

1.16 275,100 362,700
1.15 220,700 308,200

Regards,
Daniel

From: "jeffrey E." <jeevacation@gmail.com>
To: Daniel Sabba/[REDACTED],
Date: 10/24/2014 10:06 AM
Subject: Re: Jeffrey, an idea for you - 10x payout EUR digitals

lets speak

On Fri, Oct 24, 2014 at 8:57 AM, Daniel Sabba <[REDACTED]> wrote:
Jeffrey,

This is a trade that is getting a lot of attention from hedge fund principals. Paul told me you have an options background and we thought this might be interesting for you.

We solved for the expiries European put digitals on EURUSD would need to have for the structure to have 10x payout at expiry.

Buy European digital puts in EURUSD
Spot Ref: 1.2655
Strike: 1.2000
Payout: If EURUSD at or below 1.2000 at expiry: USD10mm
If EURUSD above 1.2000 at expiry: USD 0
Expiry: 02/01/15
Premium Offer: USD1mm (10x payout)

While implied vol in EURUSD has gone up a bit since the summer, it is still very low for historical standards. Many catalysts for why a EUR sell-off could happen, from renewed ECB monetary expansion, weak data out of Germany and faster US recovery leading to a stronger USD, between others.

3m ATM implied vol in EURUSD (source: Bloomberg)
(Embedded image moved to file: pic29276.gif)

Please note all prices are indicative and subject to change without notice.

Regards,
Daniel

(Embedded image moved to file: pic10597.gif)

Daniel Sabba
Director | Key Client Partners

Deutsche Bank Securities Inc
Deutsche Asset & Wealth Management
345 Park Avenue, 26th Floor
New York, NY 10154
Tel. [REDACTED]
Mobile [REDACTED]
Email [REDACTED]

Derivatives are financial transactions based upon one or more predetermined market factors where periodic payments (or a one-time lump-sum payment) are made by each of the parties to the transaction based upon the value of the market factor or factors. The amount of the payment(s) will either be set at