

From: Tazia Smith/db/dbcom  
To: [REDACTED]  
Cc: Paul Morris, Nav Gupta/db/dbcom@DBEMEA  
Date: 07/01/2014 09:49 AM  
Subject: Fw: DB Early Morning Reid 7/1/14 + some Banco Espirito (BES PL) trading color [C]

Classification: Confidential

Hey Rich -

Just an FYI , pls see color on BES PL as an FYI (have seen some HF interest in the name) also some follow through in incremental demand for euro Banca Monte Dei Paschi (BMPS IM).

Let me know if you want more flow color or if peripheral banks are not of interest.

Thx,  
Tazia

----- Forwarded by Tazia Smith/db/dbcom on 07/01/2014 09:45 AM -----

From: Tazia Smith/db/dbcom  
To:  
Cc: Joseph Cothron/db/dbcom@DBAMERICAS, Vahe Stepanian/db/dbcom@DBAmericas, Jay Lipman/db/dbcom@DBAMERICAS, Ariane Dwyer/db/dbcom@DBAMERICAS, Melissa Mittelman/db/dbcom@DBAMERICAS, [REDACTED]  
Date: 07/01/2014 08:22 AM  
Subject: DB Early Morning Reid 7/1/14 + some Banco Espirito (BES PL) trading color [C]

Classification: Confidential

Good Morning -

Please see Jim Reid's 1H/2Q/Month-end summary below citing multi-century low sovereign yields, concerns vs. elation over persistent asset price performance, and a highlight of the underperformance of European financials - Portugal's Banco Espirito Santo (BES PL) tumbled 17% yesterday. See today's inter-day bounce in chart below (be aware that naked short selling was temporarily banned today). On that note, DB's BES PL trader points out that the name was crowded to start the year (long onlies as well as US HFs), and now sees selling pressure from pan-european continent long-only sellers. Note the bounce (but also increased supply) post the company's 1.04bn euro capital raise on 5/22 (rights of, struck at 0.65). Recall Portugal's Espirito Santo Financial Group (ESFG) owns 27.4% (Reuters) of Banco Espirito post raise. Please call the desk to discuss further.

Please see the Early Morning Reid below/attached.

Speak with you soon,  
Tazia