

Tuesday 18th October 2022

Weekly Options Summary

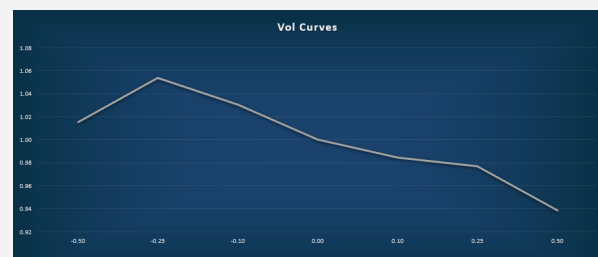
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Pretty active week with the Panamaxs seeing the majority of the action. Mostly bullish across the board, although we did see a Cape Dec 3way trade pretty high with a view to a downwards move. This week sees the 20th National Congress of the Chinese Communist Party so it may well be worth keeping your eyes fixed in that direction for any news.

CAPE SIZE: Only two trades this week. Q1 7000 Call x7250 trades 2350 forcing us to raise the Q1 vols to 135. Although this may seem high, given that it is higher than the Dec, it should be noted that due to the low level in the underlying the Breakevens are still very much in line.

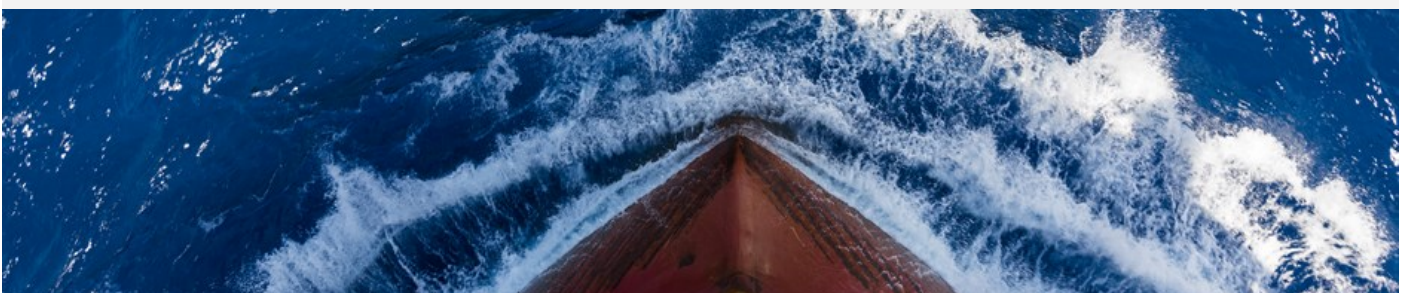
Term	Parameters								
	FUTS	S.D.	-0.50	-0.25	-0.10	0.00	0.10	0.25	0.50
Oct 22	18,375	1,852	2.38	8.33	4.76	160.00	-2.38	-3.57	-2.75
Nov 22	15,125	1,429	2.20	7.70	4.40	150.00	-2.20	-3.30	-3.30
Dec 22	14,000	1,146	2.00	7.00	4.00	130.00	-2.00	-3.00	-8.00

The second trade saw the Dec 14/10 PS vs 20k C x14500 trade 800 in 30dpm. This is around \$360 over our valuation but again the sheets shall not be moved! To get these three ways on price the -0.5 put needs lowering to 2 vols over atm and the 0.50 call to -8 vols under the atm. Neither of these price levels are anywhere close to obtainable by pricing the puts or calls independently. Also the resulting vol curve would be as shown (right) which is non-sensical. As a result we will simply view this as a marketplace opportunity.



PANAMAX: Decent week in the Pannies, a few trades all of which were bullish. We twice saw Nov 25 delta calls bought for \$600 90dpm in total (20000 and 21500 strikes). We then saw a Nov/Dec and Q1 collar both trade slightly over our levels to the call (we have adjusted accordingly) before finally seeing two call spreads purchased. The Q2 14/18k CS traded 1300 for 30dpm and the 2h23 13/20k CS traded twice on the week, first 1685 in 30dpm x12700 before trading 1625 in another 30dpm x1625 a day later.

SUPRAMAX: Quiet week in which the only trade to report on was the Nov22 20k Call sold at 550 150dpm. Maybe a Pmx/Smx Nov 20k spread taking shape?



Overview

C

P

S

Bullish sentiment all in all

Consider selling three ways

Let the Bulls run free

Pmx/Smx Spread?

Capesize — Options Curves

Parameters									
Term	FUTS	S.D.	-0.50	-0.25	-0.10	0.00	0.10	0.25	0.50
Oct 22	18,375	1,852	10.71	8.33	4.76	160.00	-2.38	-3.57	-2.75
Nov 22	15,125	1,382	9.90	7.70	4.40	145.00	-2.20	-3.30	-3.30
Dec 22	14,000	1,102	9.00	7.00	4.00	125.00	-2.00	-3.00	-3.50
Jan 23	8,500	723	7.20	5.60	3.20	135.00	-1.60	-2.40	-2.80
Q1 23	7,000	595	7.20	5.60	3.20	135.00	-1.60	-2.40	-2.24
Q2 23	11,700	848	4.32	3.36	1.92	115.00	-0.96	-1.44	-1.34
Cal 23	17,375	985	3.89	3.02	1.73	90.00	-0.86	-1.30	-1.21
Cal 24	13,925	614	3.50	2.72	1.56	70.00	-0.78	-1.17	-1.09

Weekly Trades								
Date	Trade	Price	Delta	Gamma	Theta	Vega	Rho	Epsilon
Wed 12 Oct	Cape Dec22 14/10 PS vs 20k C trades 800 30dpm	800	-0.53	-0.03	22	-13	-753	-7
Tue 11 Oct	Cape Q1 7000 call x7250 trades 2350 30dpm	2350	0.66	0.06	-12	15	-188	-2

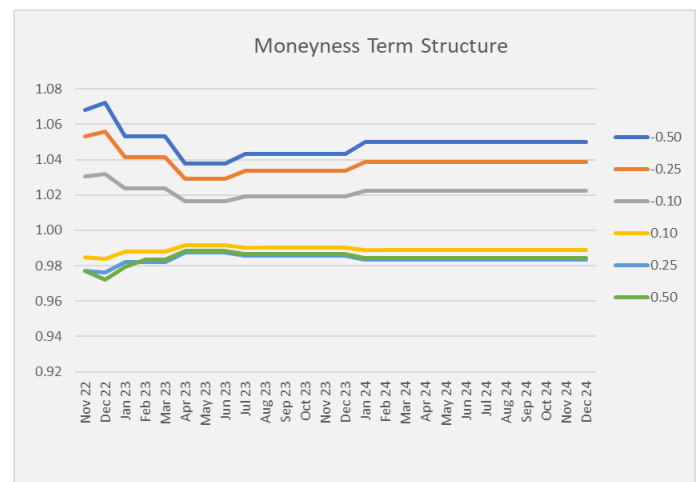
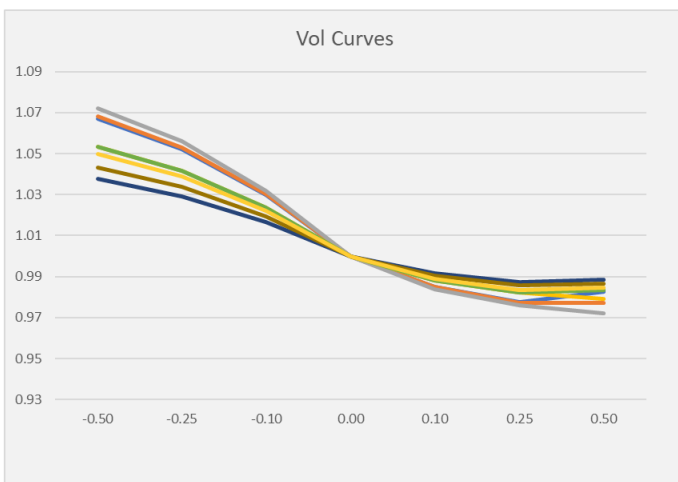
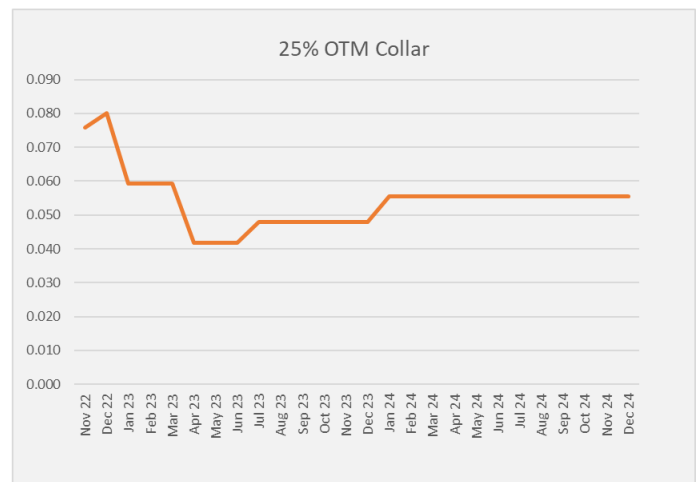
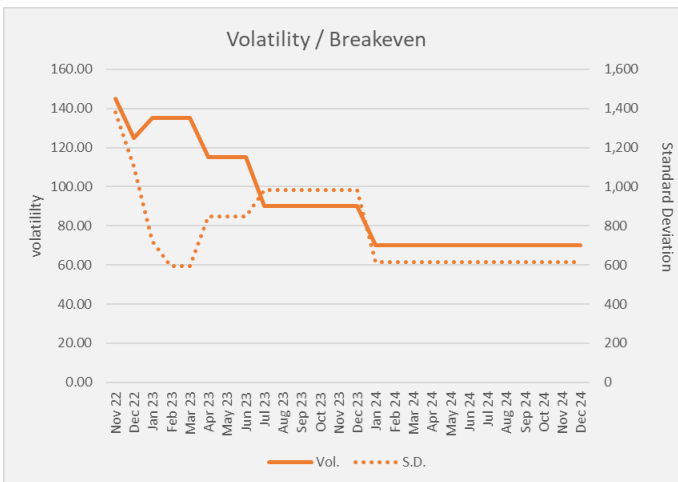


Chart sources: FIS

Panamax — Options Curves

Parameters									
Term	FUTS	S.D.	-0.50	-0.25	-0.10	0.00	0.10	0.25	0.50
Oct 22	18,000	952	3.60	2.28	1.08	86.00	-0.90	-1.20	-0.90
Nov 22	17,500	904	3.00	1.90	0.90	84.00	-0.75	-1.00	-0.75
Dec 22	16,250	686	3.00	1.90	0.90	82.00	-0.75	-1.00	-0.75
Q4 22	17,250	847	3.20	2.03	0.96	84.00	-0.80	-1.07	-0.80
Q1 23	12,050	509	2.40	1.52	0.72	67.00	-0.70	-0.80	-0.60
Q2 23	13,500	544	1.80	1.14	0.54	64.00	-0.53	-0.60	-0.45
Cal 23	12,725	497	1.35	0.86	0.41	62.00	-0.39	-0.36	-0.18
Cal 24	11,650	411	0.95	0.60	0.28	56.00	-0.28	-0.22	-0.11

Weekly Trades							
Date		Price	Delta	Gamma	Theta	Rho	Epsilon
Fri 14 Oct	Pmx Nov 20k C x16700 trades 500 60dpm	600	0.26	0.08	-31	682	-3.8
Fri 14 Oct	Pmx Q1 14/10k Collar x11900 trades 0 30dpm	0	0.66	0.02	-1	149	-0.9
Fri 14 Oct	Pmx Nov/Dec 17/15k Collar x16250 trades 300 (pp) 30dpm	300	0.82	0.01	-2	47	-2.1
Thu 13 Oct	Pmx 2h23 13/20k CS x 12500 trades 1625 30dpm	1625	0.26	0.00	0	-1435	-0.6
Wed 12 Oct	Pmx 2h23 13/20k CS x 12700 trades 1685 30dpm	1685	0.26	0.00	0	-1537	-0.4
Tue 11 Oct	Pmx Q2 14/18k CS x13500 trades 1300 30dpm	1300	0.20	0.00	0	-639	-0.9
Tue 11 Oct	Pmx Nov22 21500 Call x17400 trades 600 30dpm	600	0.24	0.07	-29	729	-4.2

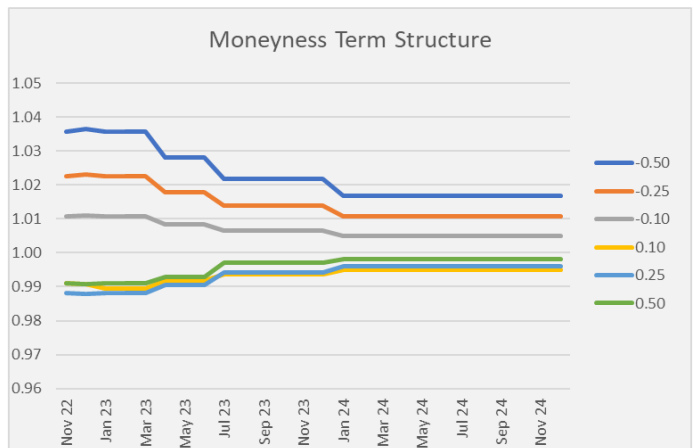
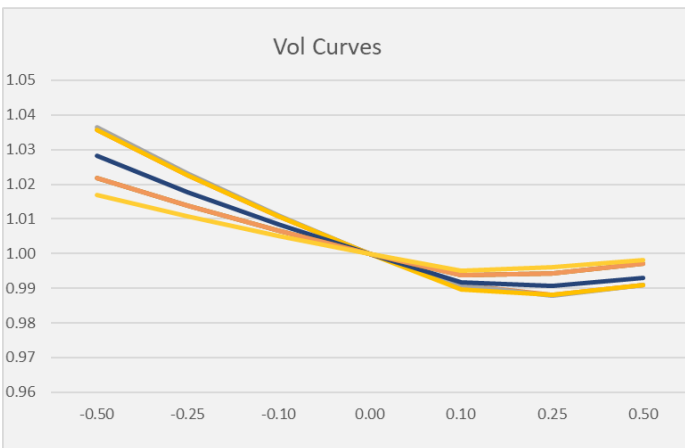
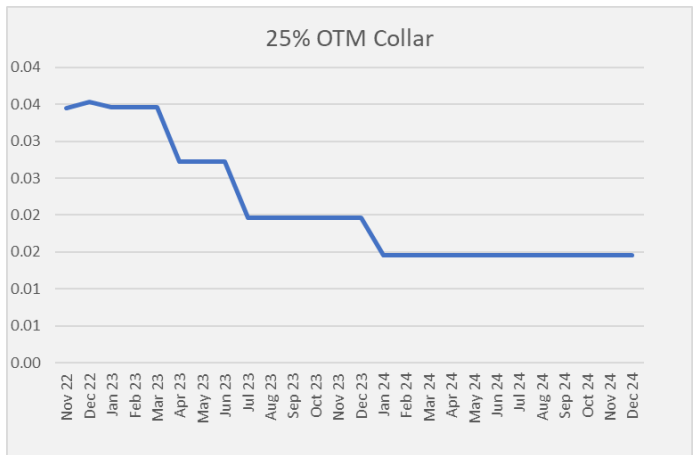
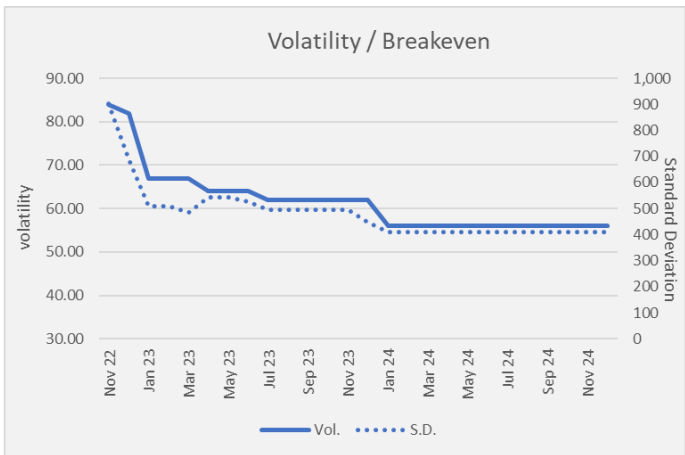


Chart sources: FIS

Supramax — Options Curves

Parameters									
Term	FUTS	S.D.	-0.50	-0.25	-0.10	0.00	0.10	0.25	0.50
Oct 22	18,200	1,066	6.50	6.00	3.50	93.00	-3.50	-6.00	-7.00
Nov 22	17,350	984	6.00	5.50	3.00	90.00	-3.00	-5.50	-7.00
Dec 22	16,000	877	6.00	5.50	3.00	87.00	-3.00	-5.50	-7.00
Q4 22	17,183	976	6.17	5.67	3.17	90.00	-3.17	-5.67	-7.00
Q1 23	12,400	521	4.80	4.40	2.40	66.75	-2.40	-4.40	-5.60
Q2 23	13,250	507	3.84	3.52	1.92	60.75	-1.92	-3.52	-4.48
Cal 23	12,725	487	3.07	2.82	1.54	60.75	-1.54	-2.82	-3.58
Cal 24	11,750	361	3.07	2.82	1.54	48.75	-1.54	-2.82	-3.58

Weekly Trades									
Date	Trade	Price	Delta	Gamma	Theta	Epsilon	Vega	Rho	Epsilon
Fri 14 Oct	Smx Nov22 20k C x17000 trades 550 150dpm	550	0.28	0.08	-34	-401	16	723	-4.01

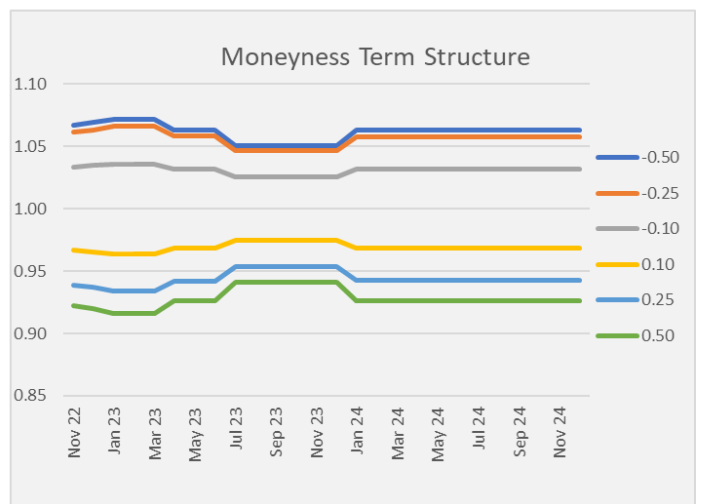
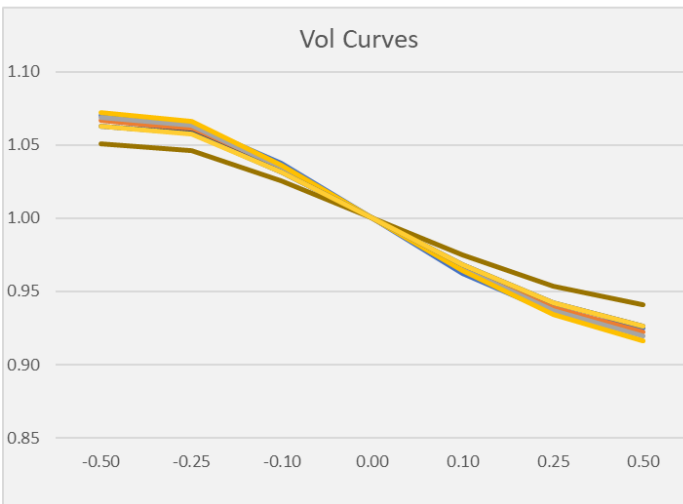
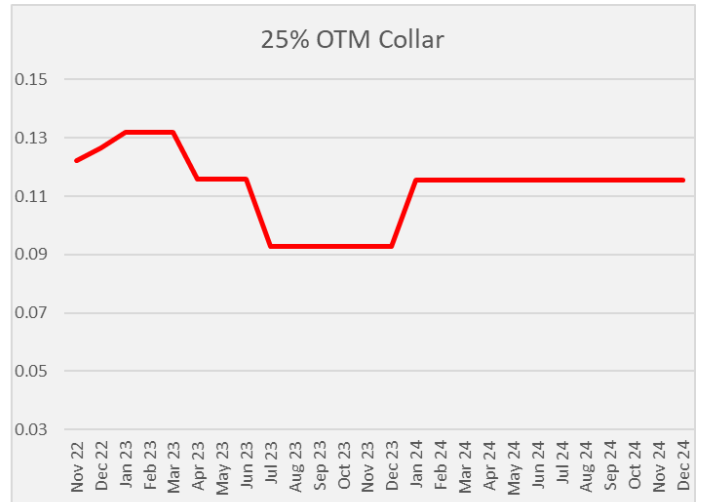
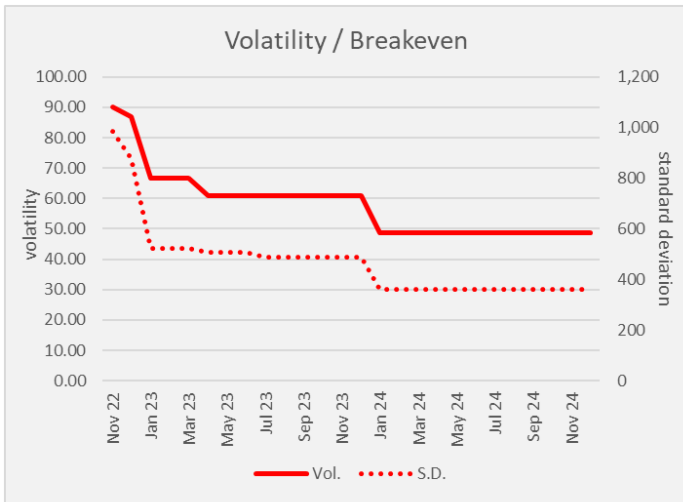


Chart sources: FIS

