From: Stewart Oldfield [redacted]
Sent: 5/31/2016 11:02:16 AM
To: Vahe Stepanian [redacted]
CC: Daniel Sabba [redacted]
Subject: RE: indication on WTI risk reversals [C]

Classification: **Confidential**

Thanks for following up. I had a good meeting with Rich last week. Can share some color whenever you guys like

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From: Vahe Stepanian
Sent: Tuesday, May 31, 2016 11:01 AM
To: Richard Kahn
Cc: Daniel Sabba; Stewart Oldfield
Subject: RE: indication on WTI risk reversals [C]

Classification: **Confidential**

Rich,

Please see below refreshed indications – these levels are not tradable. We did not refresh the $50 strikes as they are well in the money now. Further, we heard back from our Credit Risk Management team and they would require **40% IA for the below transactions in cash or treasures (i.e. approx. $20mm on 1mm barrels of WTI).**

Notional: 1mm barrels of WTI

WTI futures references:
CLU6 ref 50.75, option exp 17Aug16
CLZ6 ref 51.65, option exp 16Nov16
CLH7 ref 52.00, option exp 15Feb17

Premium neutral risk reversals on WTI - Indications
Southern financial buys calls and sells puts for zero net premium.
These are listed look-alike structures to be executed through Southern Financial's ISDA.

option exp 17Aug16
Future reference: CLU6

Call strike: 55
Put strike: 47.00

option exp 16Nov16
Future reference: CLZ6

Call strike: 55
Put strike: 48.90

option exp 15Feb17
Future reference: CLH7

Call strike: 55
Put strike: 49.85