
From: Tazia Smith [REDACTED]
Sent: 3/7/2014 2:10:16 PM
To: jeevacation@gmail.com
CC: Paul Morris [REDACTED]
Subject: Re: USDCAD RKI Call Spread Valuation History - CHART [I]
Attachments: pic28245.gif; pic27285.gif; pic10988.gif; pic00850.gif; pic17354.gif; pic09109.gif; pic26126.gif; pic26826.gif; pic29455.gif; pic02564.gif; pic07241.gif; pic14010.gif; pic12188.gif; pic30854.gif; pic07816.gif; pic06131.gif

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Jeffrey -

replying to your email: "so we had two opportunities since inception to have 50k profit. and waited until almost none.? please explain the low bids on today's mortgage bond."

with regard to CAD: view change.

our original call was for 1.15 on usdcad, view stimulated by cad forwards starting to price in rate cuts and extended by weaker Canadian economy (esp relative to US), energy independence in the US. Russian military action in Ukraine this week and sustained elevated energy prices catalyzed the change in view and our fear was the momentum of outflows/unwinding of short cad positions would continue -- entering in more downside than upside risk in this position, wanted to get you out. (details on original, and the change, in our investment thesis/outlook below.

on the RMBS:

db's bid was 62.5, was just letting you know. we are open architecture, don't need to trade with db. i'm working 74 or better level. i spoke with JP, understand they have a potential buyer there, and we are working to cross. be back.

----- Forwarded by Tazia Smith/db/dbcom on 03/07/2014 01:15 PM -----

From: Nav Gupta/[REDACTED]
To: Tazia Smith/[REDACTED], [REDACTED], Vinit Sahni/[REDACTED],
Date: 03/05/2014 08:02 AM
Subject: usdcad update for JE [I]

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three points

1. commodity px are much higher - bullish cad
 2. CAD 2y swap rate higher (not lower as i had expected) vs US rates compared to 2mths ago - bullish cad
- (Embedded image moved to file: pic28245.gif)

canada still has v vulnerable housing sector and several high profile clients have been exiting canadian risk (pimco ed devlin in ft last week) but nevertheless given 1 and 2 above im less bearish cad vs usd than 2mths ago when JE entered the trade.

so given 1 and 2 im surprised usdcad hasnt moved lower - i dont have a view on usdcad here and therefore dont like the trade anymore

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