Subject: FW: Longer Dated EUR Downside (3y structures) [C] [I]
From: Paul Morris <[redacted]>
Date: Mon, 29 Jun 2015 12:36:46 -0400
To: Daniel Sabba <[redacted]>,
Stewart Oldfield <[redacted]>
Cc: Vahe Stepanian <[redacted]>

Classification: For internal use only

?

Paul Morris

Managing Director

Deutsche Bank Private Bank

Office: [redacted]

Cell: [redacted]

From: jeffrey E. [mailto:jeevacation@gmail.com]
Sent: Monday, June 29, 2015 12:35 PM
To: Paul Morris
Subject: Re: Longer Dated EUR Downside (3y structures) [C]

does it really take an hour to get quotes?

On Mon, Jun 29, 2015 at 12:32 PM, Daniel Sabba <[redacted]> wrote:

Classification: Confidential

Looking into it.

From: jeffrey E. [mailto:jeevacation@gmail.com]
Sent: Monday, June 29, 2015 11:36 AM
To: Daniel Sabba
Subject: Re: Longer Dated EUR Downside (3y structures) [C]

what do six month levels look like and one year

On Mon, Jun 29, 2015 at 10:56 AM, Daniel Sabba <[redacted]> wrote:

Classification: Confidential

Jeffrey,

We wanted to flag an idea on long dated EUR downside. Digital Risk Reversals benefit from the high forwards, along with elevated levels of vols and skew. The following example is a premium neutral trade with observation at expiry.

1.1125 EURUSD spot ref

+485 3y swap points

3y 1.0750 / 1.3175 Digital risk reversal (zero net premium)

Client buys 3y Digital put struck at 1.0750, European observation

Client sells 3y Digital call struck at 1.3175, European observation

Net premium: Zero

We compared this with vanilla risk reversals – for a 3y structure, 1.0750 / 1.2300 vanilla reversal is zero net premium.

Please note the levels below are indications – please reach out for live levels.

Daniel

Daniel Sabba

Key Client Partners

Deutsche Bank Securities Inc.

Tel. [redacted]

Mobile [redacted]

Email [redacted]

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please note

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