

## Closed Trade Recommendations

	Trade Detail	Rationale	Risks	Opened	Entry	Closed	Exit	P/L
<b>Inflation</b>	Underweight 30yr TIPS	30yr tends to cheapen ahead of supply	30yr outperforms	6/5/15	+11 bp	6/17/15	+12 bp	<b>-60k</b>
<b>Inflation</b>	Short 1/2026 breakevens vs 5yr and 30yr breakevens	10s look rich; sell the rich 1/2026s	10s richen further	1/23/15	+15 bp	6/11/15	+5 bp	<b>+308k</b>
<b>Inflation</b>	Long 30yr TIPS breakevens versus 10yr TIPS breakevens	10s-30s breakeven curve appears too flat on a long term basis	Long term inflation expectations decline	11/26/14	+16 bp	6/5/15	6.54 bp	<b>152K</b>
<b>Inflation</b>	Long 2019 TIPS breakevens versus 2016 TIPS breakevens	Being long 2019 BEs versus 2016 BEs has positive carry, and is less correlated with energy prices than 1yr BEs	2019 breakevens drop more than 2016 breakevens	11/26/14	+41 bp	2/25/15	+22 bp	<b>+4,014k</b>
<b>Inflation</b>	Long 30yr TIPS breakevens	Bond TIPS look cheap on a relative value basis	Inflation expectations decline	10/17/14	2.08%	12/9/14	1.97%	<b>-1,171k</b>
<b>Inflation</b>	Buy 2023 TIPS vs. 7/2019 and 1/2025 TIPS on ASW	The intermediate sector in inflation markets is cheap relative to the wings	Further cheapening of the belly in inflation markets relative to the wings	12/6/13	+38 bp	12/19/14	+8 bp	<b>+2,263k</b>
<b>Inflation Swaps</b>	Long 2y2y inflation swap	2y2y inflation looks attractive on historical basis	Forward inflation falls	10/3/14	2.1%	12/9/14	2.0%	<b>-309k</b>
<b>Inflation Swaps</b>	Sell the 5yr5yr inflation swaps	The spread between 5yr5yr inflation swaps and 5yr5yr TIPS breakevens is wide. Selling the 5yr5yr inflation swaps looks attractive.	5yr5yr inflation swaps rise	11/7/14	2.58%	12/18/14	2.43%	<b>+1,361k</b>
<b>Option</b>	Buy \$100mn 6M 2y1y 25bp OTM MC payers vs. Sell 100mn 1Y 4Y1Y 45bp OTM MC payers at zero net cost	Curve flattens on a hawkish FOMC	Curve bear steepens	9/12/14	0¢	3/11/15	-0.7¢	<b>-32k</b>
<b>Option</b>	Sell \$100mn 6M5Y ATMF vs. buy \$200mn 6M5Y 30bp OTM payers at zero net cost	Skew trades rich in a sell-off	Rates sell off half-way and stay there till the expiry	9/12/14	0 bp	3/11/15	0.0 bp	<b>-2k</b>
<b>Option</b>	<b>Mid-curve payer:</b> Sell \$100mn 1Y 5Y5Y ATMF mid-curve payers vs. buy \$200mn 1Y2Y ATMF payers for the net takeout of 28c	5Y5Y has a limited upside while 1Y2Y could see significant repricing due to adjustments of monetary policy	The curve bear steepens	3/14/14	-18¢	3/13/15	0.0¢	<b>+184k</b>
<b>Option</b>	Conditional bull steepeners: Sell \$32.8mn 3M10Y ATMF receivers vs. buy \$100mn 3M3Y ATMF receivers at net takeout 1c	Front-end gets re-priced in a delayed Fed hike	Curve bull flattens; unlimited downside	9/26/14	-1 bp	12/30/14	0 bp	<b>+19k</b>
<b>Option</b>	Buy 1X2 3M3Y ATMF/13.5bp receiver spreads for zero net cost	Short-term risk off and short covering	Rally below the breakevens; unlimited downside	9/26/14	0 bp	12/30/14	0 bp	<b>+28k</b>
<b>Option</b>	Buy \$1,000mm 6m single reset cap on CMS10-CMS5 strike 89bp for 9.75c	Carry pays for option, repriced fed suggests 5y outperformance	Curve flattening, max loss premium	5/20/14	+9 bp	11/20/14	0 bp	<b>-875k</b>
<b>Option</b>	Sell \$100mn 3M5Y straddles vs. buy \$100mn 3M5Y 22bp OTM payers for net takeout of 100c.	No big changes in vol near term	Rates rally	9/19/14	-100 bp	12/30/14	0 bp	<b>+1,028k</b>

Source: Deutsche Bank

