

Figure 35: Comparing performance under rising and falling markets: Equity vs. various 36M call option strategies

	Dec-02 to Oct-07		Oct-07 to Mar-09		Mar-09 to Sep-13		Apr-13 to Sep-13		Dec-02 to Sep-13			Dec-02 to Apr-13		
	Return	Vol	Ret/Vol	Return	Vol	Ret/Vol								
Equity	13.3%	12.8%	-55.3%	37.8%	22.3%	18.7%	18.9%	11.3%	8.0%	20.3%	39.2%	7.5%	20.6%	36.6%
12M Roll														
Outright: ATM	7.3%	9.0%	-23.0%	12.3%	8.9%	10.1%	13.5%	7.9%	3.9%	10.0%	39.5%	3.6%	10.1%	35.5%
Outright: 18%	8.1%	11.4%	-22.2%	12.2%	8.7%	10.6%	15.0%	9.1%	4.3%	11.2%	38.3%	3.9%	11.2%	34.3%
Outright: 10%	5.8%	8.6%	-12.3%	7.4%	4.5%	7.1%	12.1%	7.6%	2.8%	7.9%	35.8%	2.5%	7.9%	31.1%
Outright: 6%	4.2%	6.7%	-6.8%	5.0%	2.2%	4.7%	9.4%	6.2%	1.9%	5.7%	33.0%	1.6%	5.7%	27.9%
Spread: ATM - 6%	5.2%	4.9%	-13.0%	7.7%	6.8%	5.9%	4.5%	2.0%	3.4%	5.8%	59.8%	3.4%	5.9%	58.1%
Spread: 18% - 6%	6.0%	6.2%	-12.3%	7.5%	6.6%	6.2%	6.3%	3.4%	3.8%	6.4%	59.4%	3.7%	6.5%	57.1%
Spread: ATM - 2%	7.0%	6.8%	-19.5%	10.8%	8.8%	8.8%	10.1%	5.2%	4.2%	8.3%	51.0%	4.0%	8.4%	47.7%
Spread: 18% - 2%	7.7%	9.3%	-18.8%	10.7%	8.6%	9.2%	11.7%	6.6%	4.6%	9.5%	48.1%	4.3%	9.6%	44.7%
Spread: 10% - 2%	5.4%	6.0%	-9.0%	5.7%	4.4%	5.6%	8.7%	4.9%	3.1%	5.8%	53.1%	2.9%	5.9%	49.1%
Spread: ATM - 1M 2%	8.1%	8.4%	-21.0%	11.9%	8.4%	9.3%	-3.1%	7.1%	4.4%	9.3%	46.9%	4.7%	9.4%	49.6%
Spread: 18% - 1M 2%	8.8%	10.7%	-20.2%	11.8%	8.3%	9.7%	-1.3%	8.2%	4.7%	10.5%	44.9%	4.9%	10.6%	46.8%
Spread: 10% - 1M 2%	6.6%	8.2%	-10.4%	7.0%	4.0%	6.3%	-4.6%	6.8%	3.2%	7.3%	44.3%	3.5%	7.3%	48.4%
24M Roll														
Outright: ATM	8.3%	10.4%	-22.0%	11.7%	10.3%	11.4%	13.5%	7.9%	5.1%	11.0%	46.2%	4.8%	11.1%	42.8%
Outright: 18%	8.8%	10.9%	-23.5%	12.7%	9.8%	11.5%	15.0%	9.1%	4.9%	11.4%	43.1%	4.5%	11.5%	39.4%
Outright: 10%	6.5%	8.5%	-13.3%	7.8%	5.0%	7.5%	12.1%	7.6%	3.2%	8.0%	40.4%	2.9%	8.0%	38.0%
Outright: 6%	4.7%	6.1%	-7.6%	5.2%	2.3%	4.7%	9.4%	6.2%	2.0%	5.4%	37.2%	1.7%	5.4%	32.0%
Spread: ATM - 6%	5.8%	5.0%	-11.3%	6.7%	8.1%	7.5%	4.5%	2.0%	4.5%	6.4%	70.1%	4.5%	6.5%	69.0%
Spread: 18% - 6%	6.3%	5.5%	-12.6%	7.7%	7.7%	7.2%	6.3%	3.4%	4.4%	6.6%	66.2%	4.3%	6.7%	64.2%
Spread: ATM - 2%	7.9%	8.6%	-18.1%	9.8%	10.1%	10.3%	10.1%	5.2%	5.3%	9.5%	55.8%	5.1%	9.7%	53.2%
Spread: 18% - 2%	8.3%	9.1%	-19.5%	10.9%	9.6%	10.3%	11.7%	6.6%	5.2%	9.9%	52.4%	4.9%	10.0%	49.2%
Spread: 10% - 2%	6.1%	6.6%	-9.5%	5.8%	4.9%	6.2%	8.7%	4.9%	3.5%	6.3%	54.8%	3.3%	6.4%	51.2%
Spread: ATM - 1M 2%	9.1%	9.6%	-20.1%	11.3%	9.8%	10.5%	-3.1%	7.1%	5.5%	10.2%	53.6%	5.8%	10.3%	56.3%
Spread: 18% - 1M 2%	9.5%	10.1%	-21.5%	12.3%	9.4%	10.5%	-1.3%	8.2%	5.3%	10.6%	50.4%	5.6%	10.7%	52.5%
Spread: 10% - 1M 2%	7.3%	7.7%	-11.5%	7.4%	4.7%	6.7%	-4.6%	6.8%	3.7%	7.3%	50.6%	4.0%	7.3%	54.9%
36M Roll														
Outright: ATM	8.7%	11.4%	-26.5%	14.0%	11.3%	15.7%	18.3%	10.8%	5.1%	13.7%	36.9%	4.6%	13.8%	32.9%
Outright: 18%	9.0%	11.7%	-28.6%	15.6%	9.8%	14.9%	17.8%	11.0%	4.3%	13.7%	31.6%	3.8%	13.8%	27.6%
Outright: 10%	6.5%	9.6%	-16.7%	9.5%	3.4%	9.9%	15.3%	9.7%	2.1%	9.7%	21.5%	1.6%	9.7%	16.2%
Outright: 6%	4.1%	7.0%	-9.9%	6.5%	2.1%	4.8%	12.1%	8.1%	1.4%	6.1%	22.8%	1.0%	6.0%	16.1%
Spread: ATM - 6%	6.8%	5.4%	-13.5%	8.5%	9.2%	12.4%	7.8%	3.7%	5.1%	9.4%	54.8%	5.0%	9.5%	52.9%
Spread: 18% - 6%	7.2%	5.7%	-15.5%	10.4%	7.9%	11.6%	7.4%	4.0%	4.5%	9.3%	48.3%	4.4%	9.4%	46.3%
Spread: ATM - 2%	8.4%	9.8%	-21.9%	12.0%	10.9%	15.0%	15.2%	8.0%	5.4%	12.5%	43.3%	5.1%	12.7%	39.8%
Spread: 18% - 2%	8.8%	10.0%	-23.9%	13.8%	9.4%	14.2%	14.8%	8.3%	4.7%	12.5%	37.8%	4.3%	12.6%	34.2%
Spread: 10% - 2%	6.3%	8.0%	-12.1%	7.3%	3.1%	9.2%	12.0%	6.8%	2.5%	8.4%	29.5%	2.1%	8.5%	24.9%
Spread: ATM - 1M 2%	9.4%	10.5%	-24.3%	13.5%	10.8%	14.4%	0.6%	9.9%	5.5%	12.7%	43.5%	5.7%	12.8%	44.7%
Spread: 18% - 1M 2%	9.7%	10.7%	-26.2%	15.0%	9.4%	13.6%	0.3%	10.1%	4.8%	12.6%	38.2%	5.0%	12.7%	39.3%
Spread: 10% - 1M 2%	7.3%	8.7%	-14.6%	9.1%	3.1%	8.6%	-3.4%	8.9%	2.6%	8.7%	29.9%	2.9%	8.7%	32.7%

Source: Deutsche Bank

