

From: Paul Barrett [REDACTED]
Sent: 7/26/2018 10:49:03 PM
To: Nadean Novogratz [REDACTED]
CC: Martin Zeman [REDACTED]; Stewart Oldfield [REDACTED]; Xavier Avila [REDACTED]; Davide-A Sferrazza [REDACTED]; Devin Anderson [REDACTED]
Subject: RE: Follow-up

Thanks Nadean

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

Best,

Paul

Paul Barrett

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 142 W 57th Street, 11th Floor, New York, NY 10019

[REDACTED] (o) [REDACTED] (c)



From: Nadean Novogratz <[REDACTED]>
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 experies. 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:

Tenor	SPY 284 Call vs. 283.30		Vol	Inter-Period Fwd Vol	Economic Events	Cumulative Earnings Reported (%)
	\$	%				
Friday, August 03, 2018	1.40	0.49%	9.5		ISM (both), ADP, NFP, FOMC Decision	61%
Friday, August 10, 2018	1.96	0.69%	9.2		8.9 PPI, CPI	68%
Friday, August 17, 2018	2.47	0.87%	9.2		9.3	75%
Friday, August 24, 2018	2.90	1.02%	9.2		9.1 FOMC mins (Aug)	72%
Friday, August 31, 2018	3.38	1.19%	9.5		10.4 PCE	78%
Friday, September 07, 2018	3.75	1.32%	9.6		10.5 ISM (both), ADP, NFP	75%

SPY 2% Upside Calls: