

**Put Strike:** 117.00  
**Call Strike:** 123.45  
Notional: USD 10,000,000 USD  
**Expiry:** Thu 05-Nov-2015 (6m)  
Structure Mid: USD -160,000

#3) SFLLC sells Put, buys Call on USD/JPY in a premium neutral Risk Reversal

**Put Strike:** 116.00  
**Call Strike:** 125.00  
Notional: USD 10,000,000 USD  
**Expiry:** Thu 05-Nov-2015 (6m)  
Structure Mid: USD -130,000

Thank you,  
Vahe

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**From:** Daniel Sabba  
**Sent:** Friday, May 01, 2015 4:35 PM  
**To:** jeffrey E.; Paul Morris  
**Cc:** Vahe Stepanian; Ariane Dwyer; Richard Kahn  
**Subject:** RE: DB James Malcolm: Are the BoJ shifting stance? Own some cheap optionality..... [C]

Classification: **Confidential**

The reason why one would do the trade below is for its embedded leverage. While it requires upfront premium, there is no IA required besides it. A premium neutral risk reversal utilizes your capital as it requires Initial Amount under your Credit Support Annex terms.

We will send risk reversals quotes when market reopens. Could you please clarify what expiries you would like to look at?

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**From:** jeffrey E. [<mailto:jeevacation@gmail.com>]  
**Sent:** Friday, May 01, 2015 4:02 PM  
**To:** Daniel Sabba; Paul Morris  
**Subject:** Re: DB James Malcolm: Are the BoJ shifting stance? Own some cheap optionality.....

send me put and calls at different strikes and duration, why in the world would i put up any money if i can short puts ? buyu calls .risk reversal. sorry

On Fri, May 1, 2015 at 10:15 AM, Daniel Sabba <[dsabba@vahe.com](mailto:dsabba@vahe.com)> wrote:

Jeffrey – we wanted to share this note with you as it relates to what we perceive to be your macro views.

**James Malcolm is updating his view on the BoJ - he thinks there is now material event risk for the July meeting which warrants some 3-month vol premium on Yen assets and a close following of domestic data and news in the interim. Is the BoJ stance shifting from “no-ease-unless-things-worsen” .... to “ease-unless-things improve” mode ?**

I think it makes a lot of sense to own some low delta, low premium \$JPY upside at the moment

**We are axed to sell 50m\$ payout of a 5<sup>th</sup> August expiry 133.15 One Touch at just 8% (mid 5%)**