Outlook

Put Vol selling / Theta Play

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Put Vol selling / Theta Play

SFIZ6 96.30/96.20/95.50 put ladder @ -6.25, +30d at inception

The 95.40 break even is safe from 75bps of realised hikes in 2026 with a chance of a Dec and Feb hike priced at expiry.

Large payout zone hedges hawkish distribution, whilst in a risk off event and rates rally- you can keep the credit at expiry.

Although open tail and large consumer of VaR, trade runs positive theta across wide distribution of Z6.

To compare the SFIZ6 put vols/skew vs ER and SFR, attached I show the relative strike put ladder for all three.