
From: Paul Barrett [REDACTED]
Sent: 9/26/2017 6:26:56 PM
To: Martin Zeman [REDACTED]
CC: Vahe Stepanian [REDACTED]; Xavier Avila [REDACTED]; Joshua Shoshan [REDACTED]; [REDACTED]; Stewart Oldfield [REDACTED]; Davide-A Sferrazza [REDACTED]
Subject: Re: [/] Trade Idea: Tax Reform Pure-Play / Long-Short Basket Pair [C]

I have an RTY vs SPY outperformance option on.

Would take a look once the docs are in place. Looks interesting. Is it one bullet swap or two separate legs?

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On Sep 26, 2017, at 5:13 PM, Martin Zeman [REDACTED] > wrote:

Classification: **Confidential**

<image006.jpg>

Paul,

I want to highlight the below trade idea on the US Tax Reform from the Delta Force team. It's a very smart way to play the tax reform expectations in the US and that trade has already started performing in this 2-week update from Power Fraser who runs the team. It can be traded in a swap format and the highlights are below.

Buy DBUSTXHI / sell DBUSTXLO on swap for beta-neutral, sector-neutral, rates-neutral exposure to a corporate tax cut

1. <!--[if !supportLists]--><!--[endif]-->This trade idea initiated on September 13 and is **moving significantly today, +1.8 σ**
2. <!--[if !supportLists]--><!--[endif]-->DB's Asset Allocation Strategists **published an updated report** on this trade which included some **new baskets**:
 - <!--[if !supportLists]--><!--[endif]-->Top 50 / Bottom 50 from the SPX-ex-REITs-and-UTES, chosen by effective tax rate *after manually adjusting for **deferred tax assets*** – "modified" tax reform on our Monitor
 - <!--[if !supportLists]--><!--[endif]-->Top beneficiaries of **repatriation** based on offshore cash and "**buyback alpha score**" i.e. stock's statistical tendency to outperform when doing a buyback

We've updated our **Trump Policy Monitor**, replacing some dead things with our various iterations of tax reform sensitivity. **Available for your Launchpad** if you want to monitor these trends intraday.