

FTSE MIB Implied Volatility Index

Data as at: 30 May 2014

The FTSE MIB Implied Volatility Index (IVI) is a volatility index, which measures the interpolated 30,60, 90 and 180 day annualised implied volatility of the underlying FTSE MIB Index using the index option prices.

Expected volatility is calculated from the prices of out-of-the money options available on IDEM (Borsa Italiana Derivatives Market), where the price of each option represents a market expectation of future volatility.

FTSE MIB IVI – Implied Volatility

Year	30 Day Volatility			60 Day Volatility			90 Day Volatility			180 Day Volatility		
	mean	max	min	mean	max	min	mean	max	min	mean	max	min
YTD	22.70	28.37	18.50	22.33	26.96	19.25	22.72	27.80	19.58	23.53	28.48	20.73
2013	24.22	33.26	18.50	23.81	30.14	19.45	24.13	29.88	19.58	24.67	28.48	22.82
2012	30.69	43.68	19.30	30.68	40.93	19.33	31.06	39.77	21.15	32.03	40.74	24.35
2011	33.26	64.17	16.57	32.16	54.04	20.72	31.82	50.37	20.82	30.75	43.83	22.82
Since 4/2010	28.57	64.17	16.57	28.10	54.04	19.25	28.31	50.37	19.58	28.81	44.16	20.73

FTSE MIB IVI – Implied Volatility



FEATURES

Objective

- The index provides an estimate of the market's volatility expectations on the underlying index between now and the index options' expiration, enabling investors to make better informed risk management and trading decisions.

Eligibility

- The index is comprised of out-of-the-money put and call options from two expirations which span the period of interest.
- The price of each option reflects the market's expectation of future volatility.

Transparency

- The indices are managed according to a transparent and publicly available set of rules.

FTSE MIB IVI – Correlation Implied Volatility & Index Level

Year	30 Day Correlation			90 Day Correlation		
	mean	max	min	mean	max	min
YTD	-0.38	0.52	-0.91	-0.04	0.16	-0.23
2013	-0.40	0.52	-0.93	-0.11	0.12	-0.27
2012	-0.60	0.42	-0.97	-0.02	0.18	-0.17
2011	-0.58	0.10	-0.95	-0.02	0.14	-0.32
Since 4/2010	-0.54	0.52	-0.97	-0.04	0.18	-0.32

FTSE MIB Implied and Realised Volatility

Year	30 Day Volatility		90 Day Volatility	
	IVI	RV	IVI	RV
YTD	22.70	19.37	22.72	19.66
2013	24.22	20.77	24.13	21.32
2012	30.69	27.94	31.06	31.16
2011	33.26	30.22	31.82	27.84
Since 4/2010	28.57	25.49	27.43	25.57

FTSE MIB Implied and Realised Volatility**INFORMATION****Index Launch**

18 February 2013

Index Calculation

End of Day

Historical Data

01 April 2010

Index Rules

www.ftse.com

Tickers

IVMIB30

IVMIB60

IVMIB90

IVMIB180

Data definitions available from www.ftse.com

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