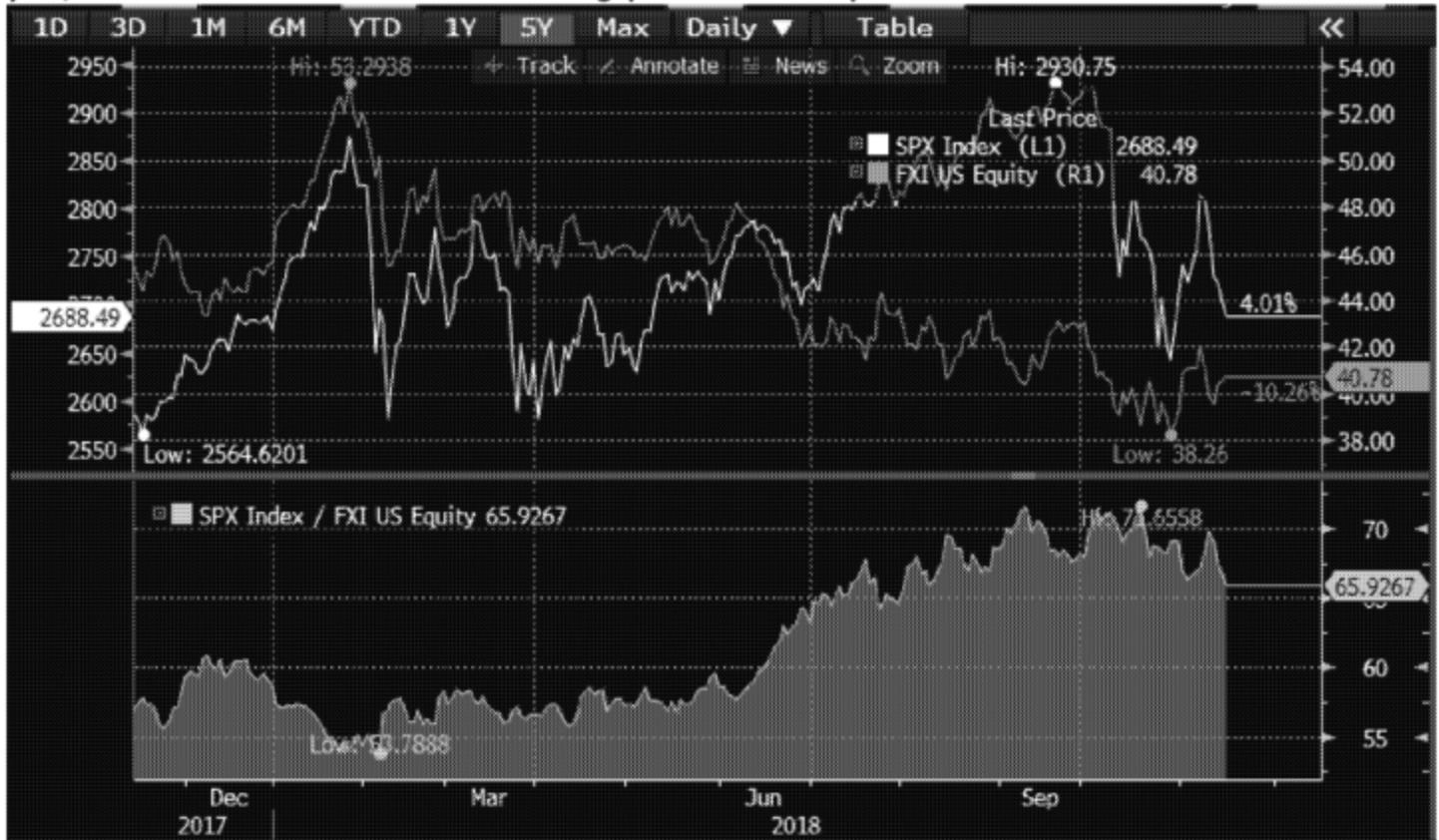


- Breakeven on structure is ~5% away, structure sees FXI re-enter old trading range, while selling post Feb/March highs
- Feb gets near-term G20 catalyst, the big rate decisions over December (which can move USD), as well as the full announcement of Chinese fiscal policy early next year

Light exo – Feb FXI ATM call contingent on SPX <105% for 2.05% vs 4.15% vanilla

- **FXI has started to outperform SPX over the last week**, and if current fundamental factors keep the US down to only slightly up, FXI can continue to close the performance gap over the next 3M. Just look to today, SPX down 50bps, and FXI is trading 40bps higher.
- ATM FXI – 105% SPX is over 3.6% and so the contingency is **cheapening the vanilla call 50% and similar structure 43%**

While the recent SPX selloff has brought both markets closer, SPX is still massively outperforming on the year, and FXI can now continue to close that gap if the US underperforms even after the trade deal.



FXI implied vols are near 2 year highs, and 95/105 skew near flattest levels over same period, indicating investor expectation for upside here.