
From: Tazia Smith [REDACTED]
Sent: 1/22/2014 11:46:43 AM
To: [REDACTED]
CC: Paul Morris [REDACTED]; Vinit Sahni [REDACTED]; Nav Gupta [REDACTED]; [REDACTED]; Vahe Stepanian [REDACTED]
Subject: B XLK Calls - low implied vol [I]
Attachments: pic13458.gif; pic02600.gif; pic09496.gif; pic31455.gif; pic22707.gif; pic26863.gif; pic09603.gif

Classification: For internal use only

Jeffrey -

Nav highlights XLK OTC calls below; we like this big-cap US tech underlier. The listed market offers comparable low implied vol entry point. The March \$37 strike calls are offered ~72bps (offer vol: 11.9%). Jun \$38 calls are offered ~1% (offer vol: 11.8%). Spot reference of \$35.88 on XLK.

Meanwhile, your AAPL shares are up ~1.1% ahead of earnings on Monday, largely due to Ichan tweeting today that he has been buying (source: Bloomberg, 1/22/14). January implied vol on AAPL shares is over 40% ahead of the earnings announcement (skew is fairly flat between 80-120%). Note: Jan31 \$575 strike are presently \$7.35 (~1.3%) bid (vol offer: 43.3%, \$555.35 spot ref). You could sell those if you're more bearish than Ichan into earnings! (i suggest that tongue-in-cheek, i suspect you'd rather just keep the upside potential in your shares, but let us know).

Let us know your thoughts on XLK.

Best Regards,
Tazia

Indicative levels only. Subject to market movement. Source: Bloomberg, 1/22/14.

(Embedded image moved to file: pic13458.gif)

Tazia Smith
Director | Key Client Partners - US

Deutsche Bank Securities Inc
Deutsche Asset & Wealth Management
345 Park Avenue, 26th Floor
New York, NY 10154
Tel. [REDACTED]
Fax + [REDACTED]
Mobile + [REDACTED]
Email [REDACTED]

(Embedded image moved to file: pic02600.gif)

----- Forwarded by Tazia Smith/db/dbcom on 01/22/2014 10:45 AM -----

From: Nav Gupta/db/dbcom@DBEMEA
To: [REDACTED], [REDACTED],
Date: 01/22/2014 09:43 AM
Subject: OTC Call options on XLK US (tech) look good value at 13-14% vol [I]

Classification: For internal use only