

From: jeffrey E. [jeevacation@gmail.com]
Sent: 5/20/2014 12:22:07 PM
To: Nav Gupta [REDACTED]
CC: Vinit Sahni [REDACTED]; Tazia Smith [REDACTED]; Paul Morris [REDACTED]
Subject: Re: Jeffrey - Rupee Appreciation - Nav

can you send me a chart of where this has been over the past 6 months? thaks

On Tue, May 20, 2014 at 9:49 AM, Nav Gupta [REDACTED] wrote:
Jeffrey

After pricing lots of possibilities, are two ways i like best to play usdinr lower

1) buy vanilla European style USDINR puts

Ref spot: 58.67

Strike		Maturity		
% OTMS	Strike	1m	3m	6m
0	58.67	0.75	1.07	1.19
1	58.08	0.40	0.72	0.89
2	57.50	0.20	0.48	0.67
Fwd		58.98	59.57	60.61

This table has 9 offers in %notional: 1m 3m and 6m expiries for spot, spot-1%, spot-2%

Of these I like 6month ATMspot USDINR European style put offered at 1.19%.

The roll in the forwards offsets some of theta which is why the 3mth ATMspot put costs a similar (1.07%) amount

2) Buying vanilla European style out-of-the-money USDINR puts, funded by selling OTM calls on USDINR

6month expiry

spot ref 58.67

Buy USDINR put strike **58.08 (ATMspot -1%)**

Sell USDINR call strike **64.18 (ATMspot +9.4%)**

Net upfront premia zero

I see from your last msg you want 9months. I'll price those and get back to you.

Nav

