
From: Paul Barrett <[REDACTED]>
Date: Thursday, Dec 21, 2017, 23:14
To: Xavier Avila <[REDACTED]>
Cc: Martin Zeman <[REDACTED]>, Joshua Shoshan <[REDACTED]>, Stewart Oldfield <[REDACTED]>
Subject: RE: GBP KO Fwd

I sold a GBP bond today for some tax planning so want to replace the GBP FX exposure. So you ike EURGBP downside?

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From: Xavier Avila <[REDACTED]>
Sent: Thursday, December 21, 2017 10:38 PM
To: Paul Barrett <[REDACTED]>
Cc: Martin Zeman <[REDACTED]>; Joshua Shoshan <[REDACTED]>; Stewart Oldfield <[REDACTED]>
Subject: RE: GBP KO Fwd

Agree, not best moment to sell vol.

Any reason you buying GBP?

What about selling EURGBP? Better carry, les dependant on USD view if you are bullish GBP, I think 8850 still prices a lot of Brexit catastrophe scenarios. Spend the posiyive carry to buy an ATMS AKI or EKI fwd maybe? not sure how the barrier would look.

Our catalan friends gave us another reason to doubt this EUR euphoria of the last months (you thought SA politics were complicated, ha!!!)

Xavier Avila
Managing Director
[REDACTED]

From: Paul Barrett <[REDACTED]>
Date: Thursday, Dec 21, 2017, 22:13
To: Xavier Avila <[REDACTED]>
Cc: Martin Zeman <[REDACTED]>, Joshua Shoshan <[REDACTED]>, Stewart Oldfield <[REDACTED]>
Subject: RE: GBP KO Fwd

I think vol is too low to embed KOs. In fact what I do like is combining the long GBP call with a short GBP KI put (vol also too low for that right now).