FIS

COBALT OPTIONS WEEKLY REPORT

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CME Settle

	31 Aug
Sep 26	24.53
Oct 26	21.5
Nov 26	21.5
Dec 26	21.5

Historical / Realised Volatilities

	10 Day	30 Day	60 Day	90 Day	10 day chg
Sep 26	23.00%	19.35%	16.15%	15.75%	7.20%
Oct 26	17.40%	19.40%	16.70%	16.85%	5.50%
Nov 26	13.75%	18.20%	17.70%	17.40%	7.15%
Dec 26	13.95%	18.25%	16.45%	16.80%	8.60%
Q4 Avg	15.03%	18.62%	16.95%	17.02%	7.08%

Implied Volatilities

	10d Put	20d Put	35d Put	ATM	35d Call	20d Call	10d Call
Oct 26	49.00%	44.25%	37.50%	28.75%	28.00%	27.25%	26.50%
Nov 26	49.00%	44.25%	37.50%	30.50%	30.75%	29.75%	34.00%
Dec 26	44.75%	42.75%	37.50%	28.75%	29.25%	31.25%	34.00%
Q4 Avg	47.58%	43.75%	37.50%	29.33%	29.33%	29.42%	31.50%

Commentary:

Q4-26 Cobalt Option vols remain elevated in the face of a persistent lack of flows. Put skew is still extremely pronounced, and overall vol levels would require significantly greater daily ranges to justify current premiums. However, it is understandable that option writers would demand a significant risk premium from any buyers, given poor liquidity levels and (especially in the case of puts) the market continuing to make new cycle lows at levels now not seen since Oct 2025.

10-day historical vols have risen once more, but are still somewhat below the 28% highs seen in June and August. This time the rise has been driven principally by the two-day selloff on 21st and 24th Aug as we moved from $22.60 down to $21.70 in Q4-26 . Futures appear to have found support around the $21.50 level and in the absence of a further breakdown realised vols should stabilise. Longer dated realiseds remain in the 17% area.

On a relative basis, October call skew looks cheap and put skew looks expensive; once Sep rolls off, should near term supply disruptions persist and the Oct-26 contract rolls back up towards current Sep levels, an Oct-26 Cob $23.5/24.5 call spread (see value around 0.18 cents ref 22.00) would represent reasonable risk / reward for protection against such a scenario.

Sources: CME, FIS

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