

Review of recent topics covered

Please find below a selection of our most recent **Friday Night Lights** along with a brief summary of what that particular topic covers.

1) The counter-intuitive effect of Brexit on implied volatility

We discuss how the recent EU referendum result has affected implied volatility within equity markets in a way that is perhaps counter intuitive.

[Click here for link - The counter-intuitive effect of Brexit on implied volatility](#)

2) In depth analysis of Credit Risk

A look into the considerations behind choosing a particular credits and, from a capital structure perspective, how they have positioned themselves post crisis.

[Click here for link - In depth analysis of Credit Risk](#)

3) USD yield curve and potential investment themes

Here we discuss the change in the USD yield curve over the last few years and we suggest ways to exploit its movement given certain hypothetical investor views.

[Click here for link - USD yield curve and potential investment themes](#)

4) Simple equity market hedging

An exploration of ideas on how to use options to protect on the downside, along with some MTM implications given certain market moves.

[Click here for link - Simple equity market hedging](#)

5) Income replacement – 1 Yr RCB on 10 Year USD Swap (6.5%)

We talk specifically about an idea that has proved popular for those looking to exploit opportunities in the fixed income market.

[Click here for link - Income replacement - 1yr RCB on 10yr USD Swap](#)

6) Declining UK interest rates and their impact on structured investments

An explanation on how the recent decision to cut rates in the UK will effect a cross section of different products.

[Click here for link - Declining UK interest rates and their impact on structured investments](#)

19th August 2016

Rates (bps)		
	Current	Week Chge
GBP 1yr	45.50	0.50
GBP 3yr	42.80	1.10
GBP 5yr	49.60	1.40

Equity Indices (%)		
FTSE 100	6849.04	0.87%
S&P 500	2174.06	0.52%
Nikkei 225	16545.82	1.79%
Eurostoxx 50	2951.21	-0.21%

Currencies (%)		
GBPUSD	1.3045	0.12%

5yr Credit Spreads (bps)		
Citigroup	75.68	-8.93
Credit Suisse	129.82	-3.85
Deutsche	208.42	-3.29
GS	96.04	-4.81
HSBC	74.56	-5.62
JPM	62.50	-1.29
MS	93.35	-5.40

Commodities (%)		
Gold	1347.17	0.21%
Oil	48.07	14.97%

3m Implied (vol pts)		
FTSE 100	13.26%	0.93%
S&P 500	12.17%	0.13%
Nikkei 225	20.38%	0.62%
Eurostoxx 50	20.00%	1.75%

5yr Implied (vol pts)		
FTSE 100	19.70%	0.36%
S&P 500	23.00%	1.92%
Nikkei 225	19.78%	0.39%
Eurostoxx 50	19.69%	0.42%

Source Bloomberg / Partner Banks
Data as at 19th Aug, 2.30pm

Indicative Levels – 6yr	
Topix Supertracker, 65% EKIP	177.0%
FTSE 5% step, 65% EKIP	7.30%

Call us for more details – see below

Upcoming Events	
24 th Aug	Economic Report on Japan
26 th Aug	UK GDP release

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FRIDAY NIGHT 'LIGHTS

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