

As index volatility stays quiet, single-stock dispersion reshapes options trading.

Ahead of TraditionData's Equity derivatives product launch, Jake Harmon discusses how institutional investors are turning to customised equity option structures.

Headline volatility has remained relatively contained, yet beneath the surface, individual stocks have experienced increasingly divergent moves driven by earnings, AI investment, geopolitics and shifting trade policy. In other words, index volatility has stayed modest while single-stock dispersion has increased.

When markets become more selective, institutional investors often become more selective as well.

Rather than making broad market bets, they increasingly turn to customised equity option structures to hedge concentrated positions, express relative-value views and manage event risk around individual names.

That activity often takes place in the brokered market, where brokers negotiate block-sized, complex option strategies away from the exchange order book. While exchange-reported trades provide an important view of the market, they don't reveal the institutional liquidity that existed before a trade occurred, the pricing negotiation that led to execution, or the opportunities that ultimately went unfilled.

By combining negotiated quotes with completed trades, market participants can better understand where liquidity was available, how pricing evolved and where institutional interest never resulted in an execution.

Later this year, TraditionData will launch a new equity options dataset. Sourced from Tradition's equity desks, one of the largest inter-dealer broker footprints in the market, comprising five brands, the dataset offers one of the industry's deepest and broadest sources of quote and block trade activity. Our goal is simple: provide researchers and market participants with a more complete picture of institutional equity options activity.

As markets become increasingly driven by company-specific events rather than broad market moves, understanding institutional options liquidity has never been more relevant.



This article is written by

Jake Harmon

Regional Head of Product - Americas
TraditionData

■ Related market data products

Coming soon: Equity derivatives →

Built for data-driven firms seeking to reconstruct the multi-leg strategies driving the equity markets, from back-testing volatility models to identifying hidden liquidity patterns.

Global fixed income →

Global FX & money market data solutions →

Inflation swaps →

Explore our products →



This article is produced by



This article is produced by TraditionData. At TraditionData we provide leading insights from our extensive suite of OTC market data captured directly from active inter-dealer markets. Actual trades, firm quotes, and orders from the desks of one of the world's largest inter-dealer brokers, Tradition.

TraditionData delivers precise, validated price data across all active inter-dealer markets globally, direct from Tradition's market-leading business operating in more than 30 countries.

Tradition provides real-time pricing across 200+ products and more than 200,000 instruments. TraditionData equips financial institutions with trusted insights for risk management, valuation, validation, surveillance, trading and analytics across complex and opaque markets.



Contact us to learn more at: www.traditiondata.com

This document and its contents are confidential. It is intended solely for the use of the individual or entity to which it is provided. Information contained herein is the property of Compagnie Financière Tradition S.A. or any of its subsidiaries and/or TraditionData (together "Tradition"). Unauthorised disclosure, copying or distribution of such information is strictly prohibited, and the information shall not be redistributed in any form to any third party, in each case without the prior consent of Tradition. Whilst every effort is made to ensure the accuracy of the information contained herein, no warranty, condition or guarantee is given by Tradition in respect of any information. Nothing herein constitutes investment advice or an offer, or solicitation of an offer, to buy or sell any financial product. To the maximum extent of the law, Tradition accepts no responsibility for any reliance placed on the contents of this document and accepts no liability for any direct, indirect or any other loss arising out of any use of the information contained in this document or any omission from it. It is not intended for distribution to, or use by any person or entity in any jurisdiction or country where such distribution or use would be contrary to any applicable law or regulation. Copyright © Tradition, 2026. TraditionData is a trade mark of Tradition. Commercial in Confidence