



We like this trade because

- Upbeat economic data coming out of the UK is supportive of rally in equities
- Monetary policies of BoE and ECB are clearly moving in opposite directions, which means BoE would hike rates much before ECB would, leading GBP to outperform EUR further

DB Research expects an upside of 10% in FTSE by the end of 2014

<https://ger.gm.cib.intranet.db.com/ger/document/pdf/0900b8c0880fb7b5.pdf>

Option details

Type: European call subject to contingency
 Underlying: FTSE 100 Index
 Expiry: 19-Dec-14
 Strike: 7000 (3% OTMspot)
 Contingency: EURGBP FX less than or equal to 0.785 (1.9% from spot) at expiry
 Offer: 0.66% of GBP notional
 Reference spot: FTSE 100: 7000, EURGBP: 0.800
 Implied call volatility: 11.2%
 Implied 6m correlation: -12.0%

KCP Capital Markets



Apurva Gupta

Associate | Key Client Partners Capital Markets Group

Deutsche CIB Centre Private Limited
 Asset and Wealth Management
 Block B1, Nirlon Knowledge Park
 Goregaon (E), 400063 Mumbai, India
 Tel. +91 22 6181 2309
 Mobile +91 9167585420
 Email [REDACTED]

Passion to Perform

This material was prepared by the DeAWM Key Client Partners ("KCP") desk and was not produced, reviewed or edited by the Research Department. Any opinions expressed herein may differ from the opinions expressed by other Deutsche Bank AG or one of its affiliates (collectively "Deutsche Bank"),