

Leg 4: One Touch

<Client> buys One Touch on USD/JPY payout

Barrier: 97

Payout: USD 21,000

Payout Ccy: <PayCurrency>

Postpone Rebate: <PostponeRebate Y/N>

Expiry: Thu 20-Nov-2014

Settlement: Tue 25-Nov-2014

ZoneCut: NY

Premium: USD 352.38

Premium Date: Thu 25-Sep-2014

Net Premium:

<Client> Receives      USD      67,992

----- Forwarded by Tazia Smith/db/dbcom on 09/23/2014 09:18 AM -----

From:                    George Saravelos/db/ [REDACTED]

To:

Date:                    09/23/2014 08:02 AM

Subject:                FX Blueprint for Q4 - It Lives!

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After a gruelling first half of the year currency markets are coming back to life: the dollar is strengthening, volatility is rising and investors are re-engaging. This is a very different environment to last year's "taper tantrum", however. US yields are range-bound, the focus has expanded to central banks beyond the Fed and cross-market correlations are declining. This lack of a one-sided driver makes current market moves all the more powerful.

Our premise for the rest of 2014 is that FX trends continue. Divergent business cycles and shifts in cross-border capital flows all have the potential to drive an extension of price moves, particularly after a period of such unusually low volatility. In the pieces that follow we stick with dollar longs in some places, avoid others, and identify relative value opportunities that should perform independently of the broad dollar trend.

**Theme #1:** Euro Pah! – Sell EUR trade-weighted, sell EUR/USD

**Theme #2:** Another Ten for Dollar Yen – Buy USD/JPY

**Theme #3:** Stirling Stayed, Swiss Squished – Buy GBP/CHF

**Theme #4:** Rampant Mountie Seeks Milky Bounty – Sell NZD/CAD

**Theme #5:** Dingo no Drongo – Buy AUD vs EUR and JPY

**Theme #6:** Helga so Hot – Buy NOK and SEK vs EUR

**Theme #7:** Canton Talks, Gangnam Walks – Buy CNH/KRW

**Theme #8:** Join Rupee Groupies now Sing Out of Time – Sell SGD/INR

**Theme #9:** Trade Slavic Cold for Latin Gold – Buy MXN & BRL vs CZK & HUF

**Theme #10:** Stand Up Dollar Shekel Buy USD/ILS, TRY/ZAR and PLN/HUF

**Theme #11:** Russia Bores, Canada Snores – Use dual digitals to sell EUR/USD and USD/CAD correlation; sell EUR/USD and USD/RUB correlation

**Theme #12:** Kiwi Grounds while Yen Astounds – Sell 3m NZD/USD vol swap; buy 3m CAD/JPY and USD/JPY vol

**Theme #13:** These Inhale from Nose to Tail – Buy a basket of MXN, COP, PLN, INR, sell against TWD, ILS, ZAR, CLP

[http://pull.db-gmresearch.com/p/1603-E654/24772999/DB\\_FXBlueprint\\_2014-09-23\\_0900b8c088c42569.pdf](http://pull.db-gmresearch.com/p/1603-E654/24772999/DB_FXBlueprint_2014-09-23_0900b8c088c42569.pdf)

*The FX Strategy Team*