Volatility Products Homework Gold Course 10

Price out a long and short VIX trade. Explain the risk reward scenario?

1. How does the VIX future settle?
2. Do the VIX options price off of the index
3. What is meant by the constant duration of the VIX?
4. How is the VIX weighted
5. Describe the skew in the VIX options.
6. What is the long term mean of the VIX?
7. Describe the Weekend Effect in the VIX.
8. Why is a Backward VIX future curve important for the VIX?
9. Describe ‘double decay” in the VIX. Need VIX to fly.
10. Is the VIX and SPX level an important relationship? If so, why?
11. Name one unintended consequence of the term structure for VIX ETN’s.
12. Name a good bullish VIX play and a good bearish VIX play.