

Subject: RE: Fwd: DB: Foreign demand for US credit weakening [I]
From: Martin Zeman <[REDACTED]>
Date: Fri, 02 Mar 2018 08:50:29 -0500
To: Torsten Slok <[REDACTED]>,
Xavier Avila <[REDACTED]>,
Stewart Oldfield <[REDACTED]>,
Joshua Shoshan <[REDACTED]>,
Davide-A Sferrazza <[REDACTED]>
Cc: Jennifer Francis <[REDACTED]>

Classification: For internal use only

Torsten,

Thanks for accepting today's call with Paul on such short notice. Paul Barrett is Stewart Oldfield's client and manages money for a few families. We have been discussing the below charts of yours and Paul discussed with us buying payer spreads on CDX IG. I guess he'd like to have a bit more in depth call with you around the flows as Europe and Japan pull back from QE and what that means to assets in the US.

Thanks again and see you at 11 on the call.

Martin

{cid:image006.png@01D3AFC7.04DD48C0}{cid:image003.png@01D3B203.57978470}

From: Torsten Slok
Sent: Thursday, March 01, 2018 8:03 PM
To: Martin Zeman <[REDACTED]>; Xavier Avila <[REDACTED]>;
Stewart Oldfield <[REDACTED]>
Cc: Jennifer Francis <[REDACTED]>
Subject: RE: Fwd: DB: Foreign demand for US credit weakening

Yes, tmrw @ 11.00am EST?

From: Martin Zeman <[REDACTED]>

Date: Thursday, Mar 01, 2018, 18:06

To: Torsten Slok <[REDACTED]>, Xavier Avila <[REDACTED]>, Stewart Oldfield <[REDACTED]>

Subject: FW: Fwd: DB: Foreign demand for US credit weakening

Torsten,

Would you have time for a call tomorrow with Paul Barrett who manages money for a few families and trades with us?

Thank you,

Martin

From: Paul Barrett <[REDACTED]>

Date: Thursday, Mar 01, 2018, 17:46

To: Martin Zeman <[REDACTED]>

Subject: Fwd: DB: Foreign demand for US credit weakening

Can we set up a quick call with Torsten tomorrow?

Paul Barrett

Alpha Group Capital LLC

142 W 57th Street, 11th Floor, New York, NY 10019

Begin forwarded message:

From: Torsten Slok <[REDACTED]>

Date: March 1, 2018 at 9:42:09 AM EST

To: undisclosed-recipients;;

Subject: DB: Foreign demand for US credit weakening

When the ECB introduced negative interest rates in 2014 many European and Asian investors started buying US rates and also the next-door neighbor to US rates namely US IG. With higher US Treasury yields, rising hedging costs, a falling dollar, and signs that the ECB will end QE in September foreign demand for US credit is slowing, see chart below. Expect this to continue going forward. Happy to discuss further, let your DB sales contact know.

{cid:image002.png@01D3B203.57978470}

Let us know if you would like to add a colleague to this distribution list.

Torsten Sløk, Ph.D.

Chief International Economist

Managing Director

Deutsche Bank Securities

60 Wall Street

New York, New York 10005

Tel: [REDACTED]

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