
From: Tazia Smith [REDACTED]
Sent: 2/4/2014 2:33:18 PM
To: Nav Gupta [REDACTED]; Vinit Sahni [REDACTED]; Paul Morris [REDACTED]
Subject: Re: Fw: percentages get a read from your team [C]
Attachments: pic17160.gif; pic14741.gif; pic09327.gif; pic14796.gif

Classification: Confidential

(Embedded image moved to file: pic17160.gif)

(Embedded image moved to file: pic14741.gif)

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(Embedded image moved to file: pic09327.gif)

From: Nav Gupta, [REDACTED]
To: Tazia Smith [REDACTED]
Cc: Paul Morris [REDACTED]; Vinit Sahni [REDACTED]
Date: 02/04/2014 02:02 PM
Subject: Re: Fw: percentages get a read from your team [C]

Classification: Confidential

against JE's short oil personally id buy a 5y 5-10% OTM call on WTI as a hedge because the vol is low and the fwds are too steep. For the record i like being short oil but itrs over-priced by the fwds. what structure did you come up with?

i agree with 50% us exposure. us asset convexity to growth is higher than other countries

i would suggest some levered exposure to the FX of countries at the front of the hiking cycle relative to those still easing
Long GBP, USD,
Short AUD, NZD, CAD (which he already has),
Am neutral EUR (ECB is cutting rates but real money and reserve managers are underweight EUR and overweight USD)

European credit - there are european bank coco bonds (hybrid bonds that pay high cpns provided bank tier1 capita ratios dont fall below a certain level). while they are perpetual, some have highly likely call features in 4y. See the BBVA in USD i sent details on earlier. Short duration high spread makes sense but id hold off on buying they may cheapen into supply over the next cpl mths.