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**From:** Stewart Oldfield [REDACTED]  
**Sent:** 8/11/2015 12:09:03 PM  
**To:** Vahe Stepanian [REDACTED]  
**CC:** Paul Morris [REDACTED]  
**Subject:** RE: (BN) Brazil Already Junk as Swaps Traders Front-Run Cut Amid Turmoil [C]

Classification: **Confidential**

So what's the MTM gain on this position right now?

Thanks

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**From:** Vahe Stepanian  
**Sent:** Tuesday, August 11, 2015 12:06 PM  
**To:** jeffrey E.  
**Cc:** Daniel Sabba; Ariane Dwyer; Paul Morris; Stewart Oldfield; Richard Kahn  
**Subject:** FW: (BN) Brazil Already Junk as Swaps Traders Front-Run Cut Amid Turmoil [C]

Classification: **Confidential**

Jeffrey – please find below the current Brazil 5y CDS chart (i.e. on the run), which is currently near its five year historical high.

Recall you entered into the following transaction back in January 2015:

BraSov default swap with SOUTHERN FINANCIAL LLC DB Sells default protection on FEDERATIVE REPUBLIC OF BRAZIL

NOTIONAL	: USD 10,000,000
TRADE DATE	: 13-Jan-2015
IM%	: 1
EFFECTIVE	: 14-Jan-2015
TERMINATION	: 20-Mar-2020
REF OB	: BRAZIL 12.25% OF 03/30 ISIN: US105756AL40
CREDIT EVENTS	: Failure to Pay, R, Repudiation/Moratorium
ISDA Definition	: 2014
PRICE	: 205 bps per annum (COUPON: 100 bps per annum)

Note that 5y Brazil CDS saw its high of ~3900bps back in 2002.

Please let us know how you would like to proceed.

Thank you,  
Vahe

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