
From: Paul Morris [REDACTED]
Sent: 8/14/2014 12:00:05 PM
To: [REDACTED]
Subject: Fw: Euro and Yen.... [C]

Classification: Confidential

sorry we were cut short yesterday, we can talk again later, want your feedback, thx

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----- Forwarded by Paul Morris [REDACTED] on 08/14/2014 11:59 AM -----

From: Tazia Smith [REDACTED]
To: [REDACTED]
Cc: Paul Morris, Vahe Stepanian [REDACTED], Matt Glassman [REDACTED]
Date: 08/13/2014 09:20 AM
Subject: Euro and Yen.... [C]

Classification: Confidential

Good Morning Rich -

Weak retail sails saw the dollar sell off this morning. Indicative level on the EURUSD risk reversal is 89.5/97.8 vs. 1.3397 spot, or **\$89,500 bid** on 10mm euro notional (9/8/14 EURUSD 1.345:1.38). That's down from ~\$101k before the retail sails number (inter-day EURUSD chart below).

Separately, we've been revisiting USDJPY call/triple one-touch again. As of this morning, a 103 USDJPY 1yr call could be funded (for zero-cost up front premium) with 100, 99, and 98 strike one-touches, each with a 1.5% payout if that strike is touched. In other words the vanilla call would cost 2.78%, if USDJPY touched 100 then 1.5% cost, if USDJPY touched 99 then 3% total cost, and if USDJPY touched 98, then 4.5% total cost - so a 4.5% max loss, or ~36% more expensive vs. vanilla option in the worst case scenario. If we place a low probability that USDJPY drops back below 100, then this is interesting. Putting this back on the radar - provided Jeffrey's view remains 'yen weaker'. Watching spot and pricing. Recall Jeffrey's current position is at 101 call, 99, 98, 97 one-touch. (1yr and interday charts below).

Last - but certainly not least! - please meet Matt Glassman a new sr. member of our team who has joined us this week from Goldman institutional cross-asset sales.

Best Regards,
Tazia

Indicative level, subject to market movement. Source: DB FX Sales, 8/13/14

Spot ref = 102.27 (Very spot sensitive)

Could do the following at zero cost...
Using a strike of **103.00 for the upside call**.

Leg 1: European Option Call