

From: Martin Zeman [REDACTED]
Sent: 9/18/2018 8:51:03 AM
To: Nadean Novogratz [REDACTED]; Xavier Avila [REDACTED]; Davide-A Sferrazza [REDACTED]
 [REDACTED]; Stewart Oldfield [REDACTED]
Subject: RE: Follow-up

Stewart and I have a call with him this morning to discuss a few ideas, including the EM contagion we had a call on yesterday. I will put this on the list for him to give back to us.

From: Nadean Novogratz
Sent: Tuesday, September 18, 2018 8:39 AM
To: Martin Zeman <[REDACTED]>; Xavier Avila <[REDACTED]>; Davide-A Sferrazza <[REDACTED]>; Stewart Oldfield <[REDACTED]>
Subject: FW: Follow-up

FYI – I put a call into Paul this morning regarding the attached form – I haven’t heard back from him since 7/26 when he said he would get them complete. I left a voicemail. Have you heard anything from them since the end of July?

From: Nadean Novogratz
Sent: Thursday, July 26, 2018 5:01 PM
To: Paul Barrett
Cc: Martin Zeman; Stewart Oldfield; Xavier Avila; Davide-A Sferrazza; Devin Anderson
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:

Tenor	SPY 284 Call vs. 283.30		Vol	Inter-Period Fwd Vol	Economic Events	Cumulative Earnings Reported (%)
	\$	%				
Friday, August 03, 2018	1.40	0.45%	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	70%
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	74%
Friday, September 07, 2018	3.75	1.32%	9.6		10.5 ISM (both), ADP, NFP	75%

SPY 2% Upside Calls: