

**1Y EURUSD VOL: Low - but then again most most vols are**  
**What I like about EURUSD is that central bank policy on each side is diverging**  
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This Table shows mid-market premiums (in % of notional) as spot and time change.  
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19.5 is mid (offer is 21)

**4) Scale into £4mm Nationwide (UK Building Society) 6.875% perpetual which yields 6.4% in GBP and is likely to be called in 5years**

European Bank AT1 Hybrid Bonds (aka CoCo's) have rallied significantly. We were unable to get the BBVA issue at the right levels.

A very similar bond which has rallied 30bp less than the BBVA is the Nationwide (UK Building Society) 6.875% perpetual which currently yields 6.4% and is likely to be called in 5years time. It has a tier1 capital trigger of 7% and current tier1 capital ratio is 13% which is fair margin.

The Nationwide one i'm suggesting today is rated Fitch/S&P BB+, its parent is Fitch/S&P rated single-A

The BBVA bond we tried to buy earlier is rated Fitch BB-, its parent is S&P rated BBB-

I suggest scaling £2mm at 6.5% and £2mm at 6.75%. Transaction cost is 6bp from mid.

**Yield to call of Nationwide 6.875% perpetual ISIN XS1043181269**

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Tazia for any execution, Q&A to me.

Best,  
Nav

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**Nav Gupta**

Managing Director

Deutsche Bank AG, Filiale London  
Deutsche Asset & Wealth Management  
105/108 Old Broad St (Pinners Hall), EC2N 1EN London, United Kingdom

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