From: Tazia Smith [[redacted]]
Sent: 11/19/2013 8:58:37 AM
To: jeevacation@gmail.com
CC: [redacted]
Subject: yen weakness commentary + zero-cost one-touch implementation... [C]

Classification: Confidential

Good Morning Jeffrey -

I found this commentary below of interest, asserting that yen weakness (and Japanese equity strength) will be a result of strength in the US, not a direct result of Abenomics. See what you think.

We still like the USDcJPYp zero-cost one touch (indicative levels below). Thoughts?

Best Regards,
Tazia

----- Forwarded by Tazia Smith/db/dbcom on 11/18/2013 11:03 AM -----

From: "Taisuke Tanaka, Deutsche Securities Inc." <[redacted]>
To: Tazia Smith/db/[redacted],
Date: 11/17/2013 10:41 PM
Subject: DEutsche JApan View on FX - USD/JPY: Self-enforcing trend

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Deutsche Securities Inc. - Fixed Income Research

DEutsche JApan View on FX - USD/JPY: Self-enforcing trend

18 November 2013 (1 page/ 235 kb)

Download the complete report

When USD/JPY tries 103, market forecast can rise to 110 in 3-6 months

The USD/JPY is a good proxy of the US economic recovery. Since the end of the first round of the "Abe market" in late May, the USD/JPY has stagnated along with the wavering outlook for the US economy. With the release of the surprisingly solid US payroll data, the rate has climbed again to the ¥100 level.

Abenomics would be a secondary factor for the USD/JPY. The yen will not weaken unless the US economy strengthens, Japanese stock markets will not rally unless the yen weakens, and Abenomics will not succeed unless the yen weakens and the stock markets rally. Fortunately, we believe the Abe administration will continuously benefit from a robust US upswing in 2014.

With the USD/JPY having languished for nearly half a year, the markets had come to anticipate a rate of only around ¥105 for end-2014, a considerably cautious view. Market forecasts tend to be simply current picture = present rate + recent market momentum.

The rebound in the USD/JPY to ¥100 is spurring an upturn in the average medium-term market forecast. Once the markets approach the May high of ¥103.74, a 3-6 month forecast of ¥110 will no longer seem so far fetched. The