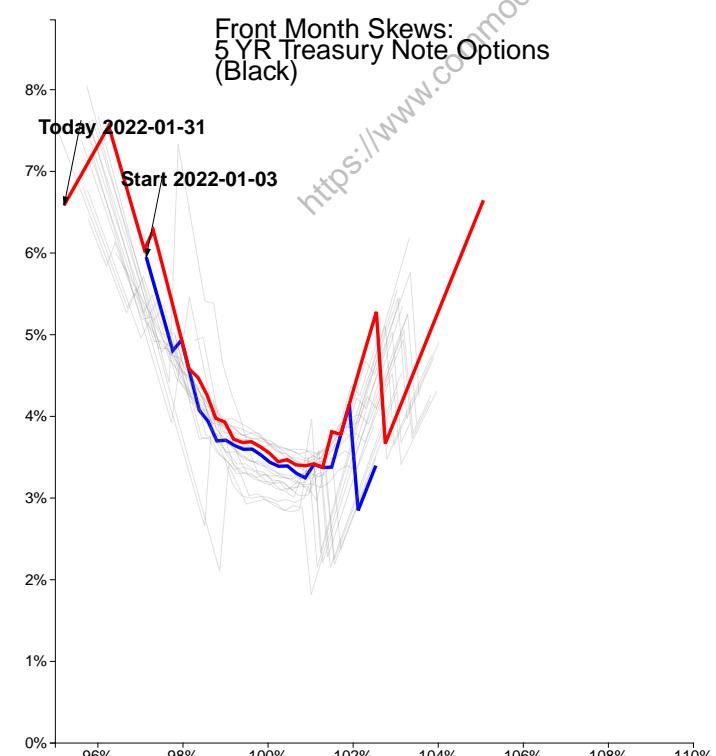
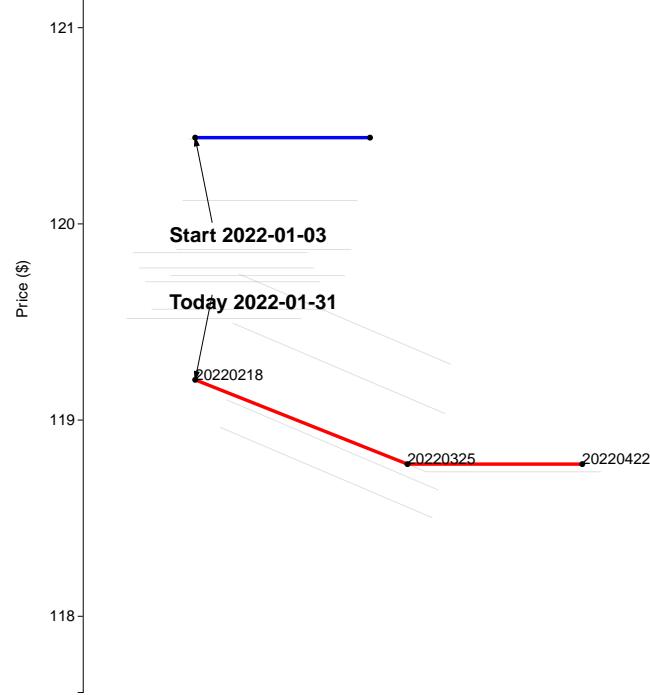
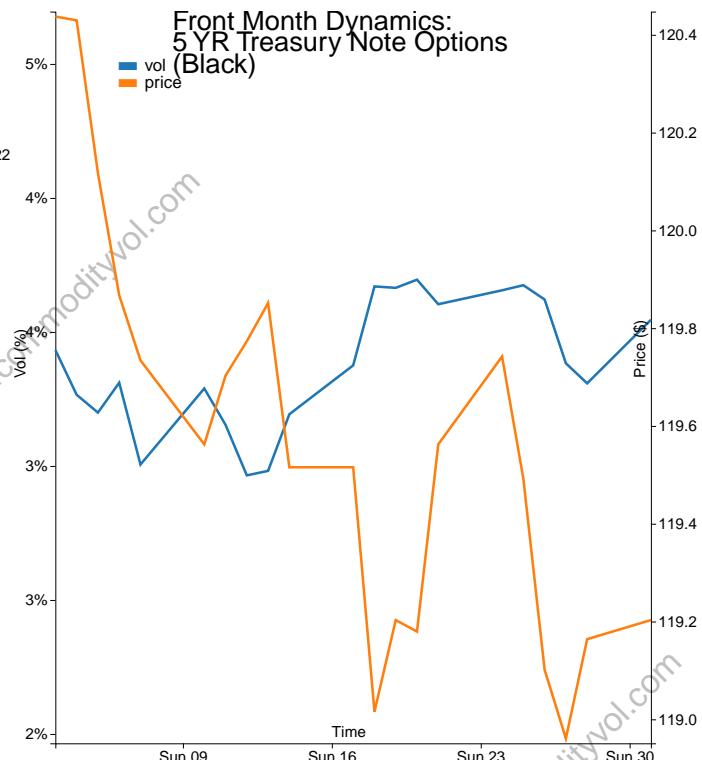
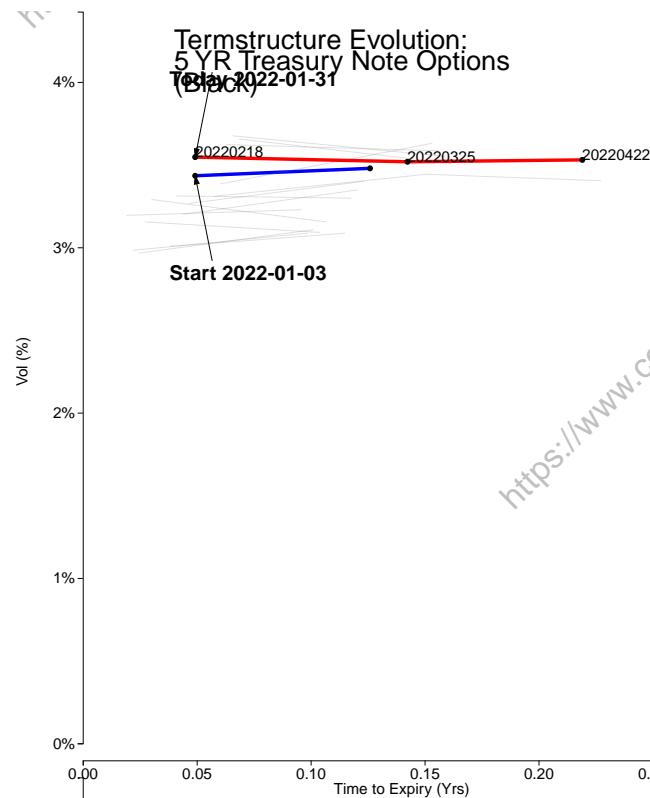


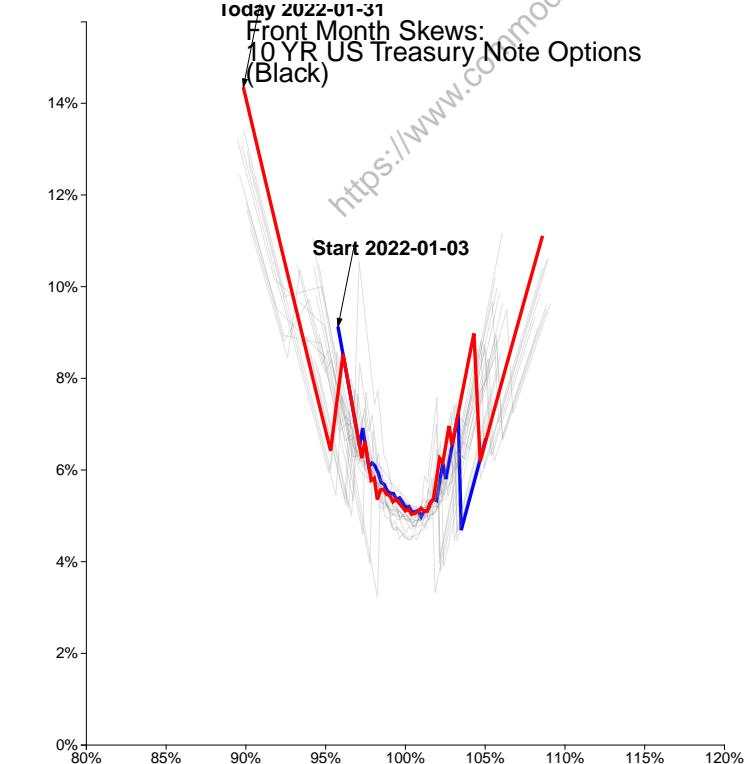
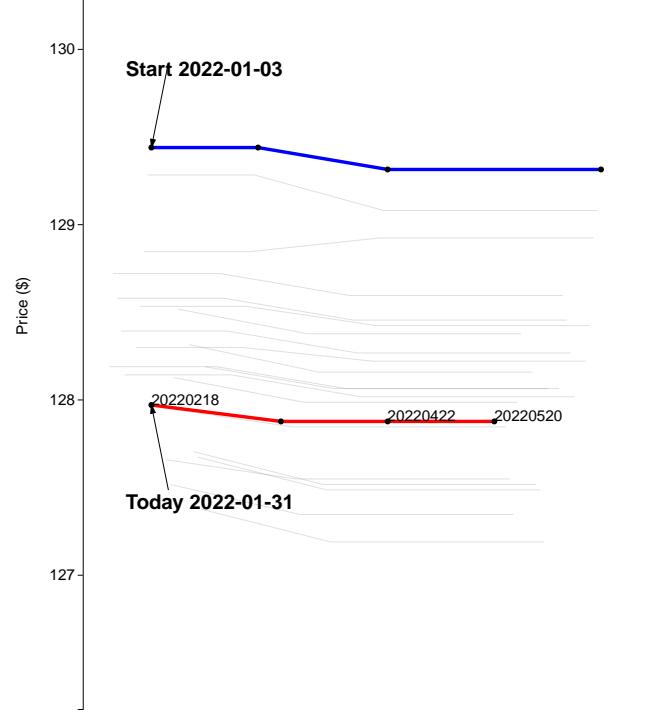
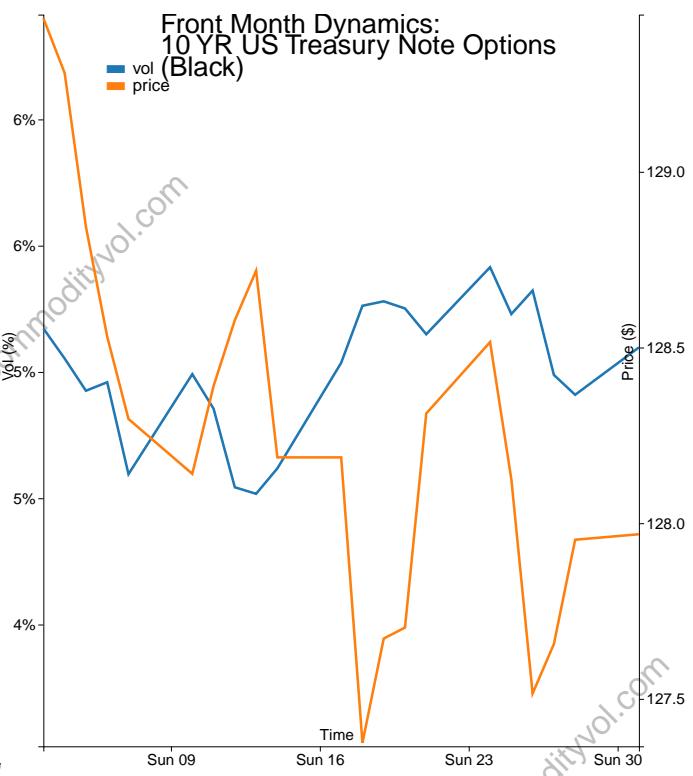
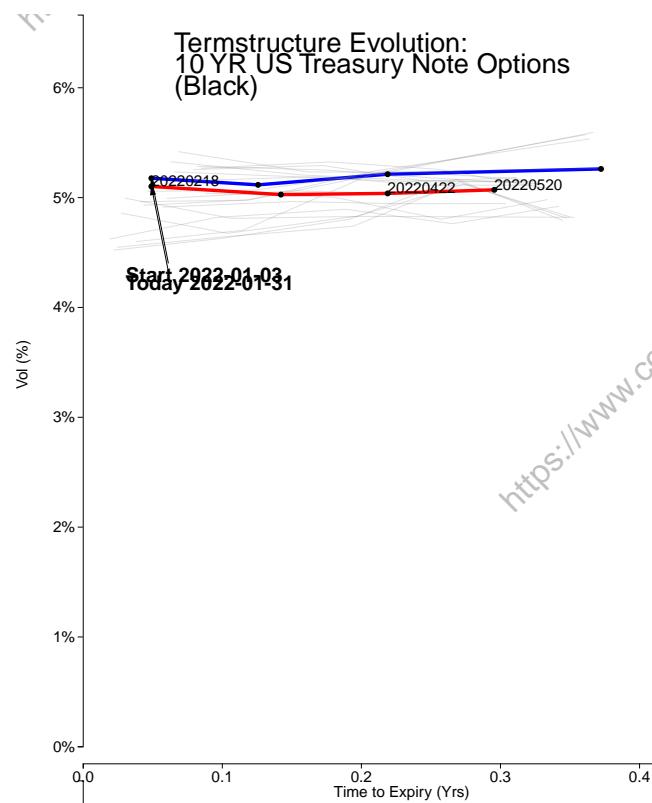
Fixed Income and STIRS

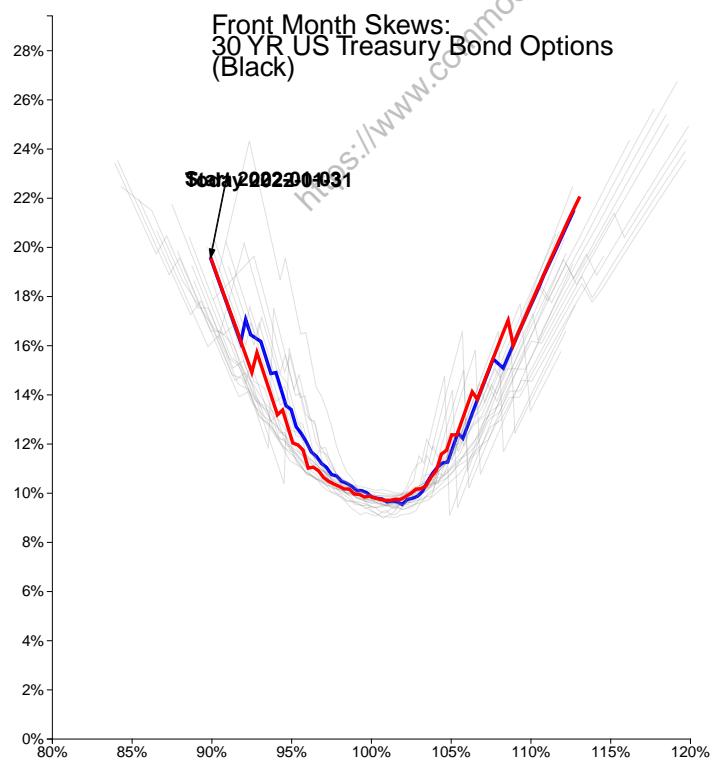
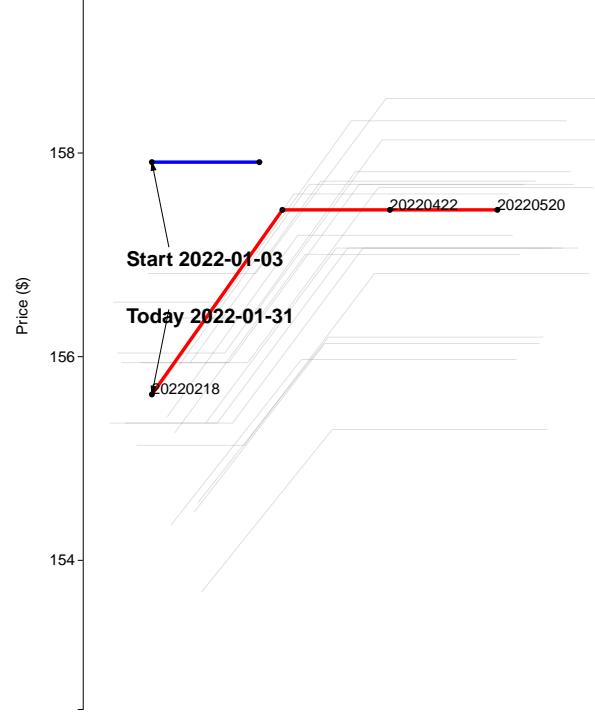
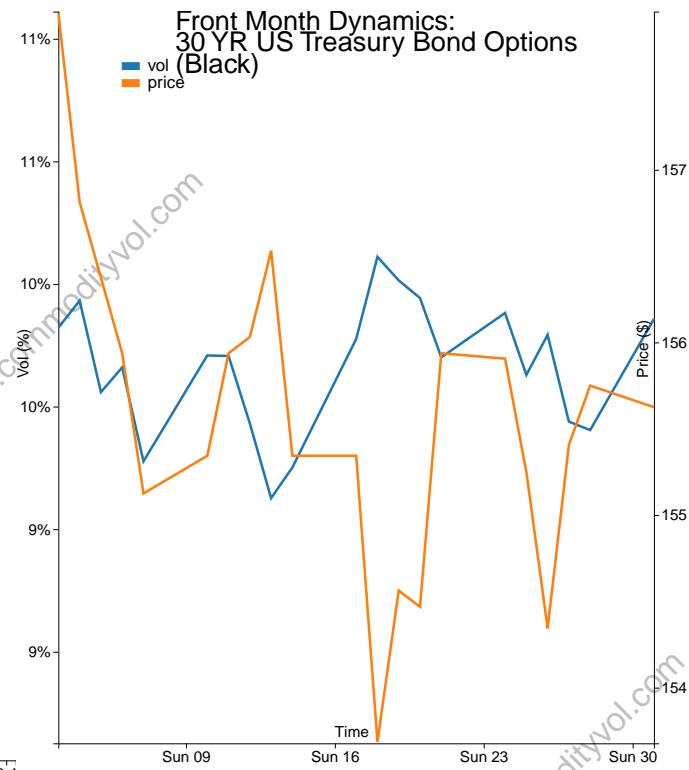
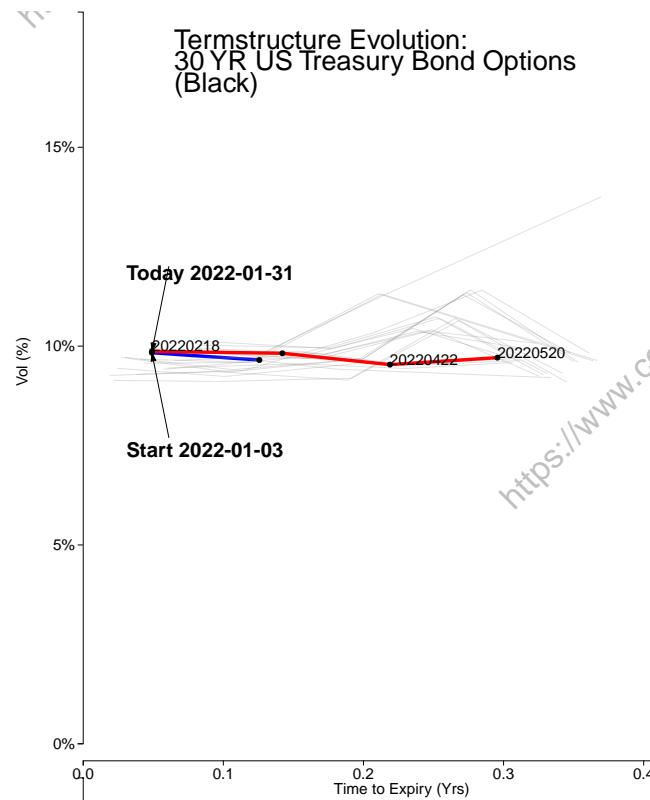


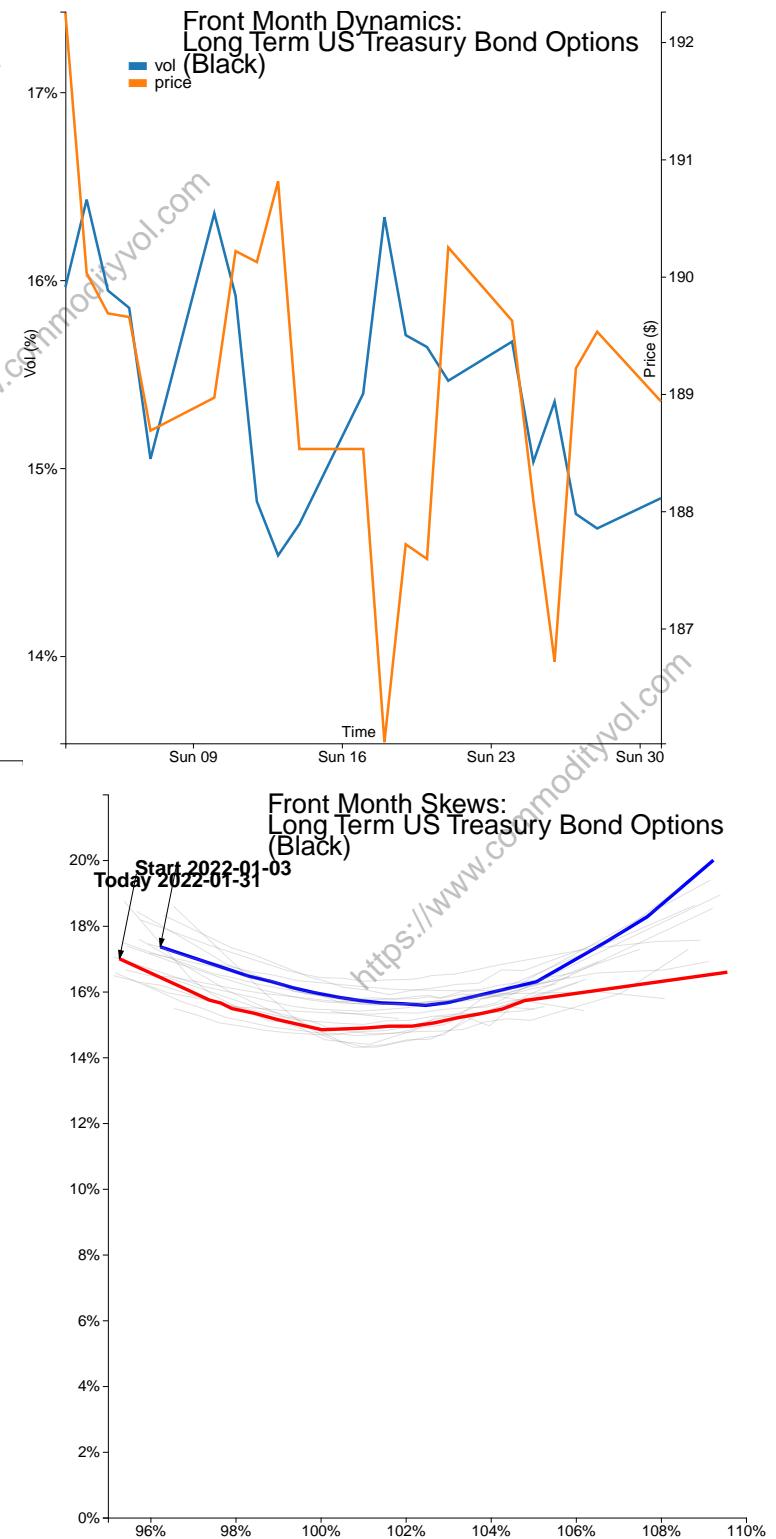
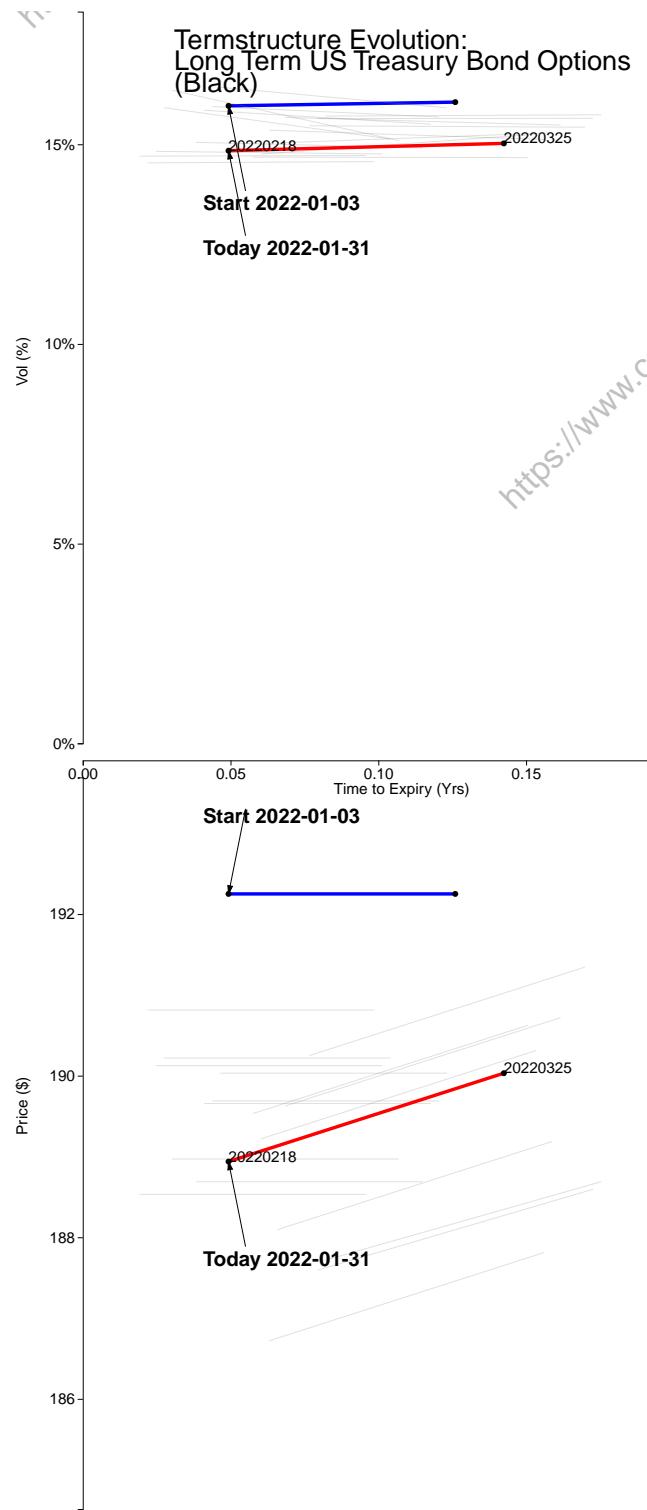




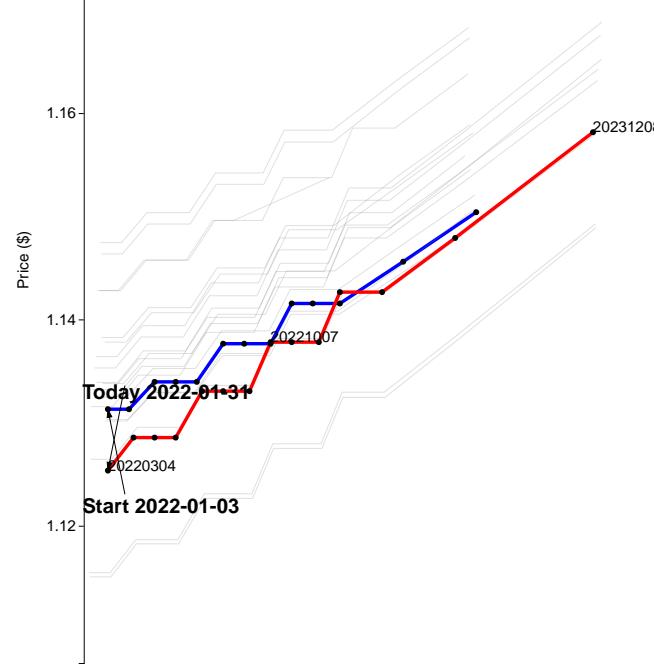
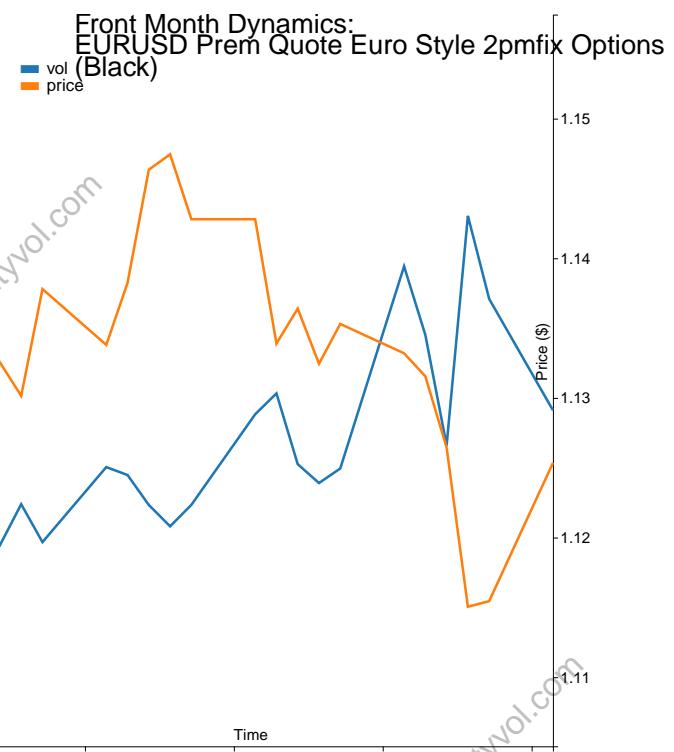
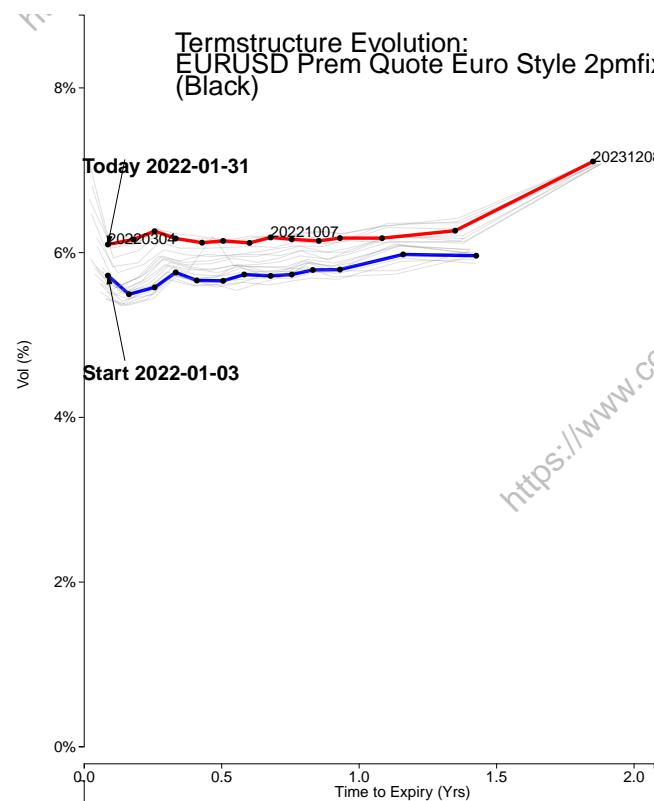


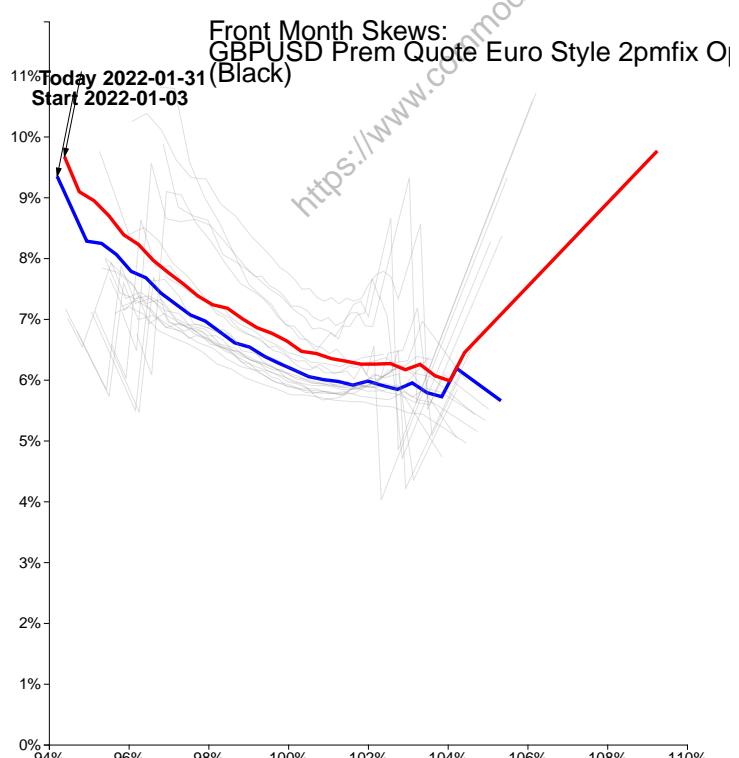
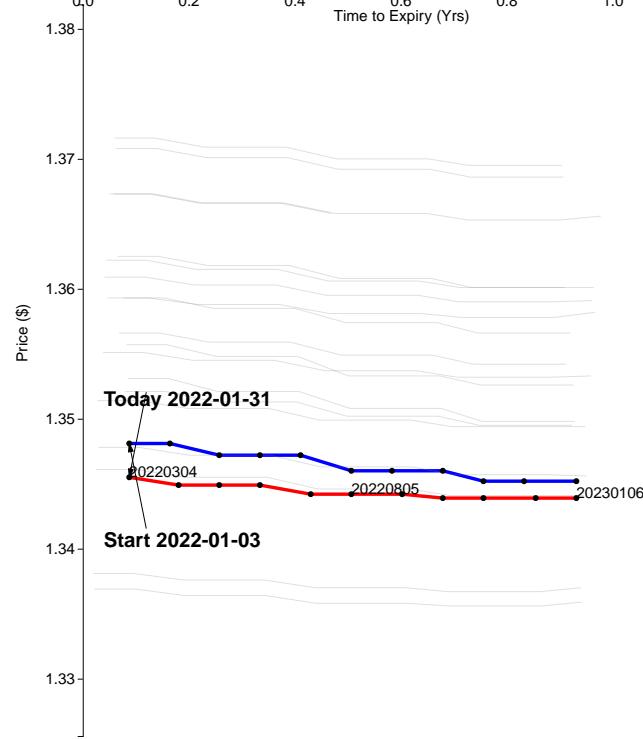
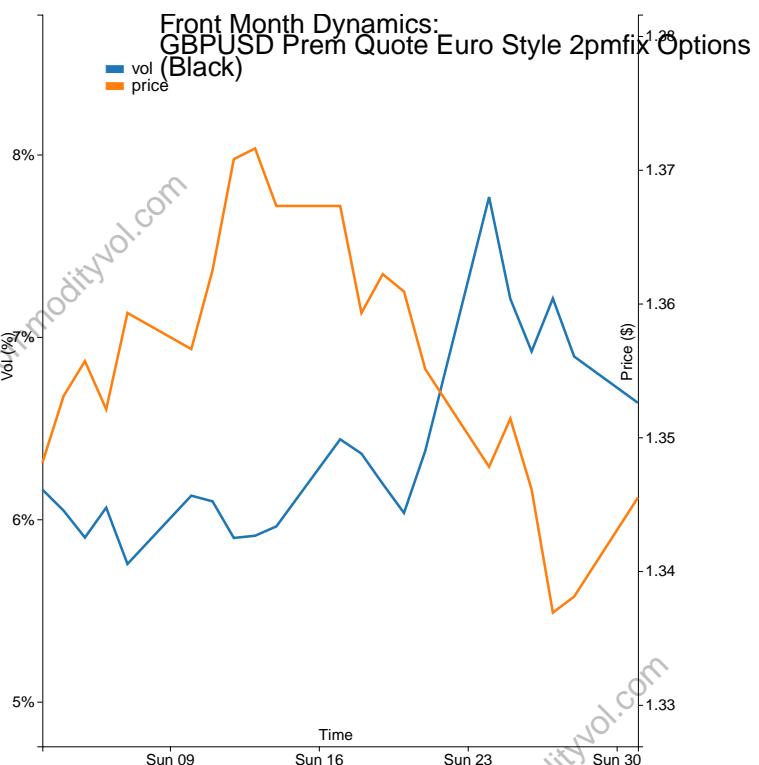
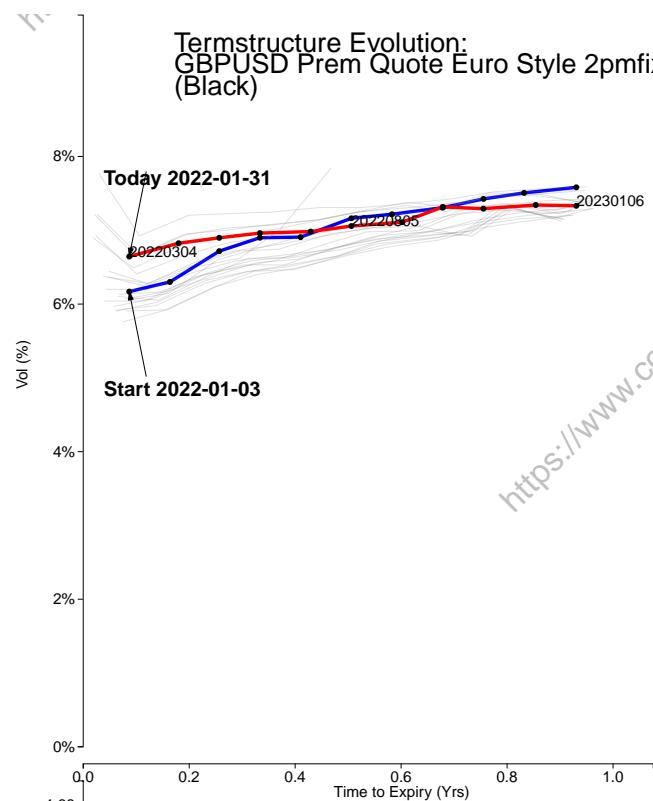


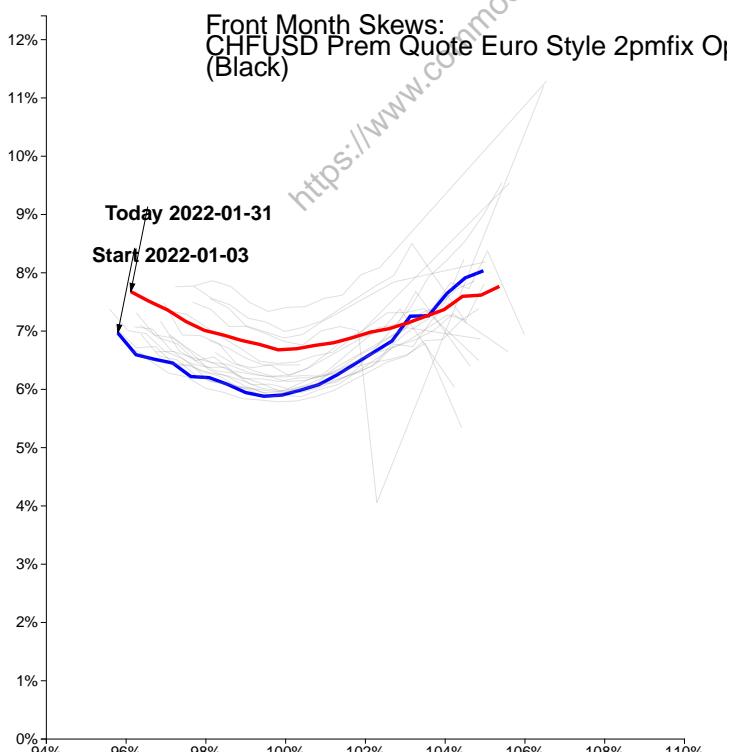
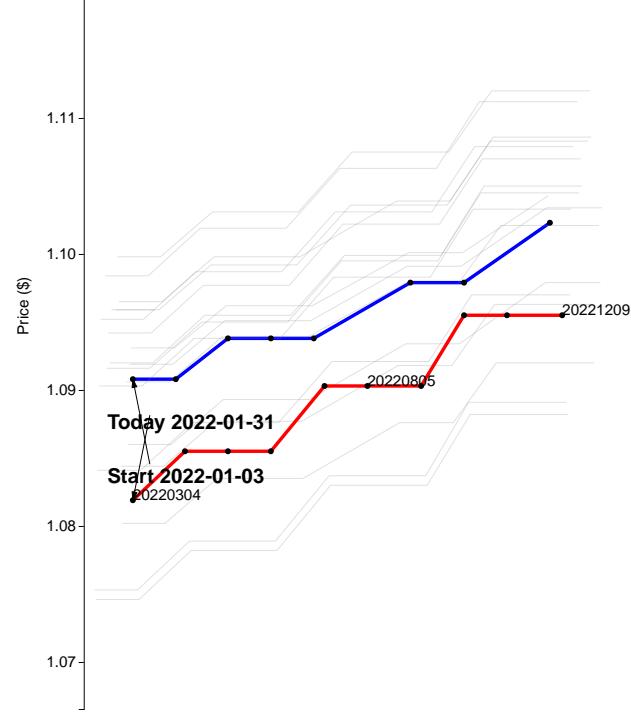
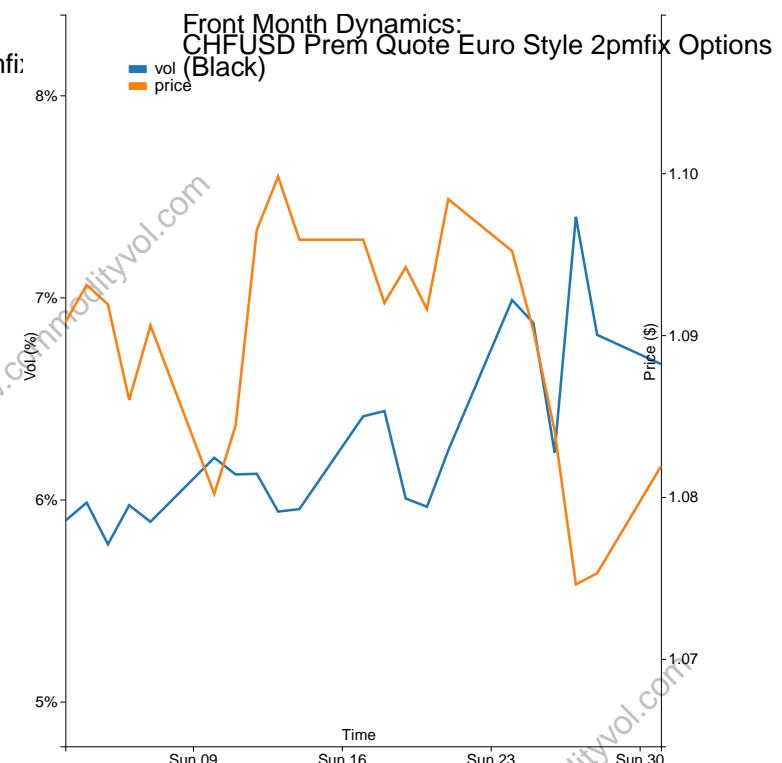
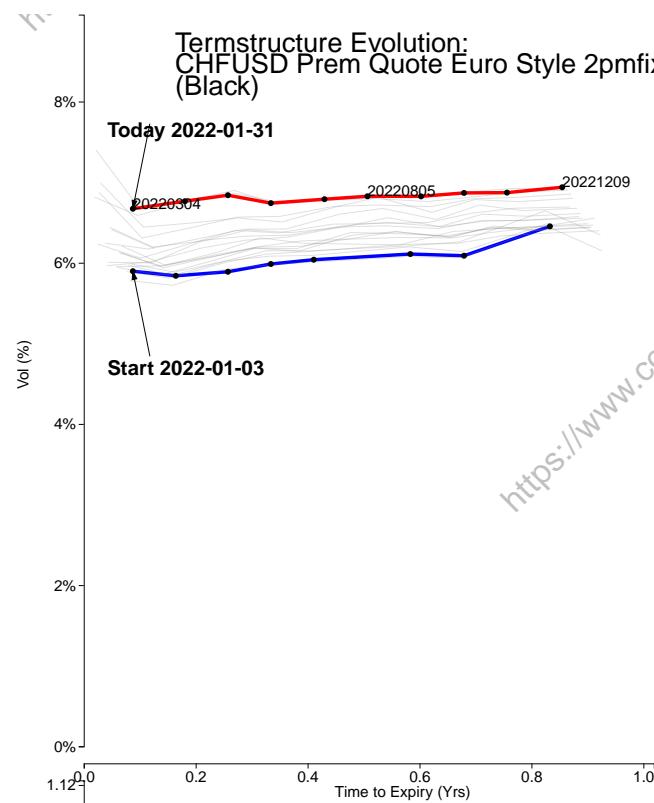


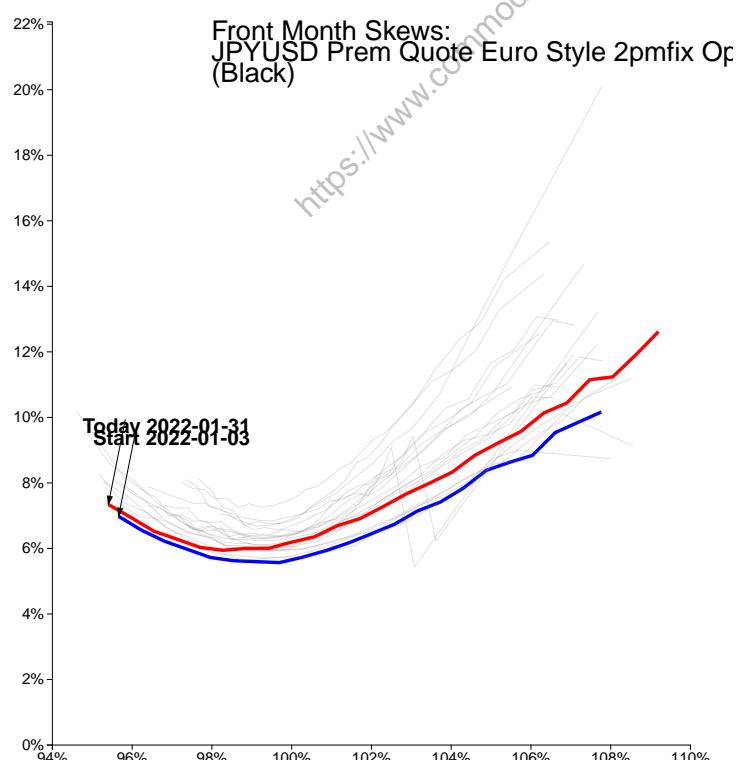
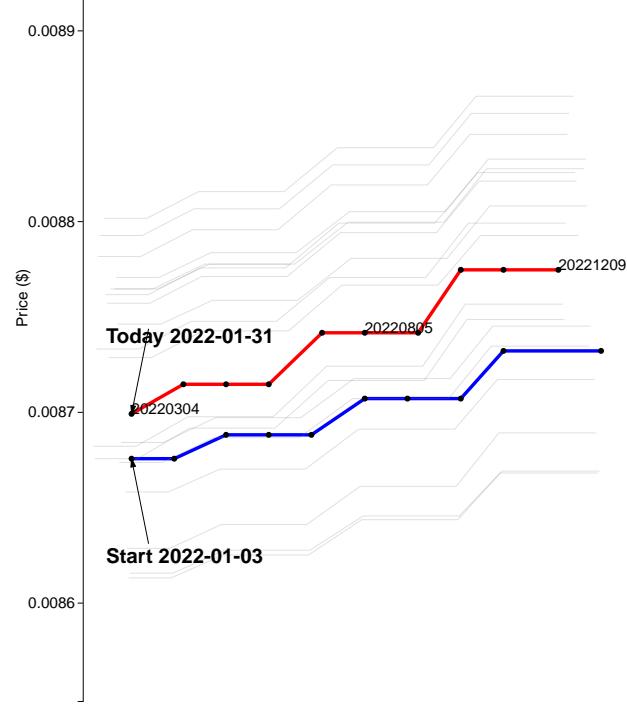
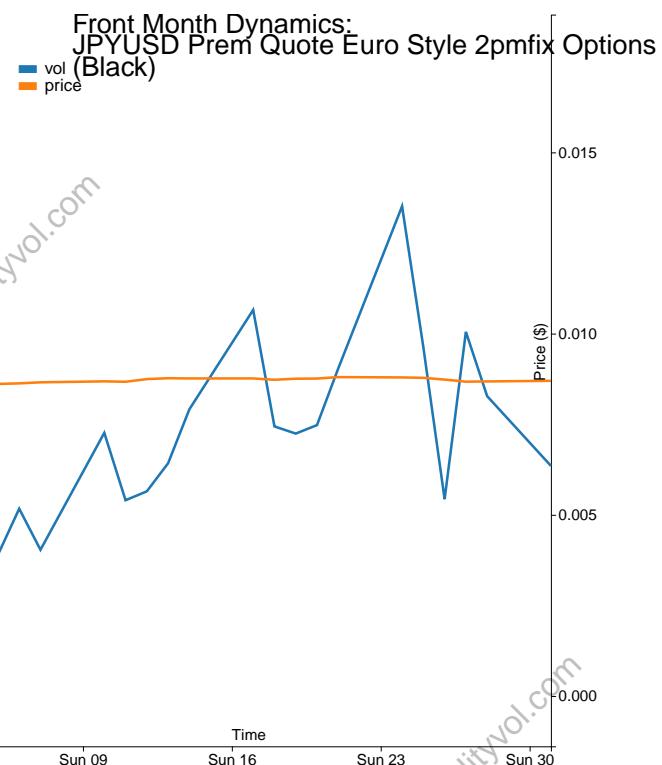
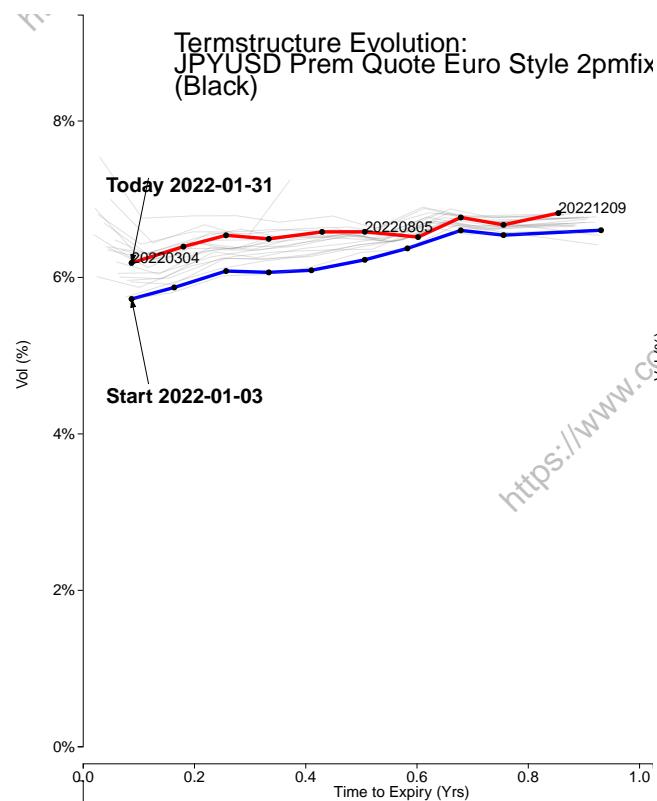


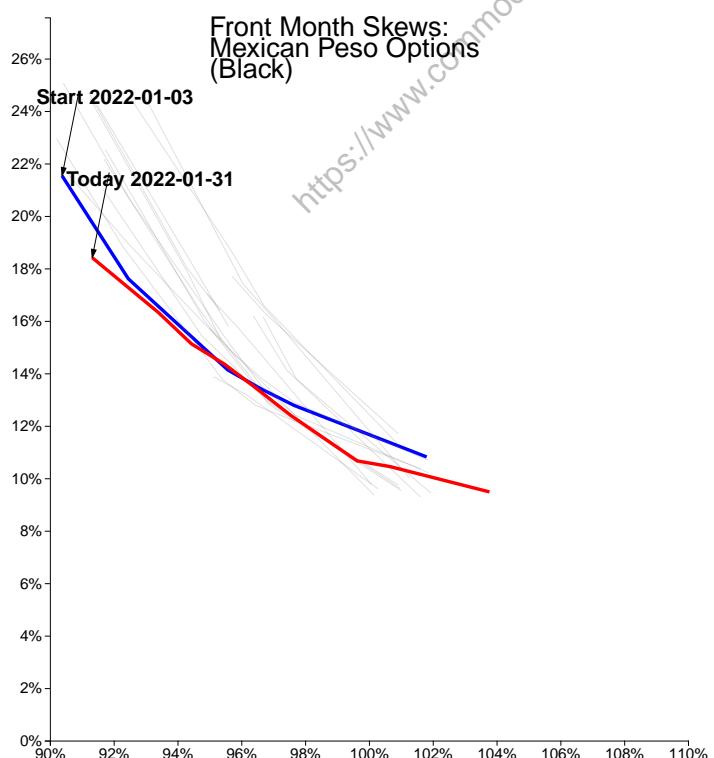
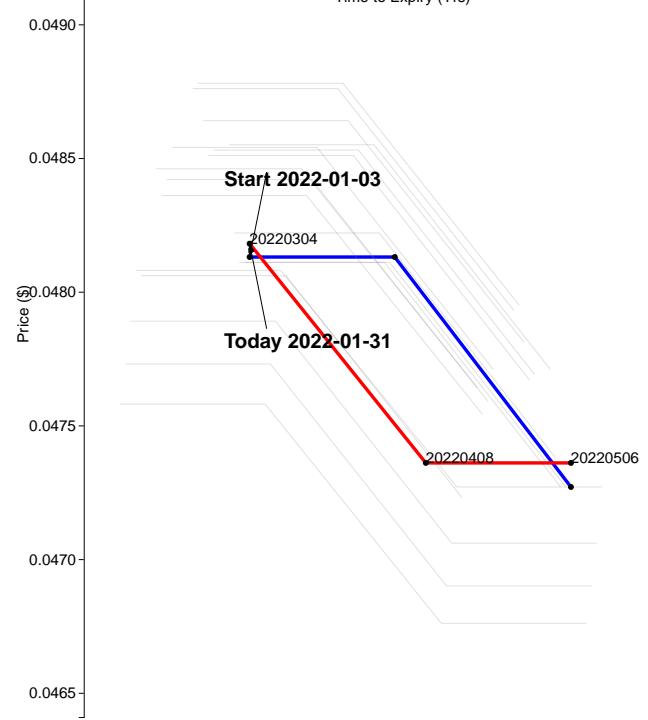
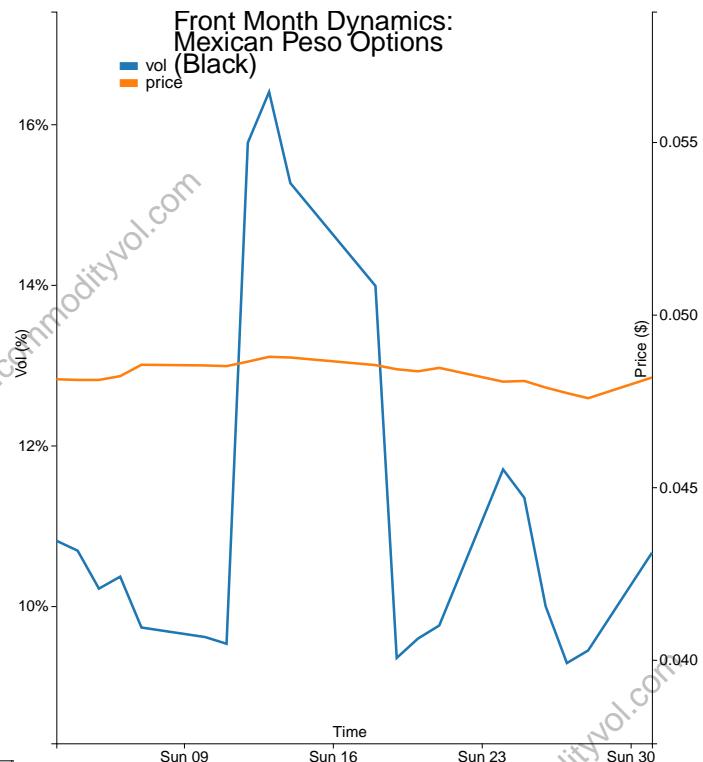
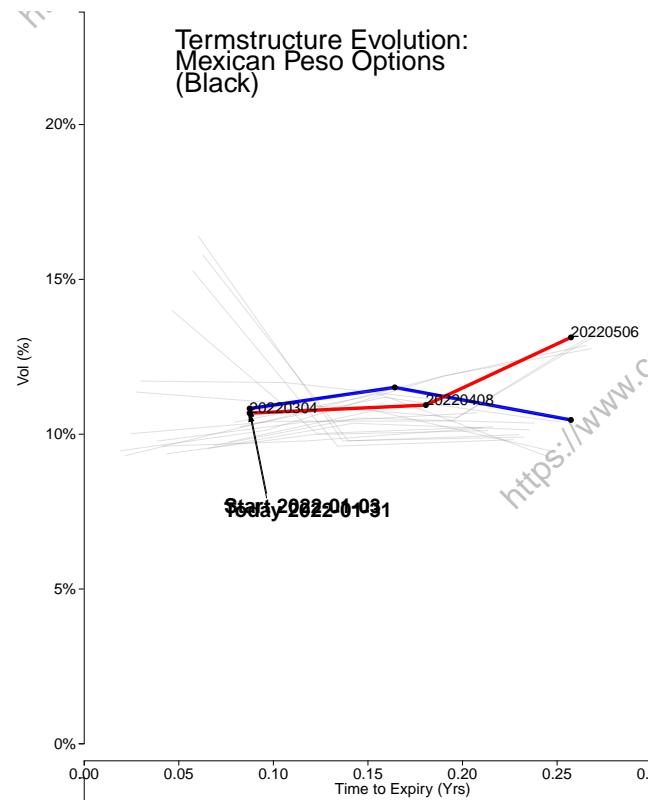
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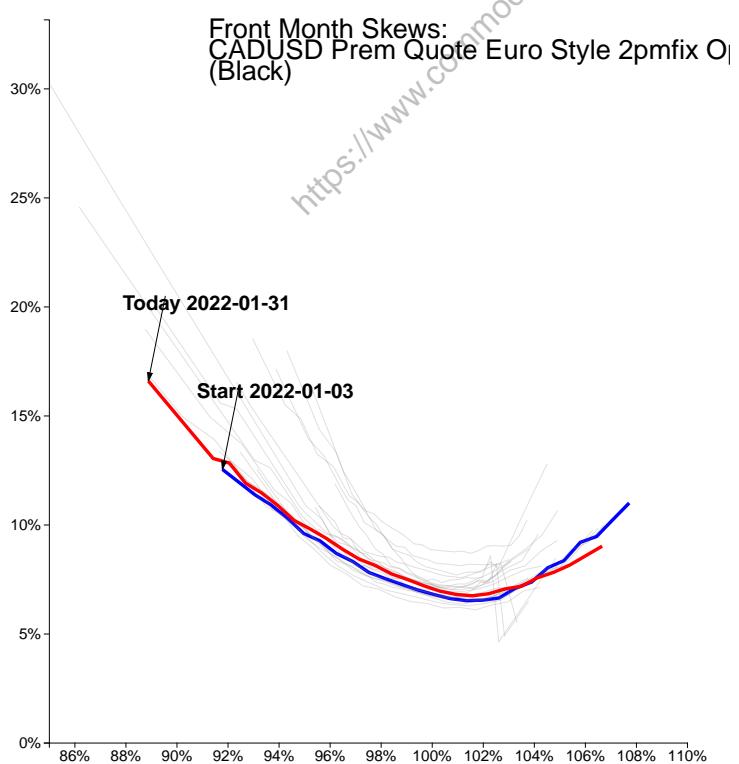
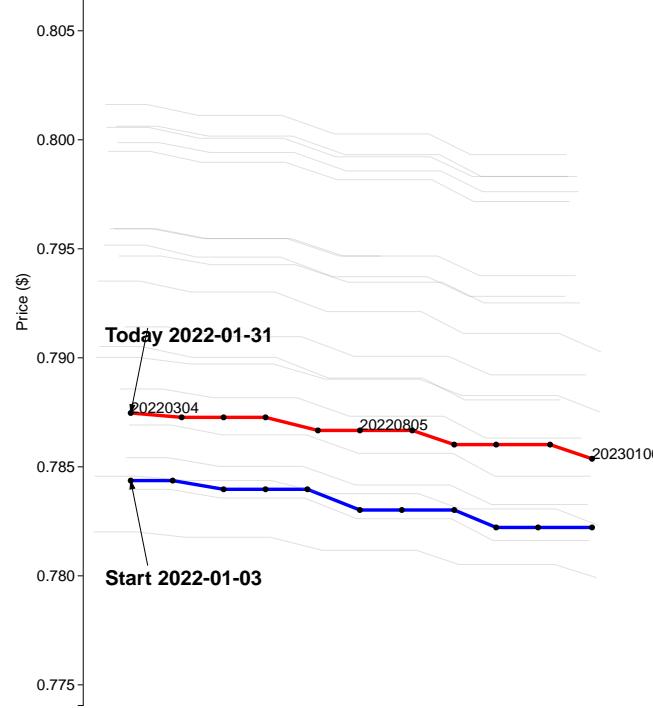
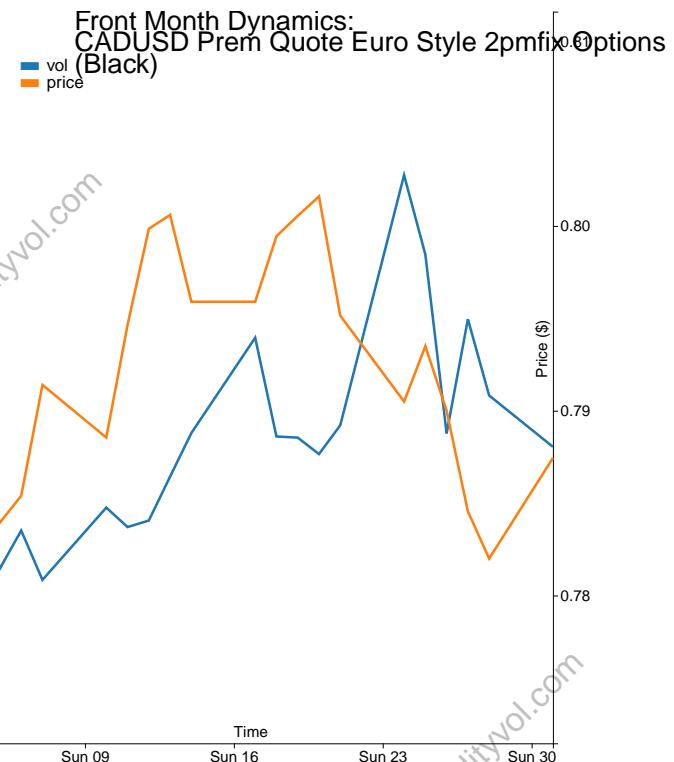
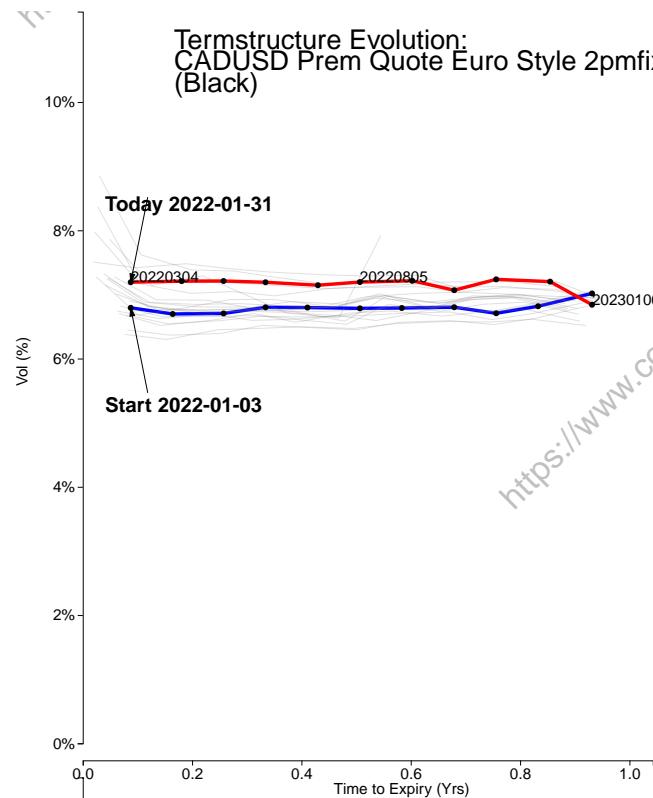


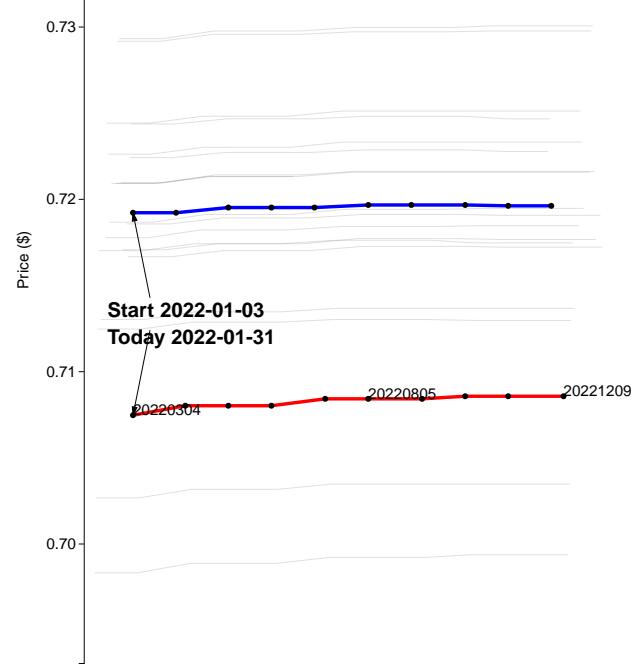
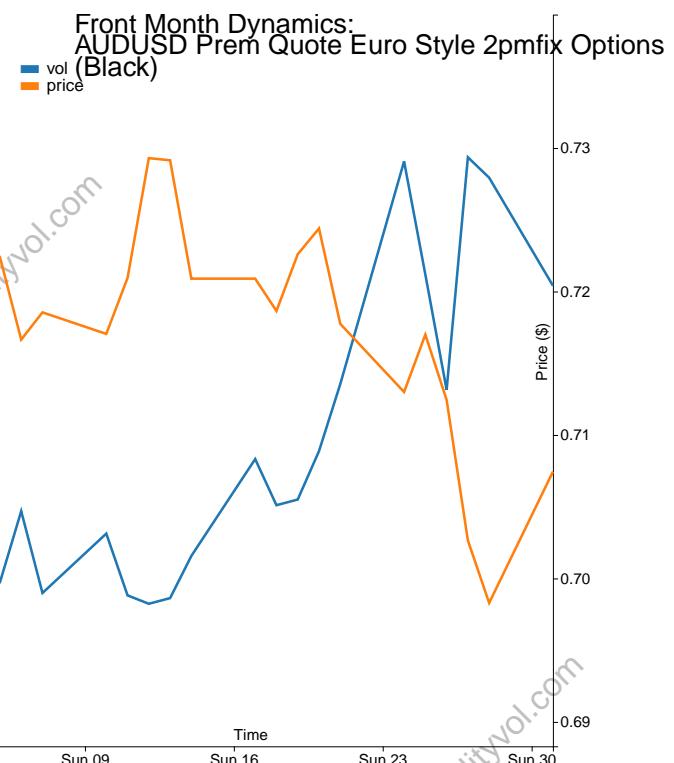
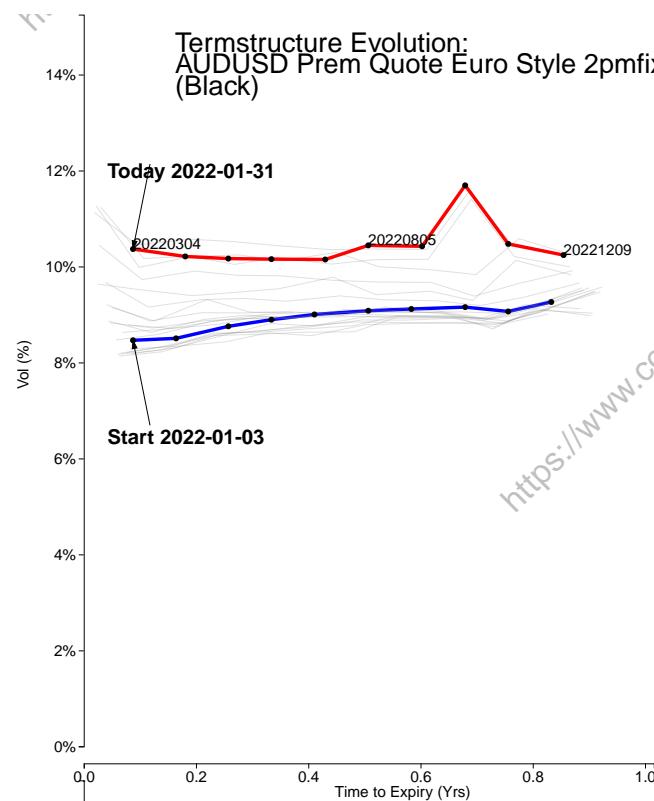


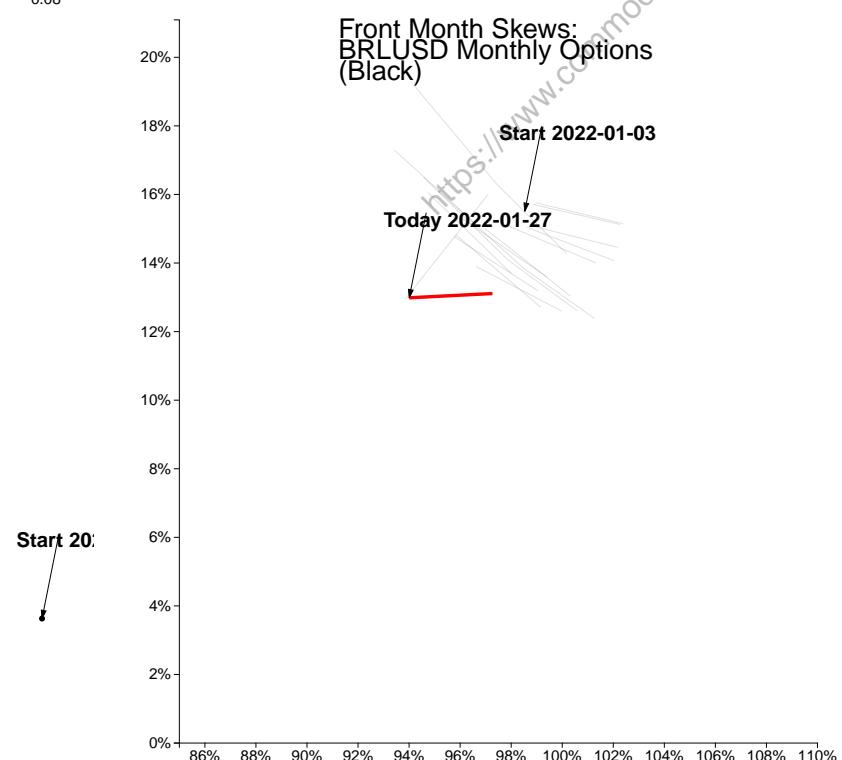
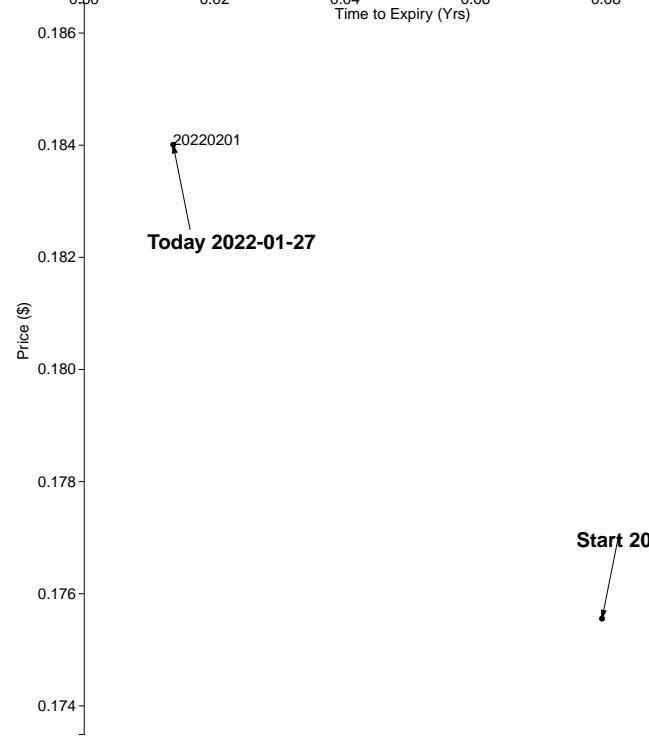
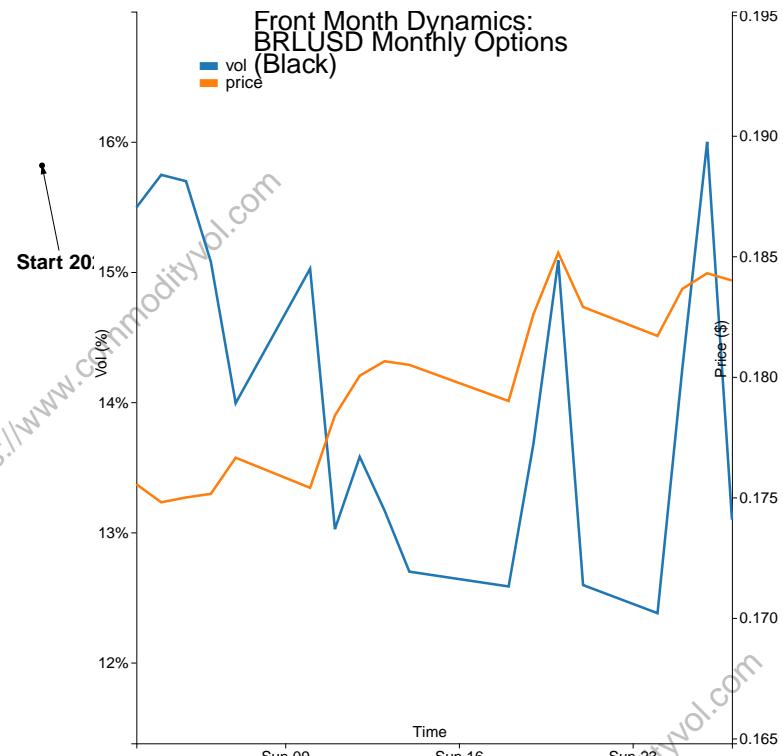
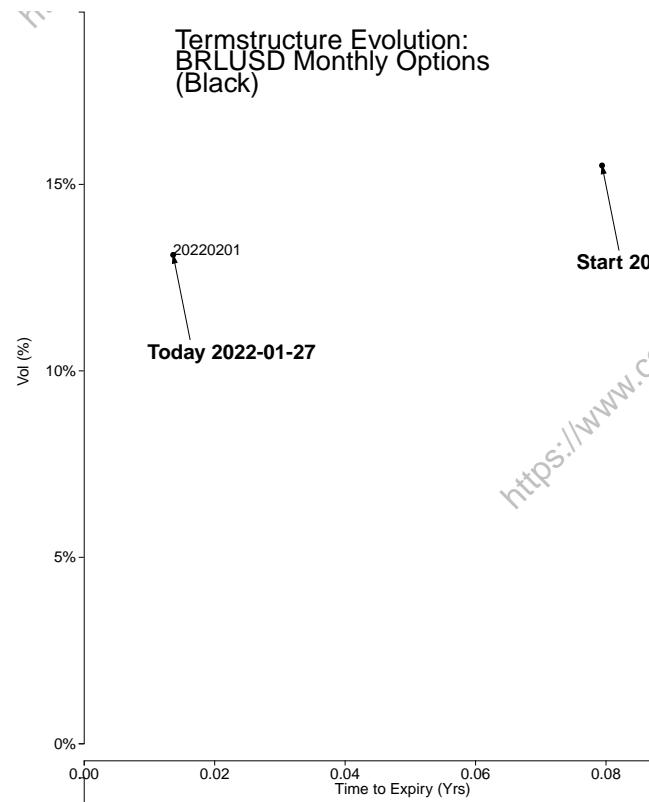


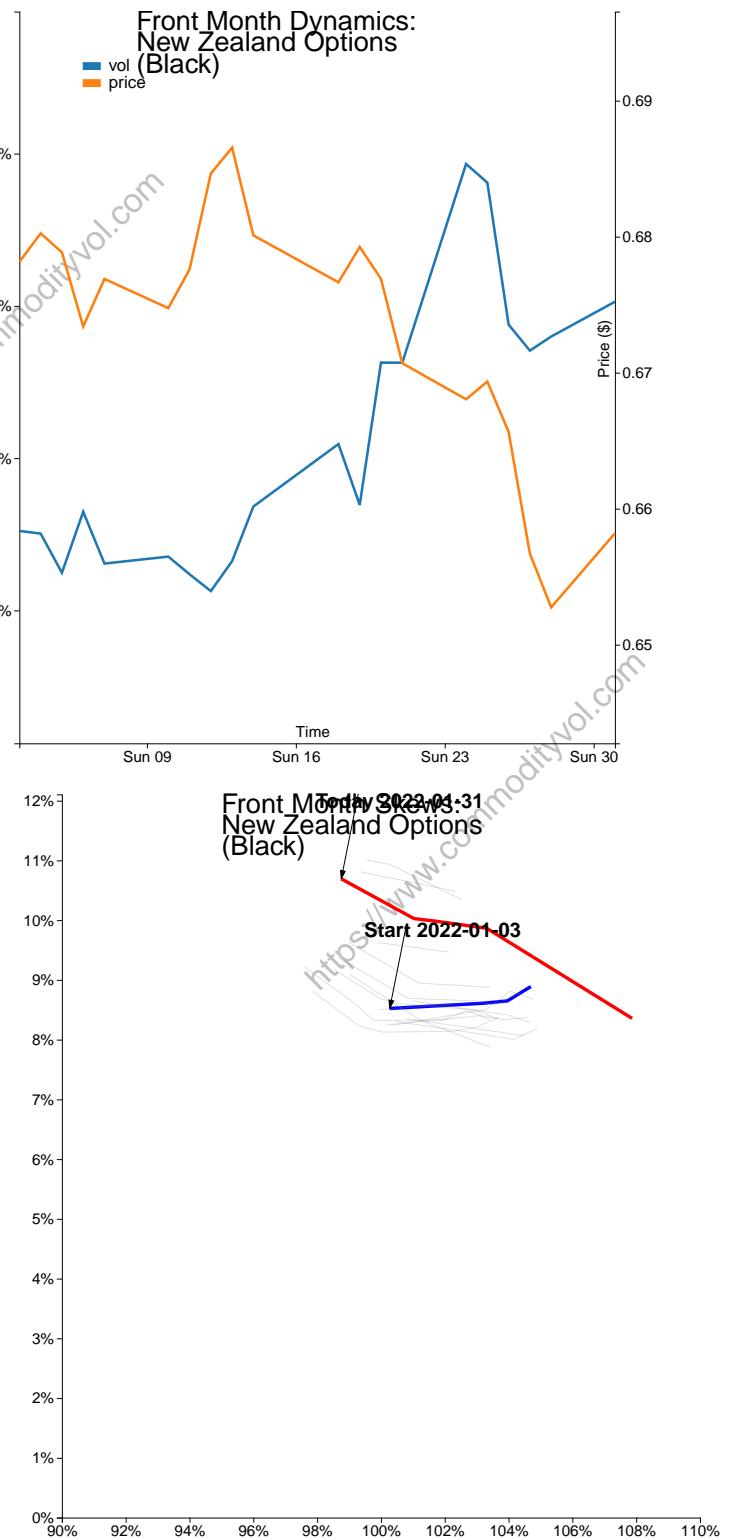
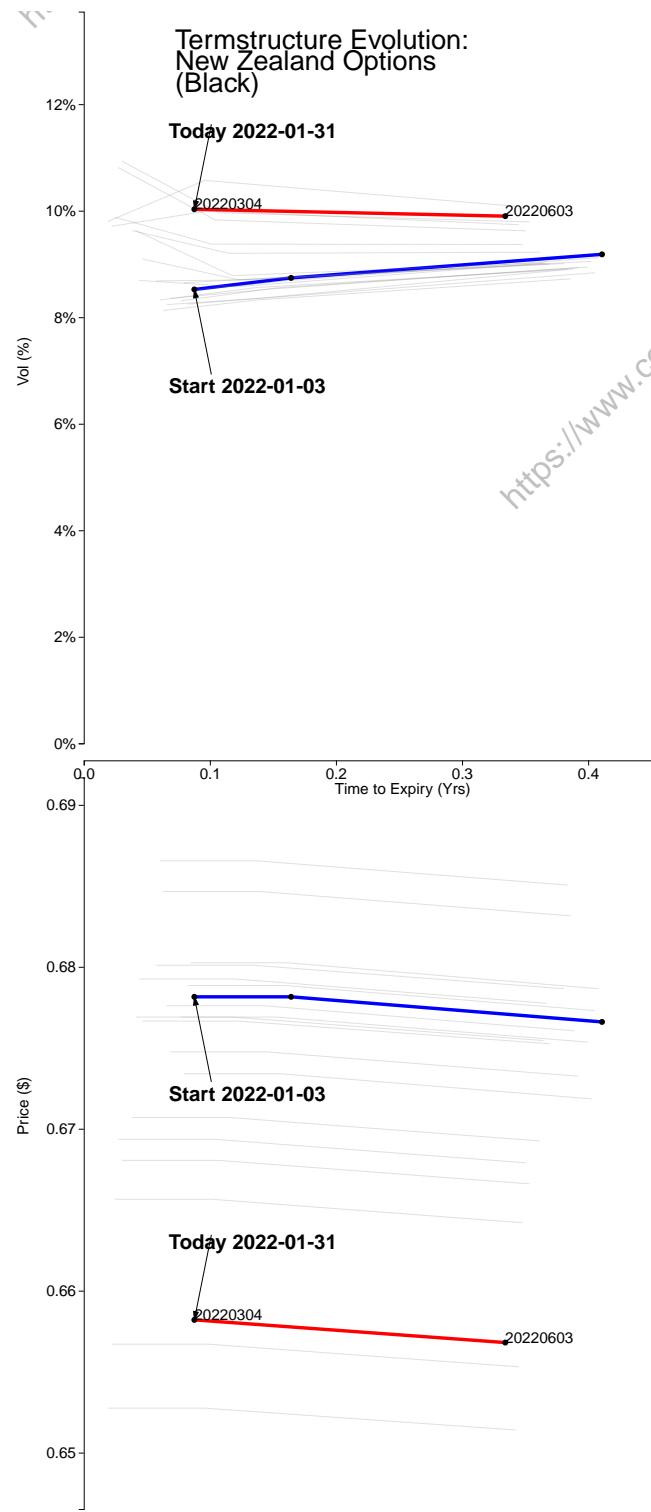


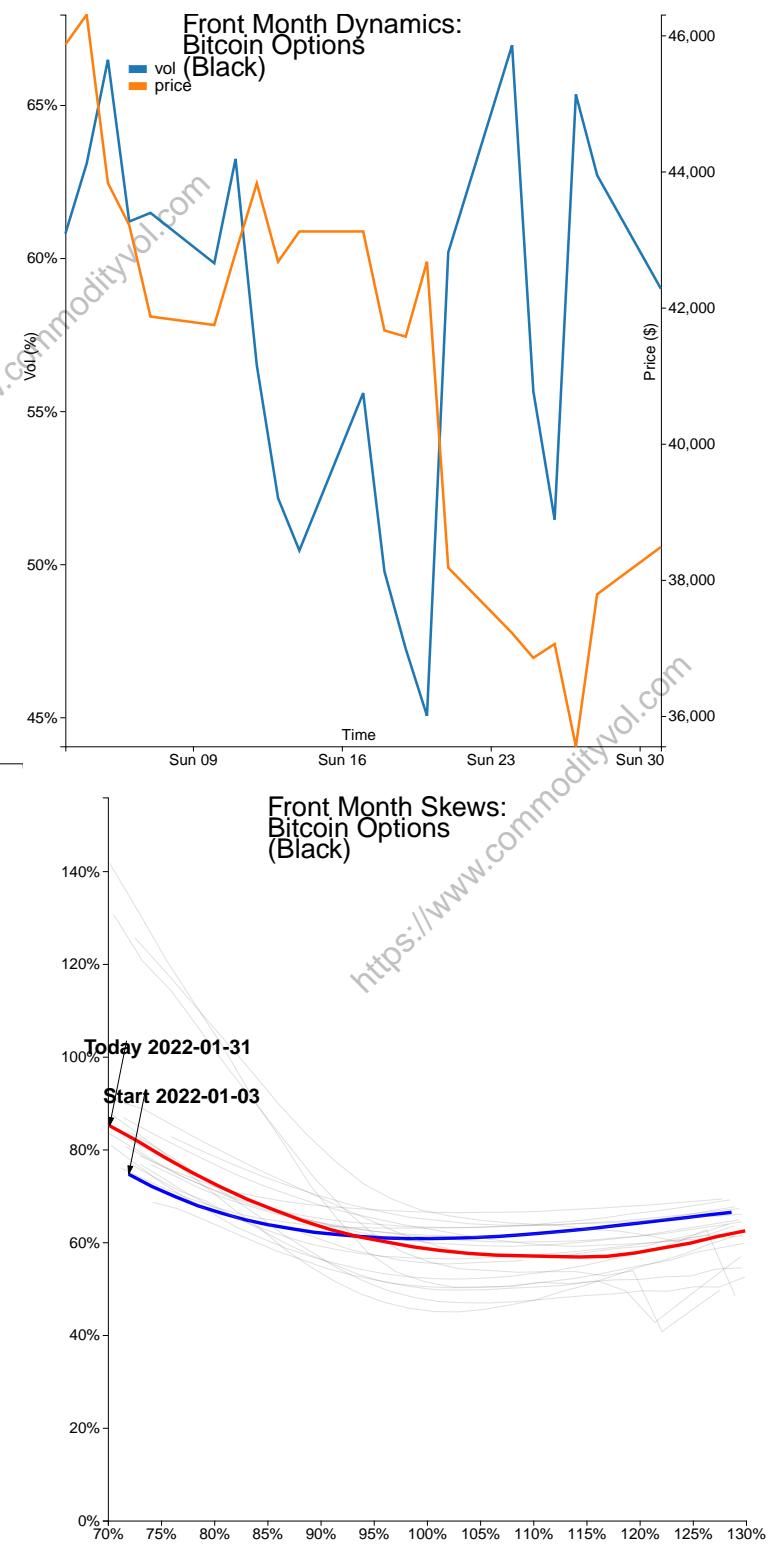
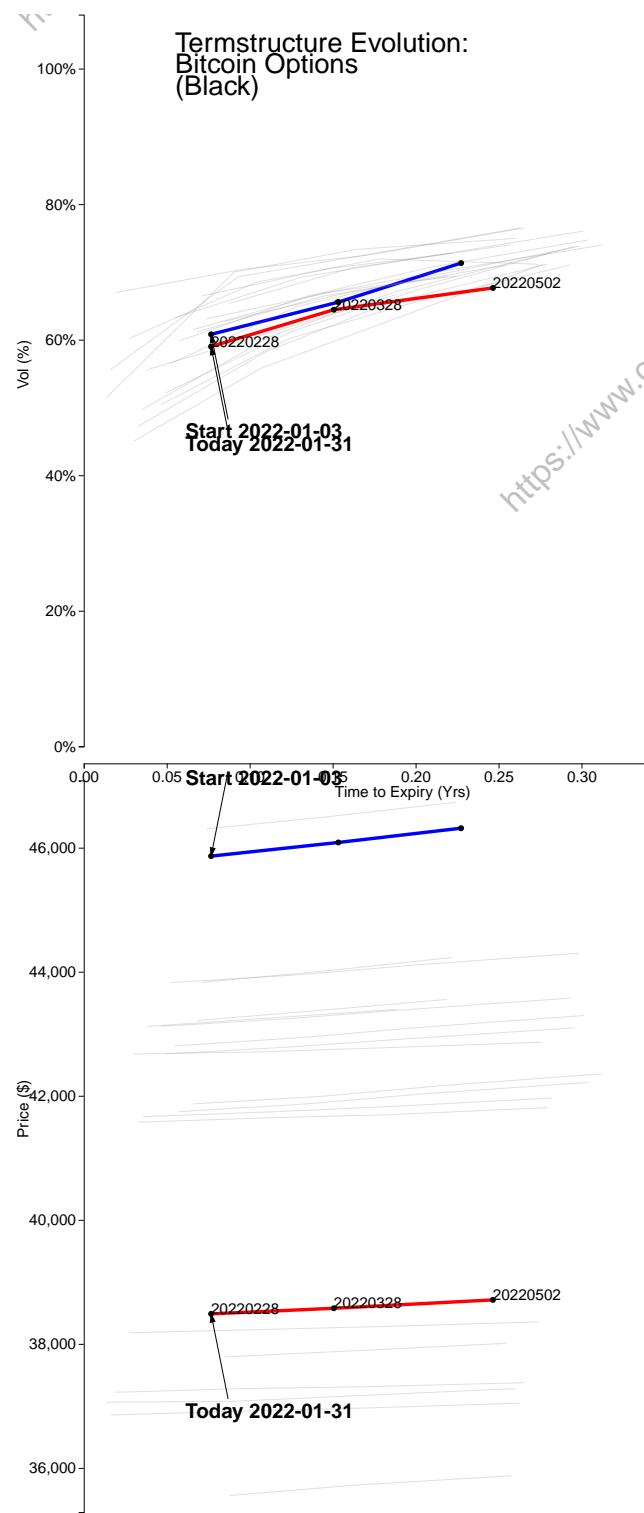




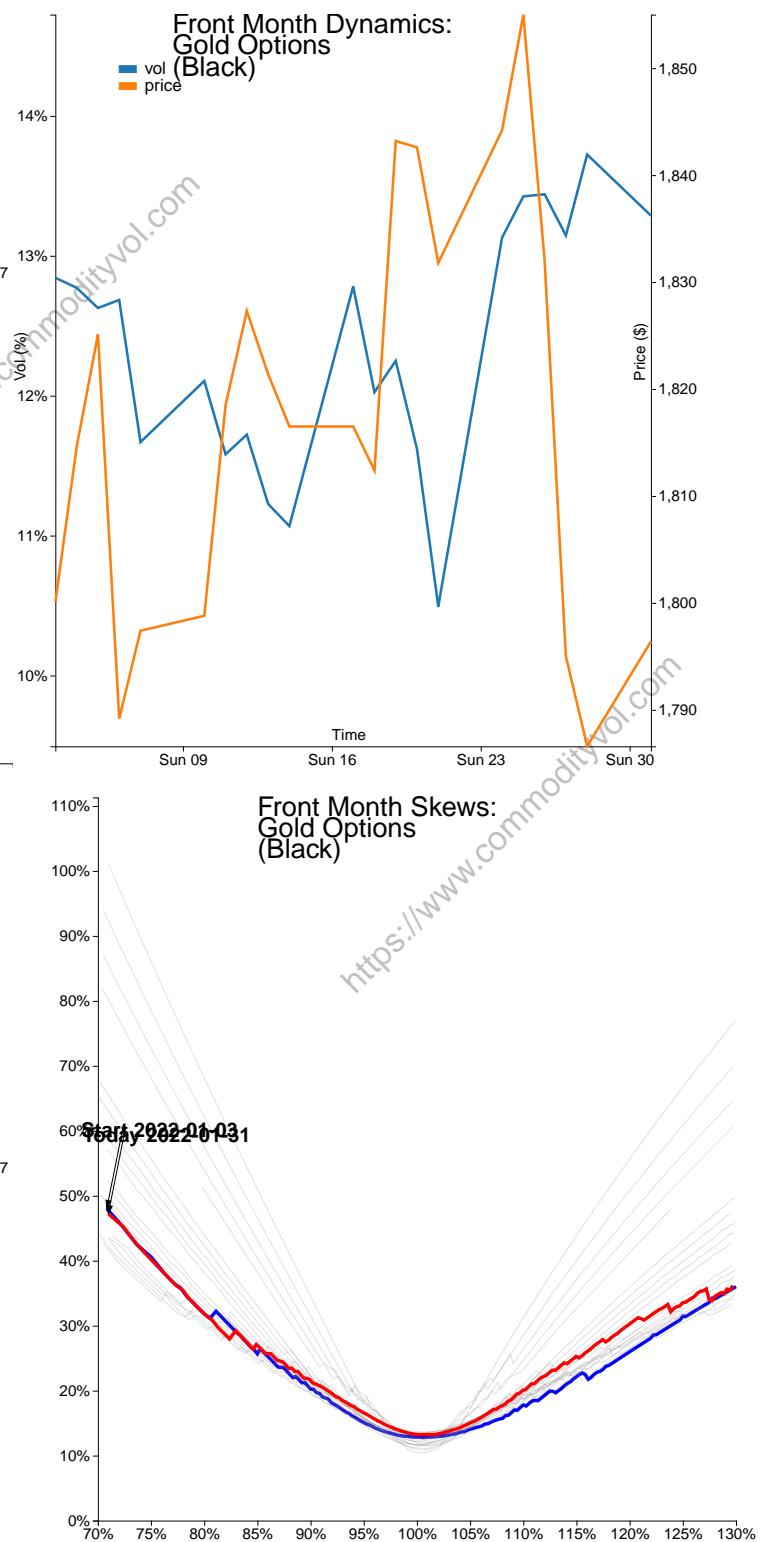
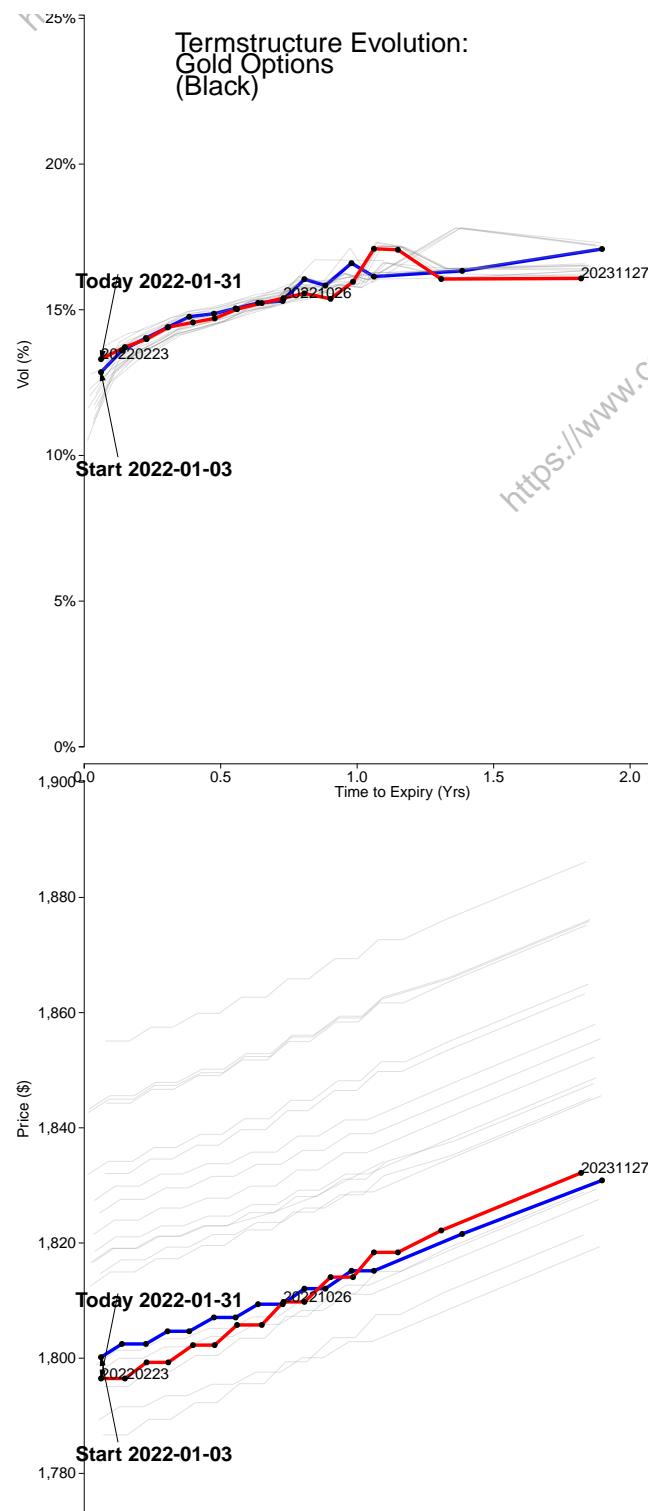


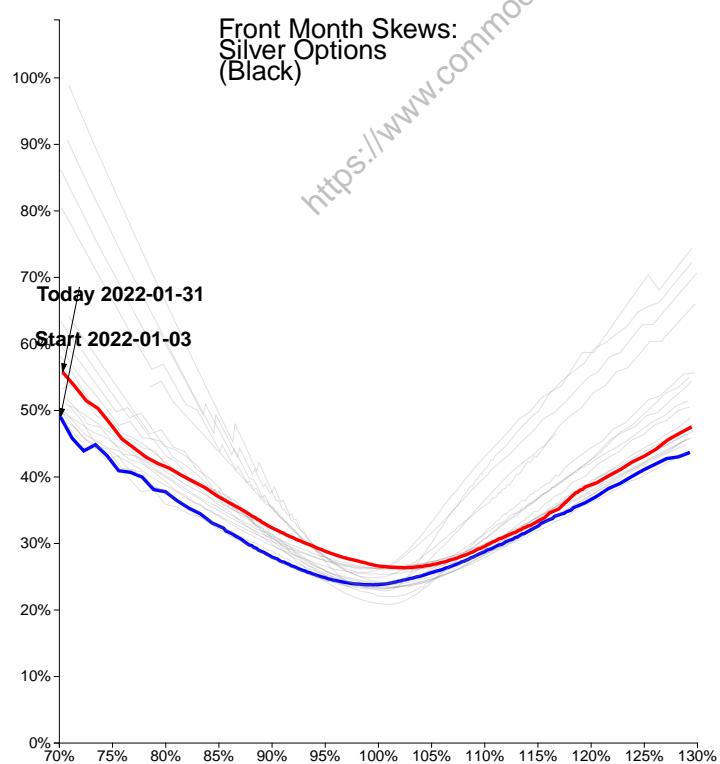
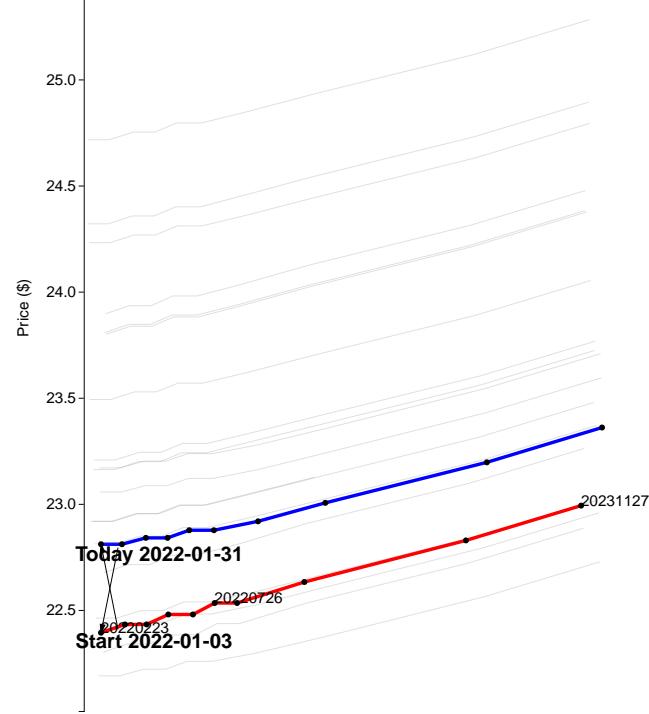
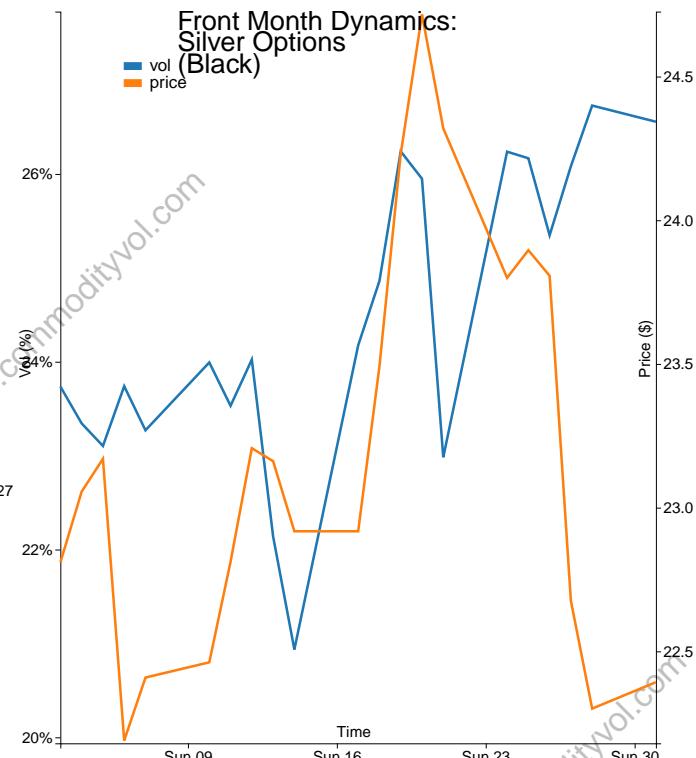
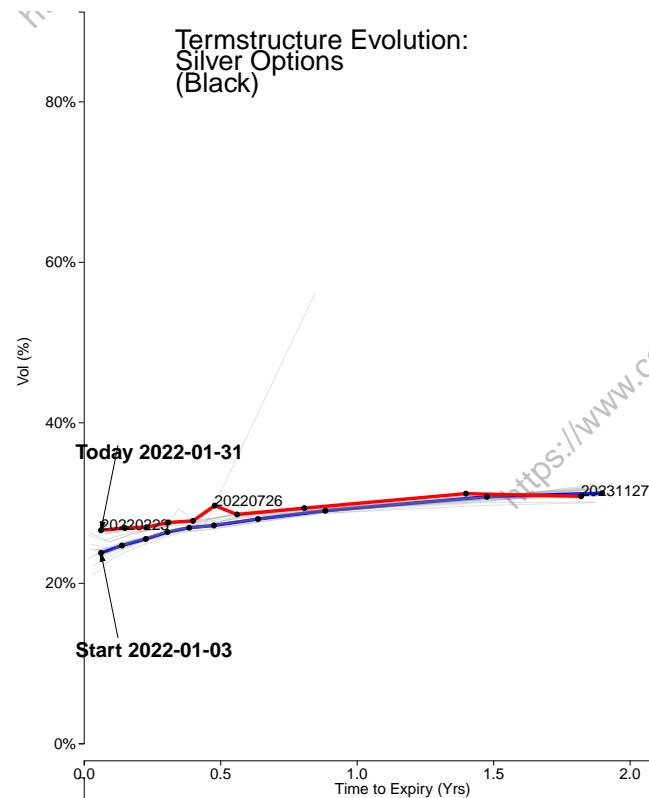


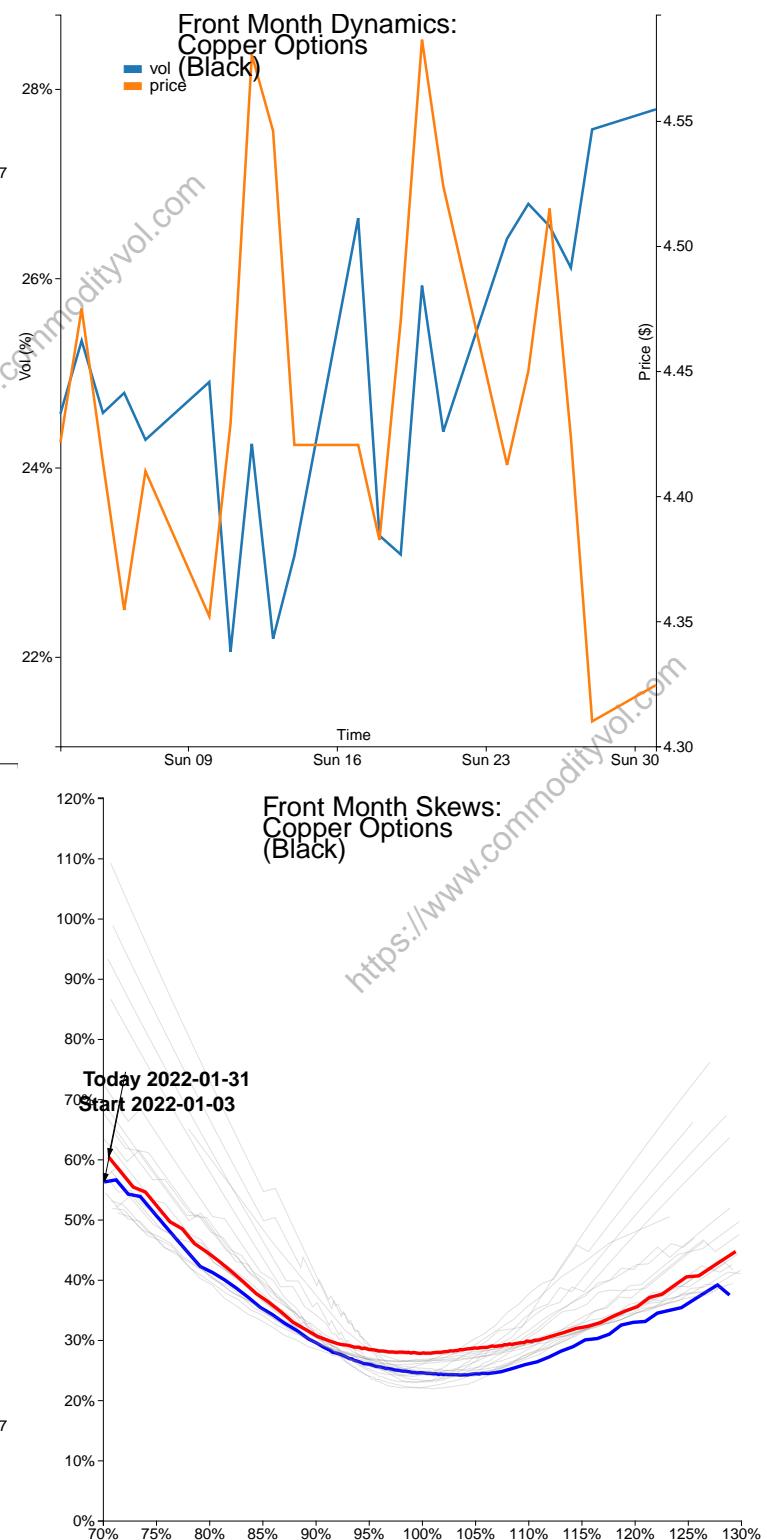
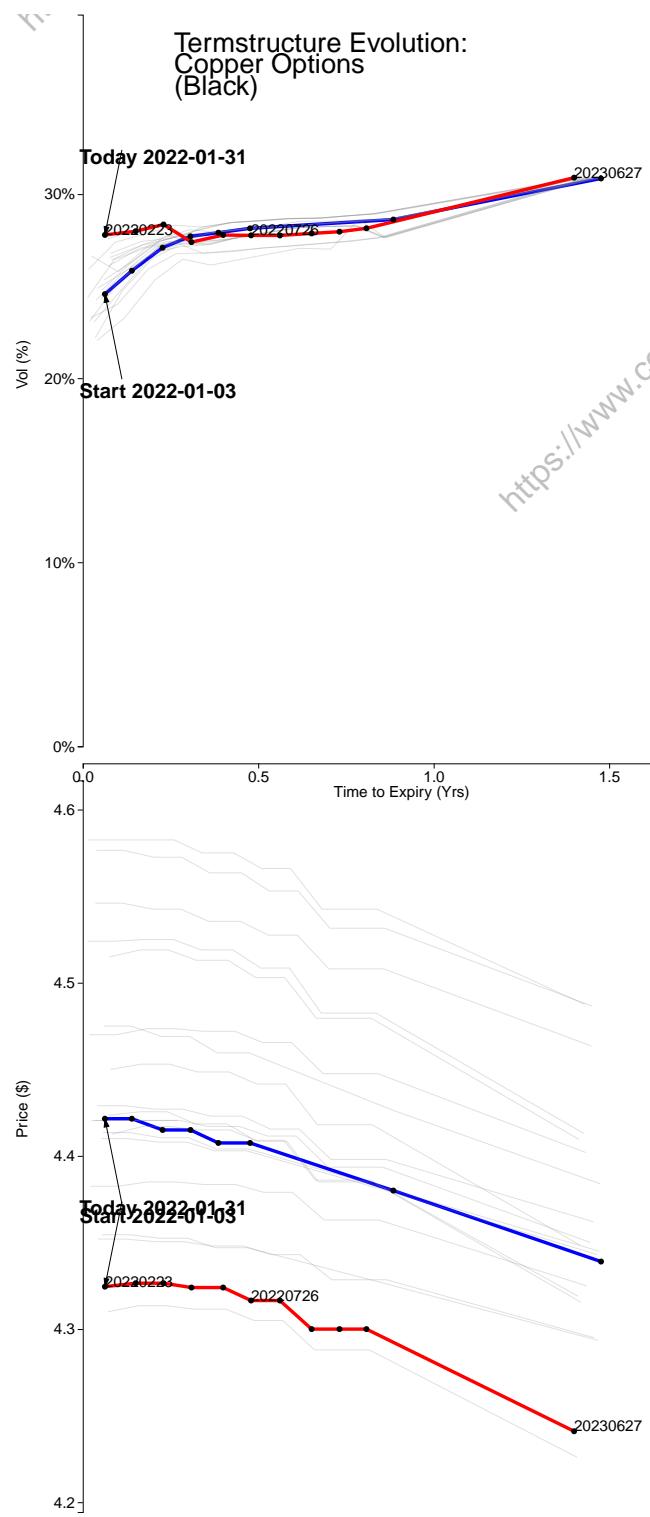


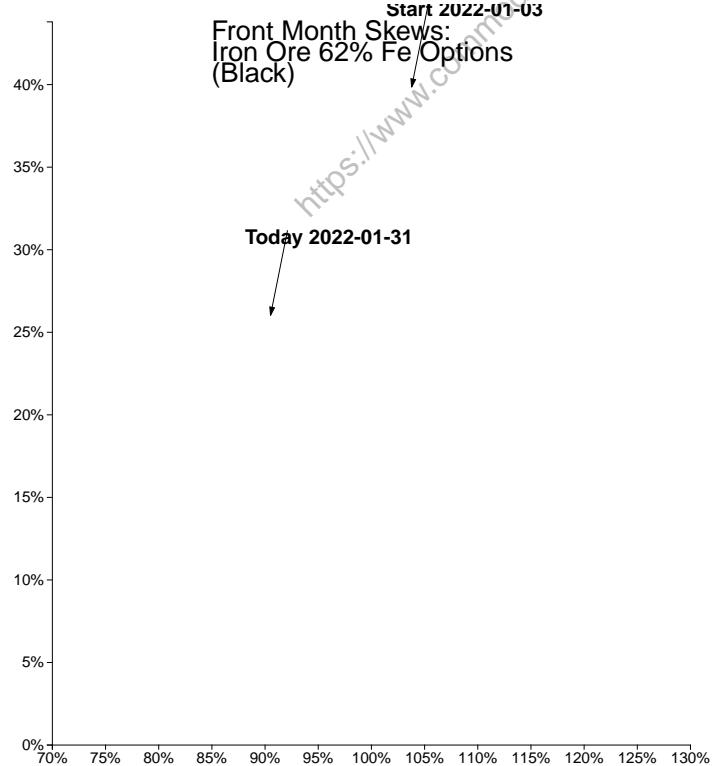
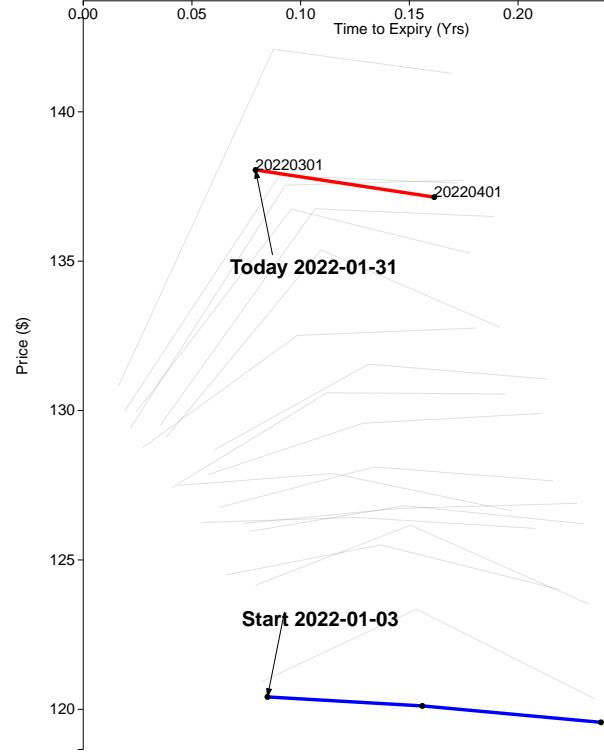
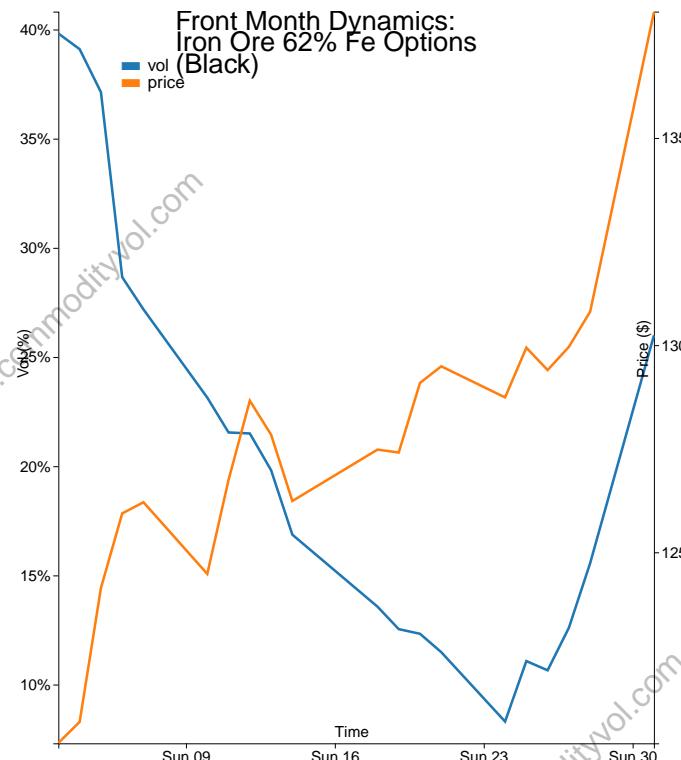
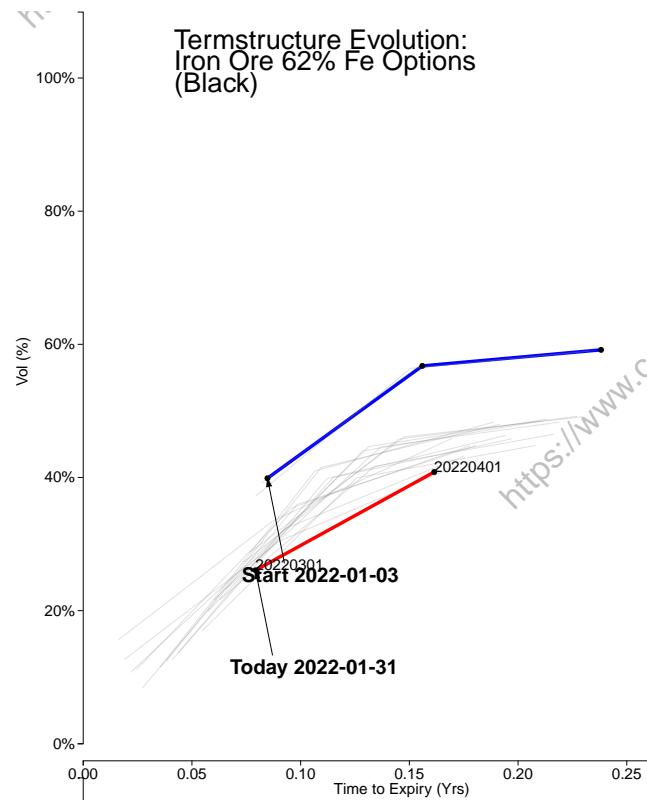


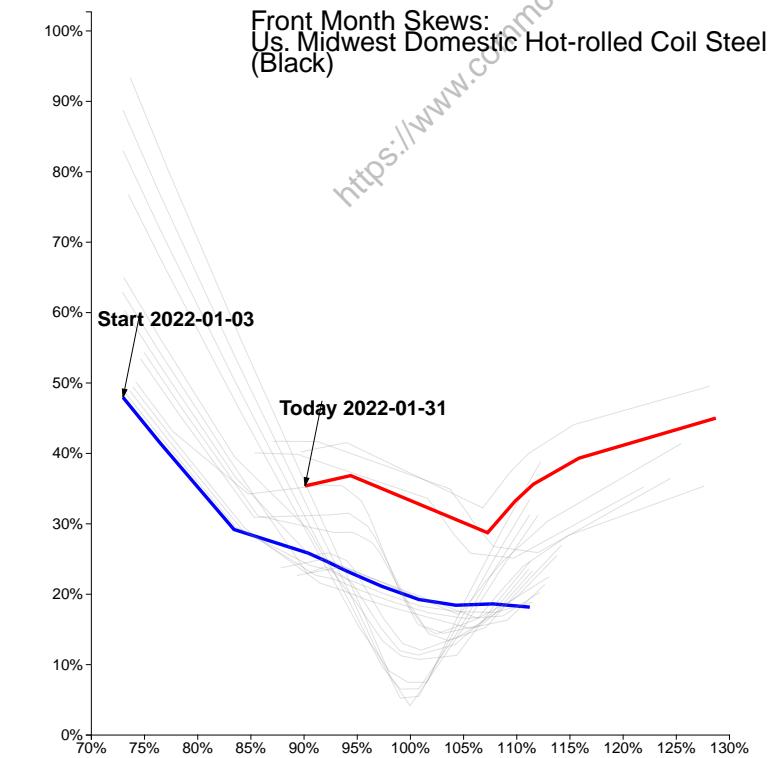
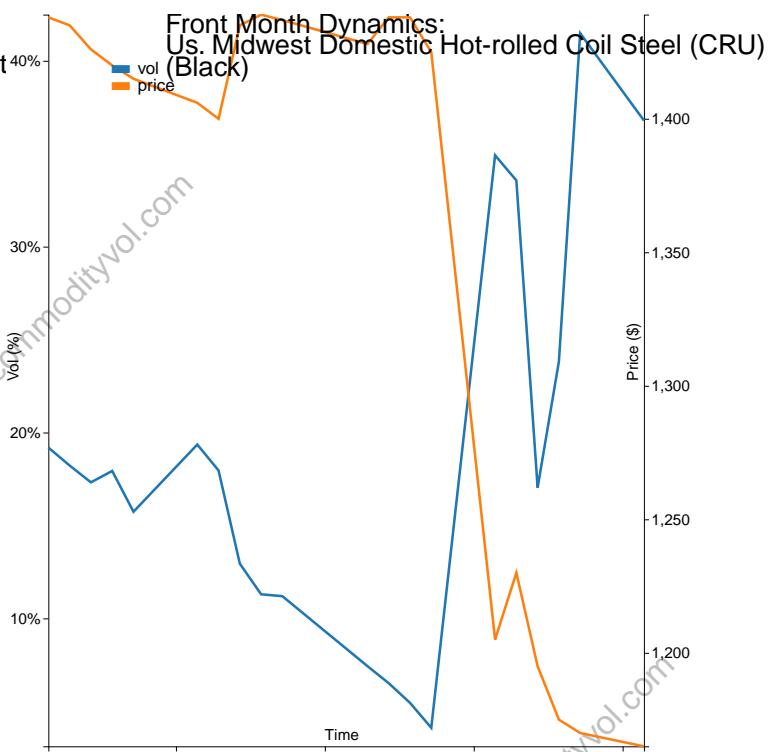
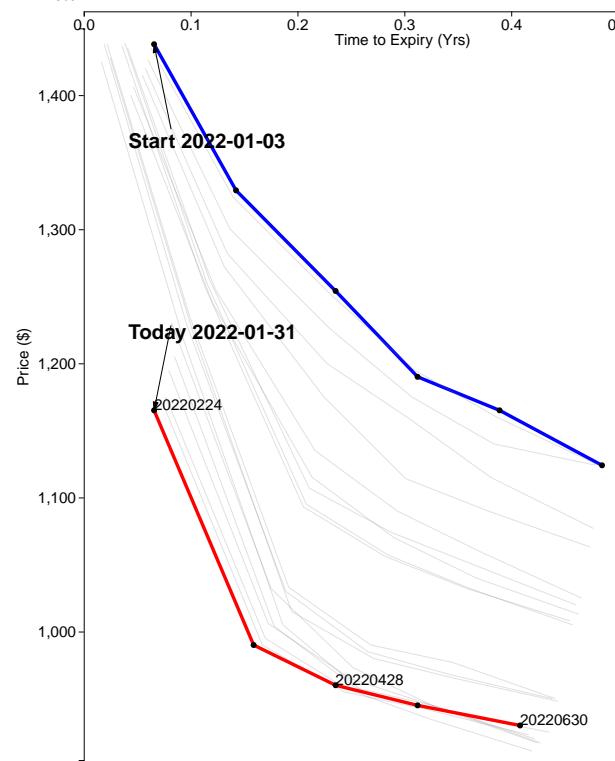
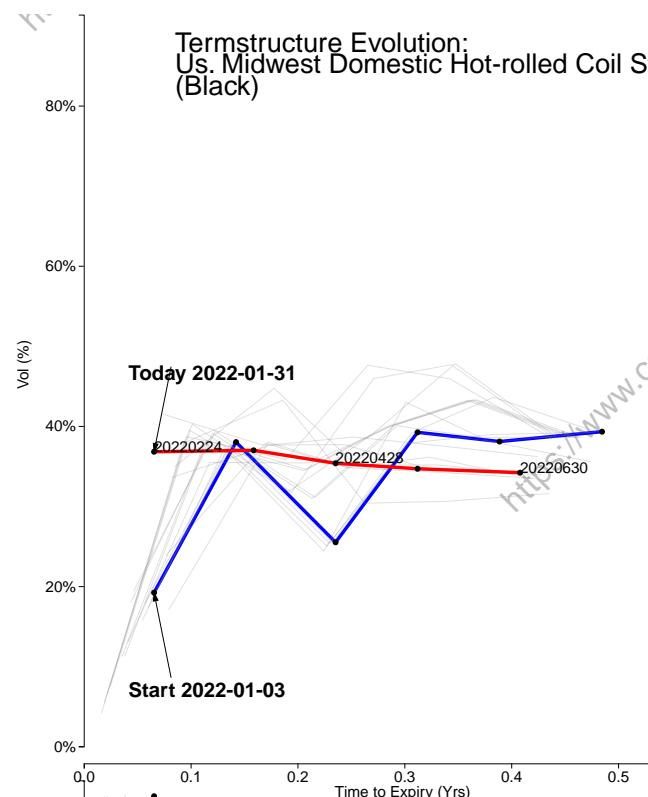
Metals, Materials and so forth

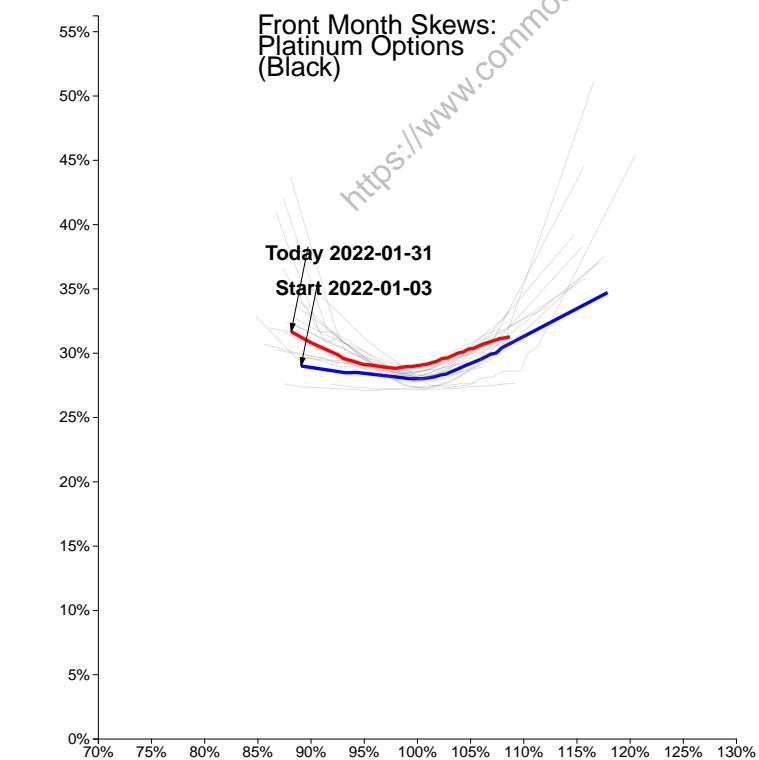
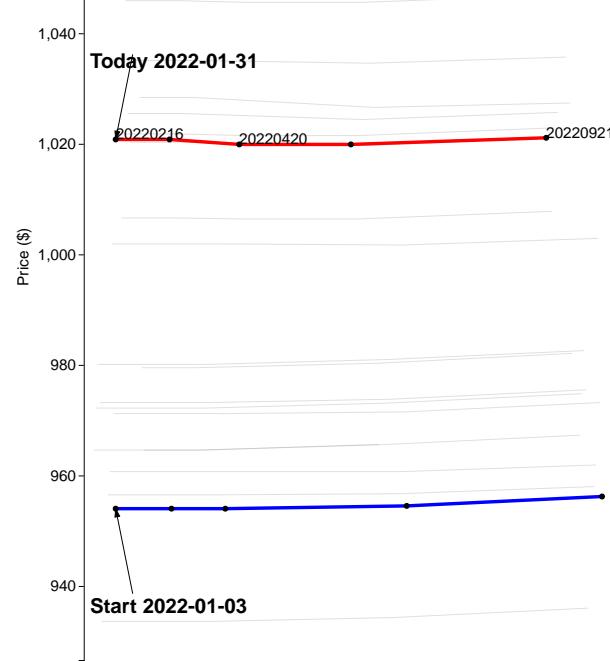
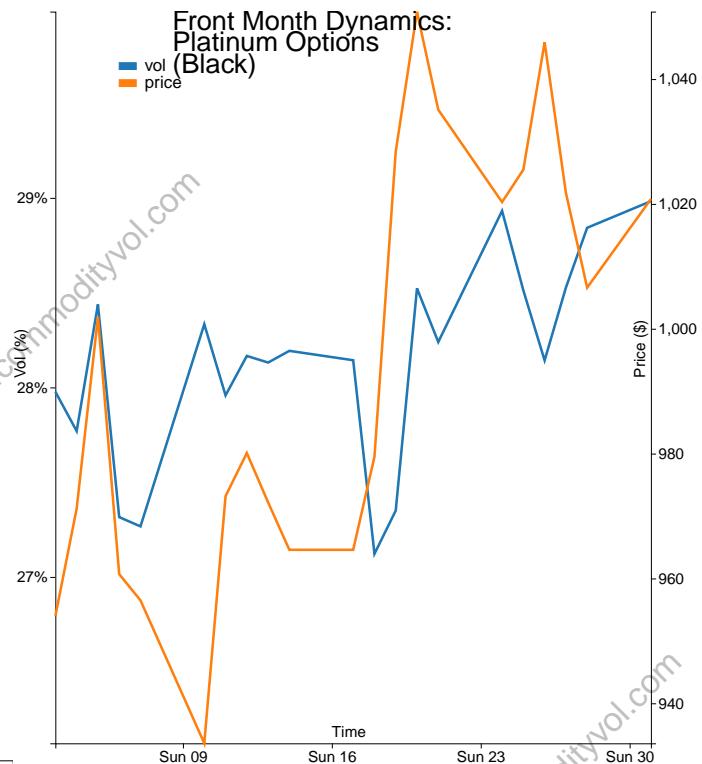
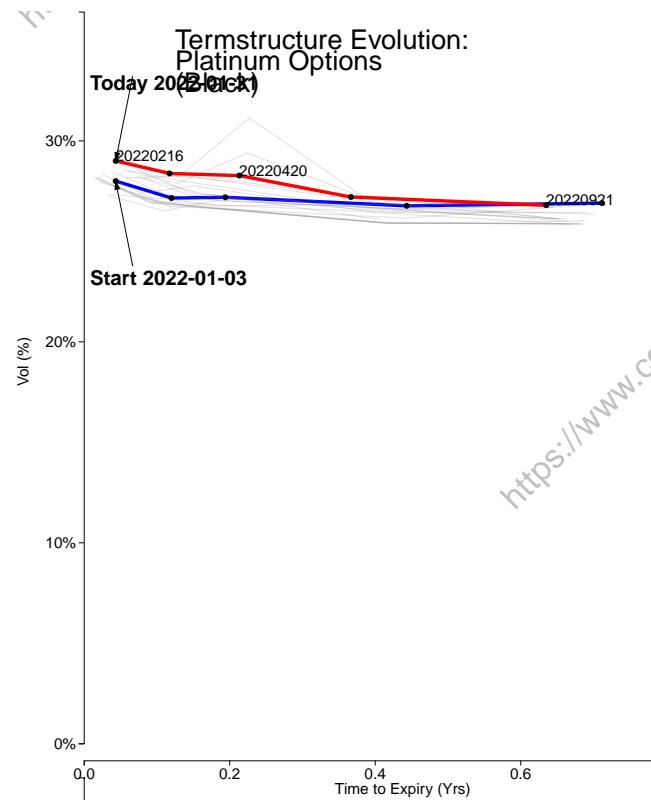


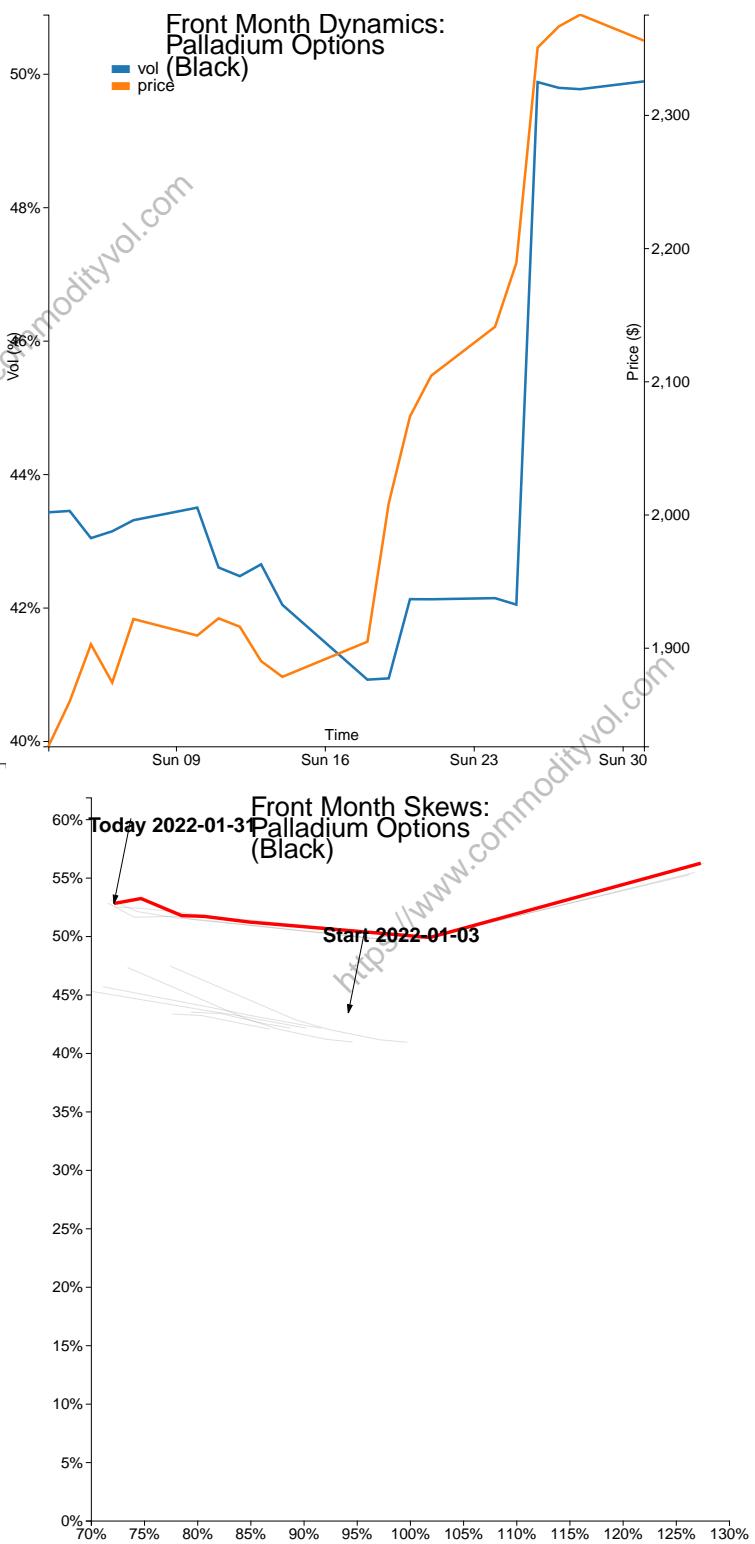
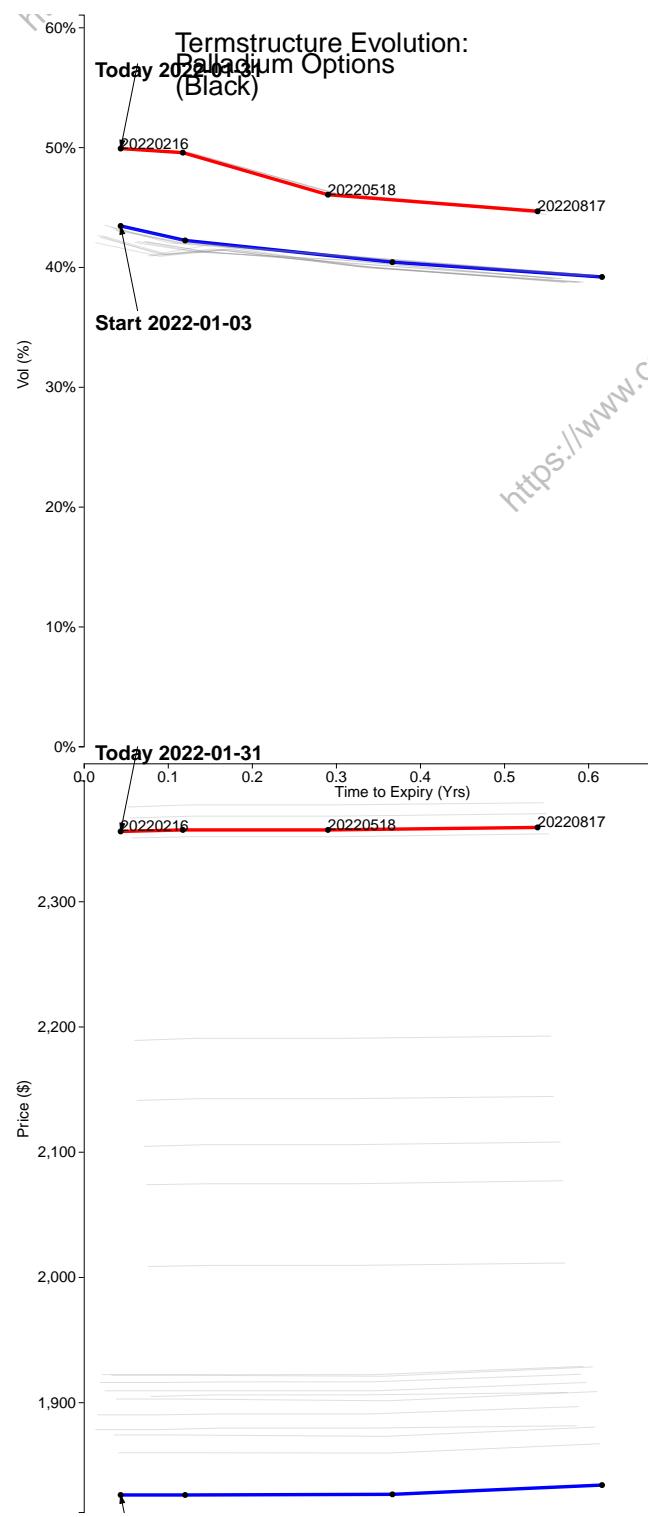


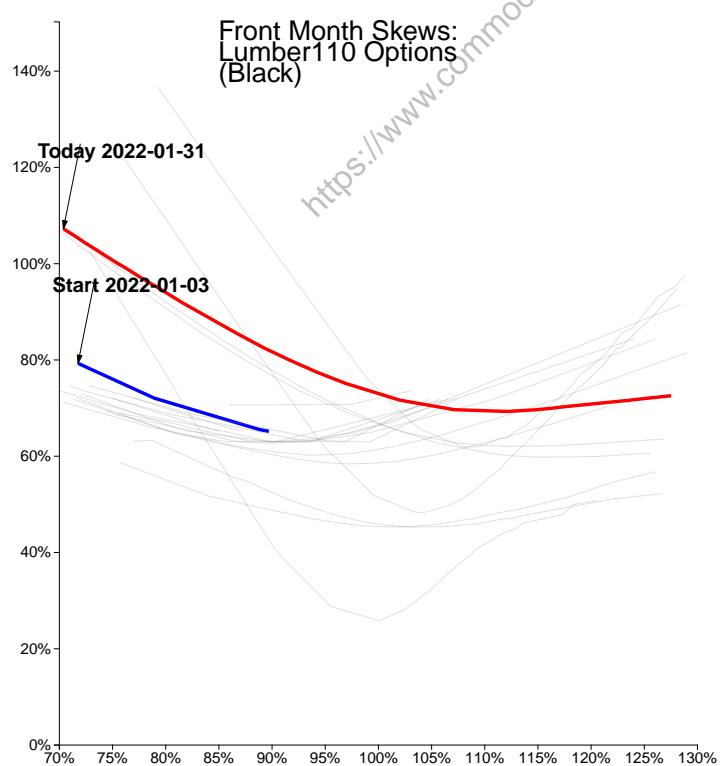
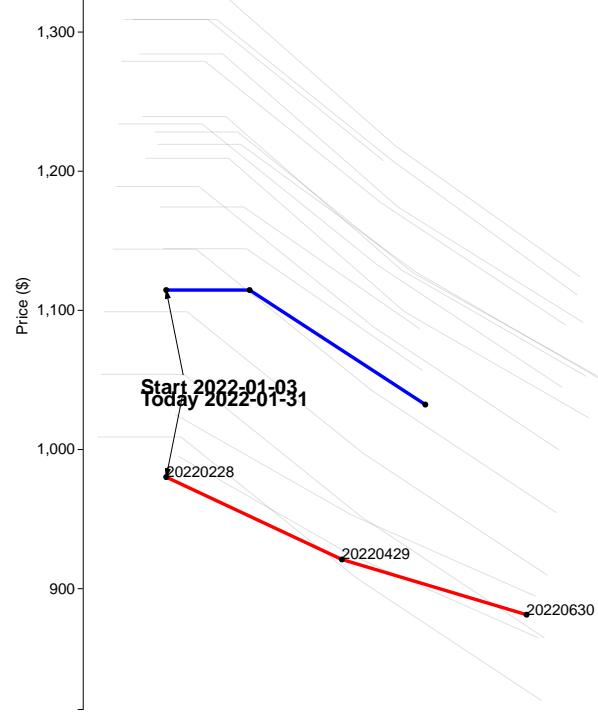
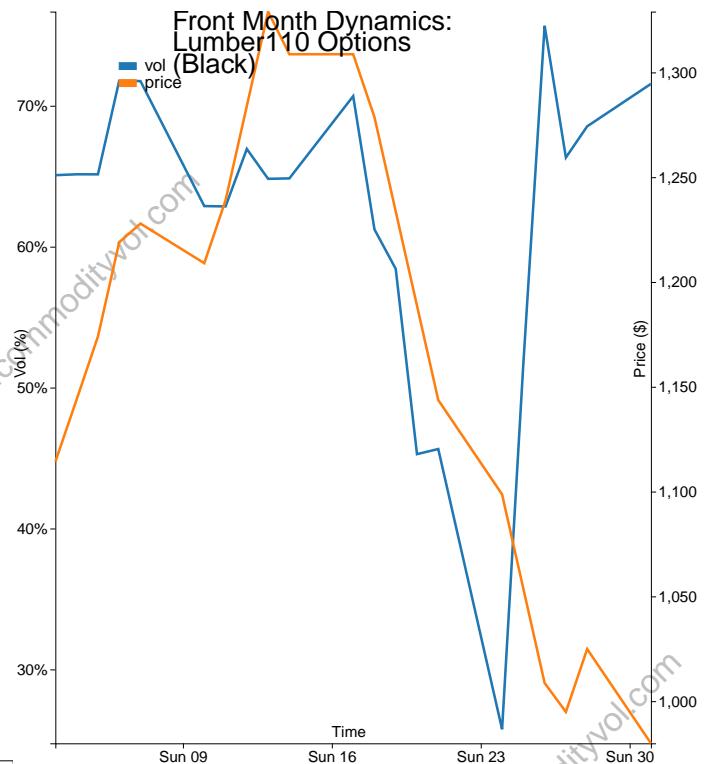
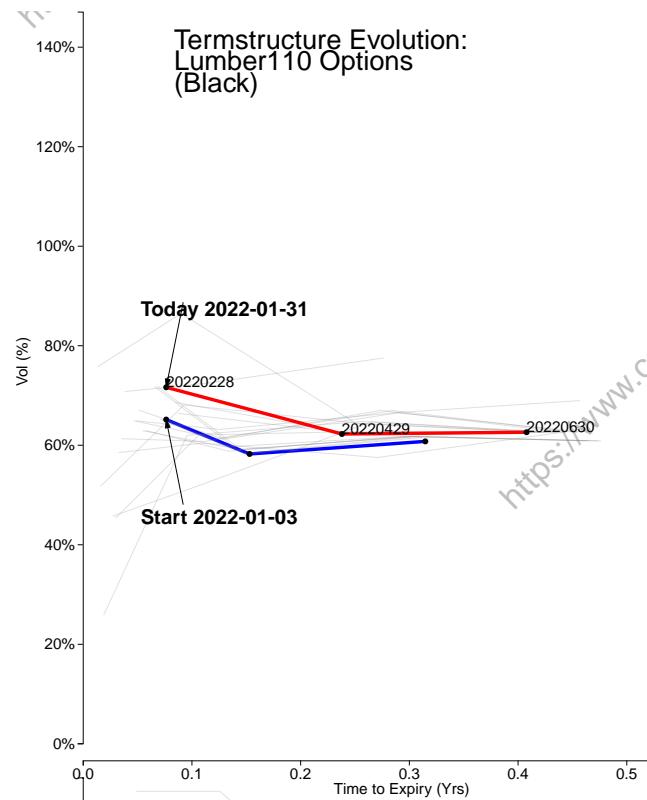




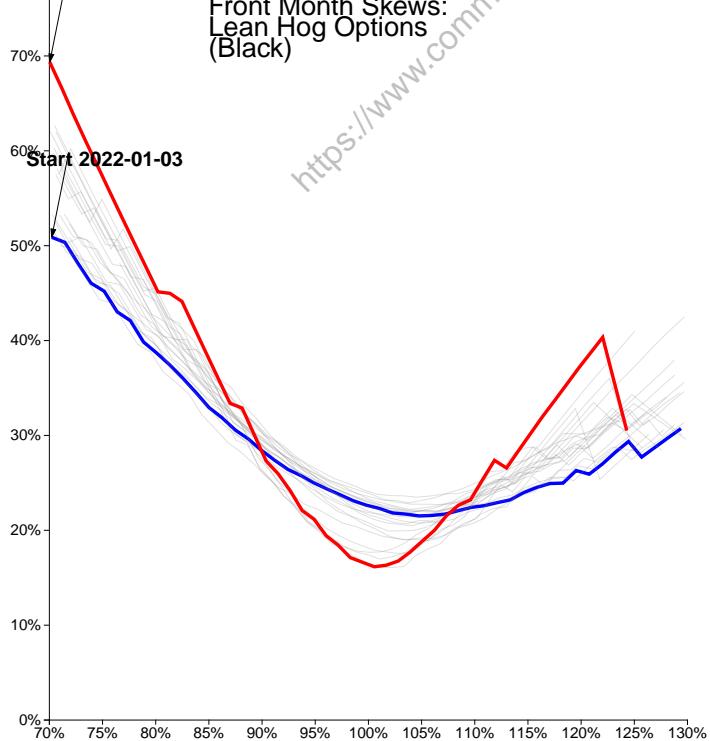
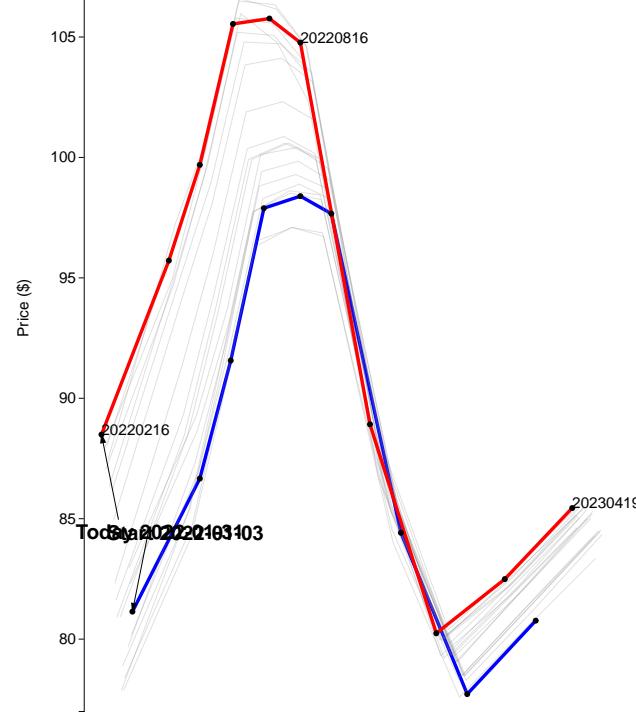
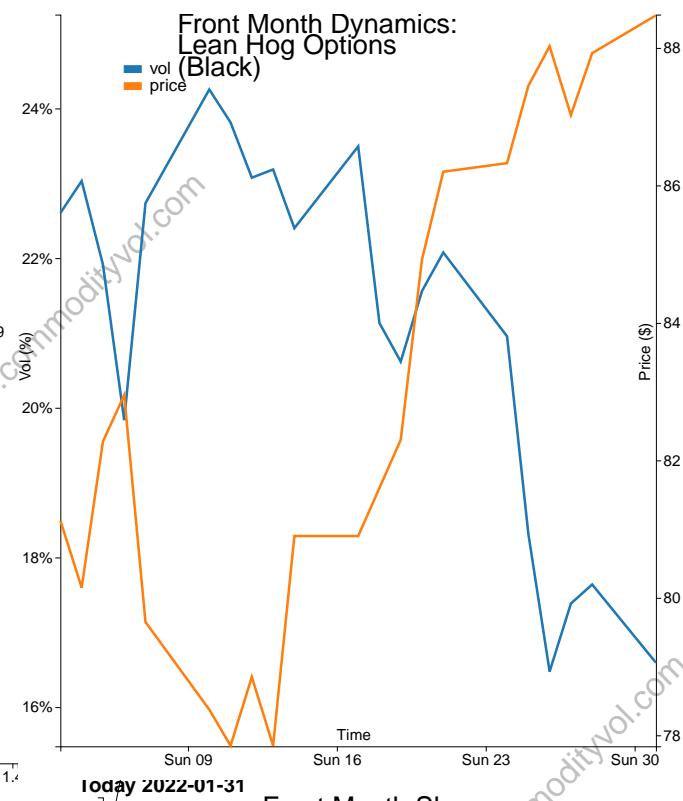
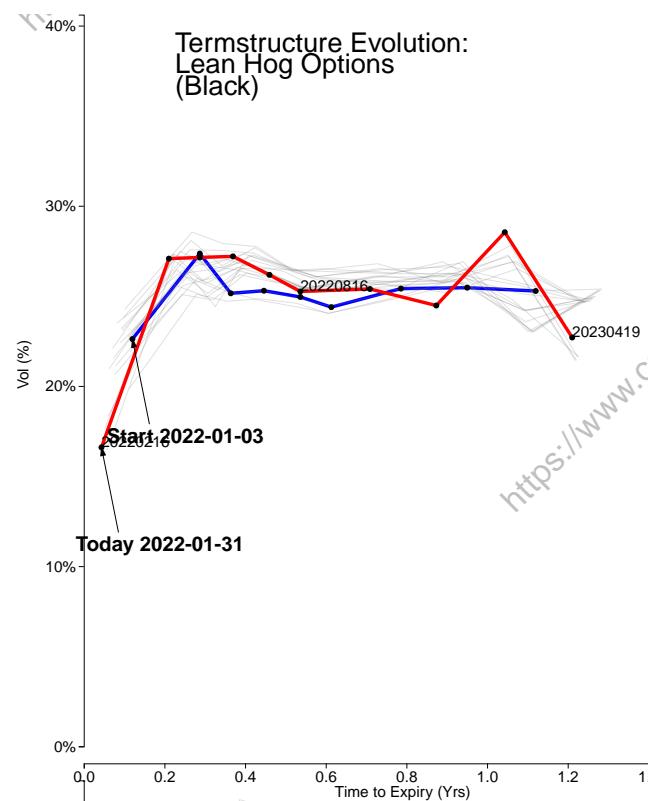


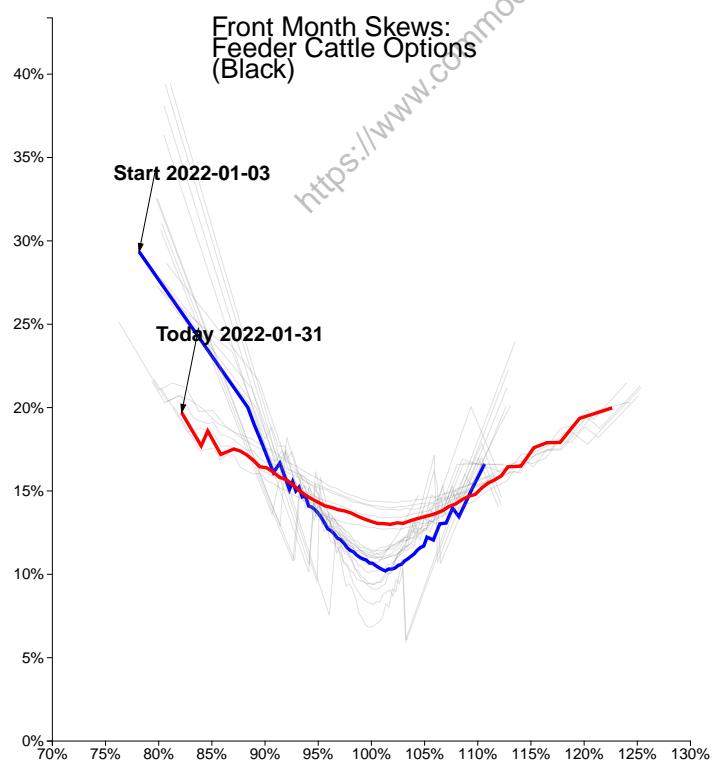
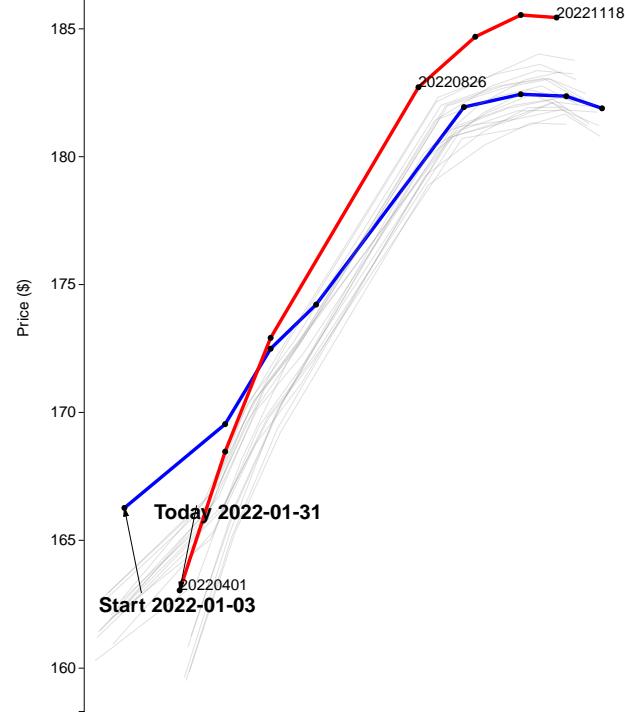
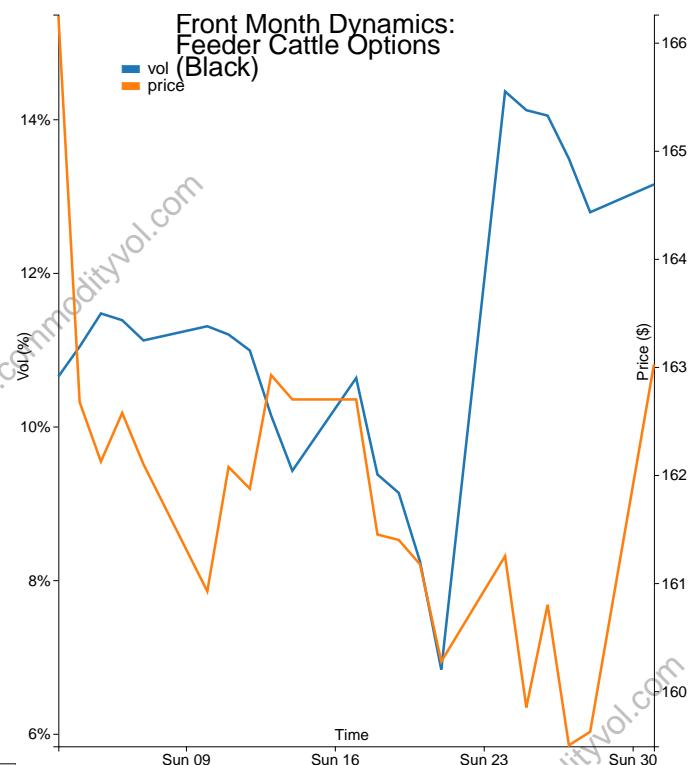
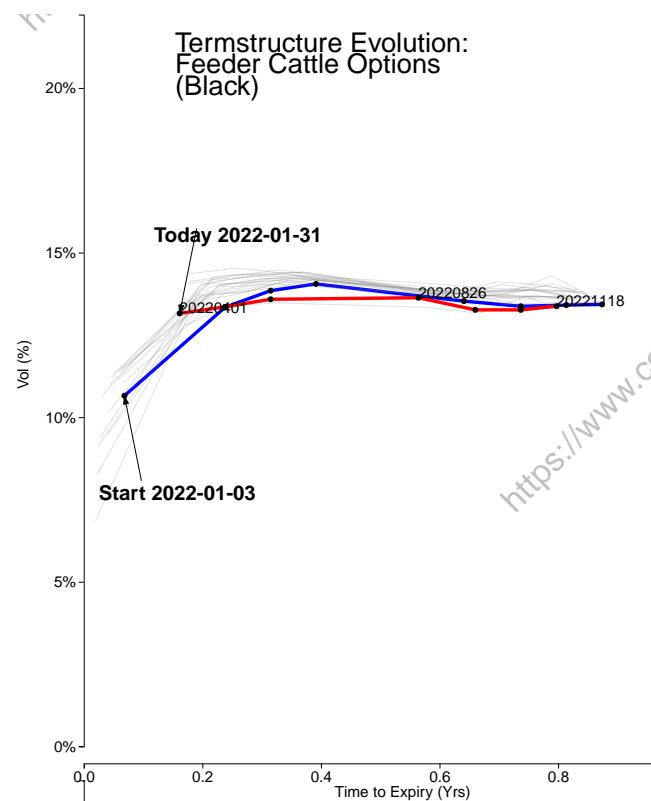


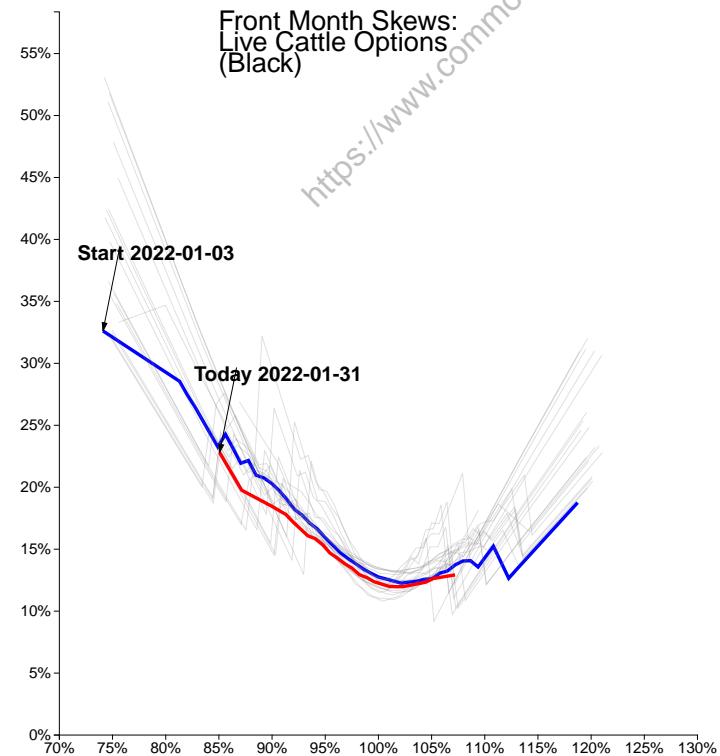
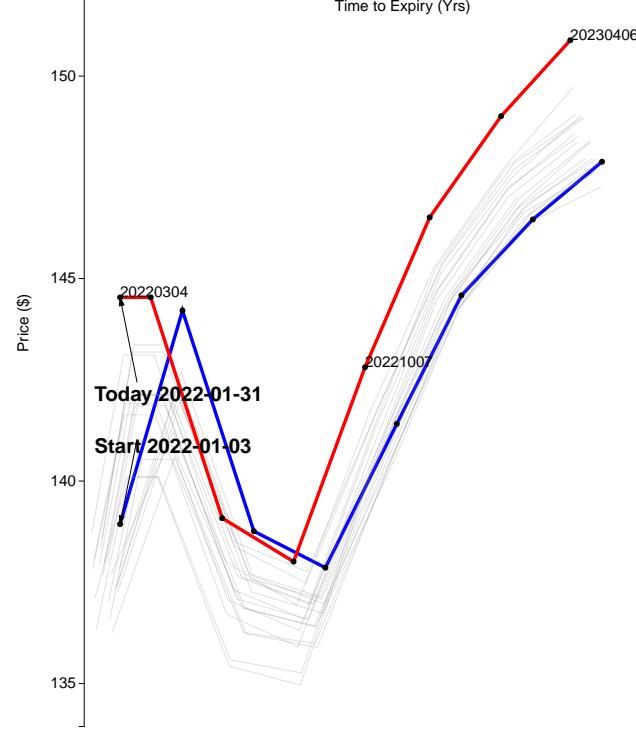
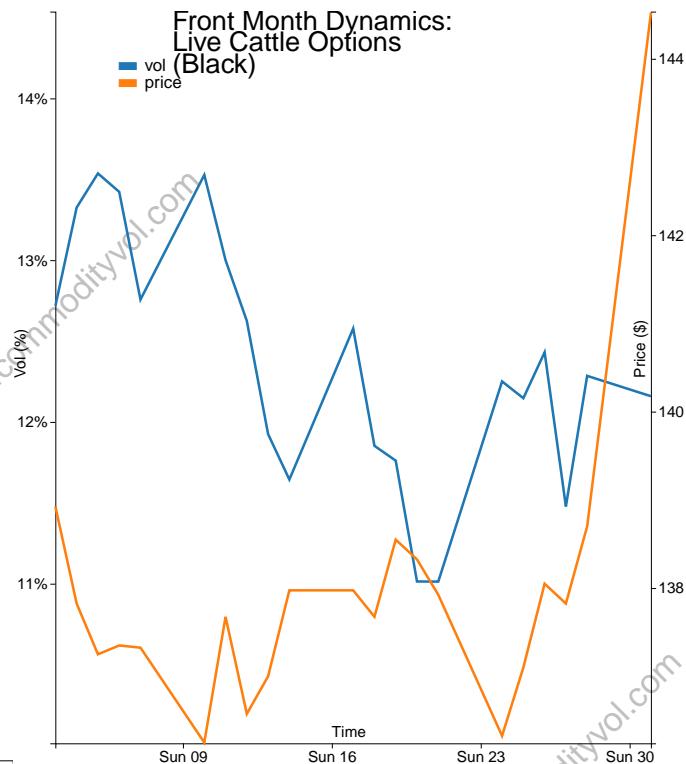
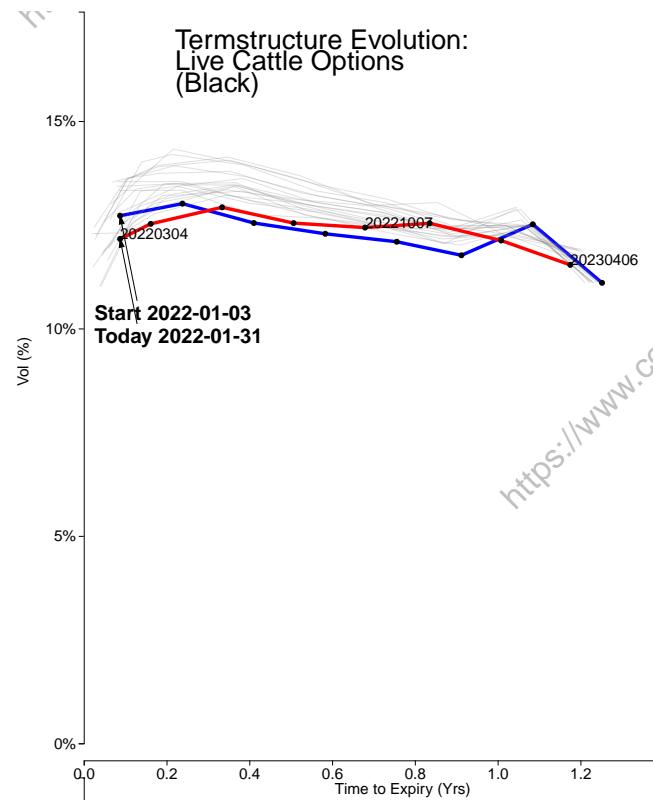


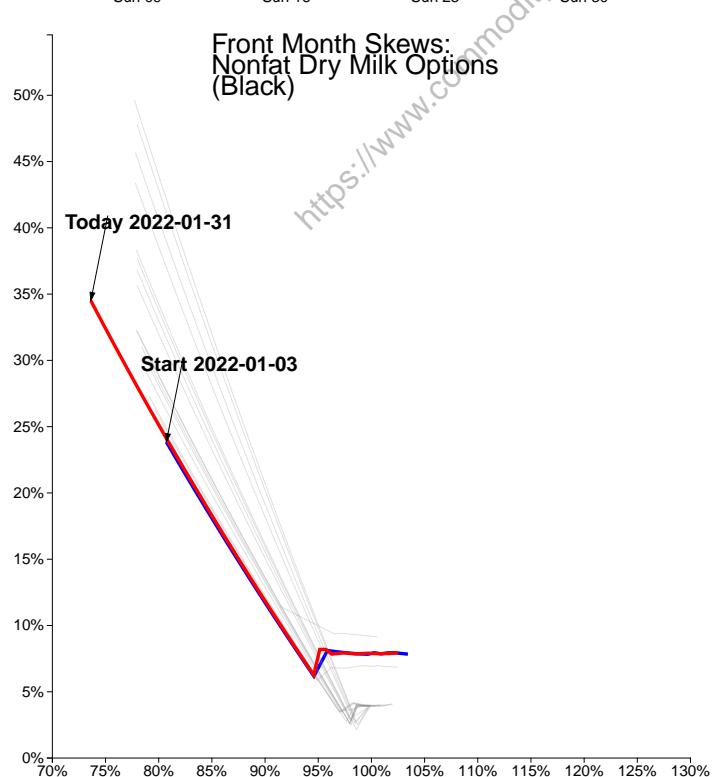
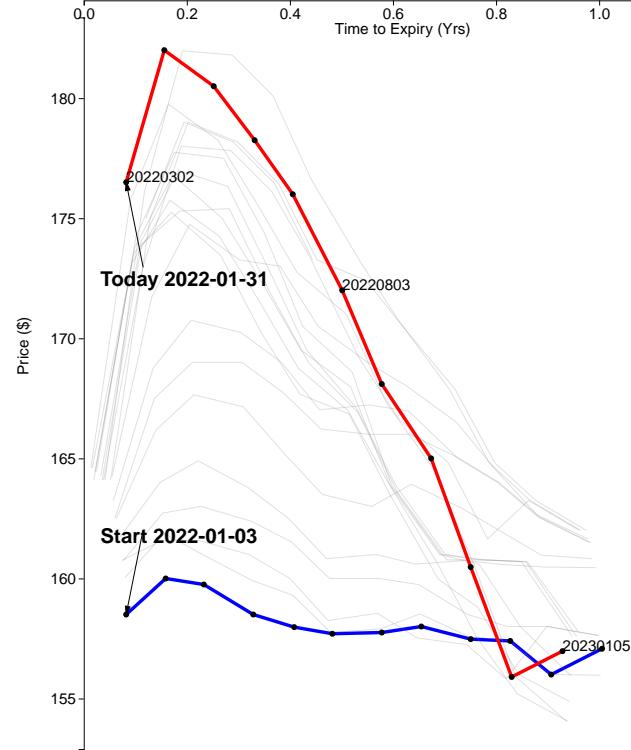
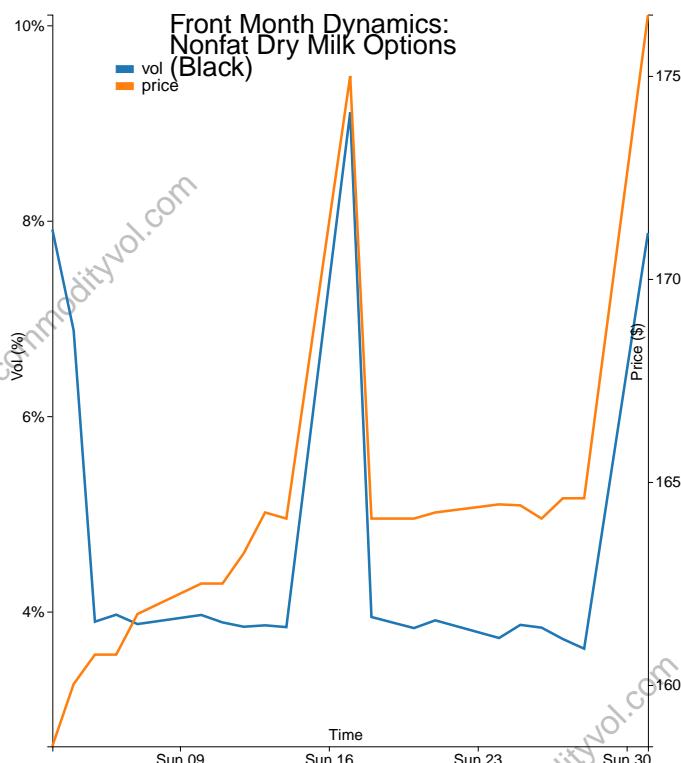
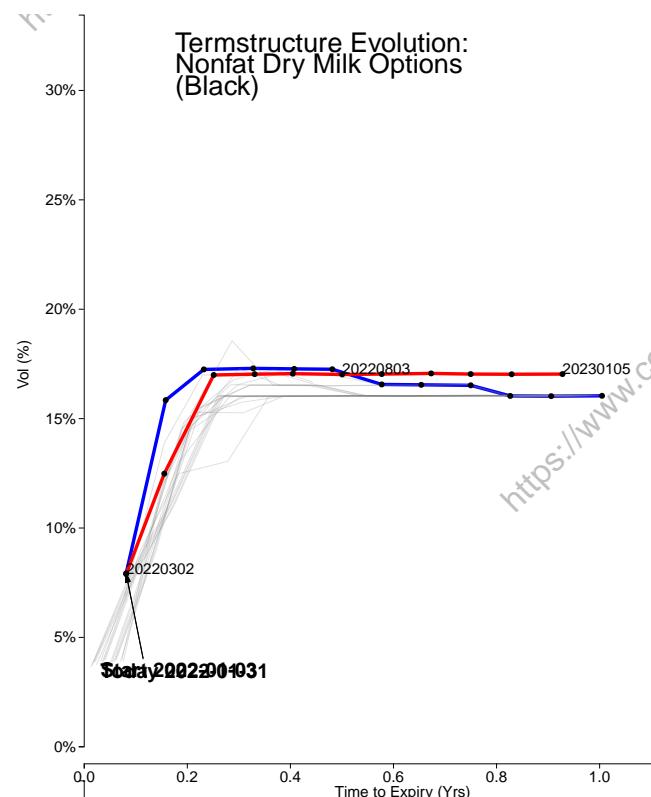


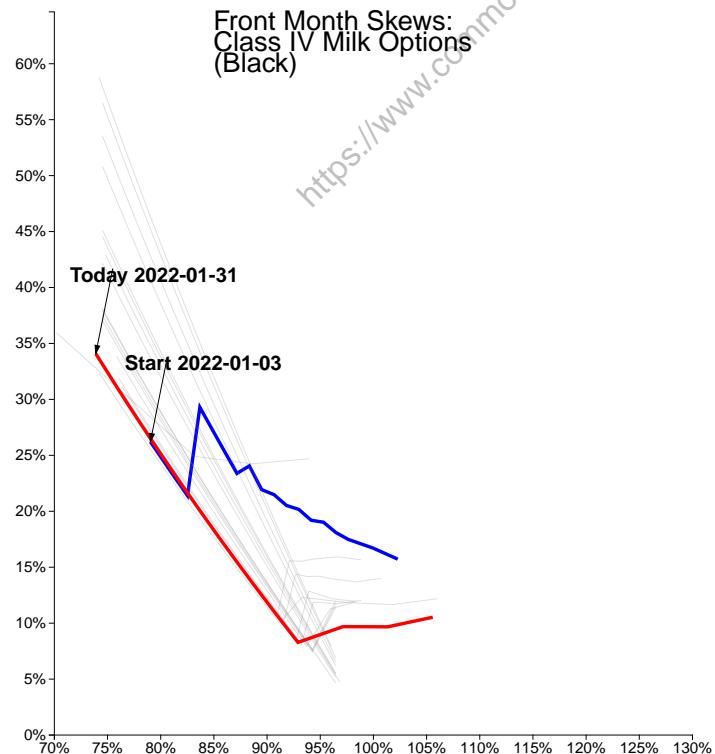
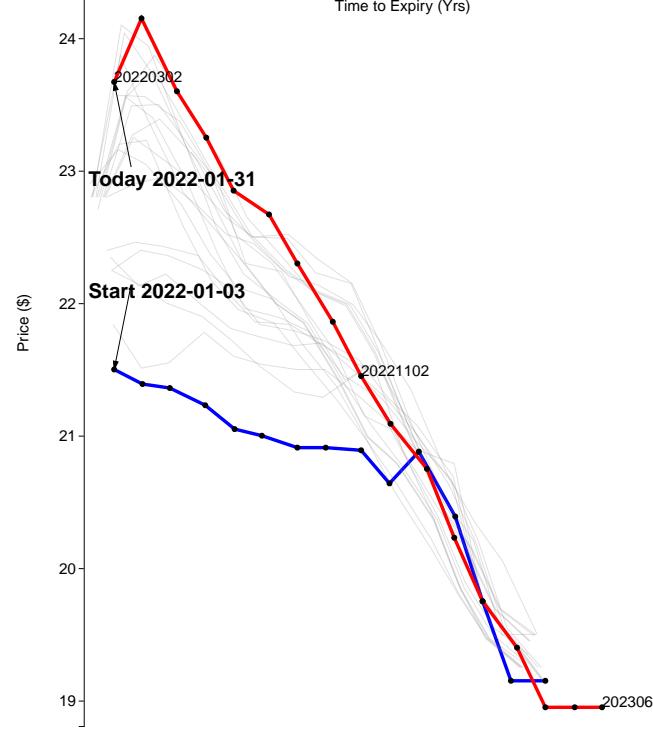
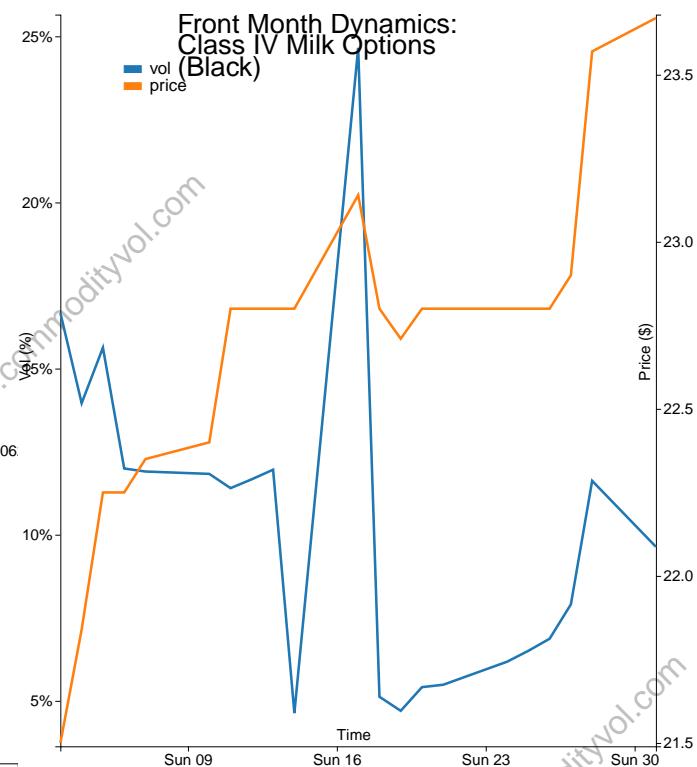
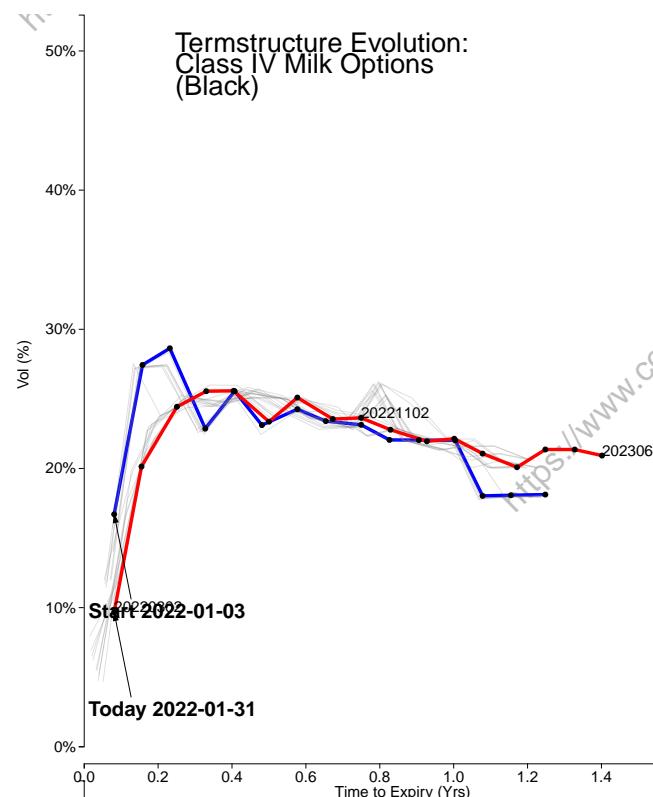
Proteins, Meats and so forth



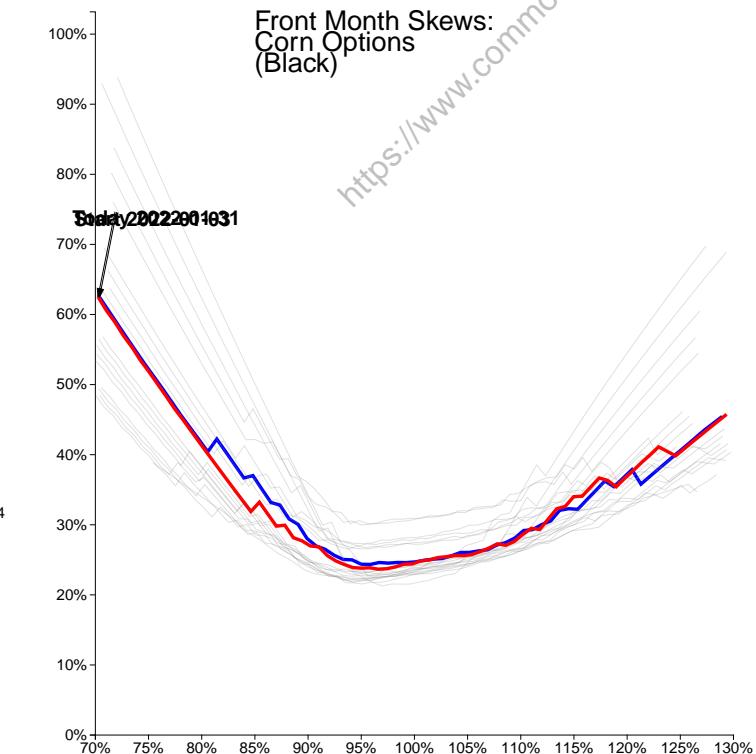
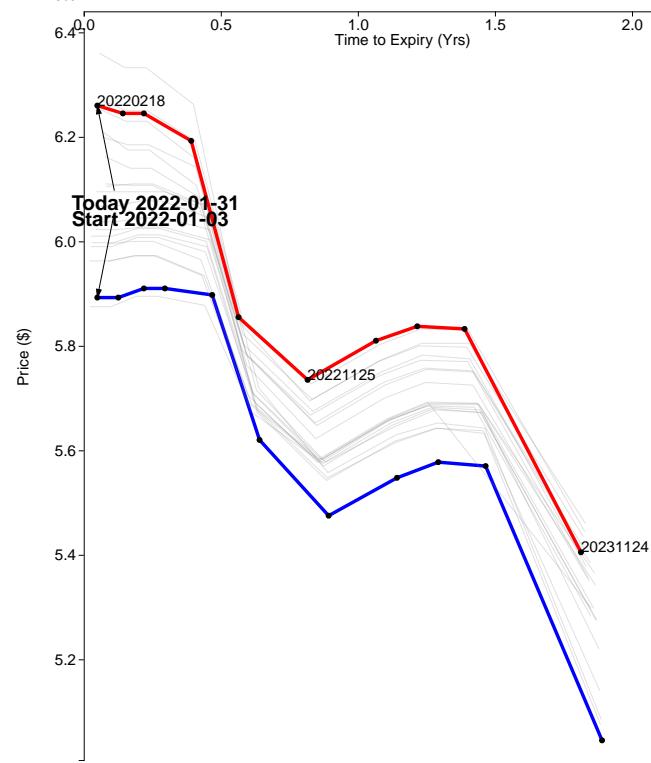
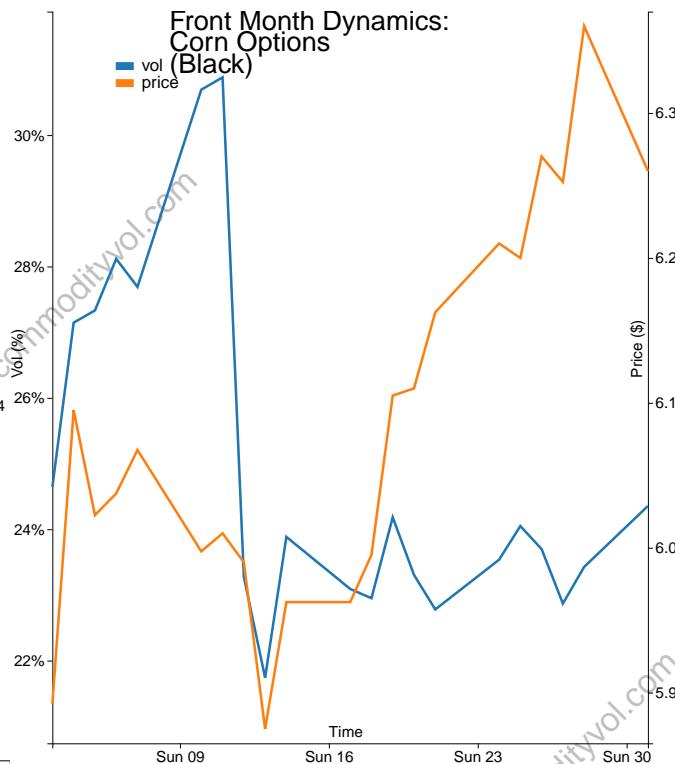
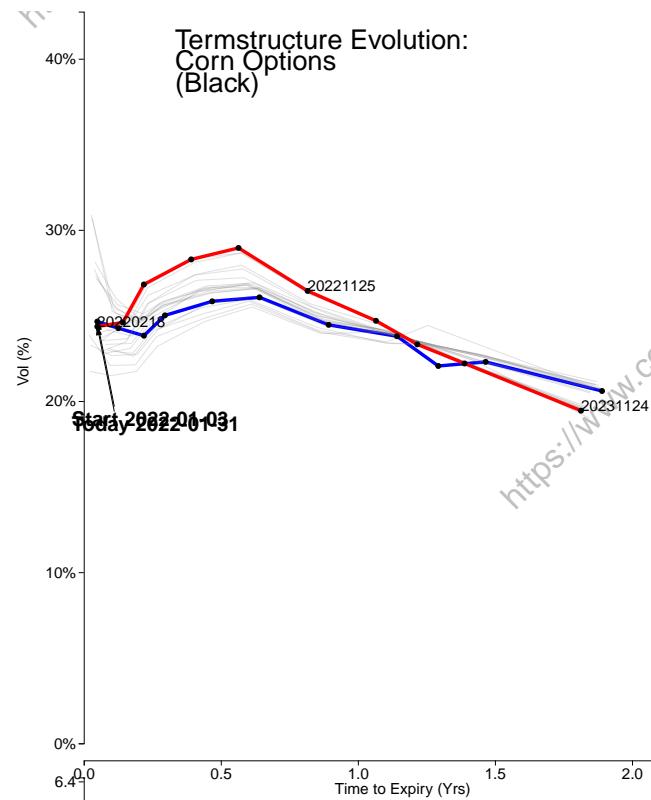


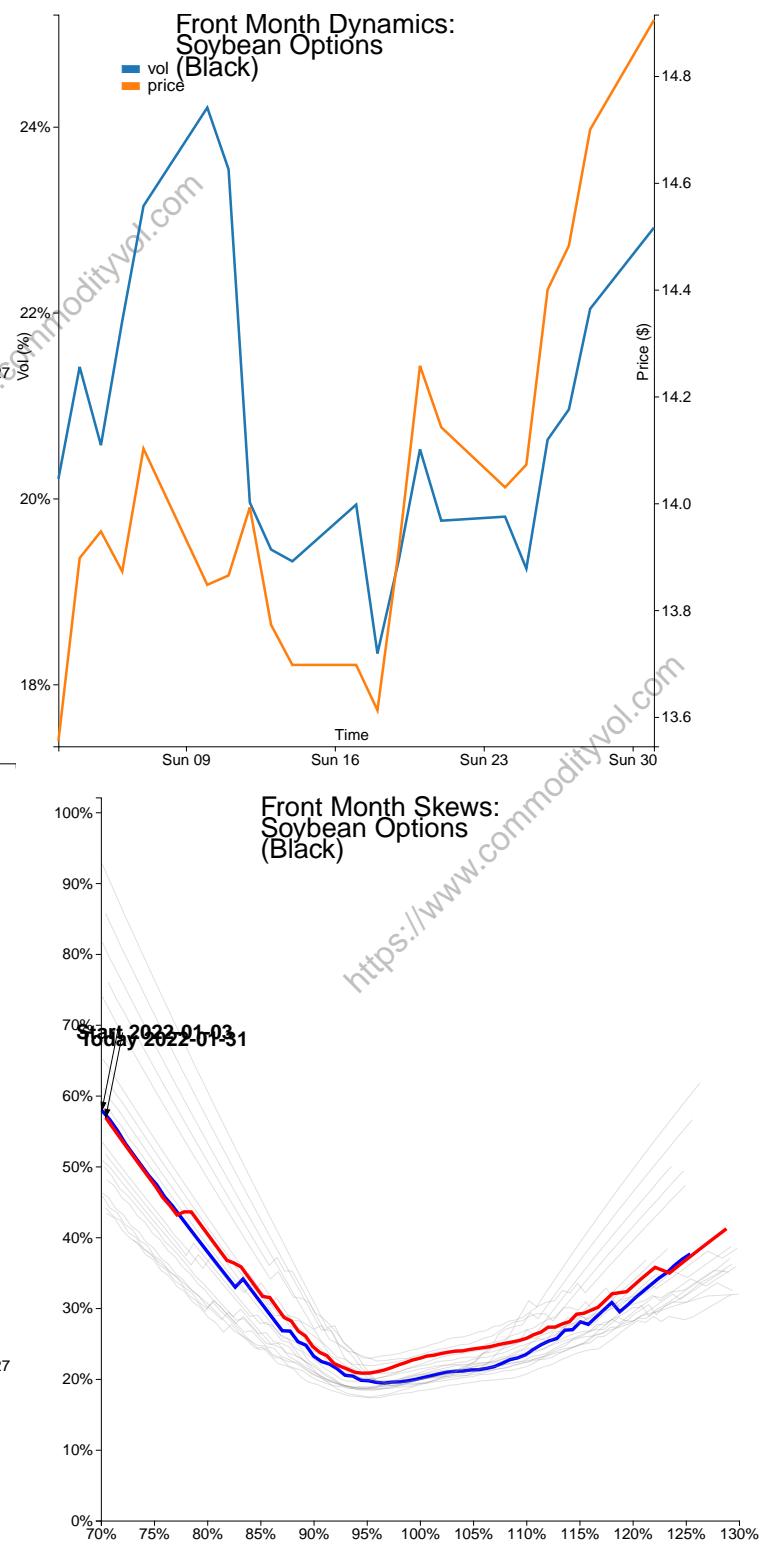
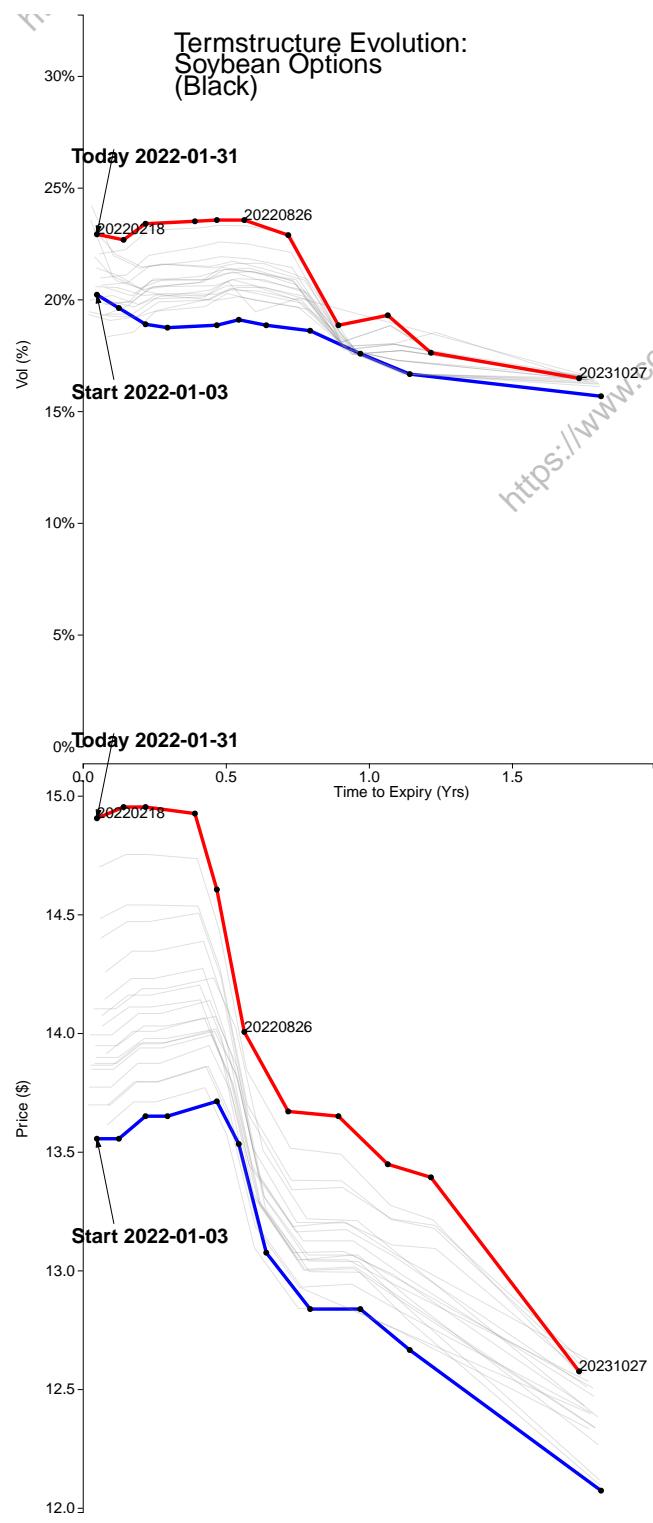


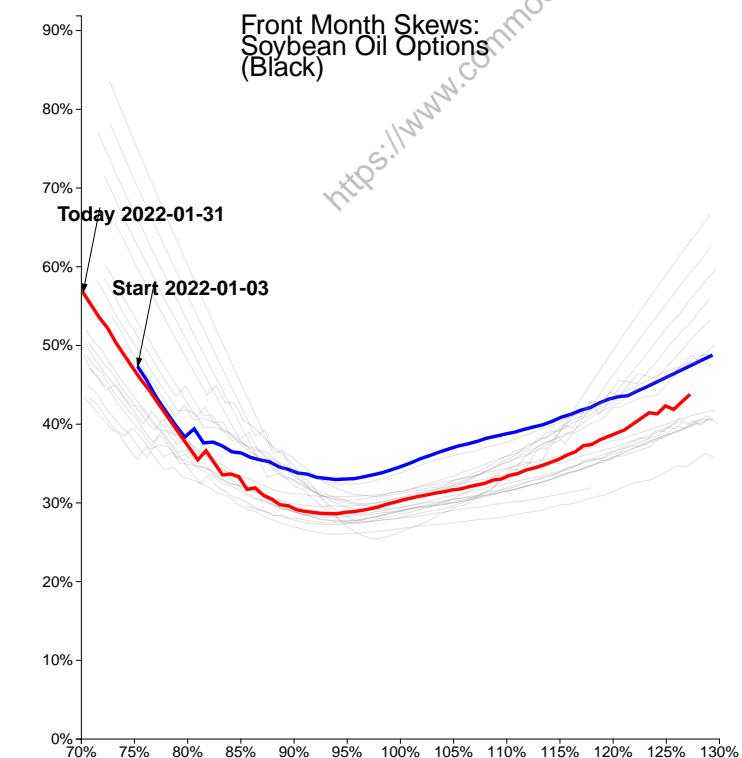
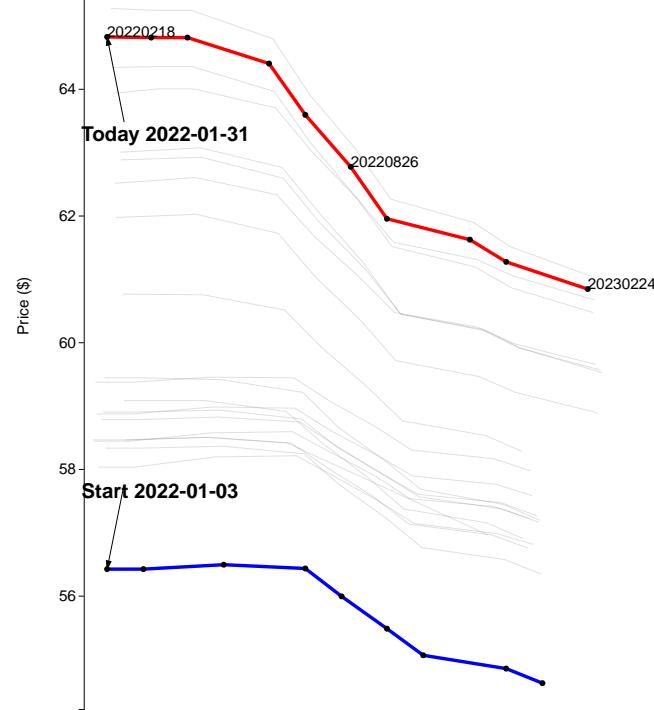
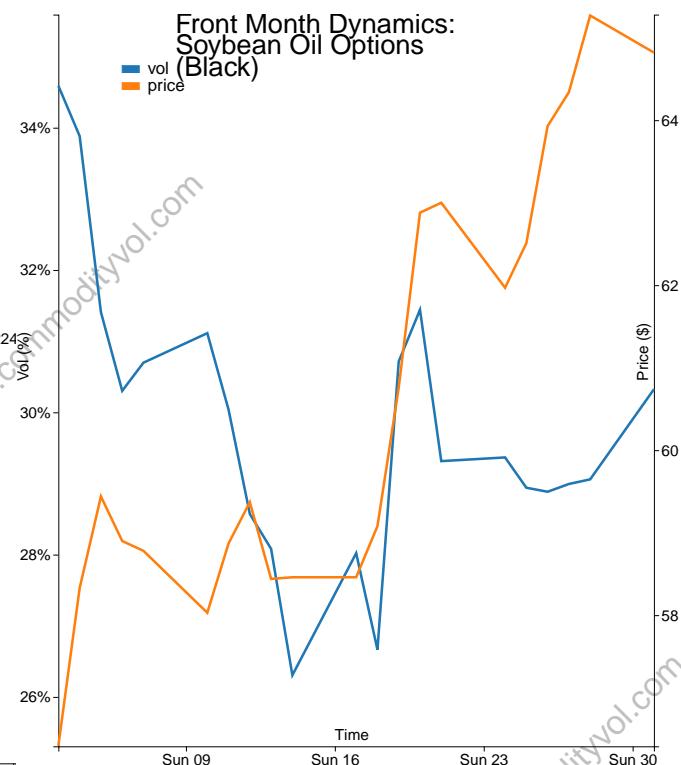
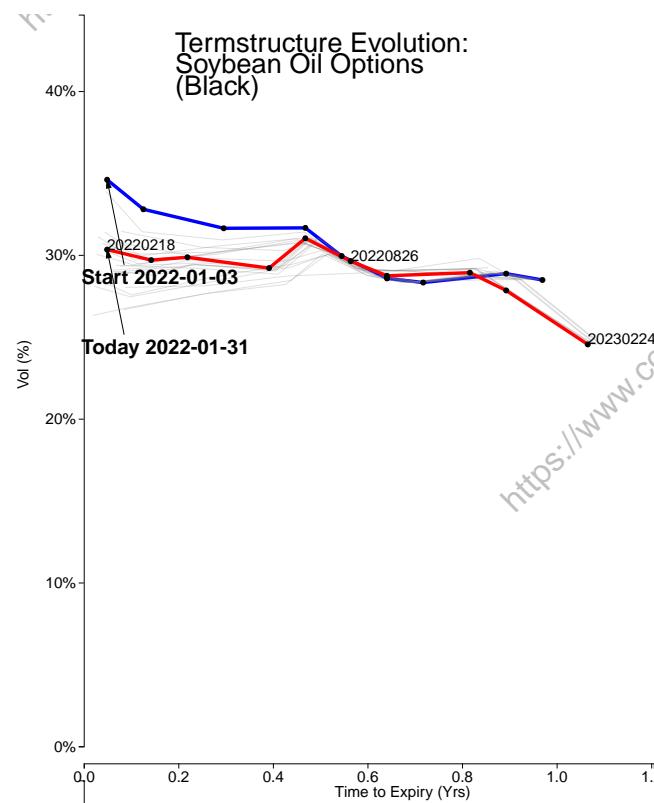


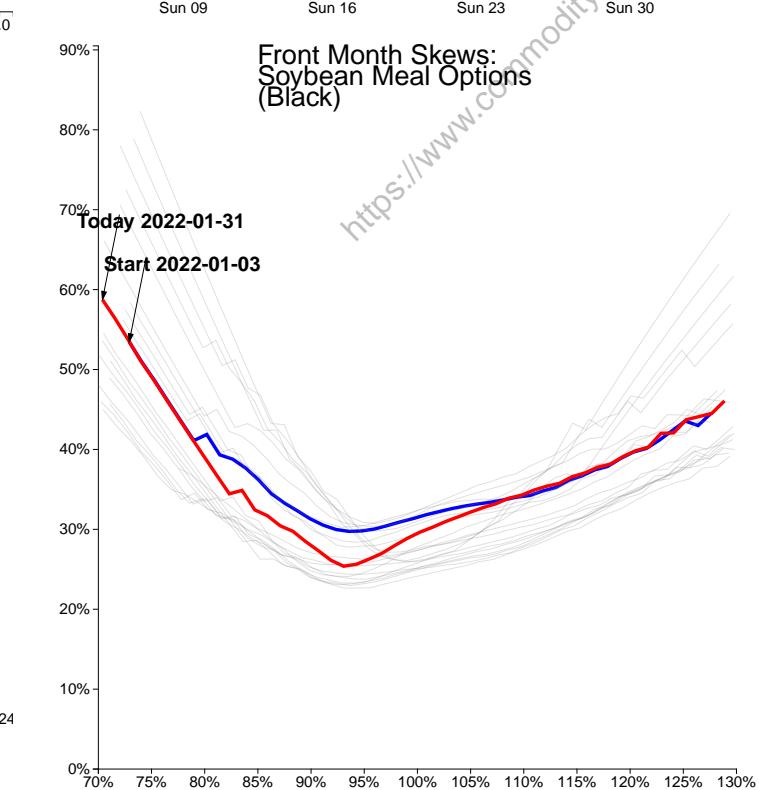
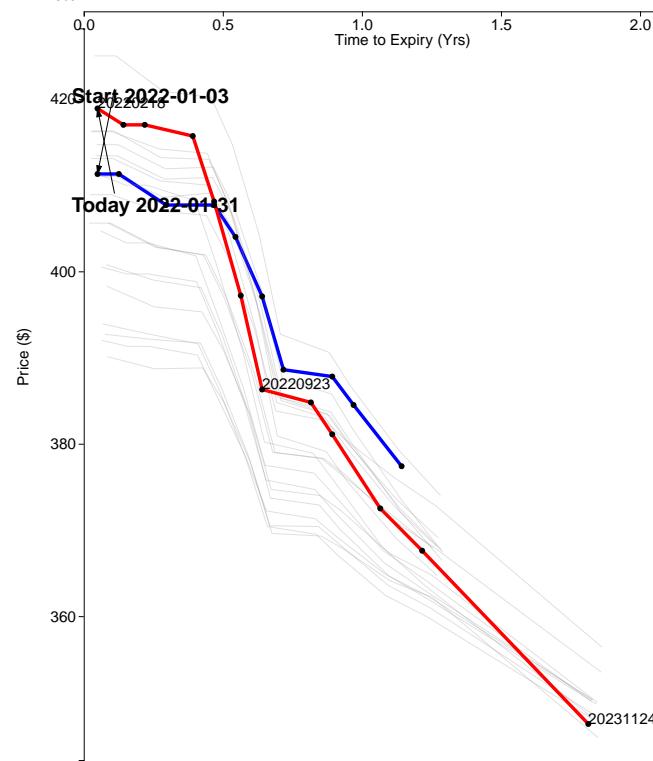
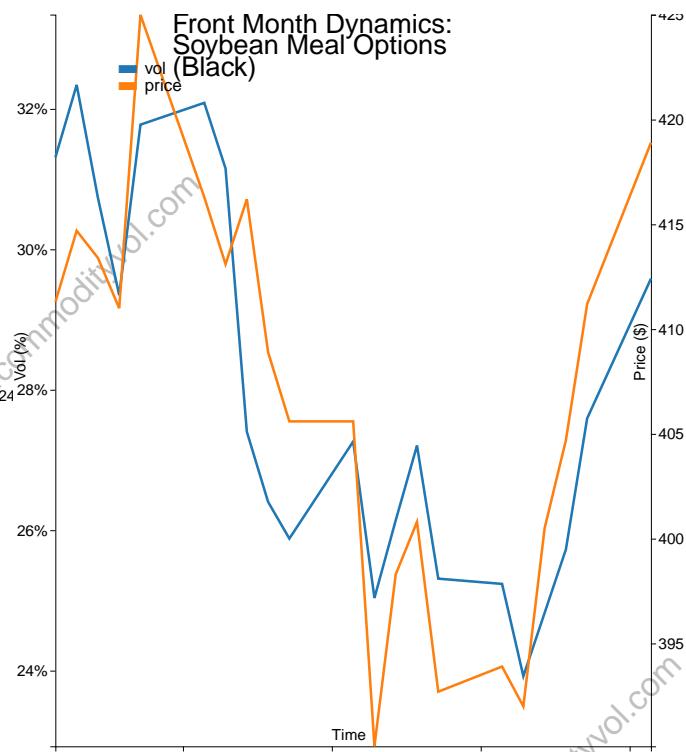
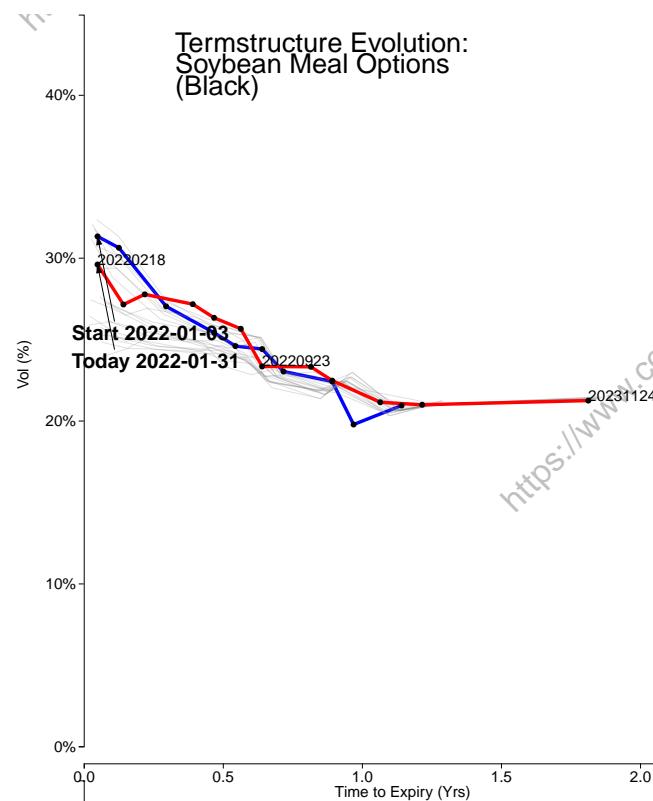


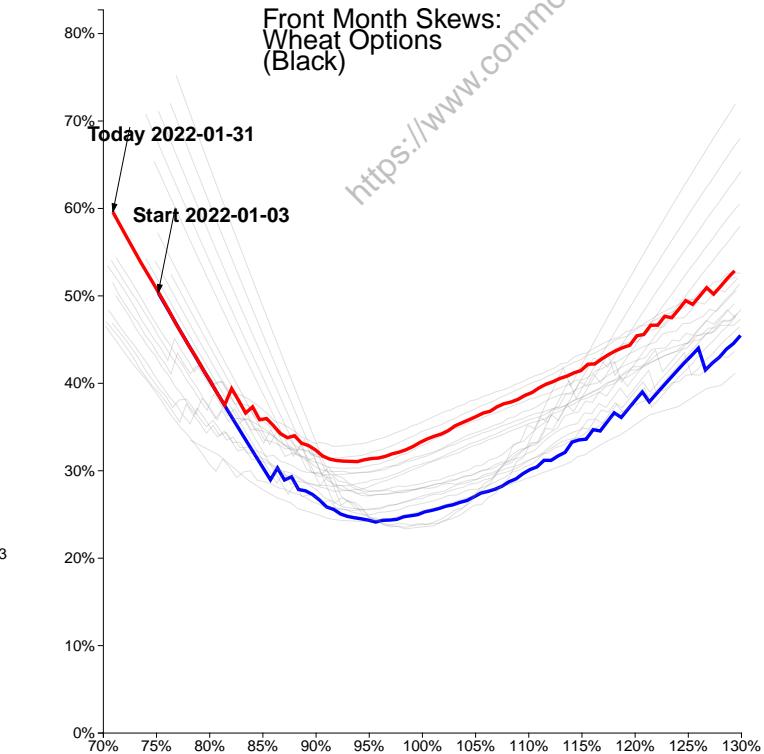
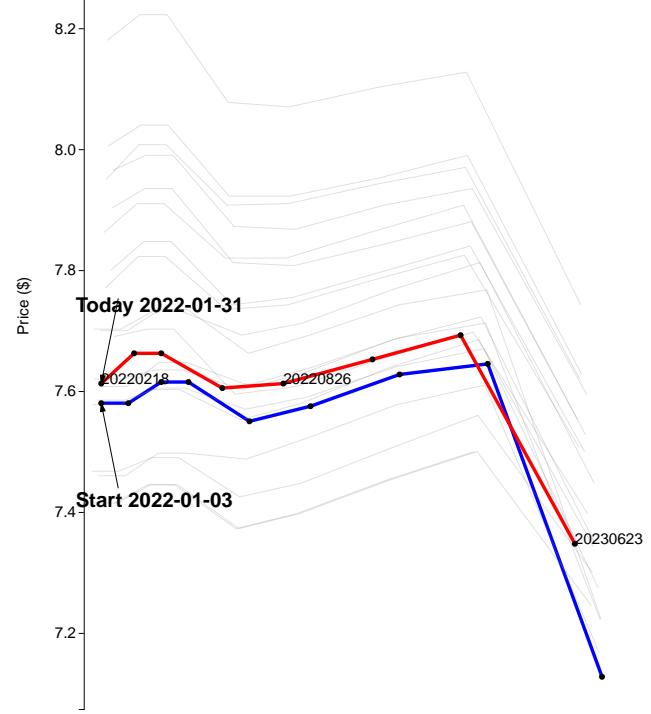
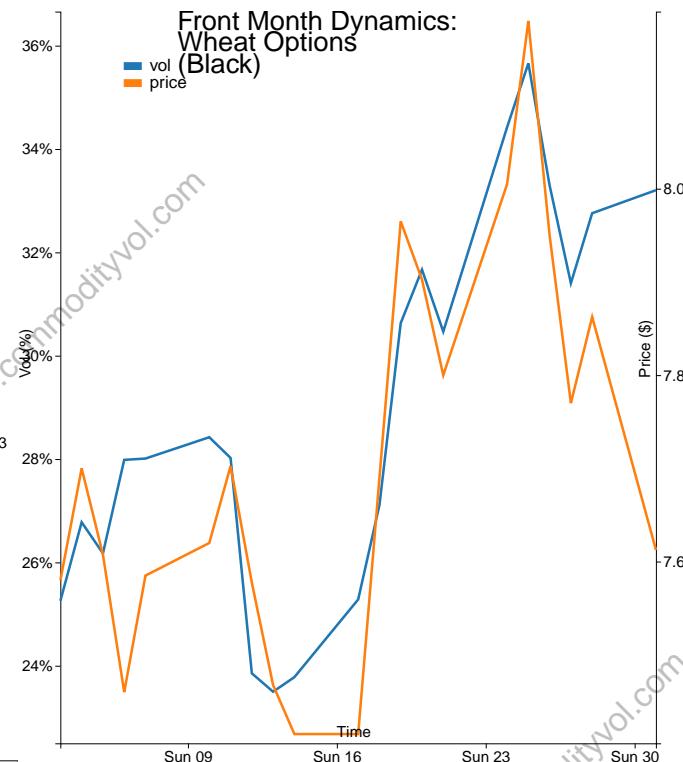
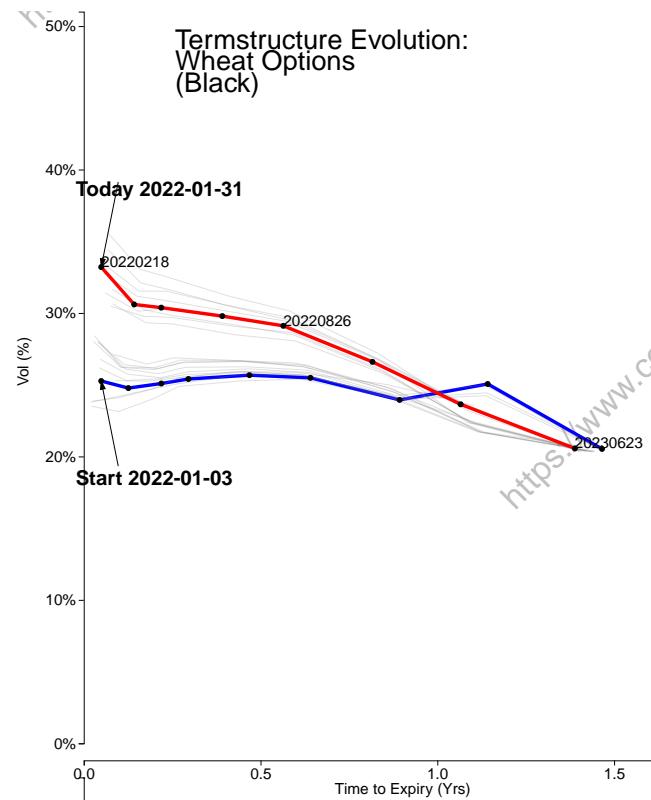
Ags, Grains, Softs and so forth

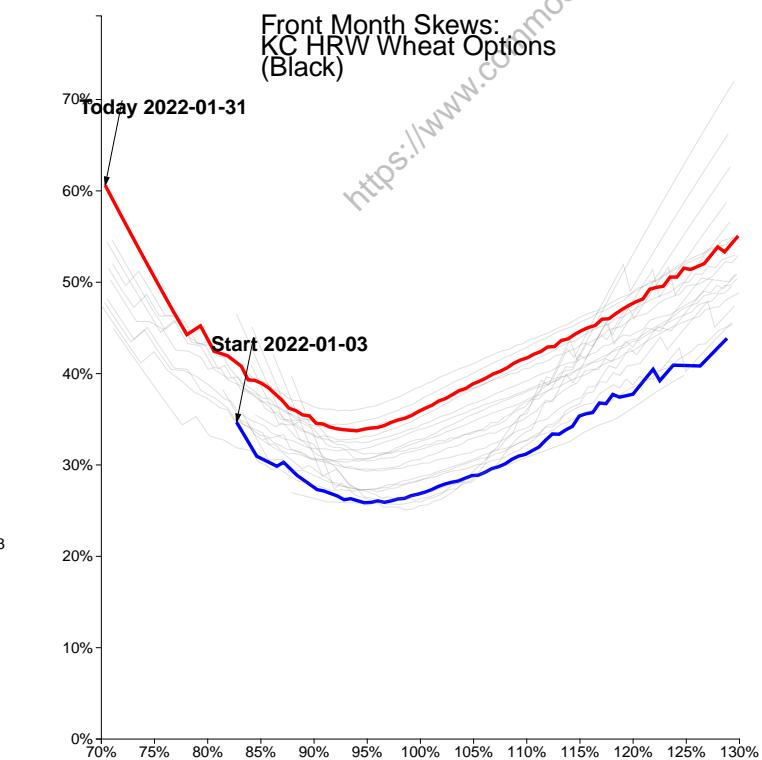
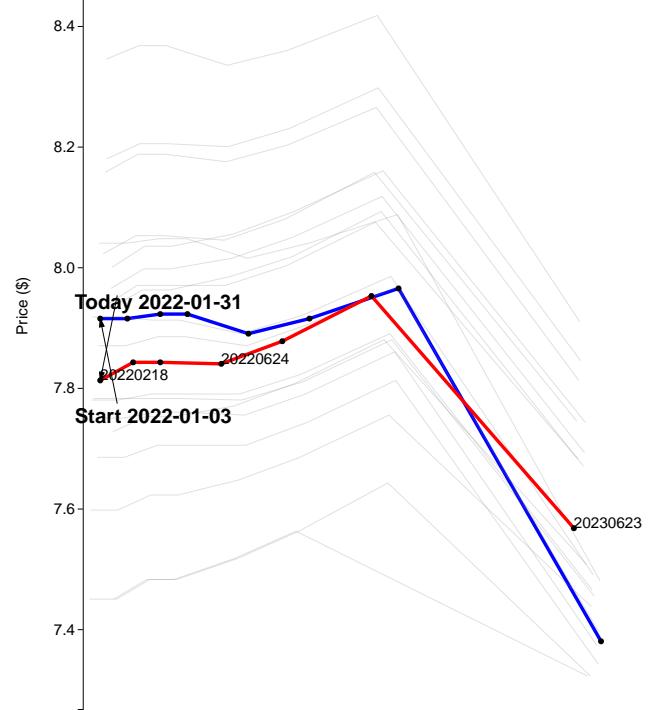
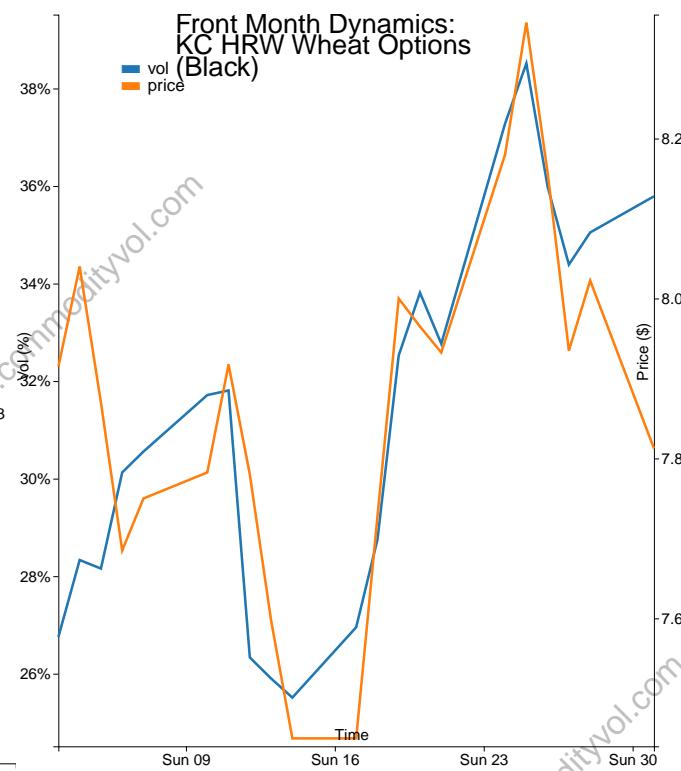
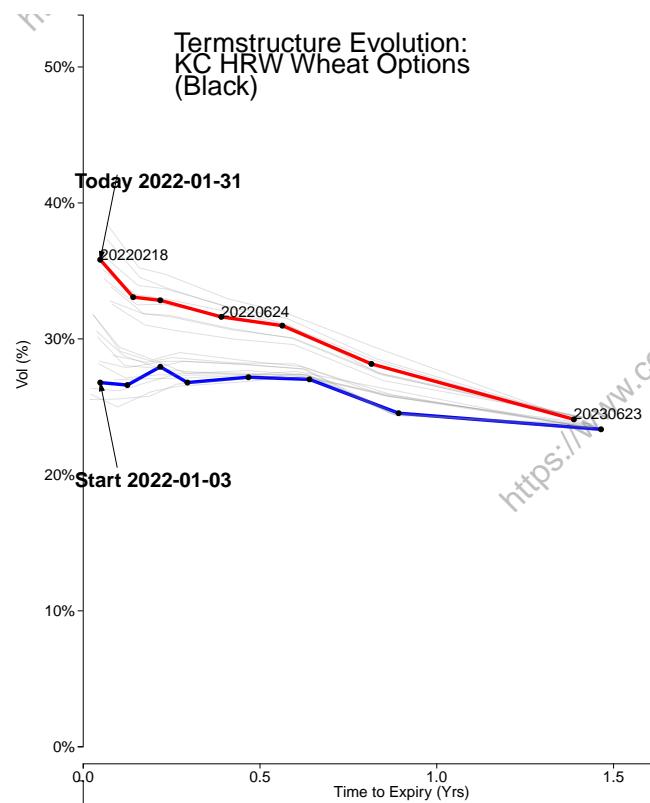


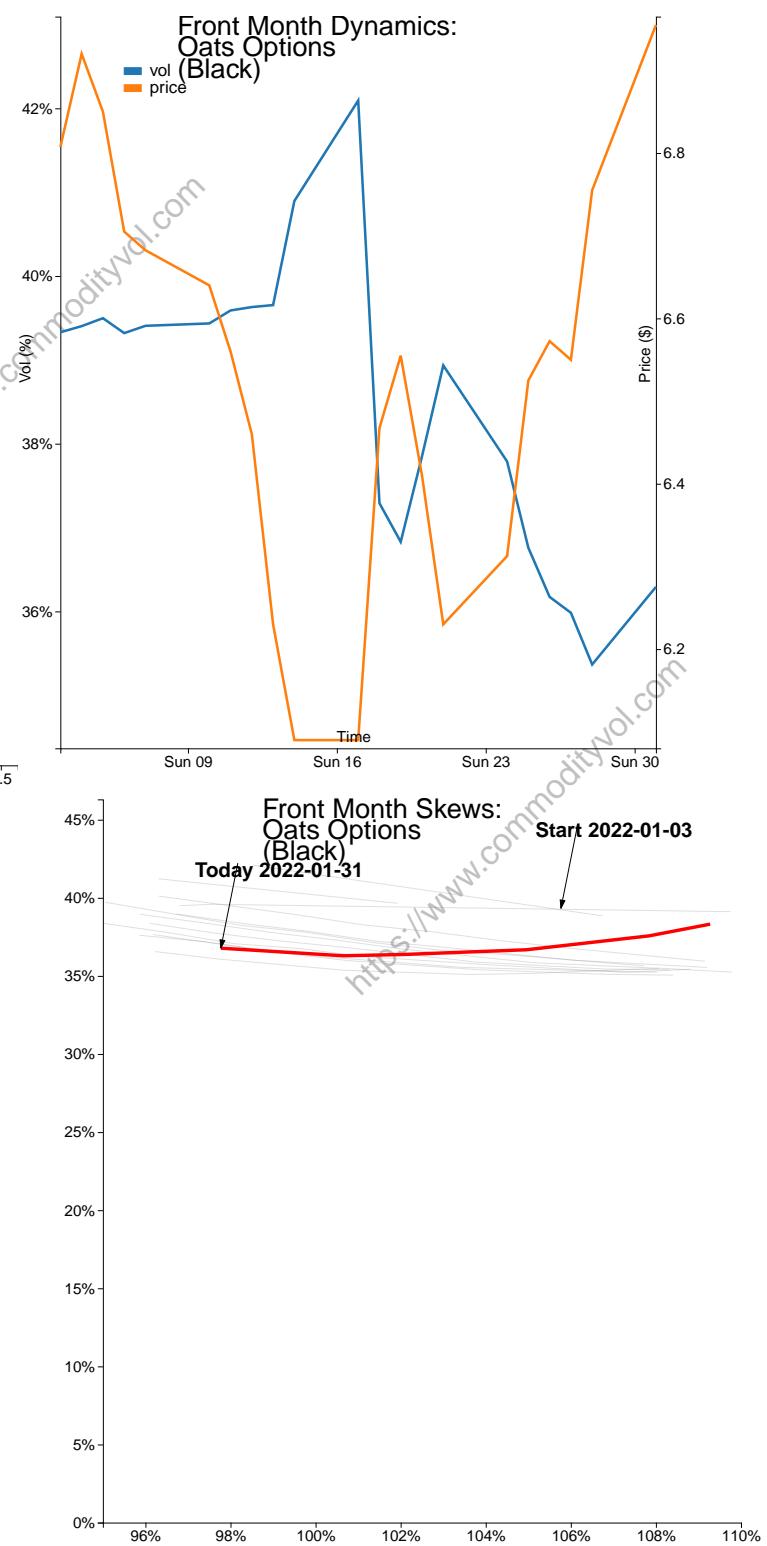
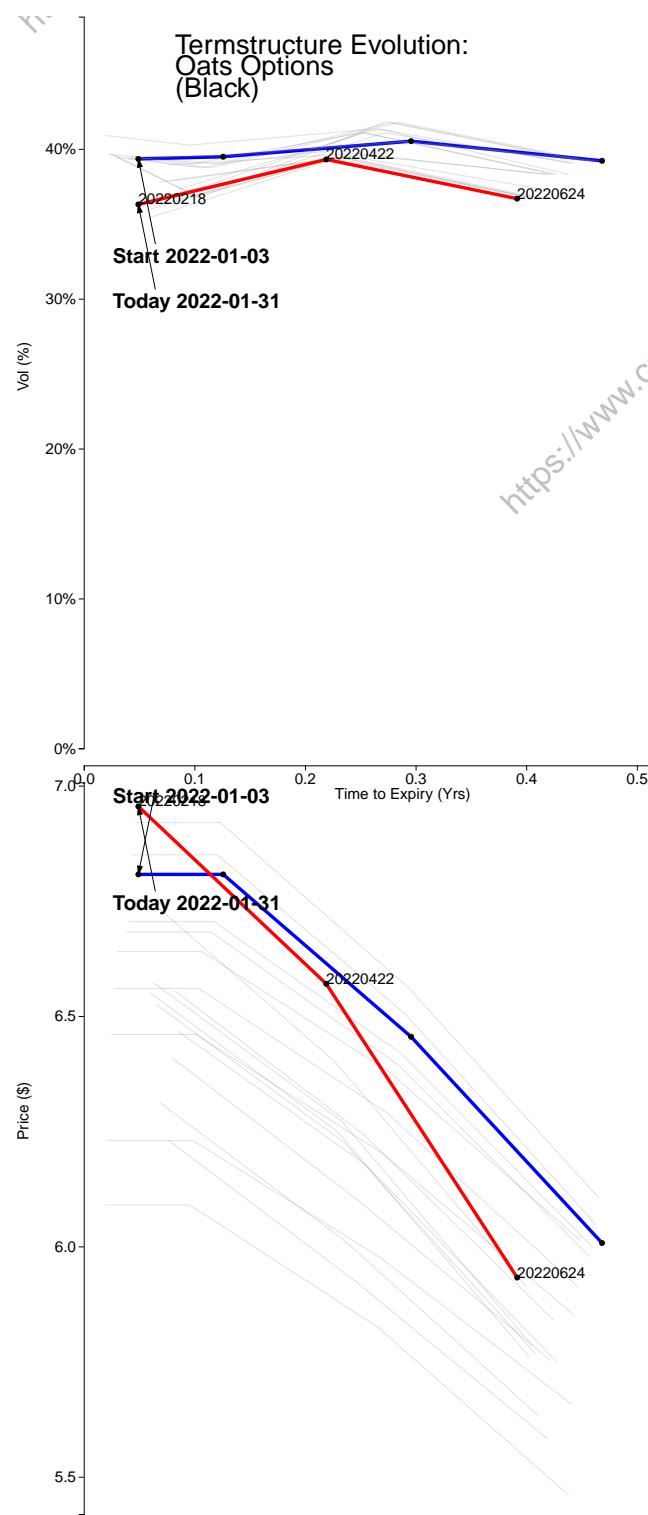


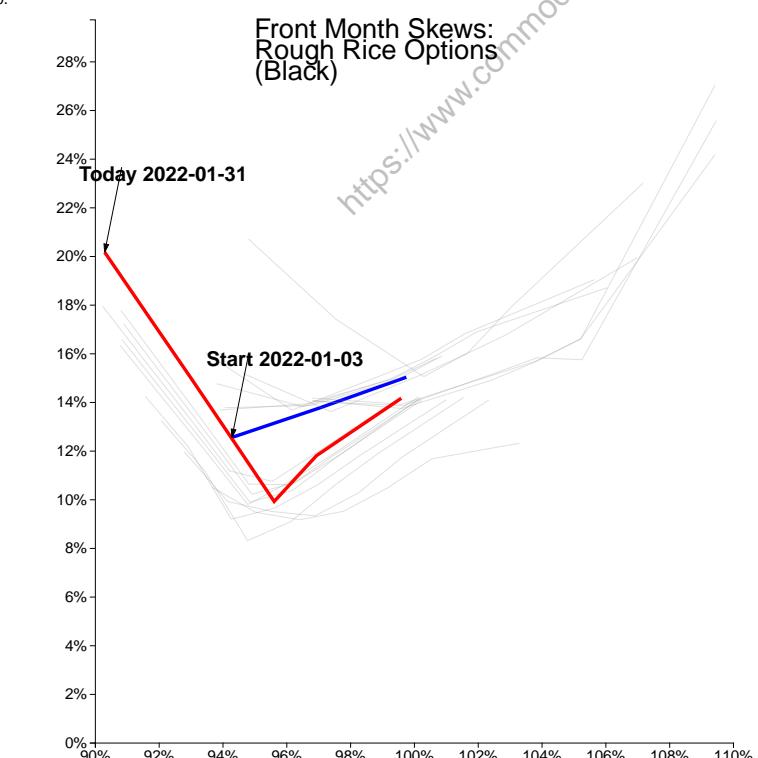
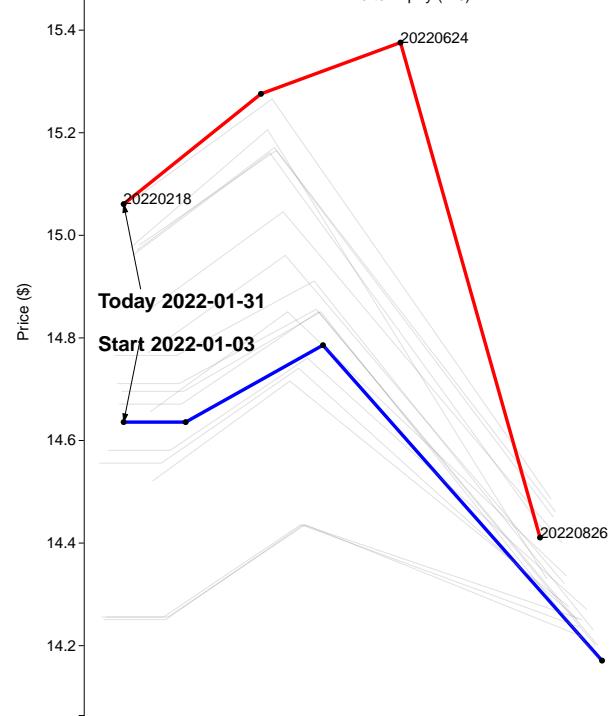
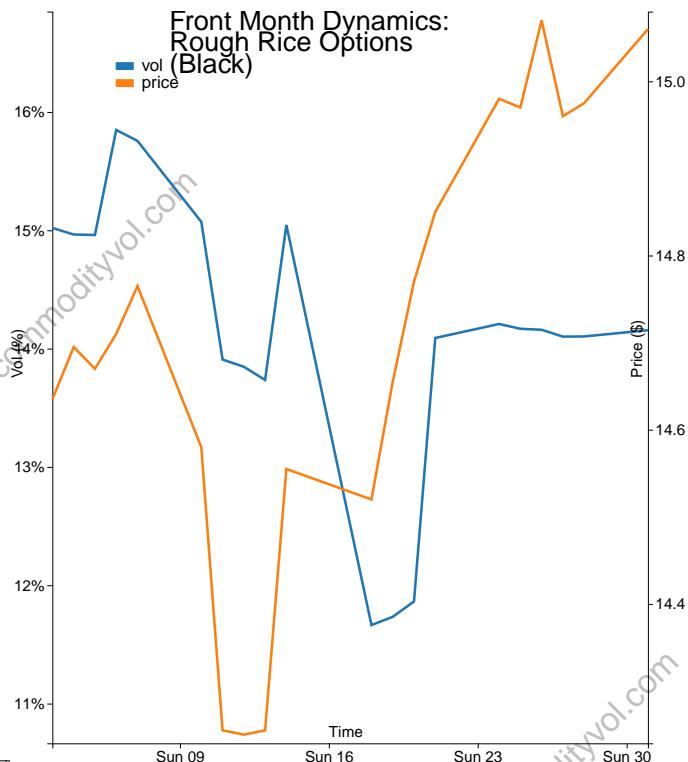
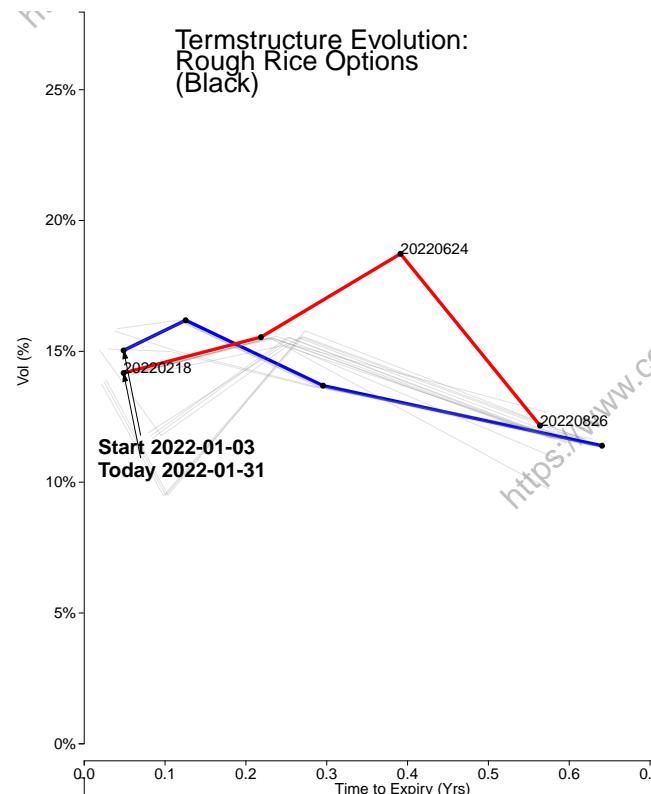


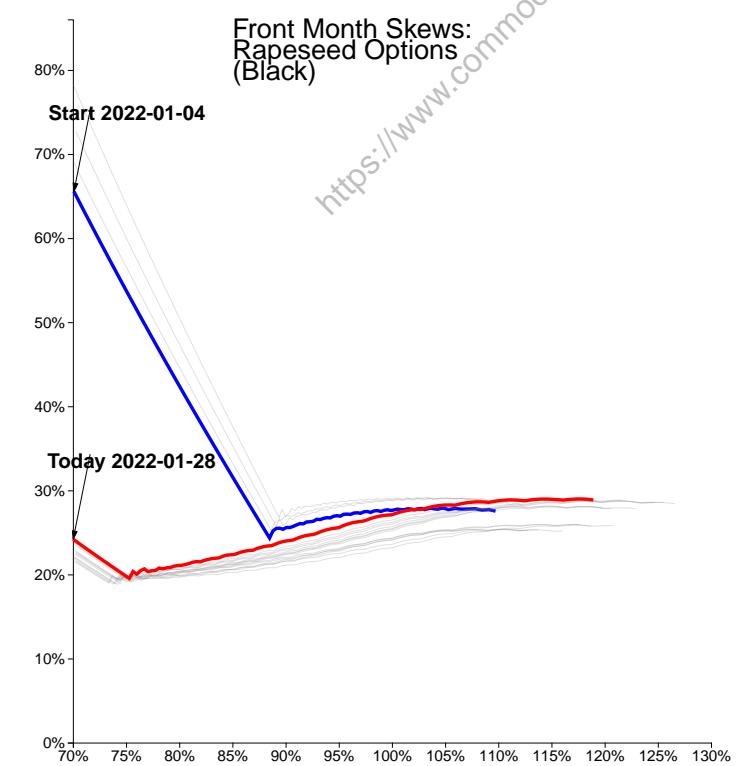
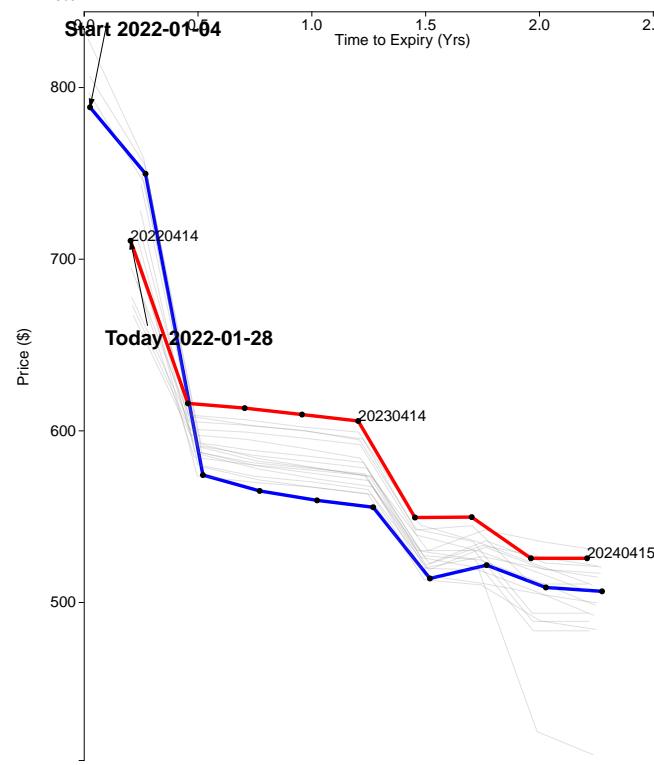
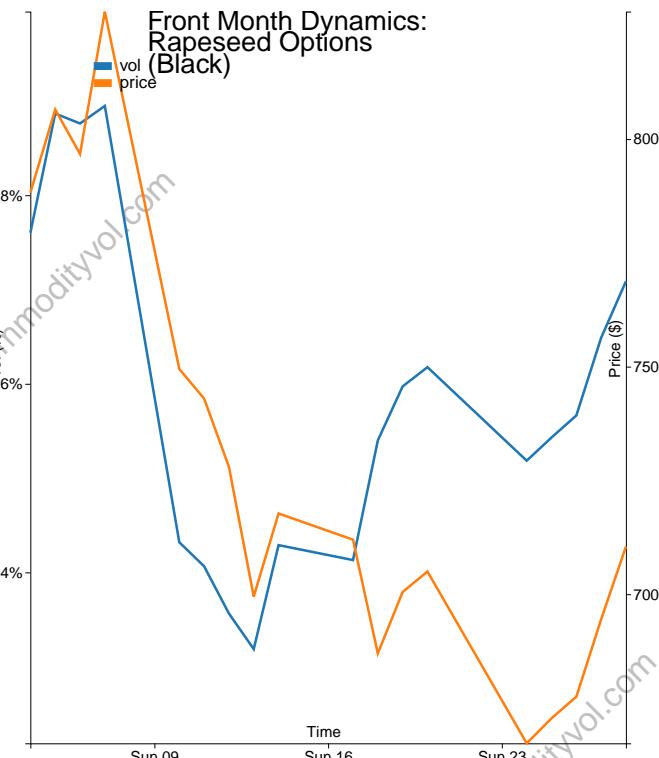
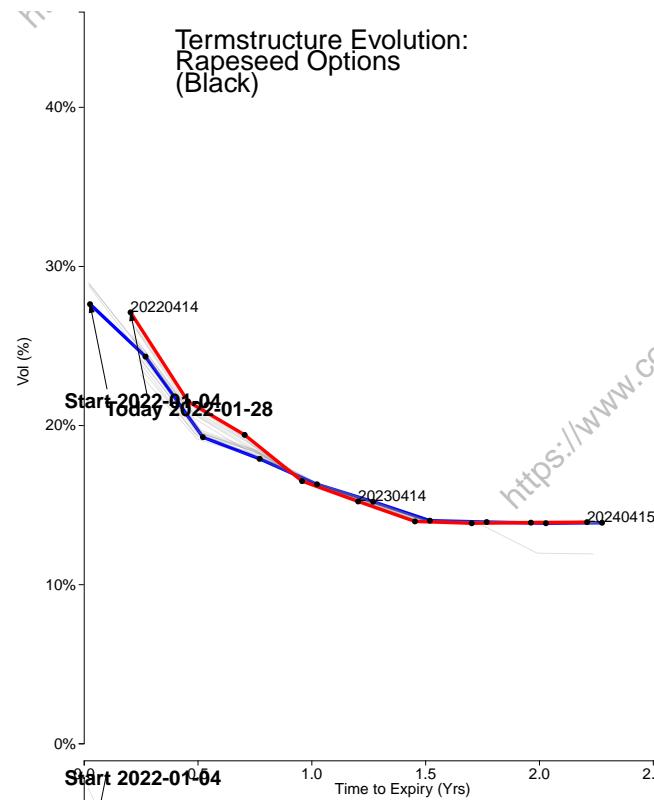




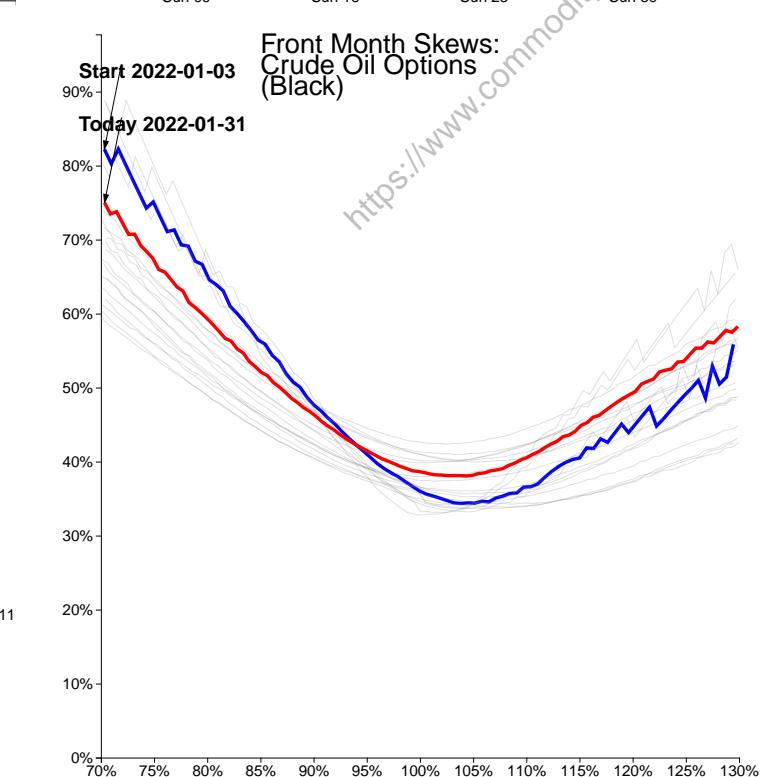
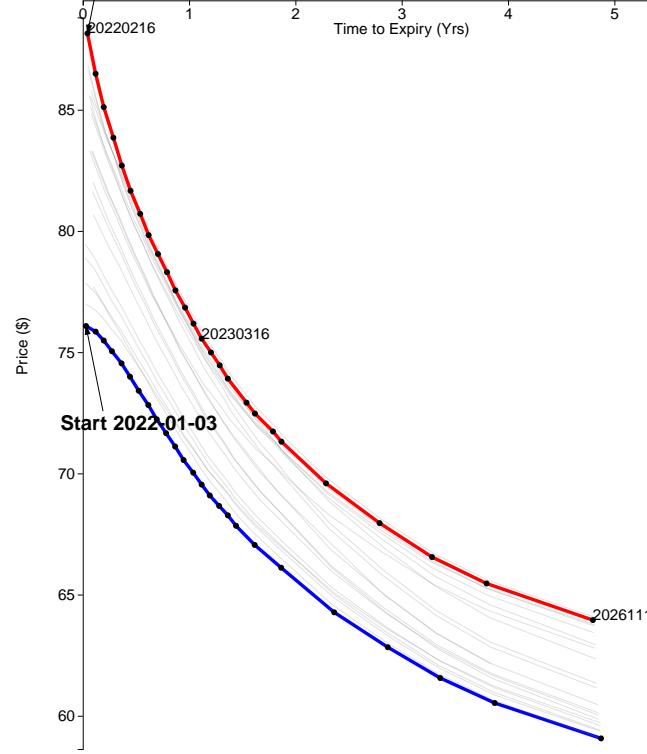
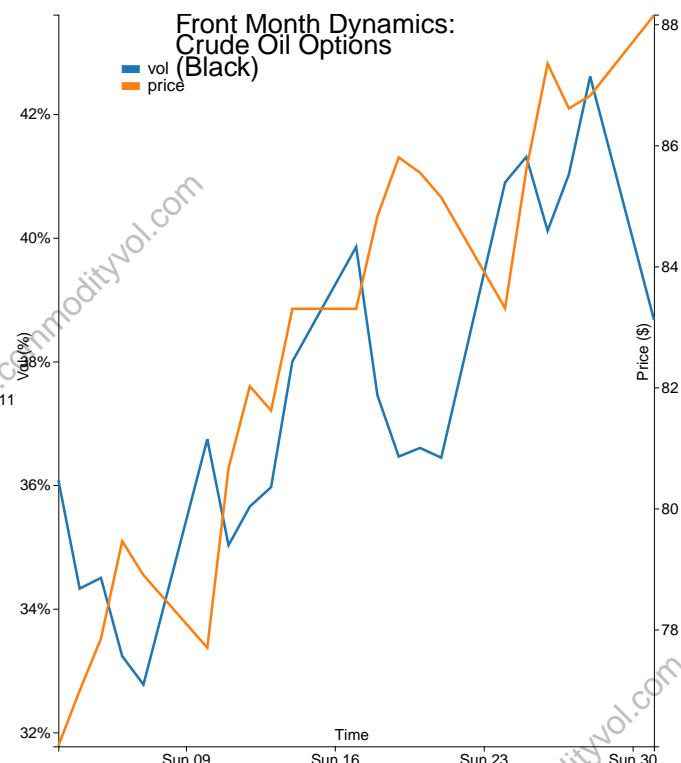
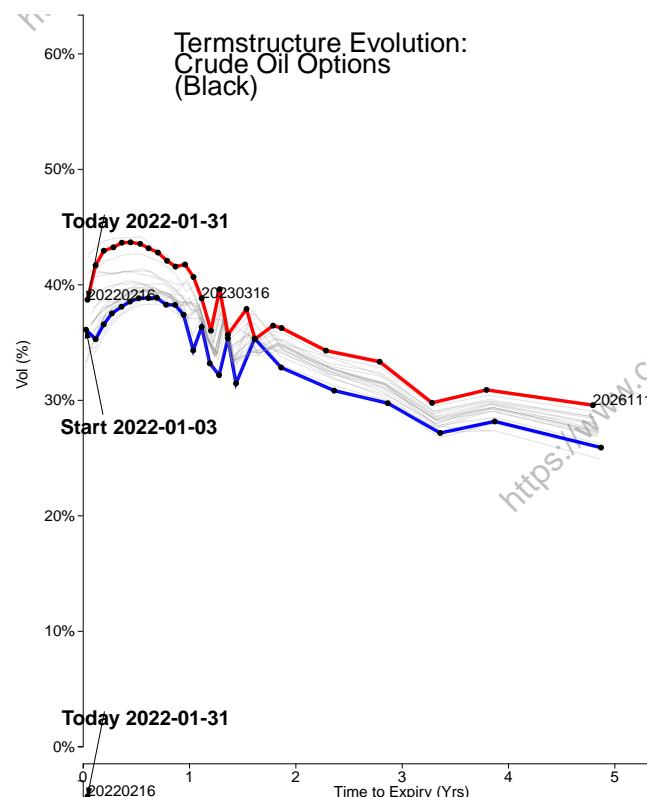


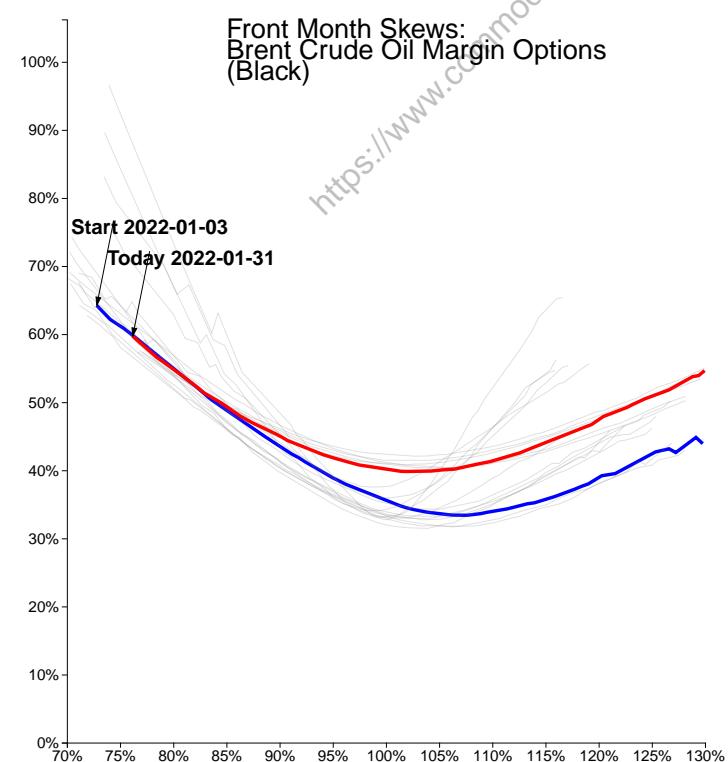
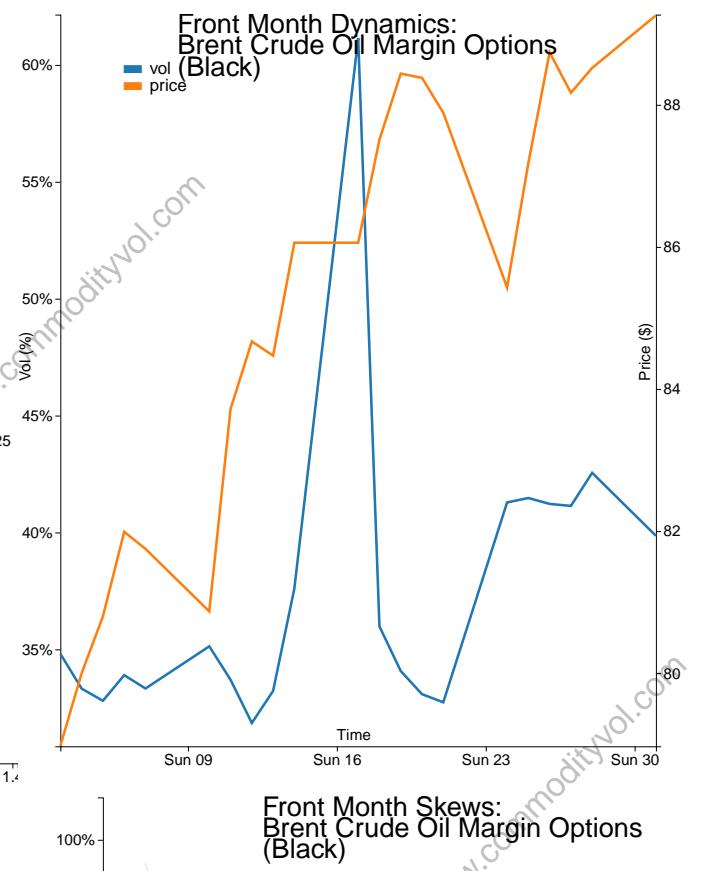
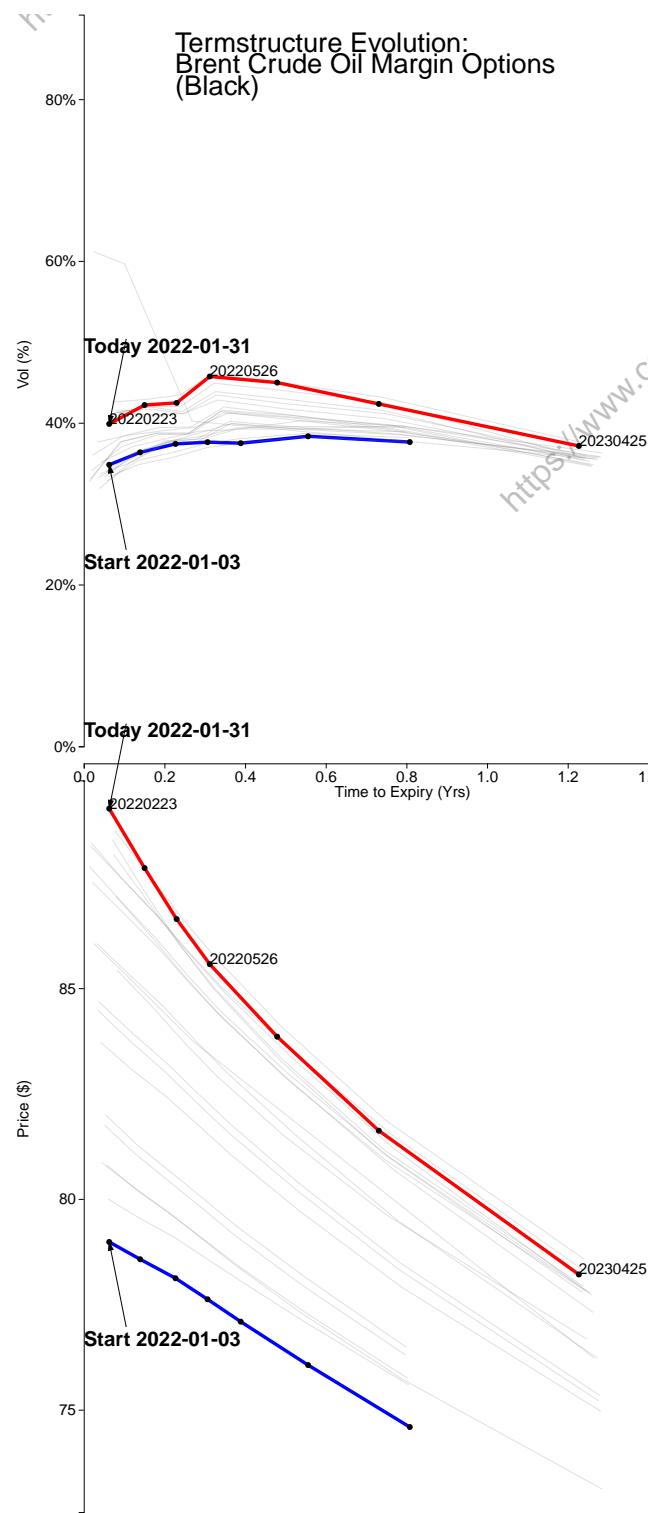


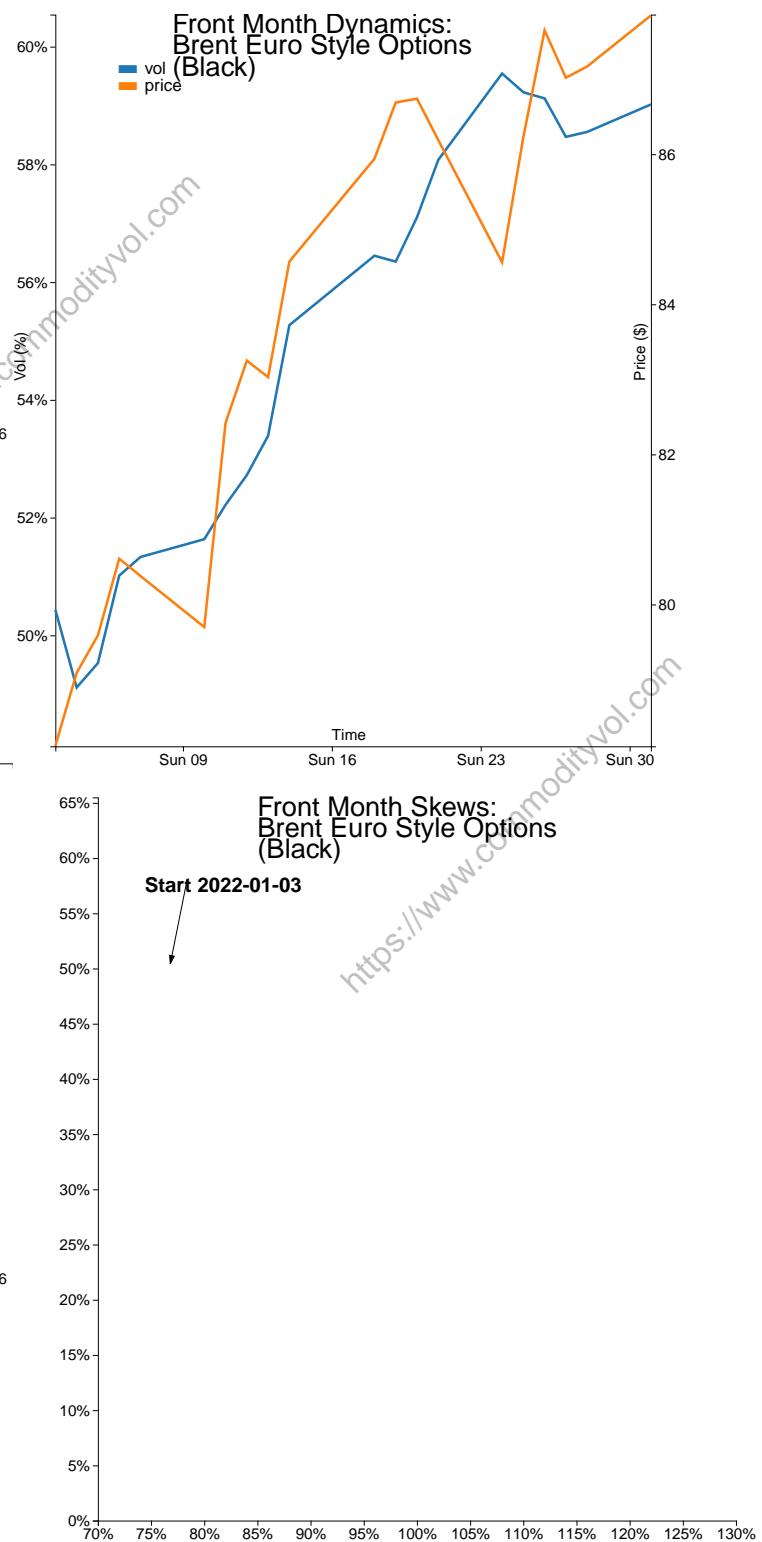
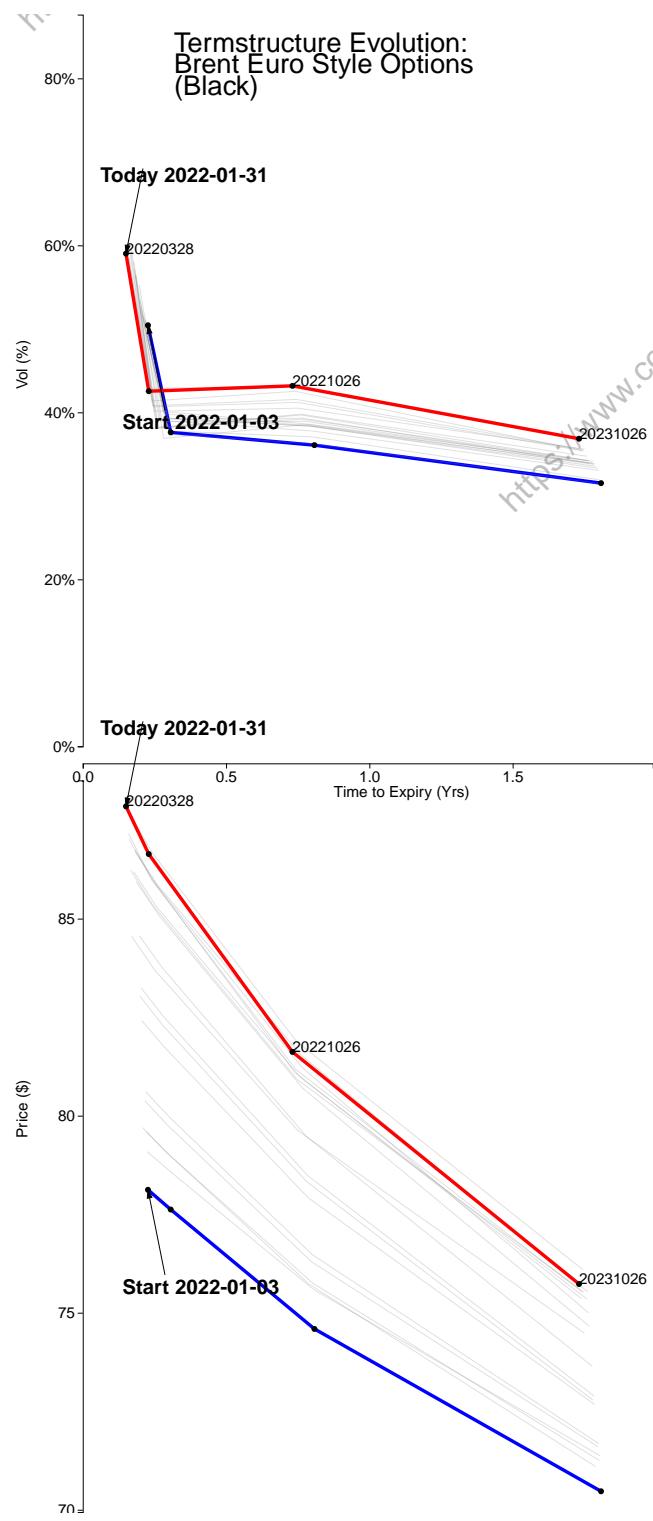


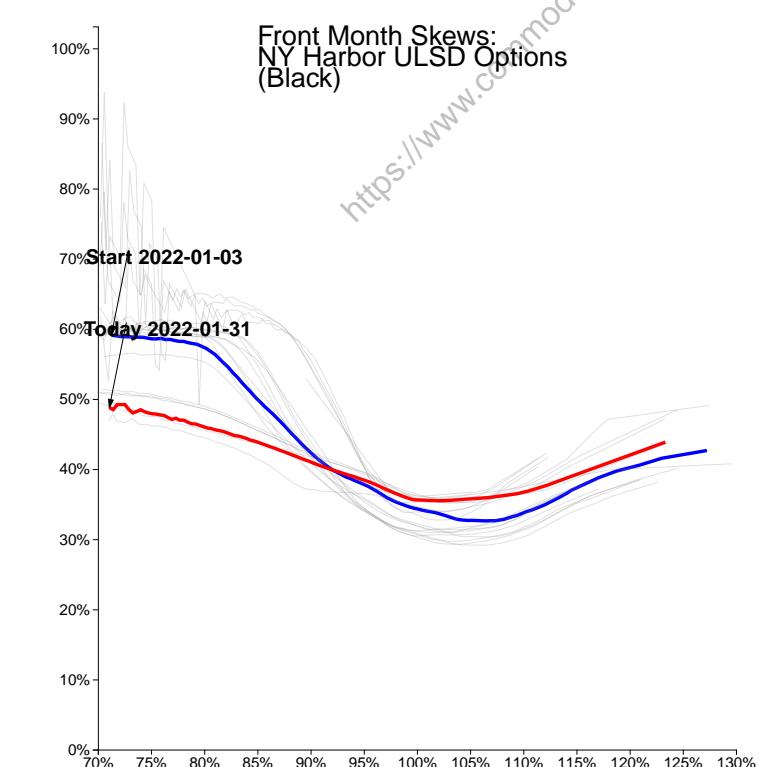
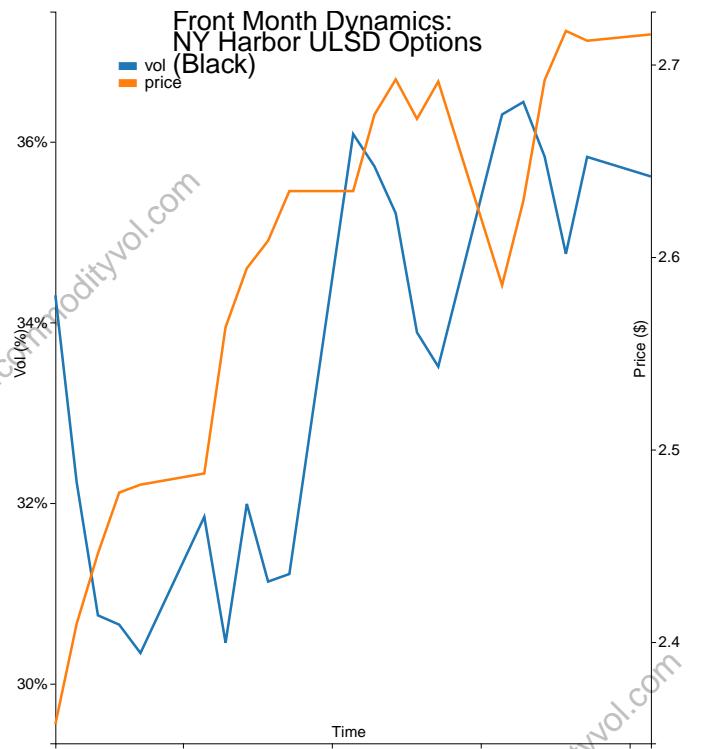
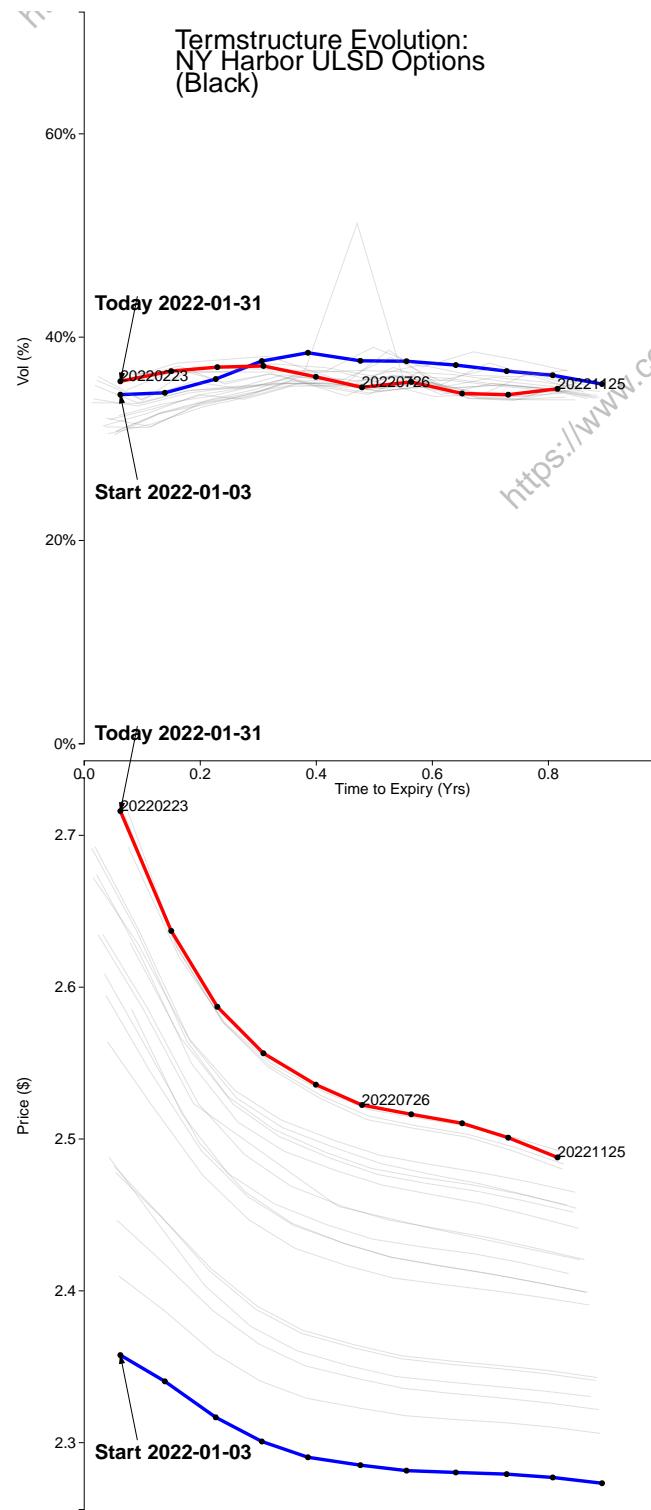


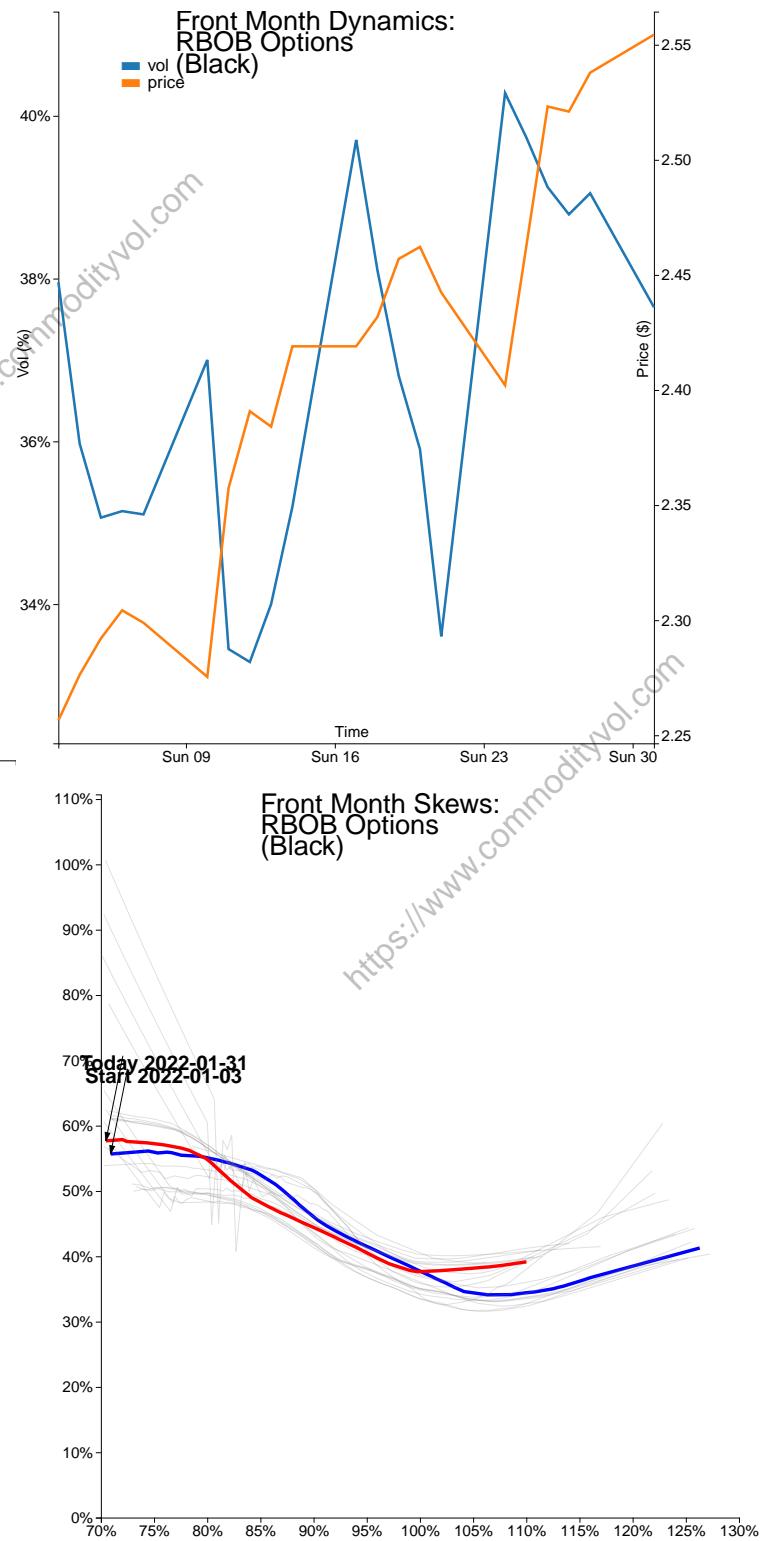
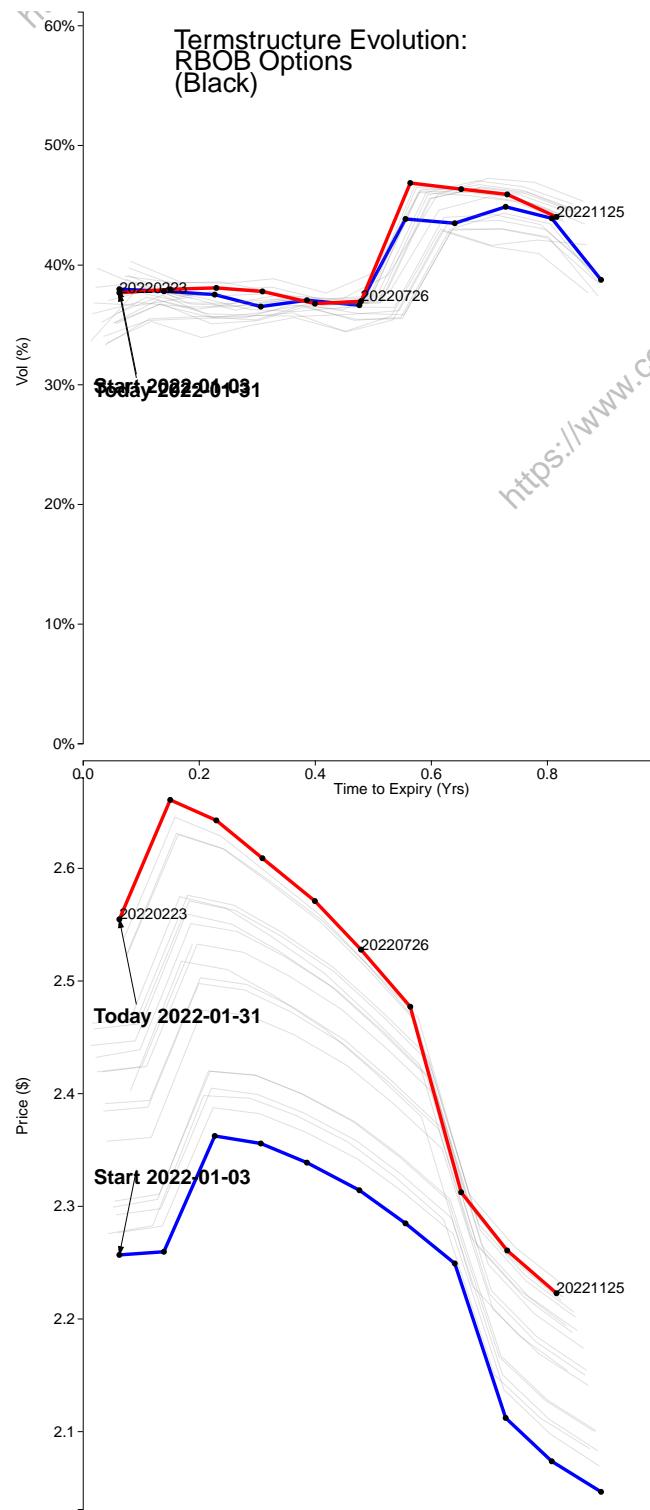
Crude and Derivatives

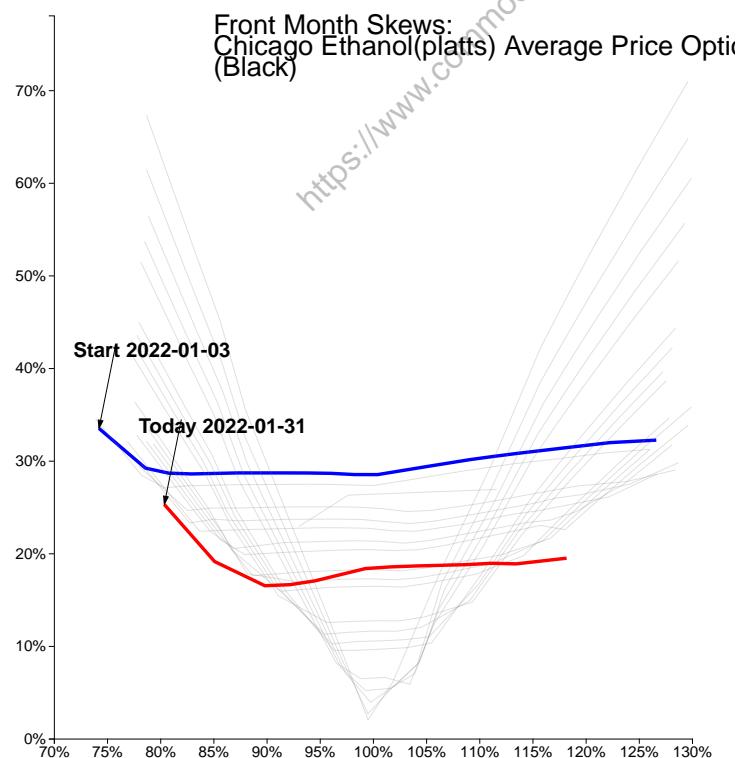
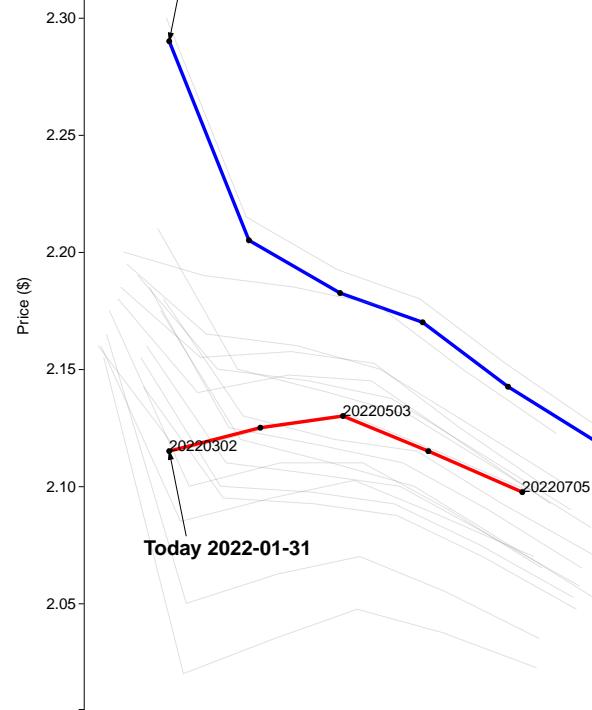
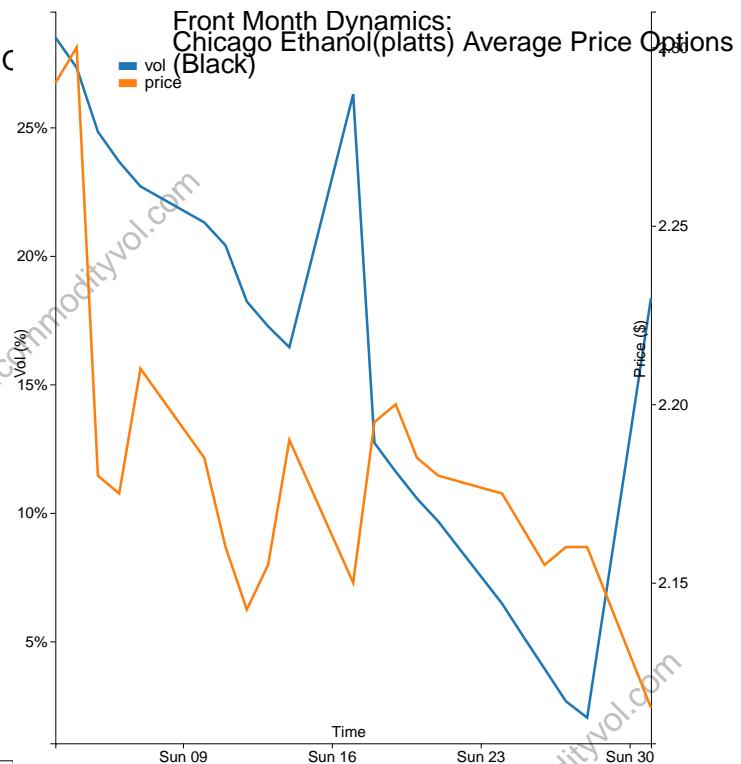
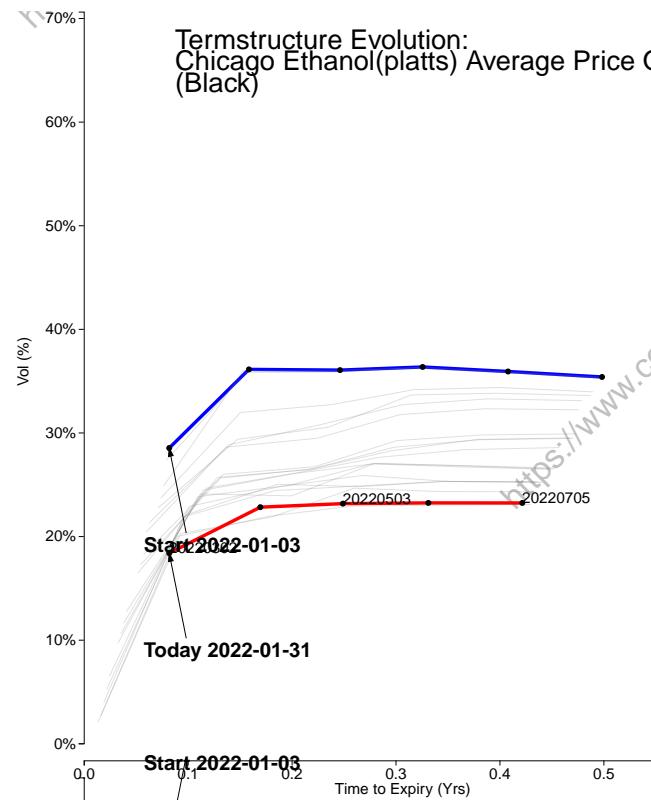




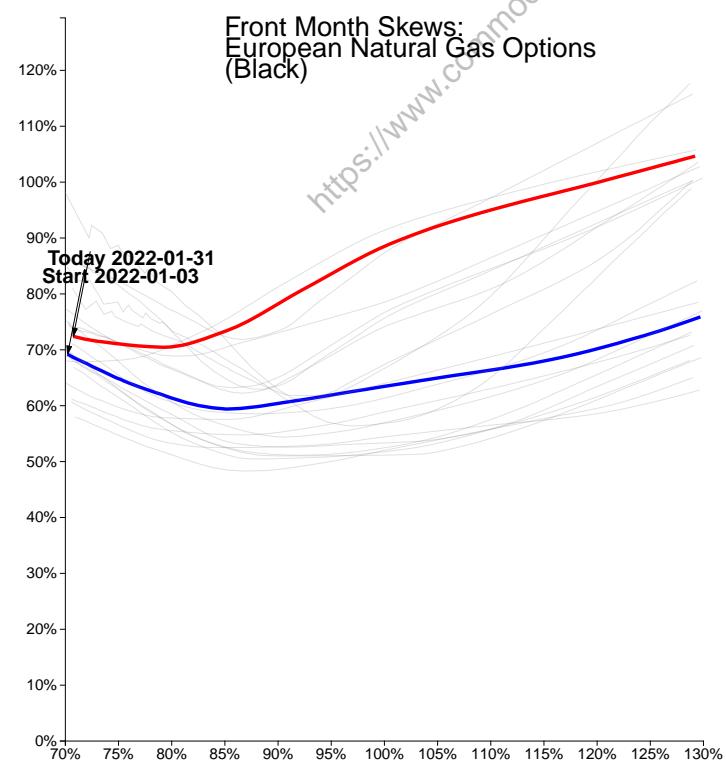
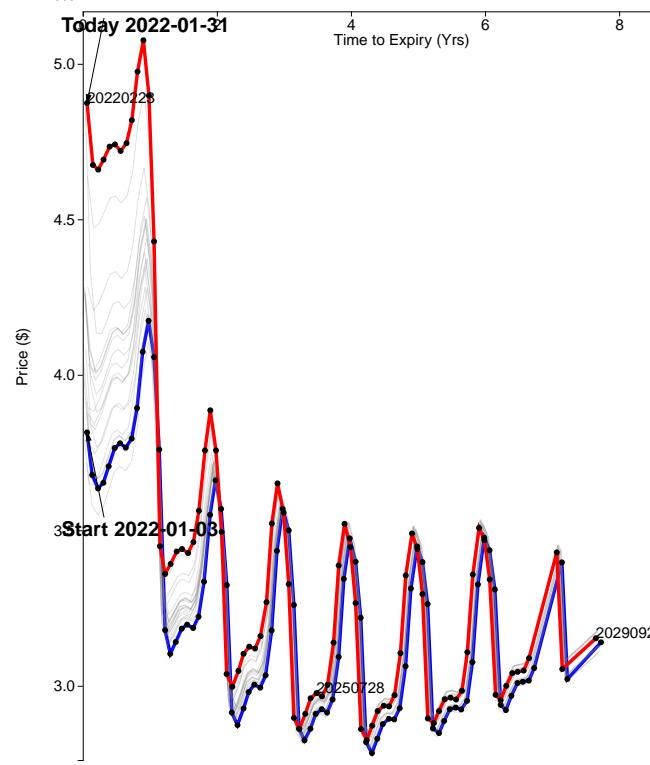
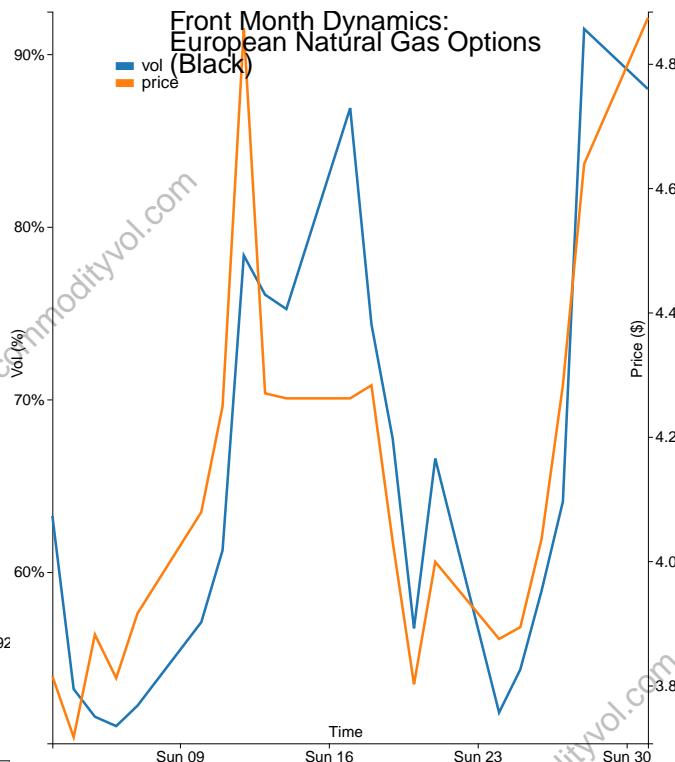
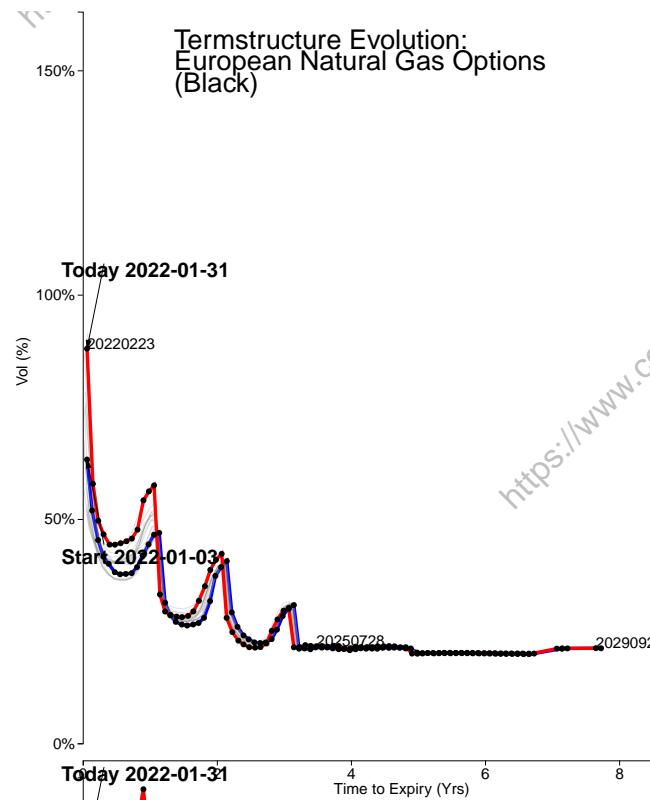


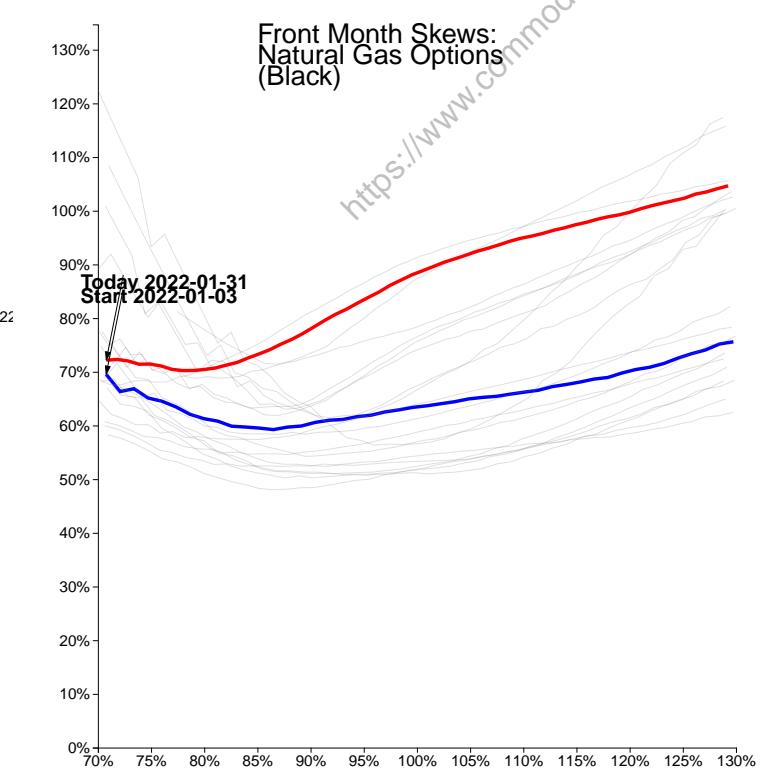
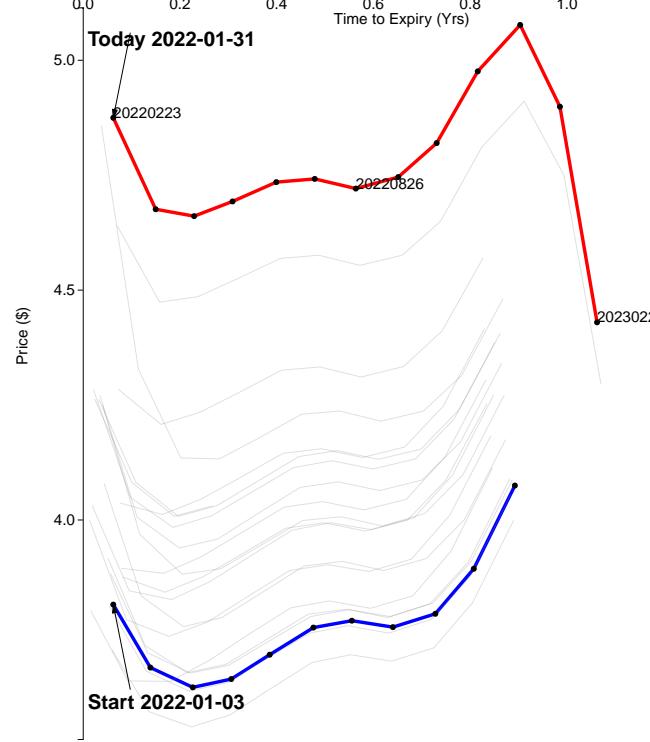
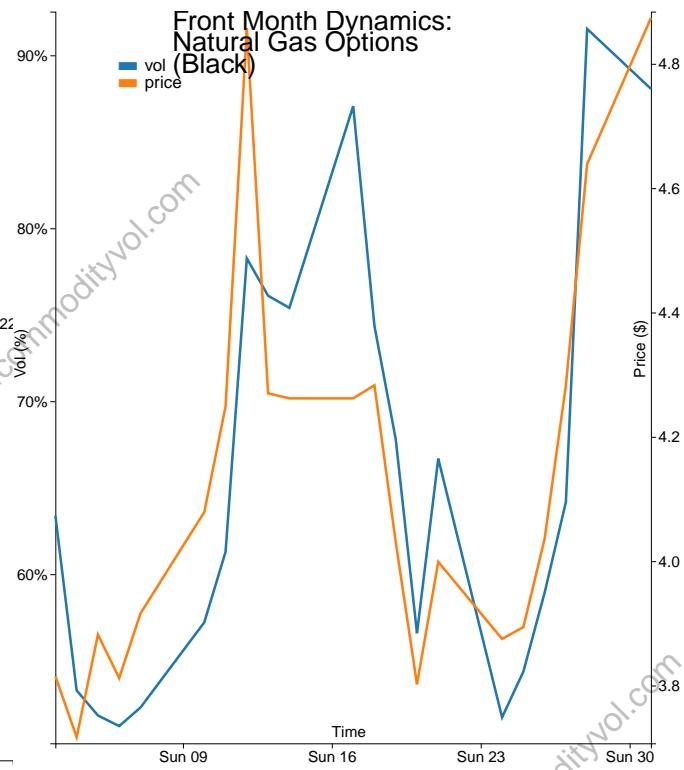
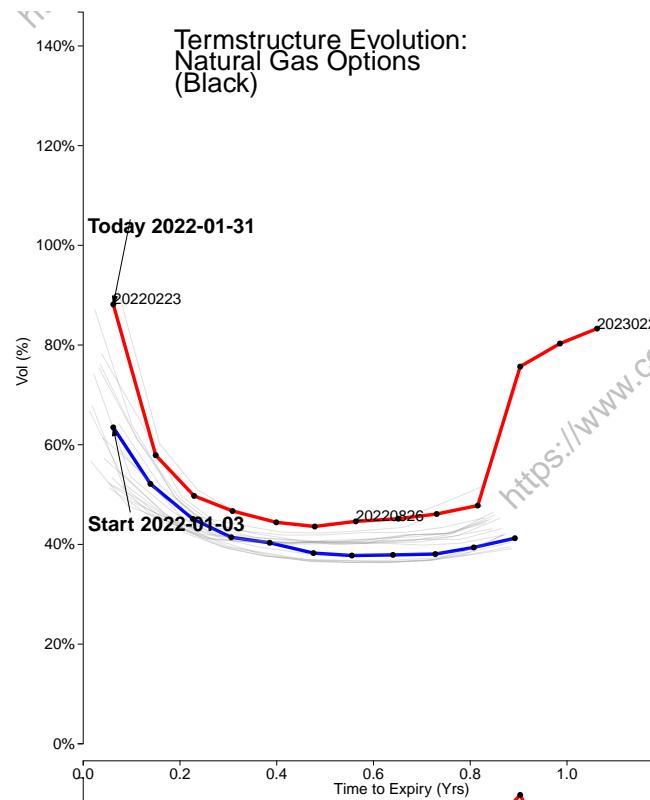


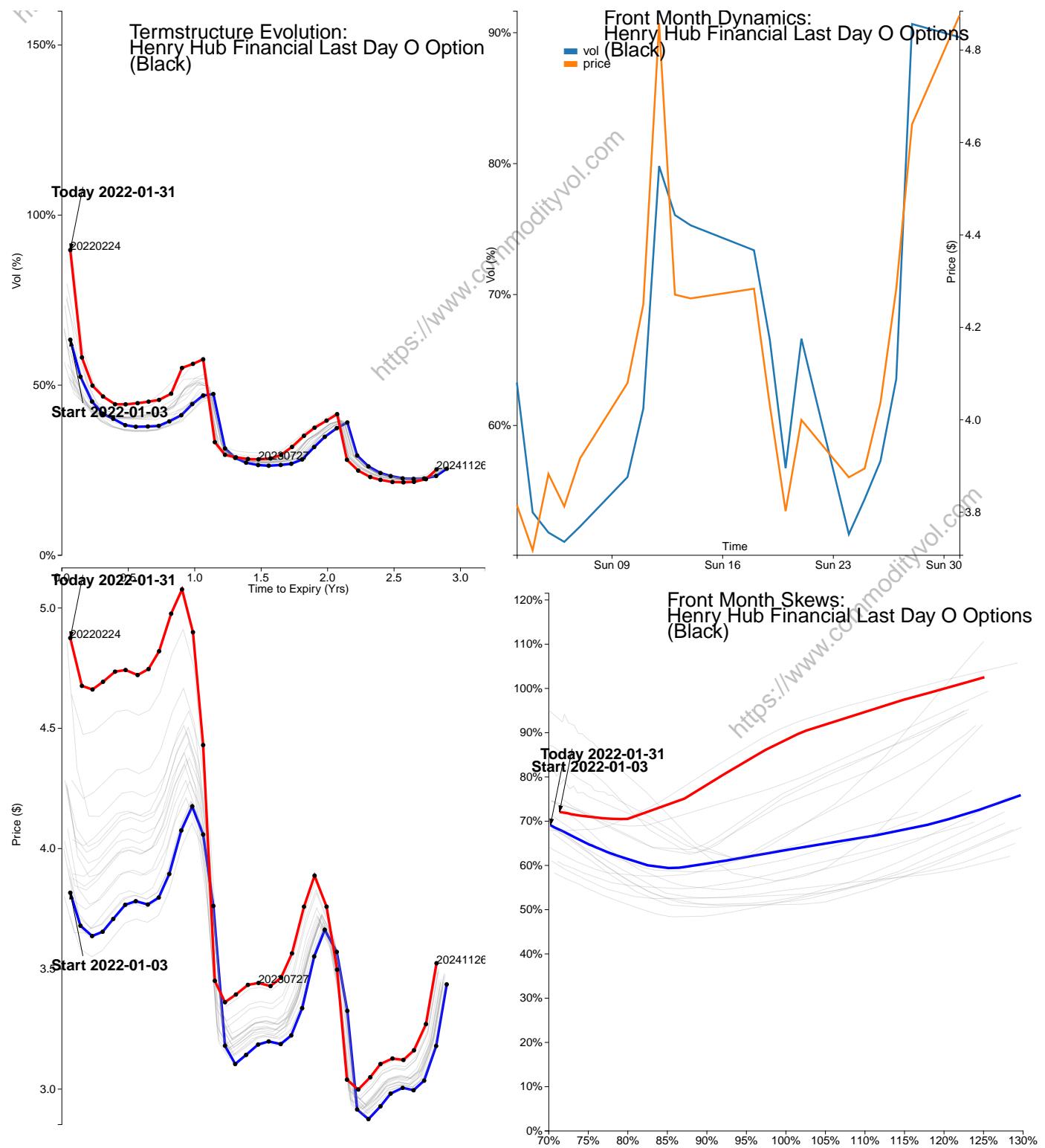




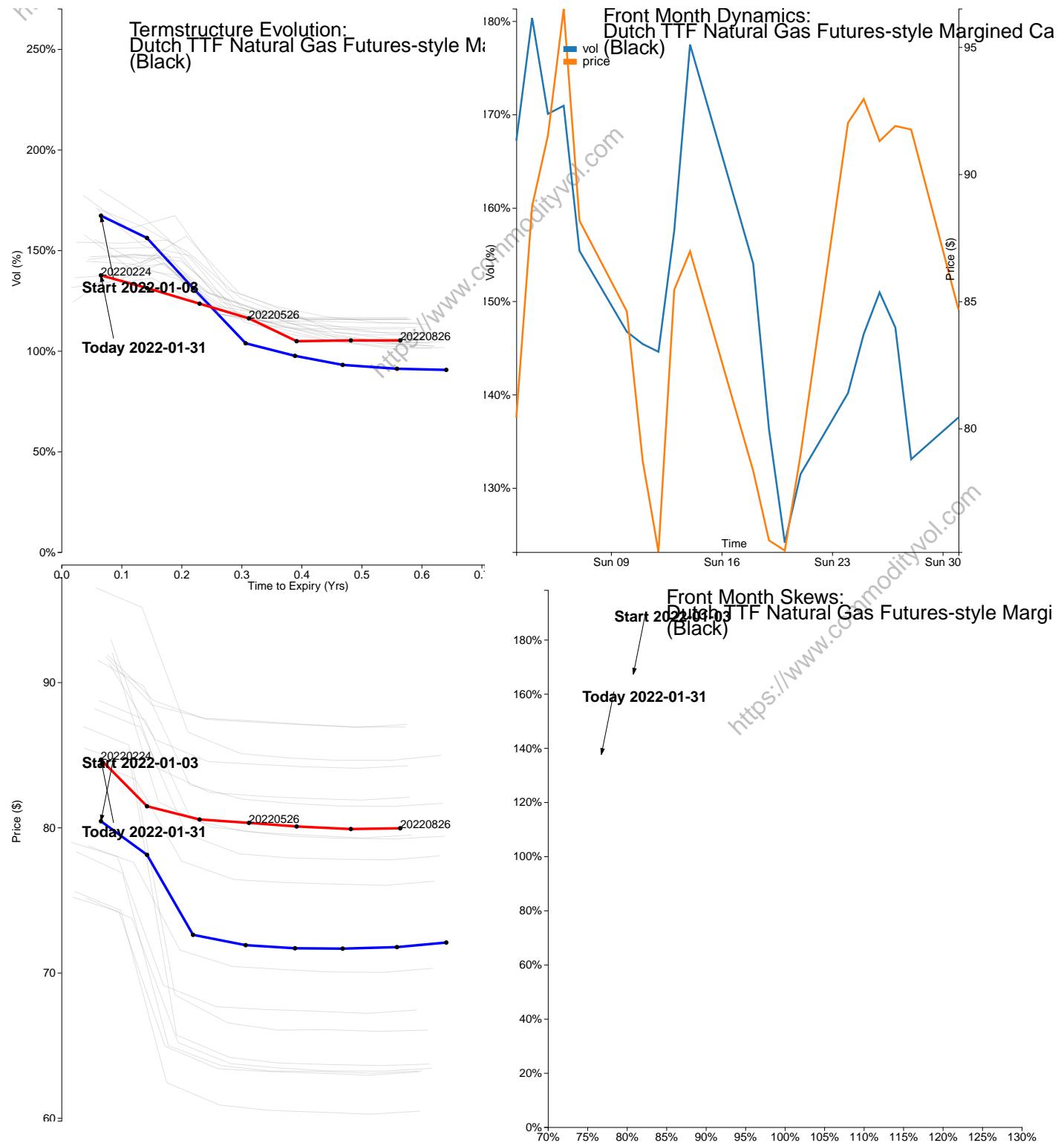
Natural Gas







Dutch TTF Gas Options



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