

# Cboe Expands Implied Correlation Index Suite, Adds Eight Additional Volatility-Related Indices

Jul 18, 2022



- Cboe Implied Correlation Indices are the first widely disseminated market estimates of the average correlation of the stocks that comprise the S&P 500® Index (SPX)
- Suite of volatility-related indices recently expanded to include additional tenors and skews
- Helps allow market participants to gain a view of potential factors driving volatility in equity markets

CHICAGO, July 18, 2022 /PRNewswire/ -- Cboe Global Markets, Inc. (Cboe: CBOE), a leading provider of global market infrastructure and tradable products, today announced the expansion of its Cboe Implied Correlation® Index suite with the recent addition of eight new indices. Market participants can now access a full suite of volatility-related indices across a range of maturities and skews to help gain a more complete view of the potential factors driving volatility in the equity markets.

The Cboe Implied Correlation Indices are the first widely disseminated market estimates of the average correlation of the stocks that comprise the S&P 500® Index (SPX). The benchmark indices are designed to offer insight into the relative cost of SPX options compared to the price of options on individual stocks that comprise the SPX, and help market participants to identify the potential drivers of implied volatility for the SPX and evaluate the potential implications of major macroeconomic events on market expectations.

"As the pioneer in the volatility space, Cboe has created more than 450 volatility and derivatives-based indices and we are pleased to expand our offerings further with these eight implied correlation indices," said Rob Hocking, Senior Vice President and Head of Derivatives Strategy at Cboe Global Markets. "In today's market environment, investors are demanding greater data and insights to gain a better understanding of market movements and the drivers impacting correlation in the equity markets. These additional indices can provide market participants with a view of correlation surfaces and market expectations of implied volatility across time and delta-shocks, offering the transparency they need to help effectively construct trading strategies and hedge underlying risk."

Generally, market participants use correlation as a risk management tool to set systematic risk exposure levels and maximize risk diversification benefits. Because correlation is essentially a statistical measure of diversification, market participants typically closely monitor correlation levels to help ensure their risk exposures line up with their risk appetite levels and to develop risk transfer strategies.

The eight new indices complement Cboe's existing three-month Implied Correlation Index (COR3M), which it began publishing in July 2021. Similar to COR3M, the new indices utilize Cboe's innovative, proprietary methodology to calculate implied correlation. With these new offerings, Cboe offers a complete suite of indices that provides maturity representation of implied correlation for SPX for one-, three-, six-, nine- and 12-month tenors, and across different skews:

- **Tenor Indices** (tickers: COR1M, COR3M, COR6M, COR9M, COR1Y), which are calculated using 50 delta implied volatilities and show market expectations of correlation risk over time
- **Delta Skew Indices** (tickers: COR10D, COR30D, COR3MD, COR70D, COR90D), which are calculated using three-month implied volatilities and signify market expectations of correlation during different delta shock scenarios

Cboe is publishing intraday values for Cboe Implied Correlation Indices on its Cboe Global Indices Feed and disseminating index values four times per minute throughout the trading day. Index values are also available through Bloomberg and Refinitiv.

For a complete overview of Cboe Implied Correlation Indices, including methodology, components and pricing information, please see the Cboe Implied Correlation Index White Paper.

## About Cboe Global Markets, Inc.

Cboe Global Markets (Cboe: CBOE), a leading provider of market infrastructure and tradable products, delivers cutting-edge trading, clearing and investment solutions to market participants around the world. The company is committed to operating a trusted, inclusive global marketplace, providing leading products, technology and data solutions that enable participants to define a sustainable financial future. Cboe provides trading solutions and products in multiple asset classes, including equities, derivatives and FX, across North America, Europe and Asia Pacific. To learn more, visit [www.cboe.com](http://www.cboe.com).

## Media Contacts

## Analyst Contact

**Angela Tu**

+1-646-856-8734

[atu@cboe.com](mailto:atu@cboe.com)

**Tim Cave**

+44 (0) 7593-506-719

[tcave@cboe.com](mailto:tcave@cboe.com)

**Kenneth Hill, CFA**

+1-312-786-7559

[khill@cboe.com](mailto:khill@cboe.com)

CBOE-C  
CBOE-O  
CBOE-OE

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