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Cross-Asset Volatility Update

October 2026

Rates: OAT-Bund Spread Sees One of Its Largest Weekly Moves Ever

October was a month of two distinct phases across European volatility markets: an early risk-off spike driven by French fiscal concerns and rising yields, followed by a period of volatility compression in mid-month, and then a renewed volatility bid into month-end as hawkish ECB expectations and tech-led global equity weakness re-emerged.

The dominant macro driver for European volatility in October was the selloff in the French bond market. The OAT-Bund 10-year spread widened by 29 basis points in the week of 23 October alone, marking one of the largest weekly moves on record and bringing the spread to approximately 170 basis points, more than double its May level. These moves were reflected in rates options markets, with implied volatility rising across the curve. At-the-money 2-month Bund option volatility started the month around 8%, with moderate skew reflected in 95% downside strikes trading 1.5% higher. One-month OAT option volatility traded between 11% and 15% for at-the-money strikes, while demand for downside protection was evident in 95% strikes trading around 25% higher on average. Investors holding long French bond carry positions were forced to unwind exposures rapidly in early October, contributing to market volatility. Toward month-end, reports that ECB officials were prepared to raise rates in December if the inflation outlook did not improve added a hawkish overlay to rates volatility. The broader bond selloff also supported demand for traditional safe-haven assets, including the Swiss franc and high-quality sovereign bonds.

FX: French Fiscal Concerns Drive Demand for Euro Downside Protection

EUR/USD 1-month implied volatility opened October at 6.96% and followed a broadly declining trend throughout the month, closing at 5.84% on 30 October, a compression of approximately 112 basis points. Despite lower outright volatility, skew continued to reflect a more bearish outlook for the euro. One-week EUR/USD risk reversals reached 162 basis points in favour of puts over calls in early October, close to the most bearish levels seen since March, reflecting increased demand for downside euro protection amid concerns surrounding French fiscal developments. EUR/CHF options also experienced elevated activity as investors sought Swiss franc exposure during the period of heightened uncertainty. EUR/GBP one-week implied volatility rose for seven consecutive days into 22 October, reaching 5.24%, its highest level since 18 May, driven by the UK Budget and French fiscal concerns. Risk reversals on the tenor stood at just 4 basis points in favour of puts, indicating a broadly neutral directional bias despite elevated volatility. By month-end, short-term EUR/USD risk reversals had shifted in favour of calls for the first time since August, as spot rebounded from a fresh 17-month low of 1.1105. Longer-dated skew remained firmly bearish, suggesting that market participants continued to view euro weakness as a longer-term theme.

Equity Vol: Long VSTOXX Exposure Builds Post-Roll

The VSTOXX opened October at 20.74 as European equities came under pressure from higher bond yields and French political uncertainty. It compressed sharply through mid-month, reaching a low of 17.22 on 16 October before moving higher again toward month-end. The V2X/VIX spread widened during the early-month selloff, with European volatility outpacing US volatility, consistent with Europe's greater sensitivity to energy prices and rates markets. On 19 October, V2X futures briefly rose above the 21 level before easing back to approximately 18.55 by the US close. The month-end rise in volatility was partly driven by a global technology-led equity selloff on 30 October, which pushed the VIX to its highest intraday level since April.

A-account clients (non-disclosed end clients) significantly increased their exposure to volatility during October. In VSTOXX futures, net positioning rose from broadly flat levels at the September expiry to more than 36,000 contracts net long by the October expiry, before reaching 44,000 contracts at month-end. Options activity told a similar story, with investors reversing a net short call position of 12,000 contracts into a net long position of 11,000 contracts while simultaneously increasing short-put exposure by almost 6,000 contracts. Taken together, futures and options positioning indicate a substantial increase in bullish volatility exposure between the September and October expiries, with further accumulation of long-volatility positions following the October roll.

Internal

Spotlight

Euro Fixed Income Futures & OOAT Options

Figure S1 – Fixed Income Futures: Monthly Volume & Open Interest

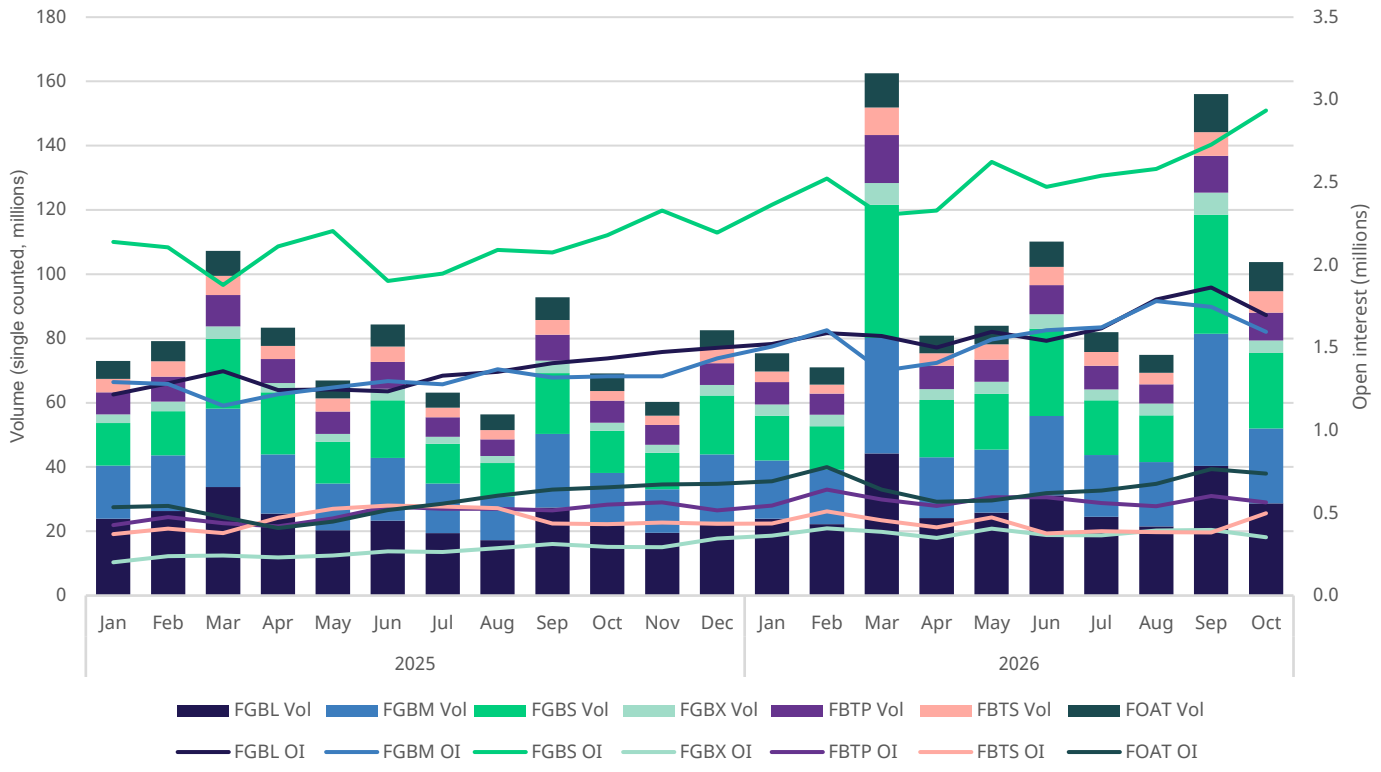
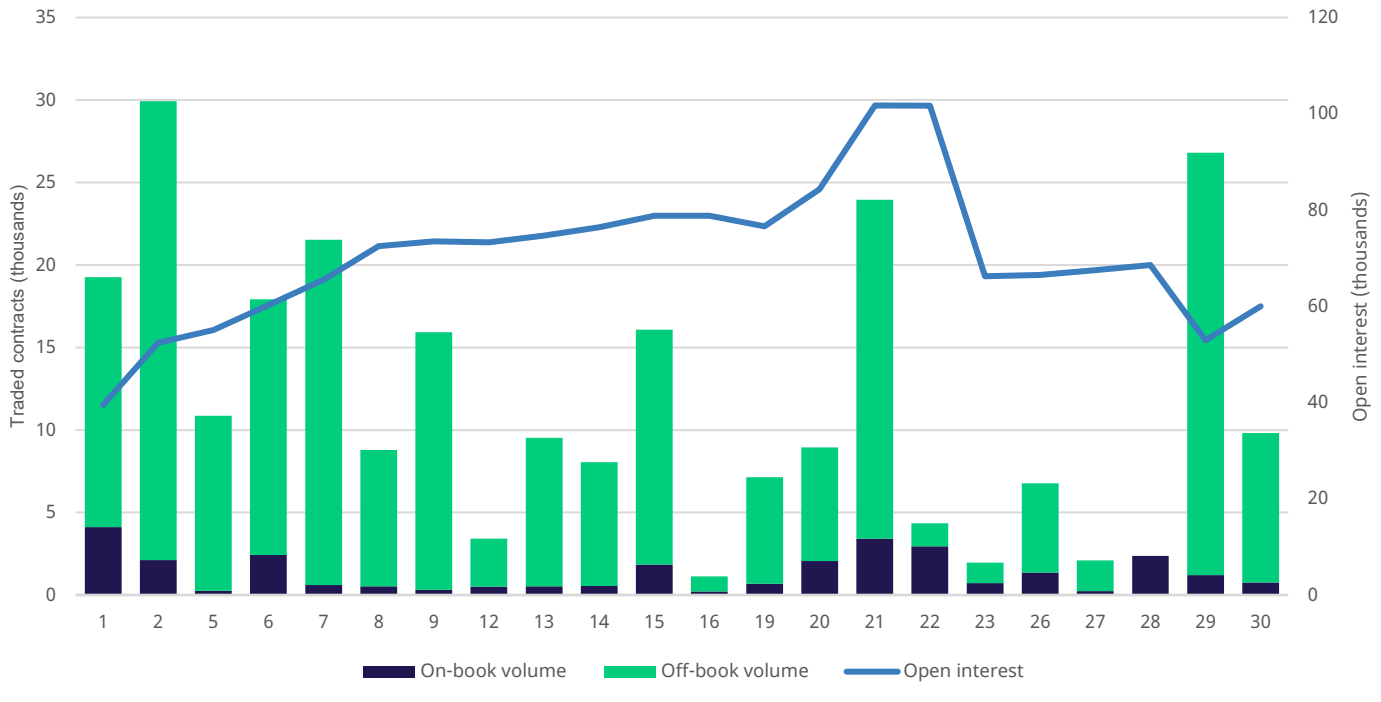


Figure S2 – OOAT Daily On- vs Off-Book Volume & Open Interest, October 2026



Spotlight

Index Options Volume Share by Trading Capacity, 2026

Figure S3 – ODAP Trading Capacity (Passive)

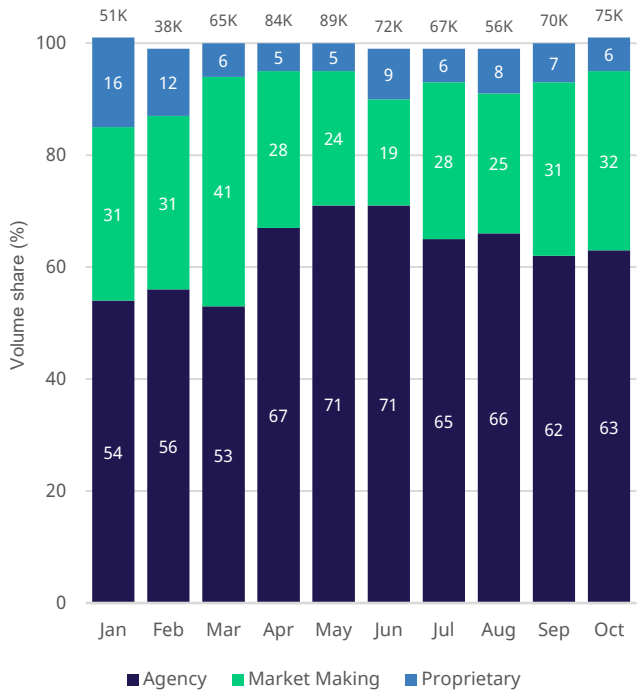


Figure S4 – ODAX Trading Capacity (Passive)

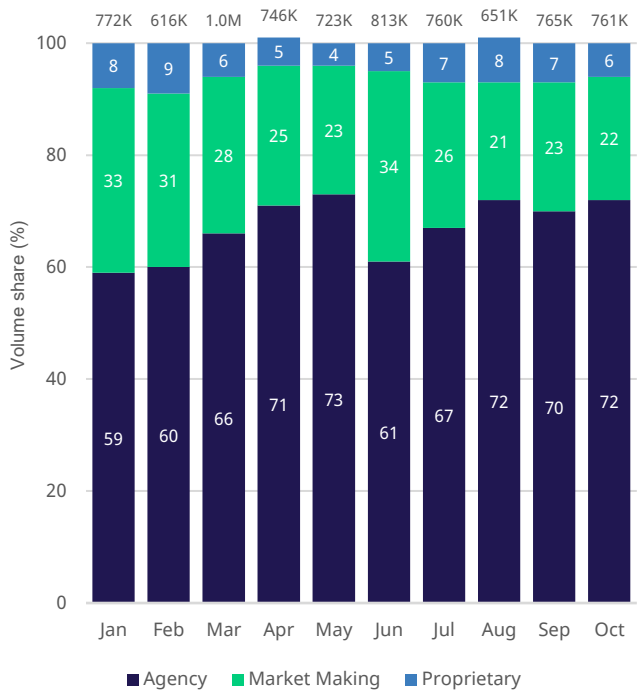


Figure S5 – OESX Trading Capacity (Passive)

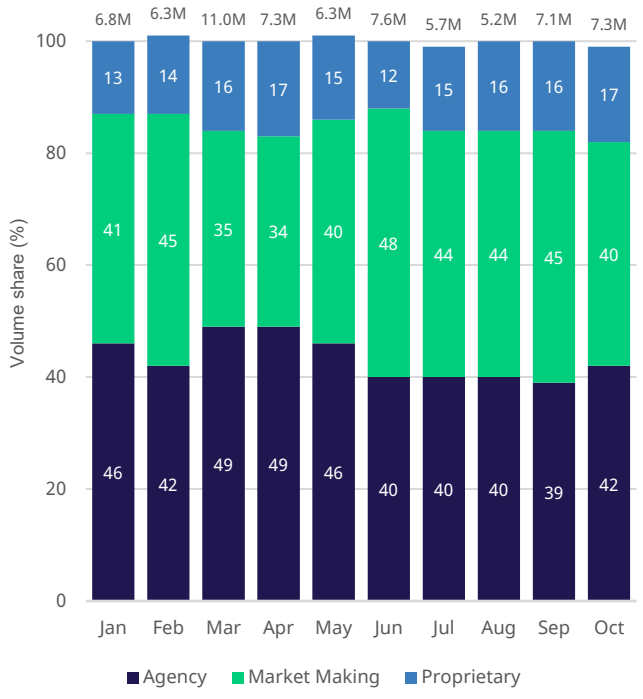
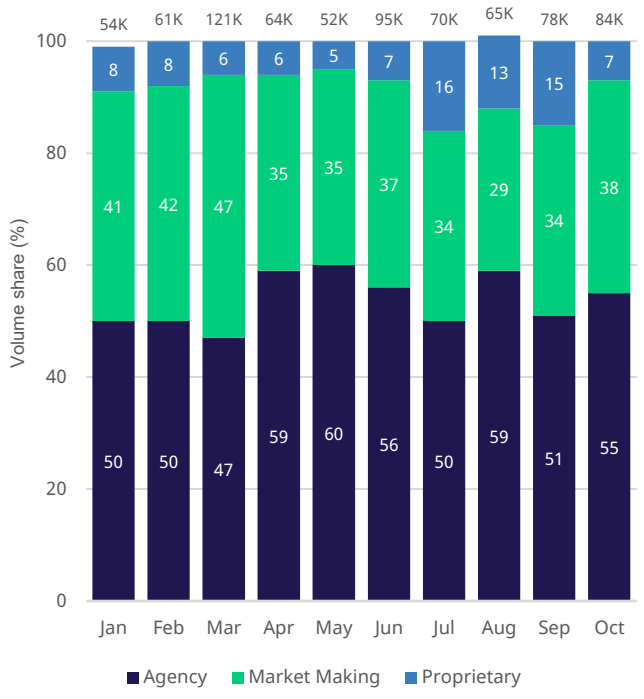


Figure S6 – OSMI Trading Capacity (Passive)



XAsset

Figure 1 – Cross Asset Correlation

	SX5E	DAX	iTraxx Main	iTraxx XOver	Brent	Gold	EUR/USD
DAX	91.98%						
iTraxx Main	-81.42%	-77.90%					
iTraxx XOver	-80.75%	-80.02%	97.64%				
Brent	-31.71%	-30.04%	41.46%	44.65%			
Gold	47.82%	41.49%	-54.90%	-53.52%	-29.84%		
EUR/USD	4.94%	23.28%	-17.32%	-13.25%	10.03%	29.52%	
EUR/JPY	48.50%	47.16%	-57.94%	-54.22%	-22.46%	73.33%	64.86%

Figure 2 – SX5E Cross-Asset Correlations (1M Rolling)

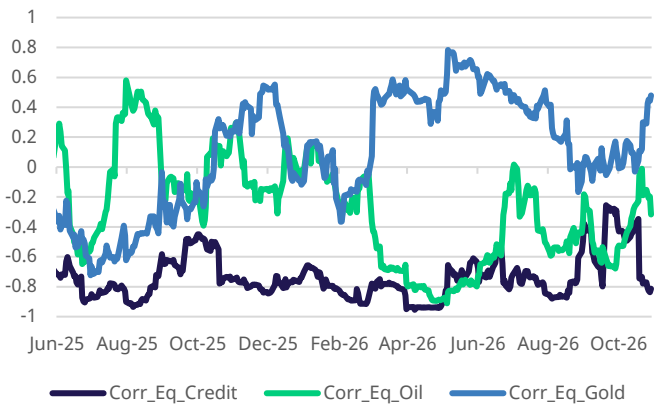


Figure 3 – VSTOXX vs VVSTOXX

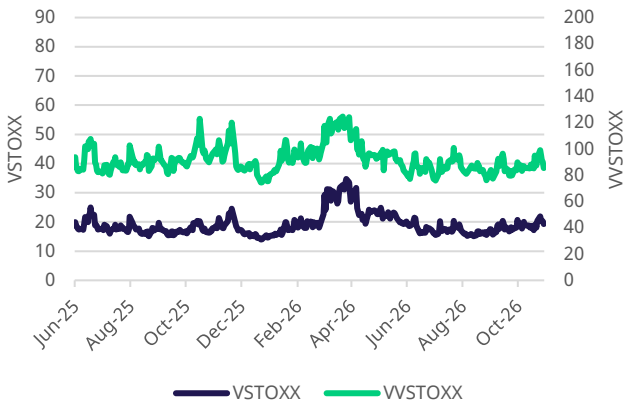


Figure 4 – VSTOXX Futures Curve (2nd-1st Month Spread)

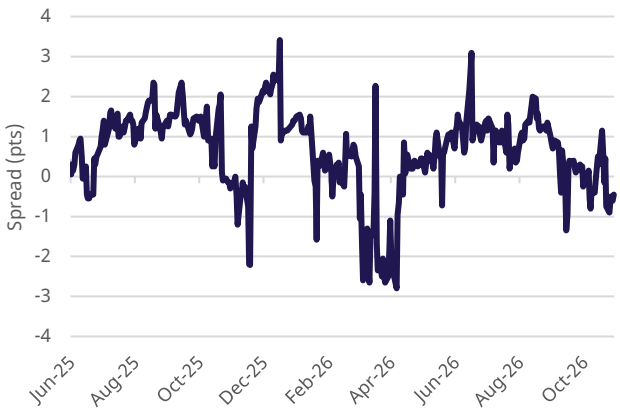


Figure 5 – Cross-Asset Volatility (Z-Scores)

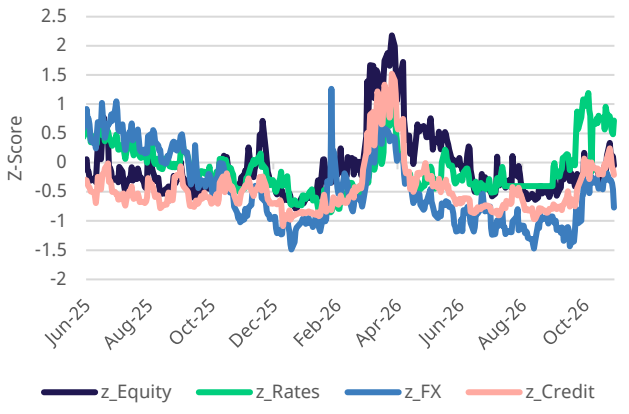


Figure 6 – Equity Vol (1M Implied vs Realized)

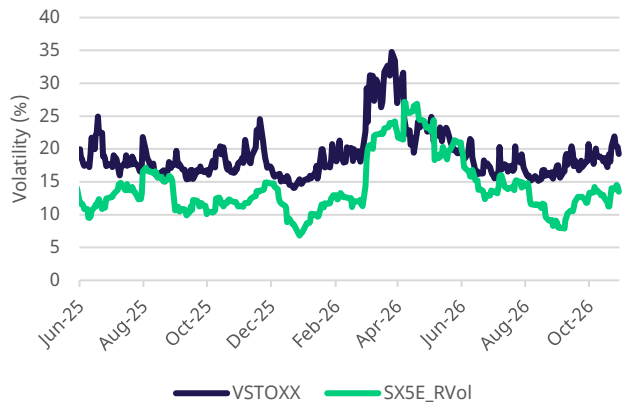


Figure 7 – FX Vol (EUR/USD 1M Implied vs Realized)

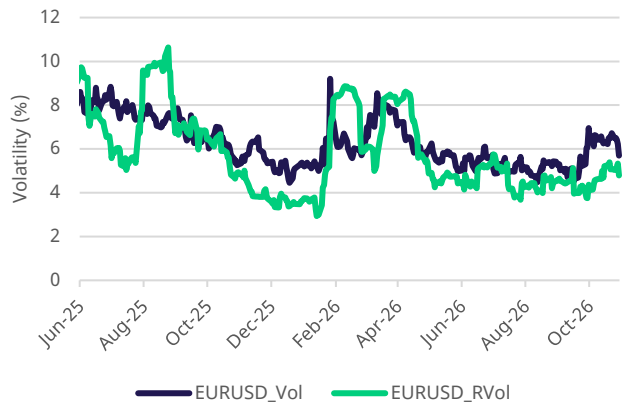


Figure 8 – Credit Vol (iTraxx Main 1M Implied vs Realized)

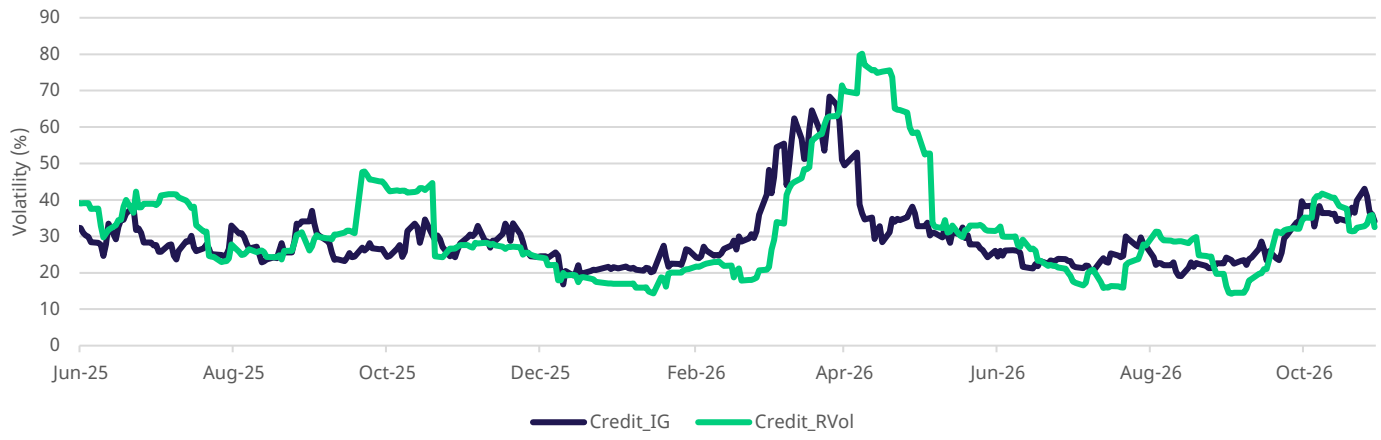


Figure 9 – Biggest Weekly Vol Movers

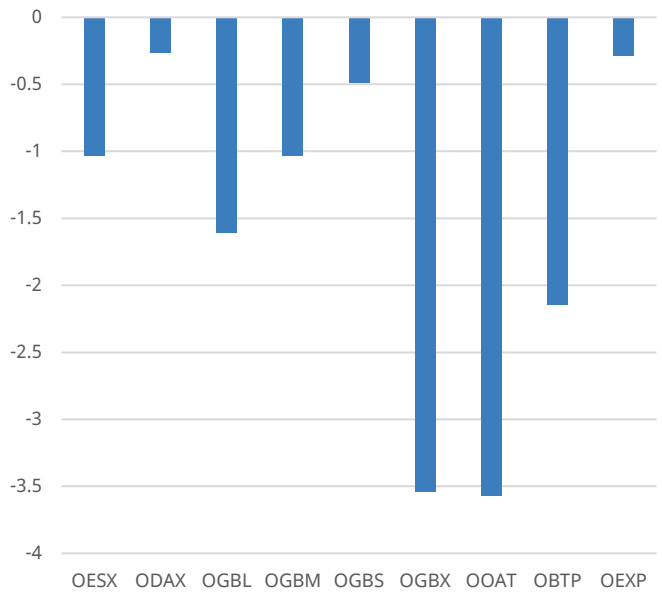
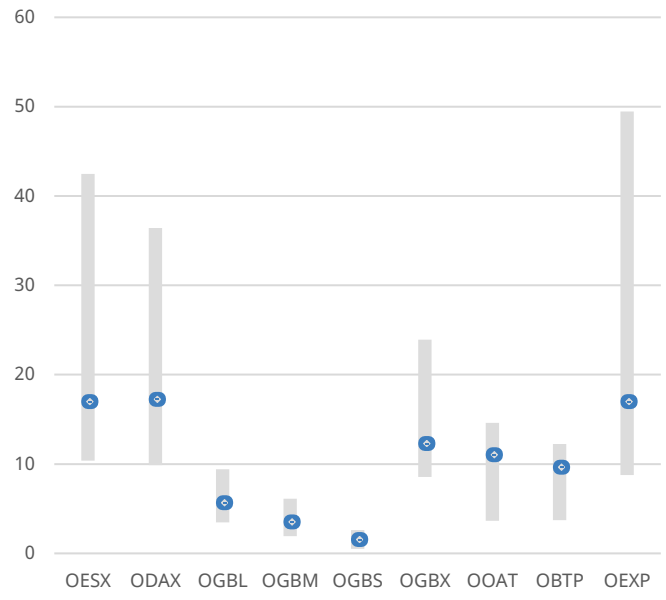


Figure 10 – 1M Implied Vol Range (2Y Lookback)



OESX

EURO STOXX 50® Index Options

Figure 11 – OESX ATM Implied Volatility

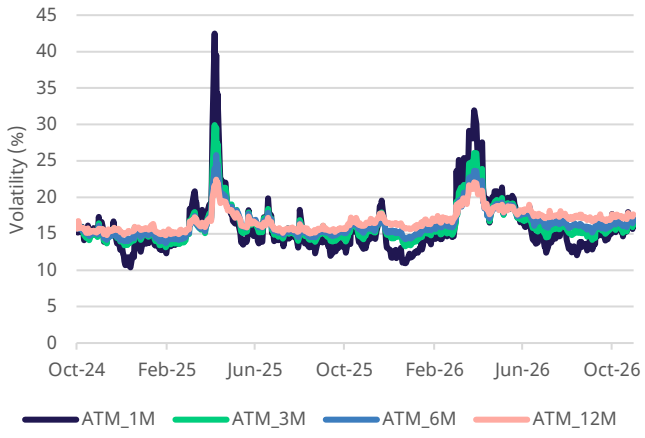


Figure 12 – OESX 1M Implied Volatility Smile

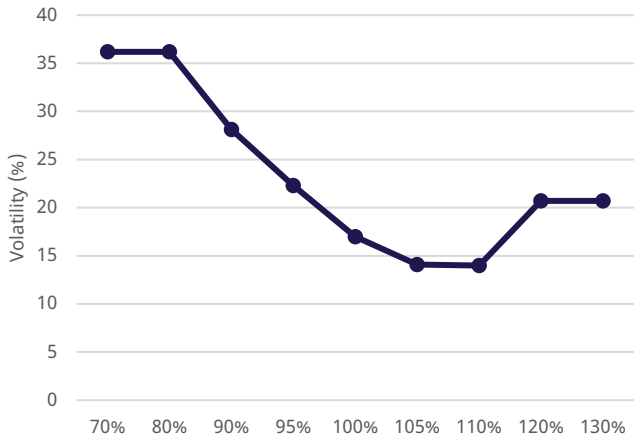


Figure 13 – OESX Volume & Put/Call OI Ratio

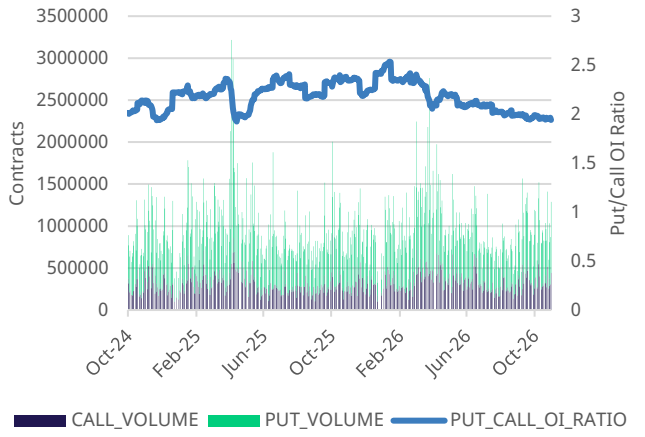


Figure 14 – OESX Skew (1M & 3M)

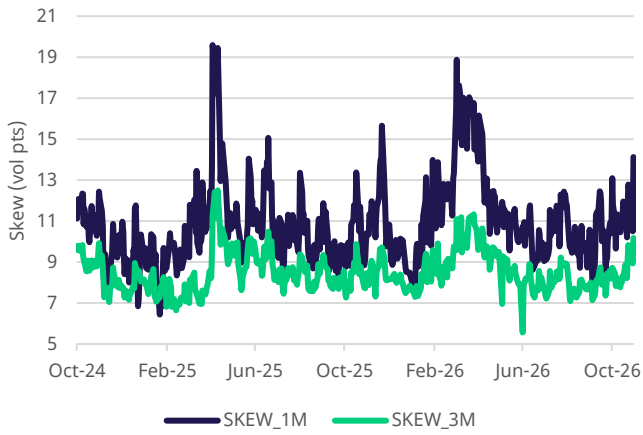


Figure 15 – OESX Term Structure (12M-1M Spread)

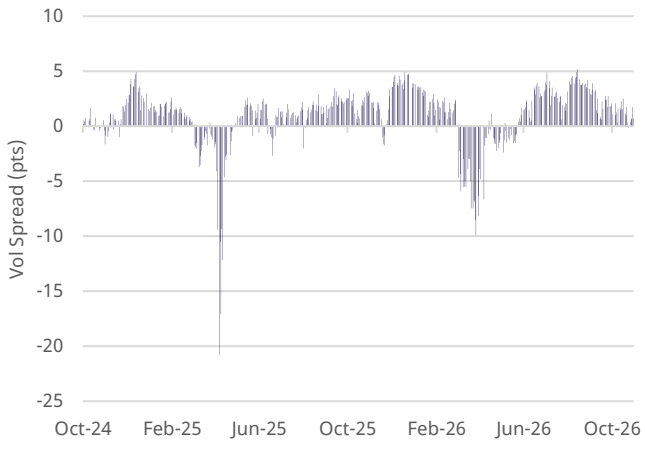
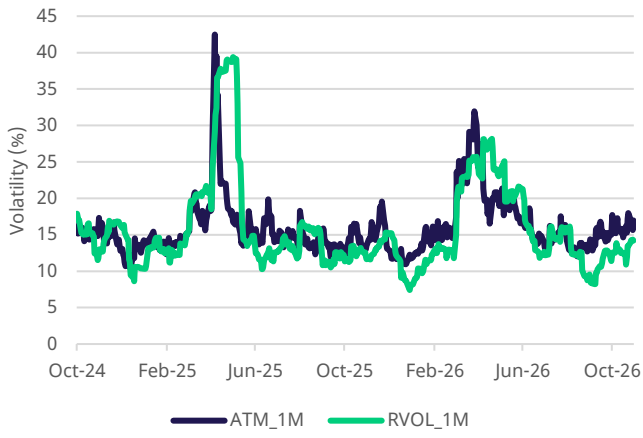


Figure 16 – OESX 1M Implied vs Realized Vol



OEXP

EURO STOXX 50® End-of-Day Index Options

Figure 17 – OEXP ATM Implied Volatility

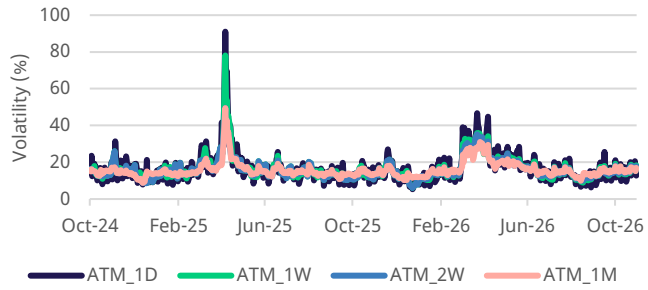


Figure 18 – OEXP Implied Volatility Smile

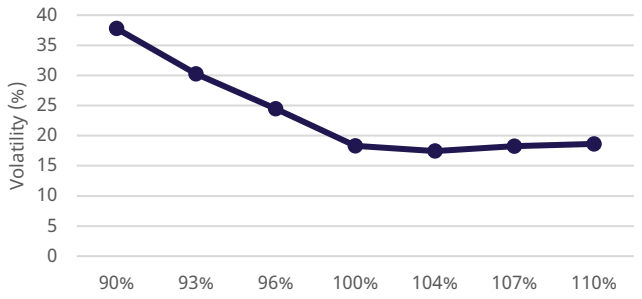


Figure 19 – OEXP Volume & Put/Call OI Ratio

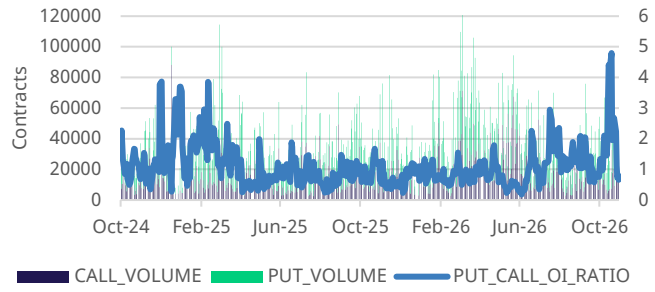


Figure 20 – OEXP Skew (1W & 2W)

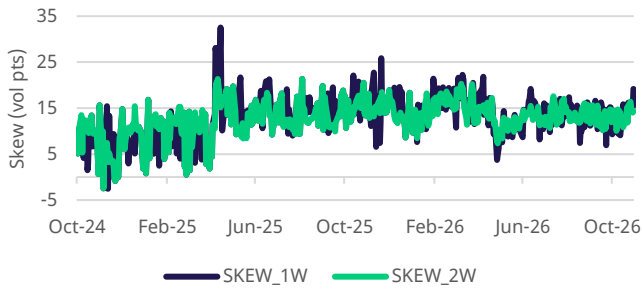


Figure 21 – OEXP Term Structure (1M-1D Spread)

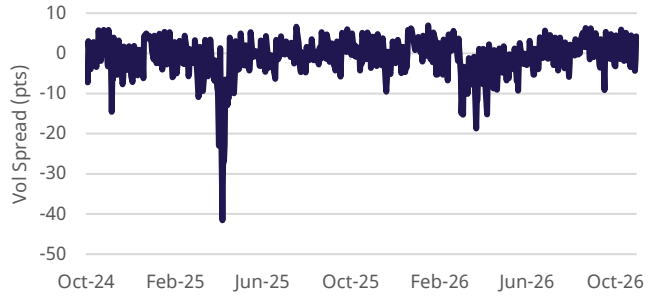


Figure 22 – OEXP 1M Implied vs Realized Vol

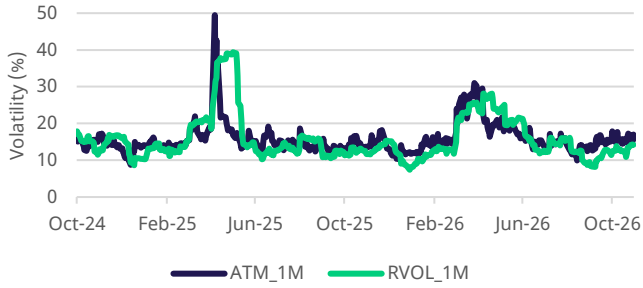


Figure 23 – OEXP 1W Implied vs Realized Vol

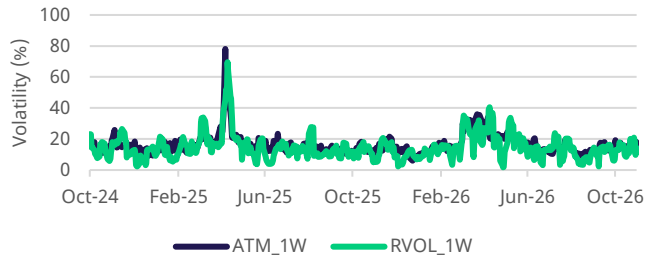
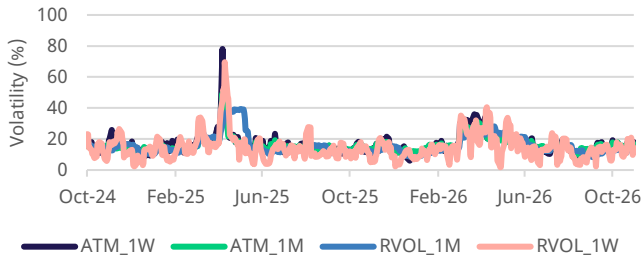


Figure 24 – OEXP 1M & 1W Implied vs Realized Vol



OGBL

Options on Euro-Bund Futures

Figure 25 – OGBL ATM Implied Volatility

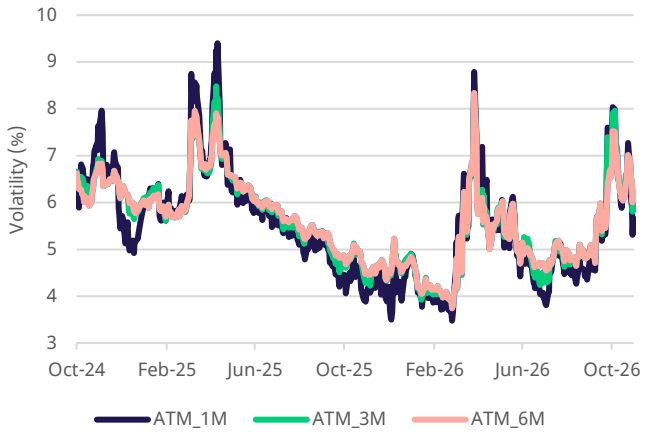


Figure 26 – OGBL Volume & Put/Call OI Ratio

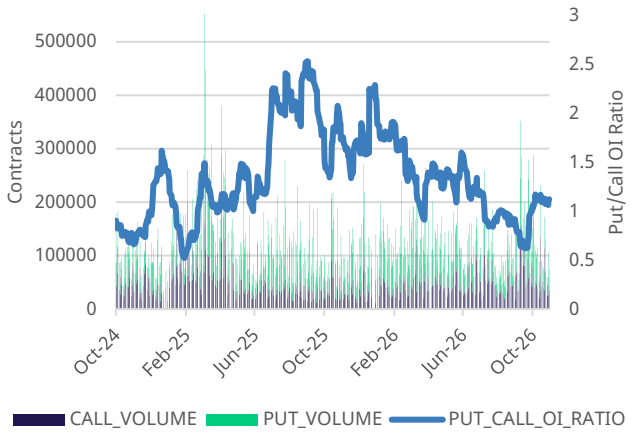


Figure 27 – OGBL Skew (1M & 3M)

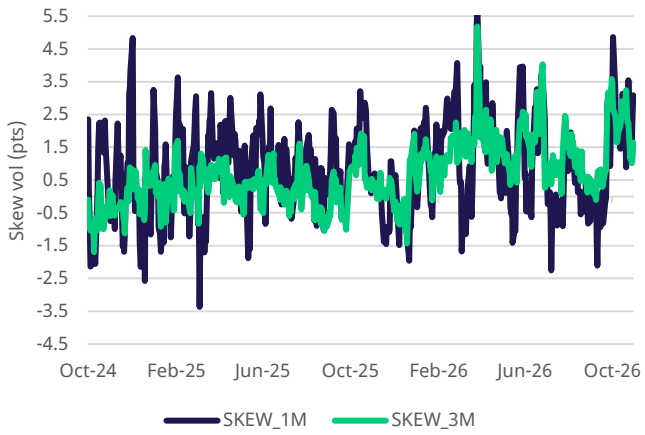


Figure 28 – OGBL Term Structure (6M-1M Spread)

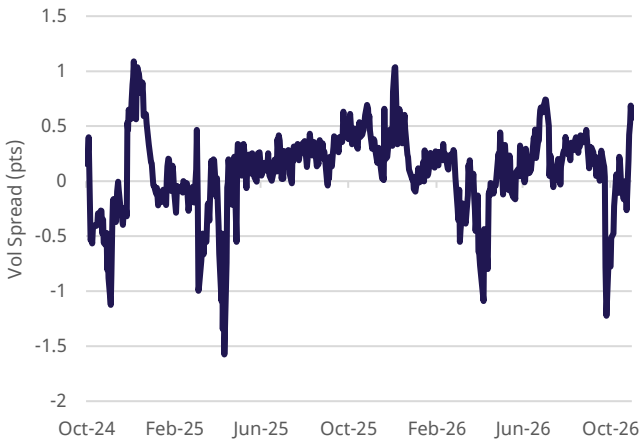
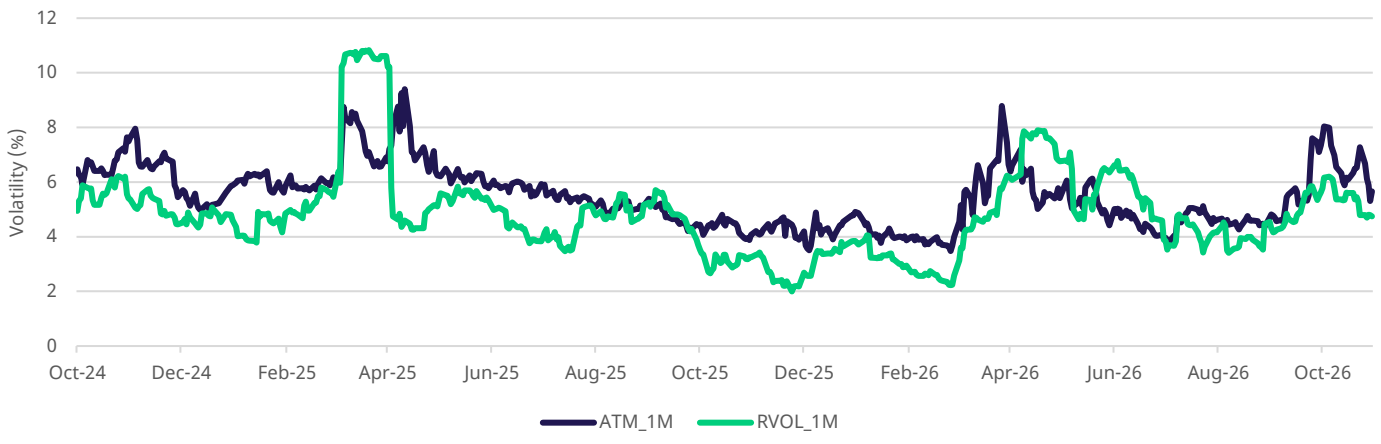


Figure 29 – OGBL 1M Implied vs Realized Vol



OGBM

Options on Euro-Bobl Futures

Figure 30 – OGBM ATM Implied Volatility

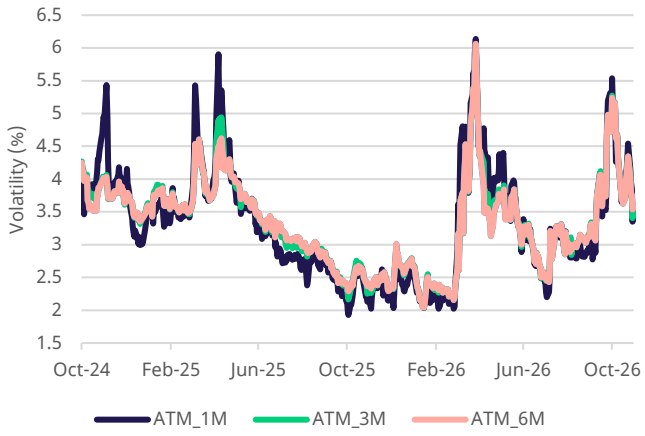


Figure 31 – OGBM Volume & Put/Call OI Ratio

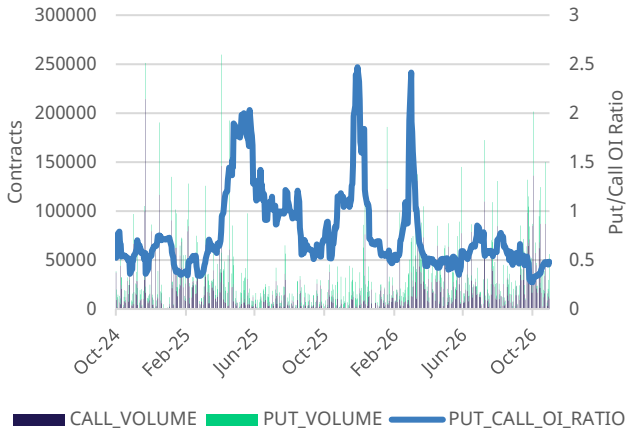


Figure 32 – OGBM Skew (1M & 3M)

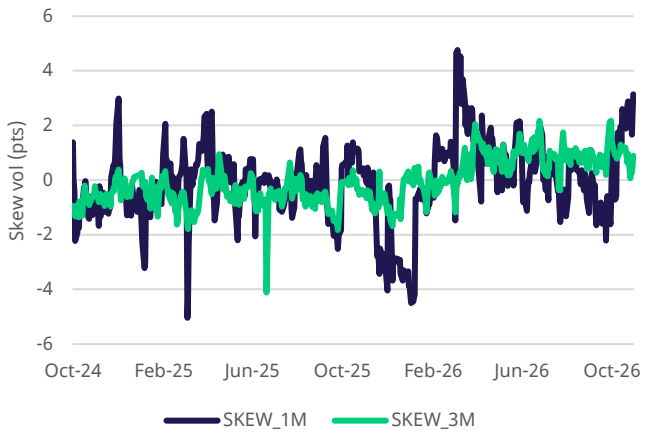


Figure 33 – OGBM Term Structure (6M-1M Spread)

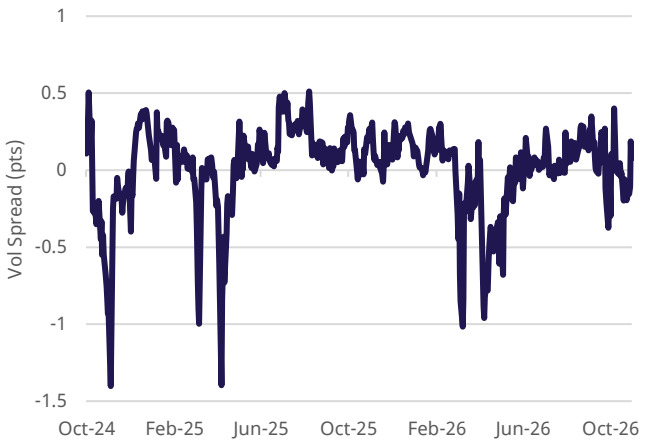
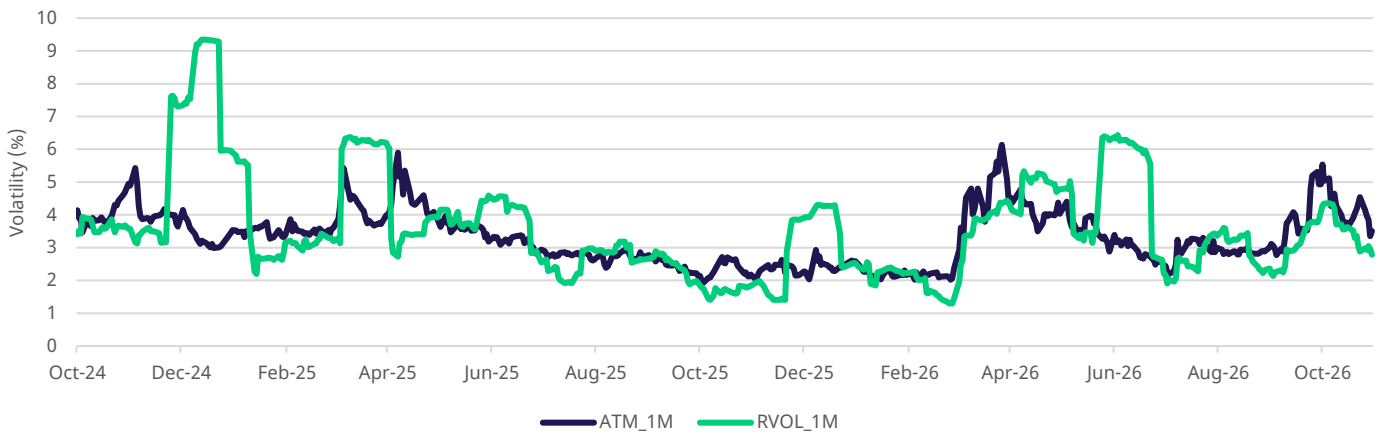


Figure 34 – OGBM 1M Implied vs Realized Vol



OGBS

Options on Euro-Schatz Futures

Figure 35 – OGBS ATM Implied Volatility

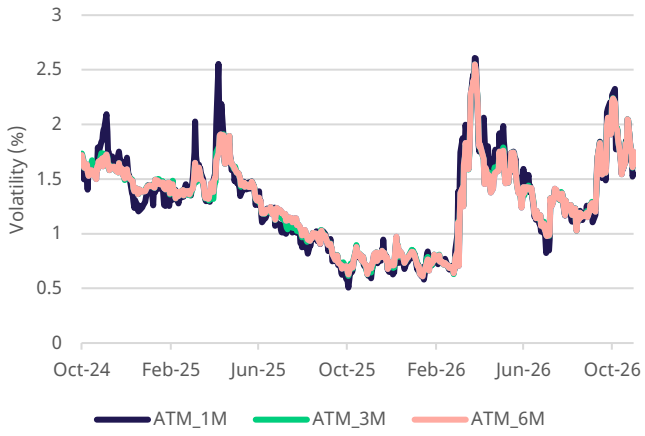


Figure 36 – OGBS Volume & Put/Call OI Ratio

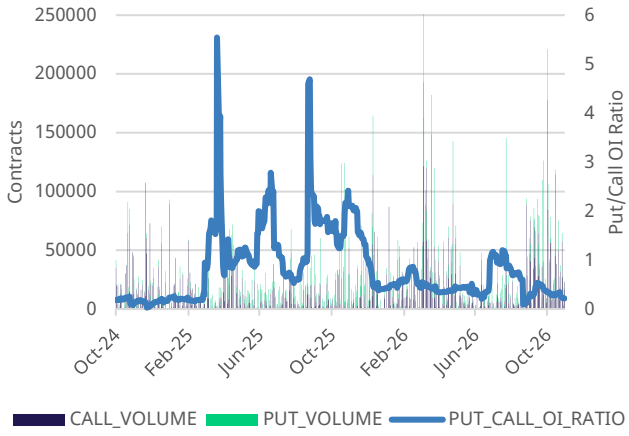


Figure 37 – OGBS Skew (1M & 3M)

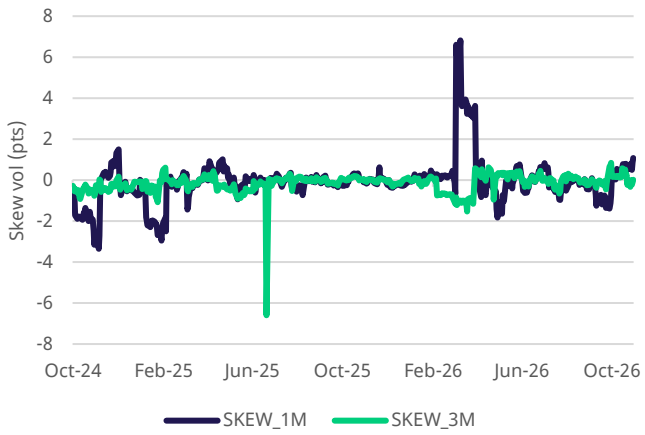


Figure 38 – OGBS Term Structure (6M-1M Spread)

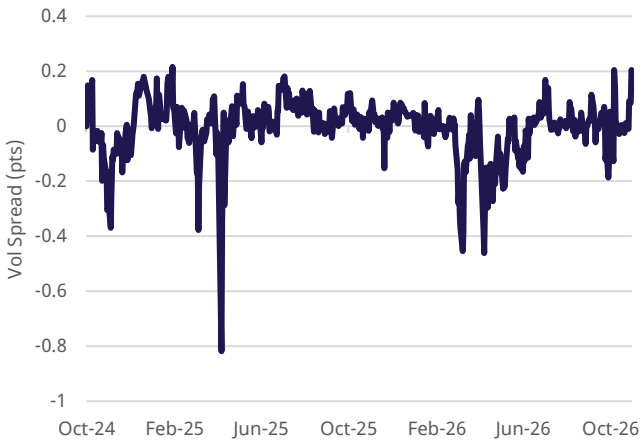
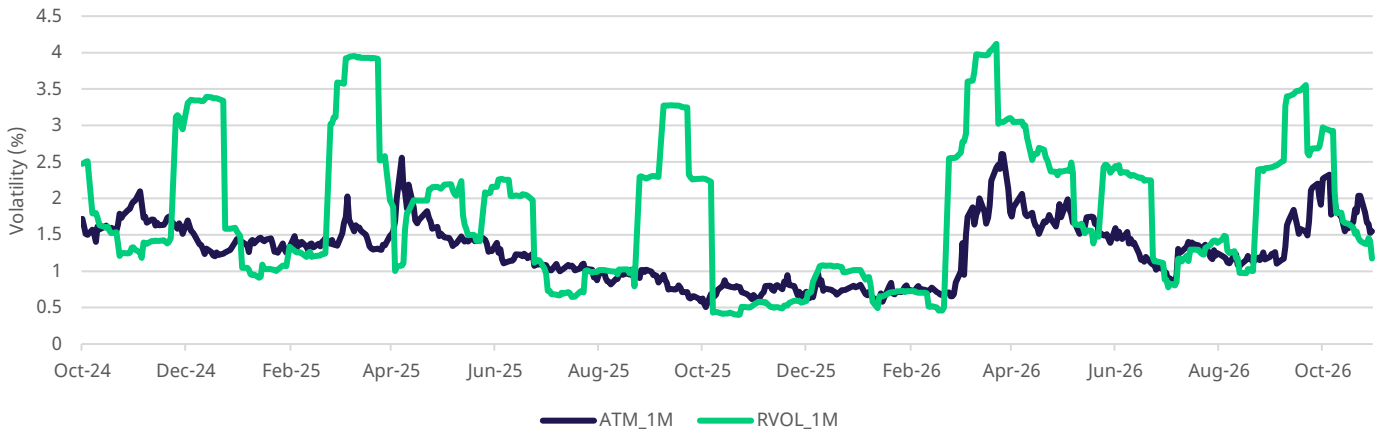


Figure 39 – OGBS 1M Implied vs Realized Vol



EUREX Architects of trusted markets

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