

Kind regards,
Nadean

From: Paul Barrett [mailto: [REDACTED]]
Sent: Thursday, July 26, 2018 10:49 PM
To: Nadean Novogratz
Cc: Martin Zeman; Stewart Oldfield; Xavier Avila; Davide-A Sferrazza; Devin Anderson
Subject: RE: Follow-up

Thanks Nadean

Will get the forms filled out and look at the pricing.

Best,

Paul

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[REDACTED]
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From: Nadean Novogratz <nadean.novogratz@db.com>
Sent: Thursday, July 26, 2018 5:01 PM
To: Paul Barrett < [REDACTED] >
Cc: Martin Zeman < [REDACTED] >; Stewart Oldfield < [REDACTED] >; Xavier Avila < [REDACTED] >; Davide-A Sferrazza < [REDACTED] >; Devin Anderson < [REDACTED] >
Subject: Follow-up

Hi Paul,

Great to meet you over the phone today and discuss our derivatives offerings / market color. As mentioned, Southern Financial is fully onboarded to trade OTC equity derivatives here. We've reviewed our docs for listed options and just need 2 simple forms completed (attached). They are pretty straight forward but we're here to answer any questions on them that you have.

Per Devin's comments on short-term upside, below are charts that compare SPY ATM vs 2% out of the money upside in the near-term expiries. Vols are in the 8v range for the 2% OTM calls and as you can see for the next four weeks term structure is flat. We've continued to see the spot up / vol up correlation remain positive and if this theme continues, now is a good entry level into buying inexpensive vol.

SPY ATM Calls: