

---

**From:** Tazia Smith [REDACTED]  
**Sent:** 9/25/2014 2:18:12 PM  
**To:** jeevacation@gmail.com  
**CC:** [REDACTED]; Paul Morris [REDACTED]; Vinit Sahni [REDACTED]; Nav Gupta [REDACTED]; Vahe Stepanian [REDACTED]  
**Subject:** Fw: Key themes & trades

Happy New Year Jeffrey -

Below please find key themes and trade ideas from Vinit and Nav's DB KCP Global Capital Markets team. In short:

- Continue to press euro short
- Long Indian rupee vs. euro
- Sell S&P puts to buy 4x S&P calls
- Long Nikkei via risk reversals [could do rr on your DXJ]

Please see below and we will refresh any trades that resonate with live levels.

Regards,  
Tazia

----- Forwarded by Tazia Smith/db/dbcom on 09/25/2014 01:32 PM -----

**Key themes:**

- Divergence in monetary policy between the Fed & Bank of England on the one hand and ECB & Bank of Japan on the other
- Continued capital inflows into Asian countries where financial conditions are easing (eg, Japan) and/or structural reforms are being implemented (eg, India)
- US recovery - buying into dips as US anchors global growth

**EURUSD continues to break down -- if you're looking to reload:**

- **Trade:** A 1y EURUSD 1.25 put financed by selling the 1.30 call has zero net premium (spot ref: 1.2740)
- 
- EURUSD has broken below 1.28 during the last 24 hours
- With US data continuing to firm, the market is recalibrating when the Fed will deliver hikes - earlier rather than later
- On the other hand, given the ECB's stated determination to spur inflation in the Eurozone, full-blown QE looks likely next year

This chart shows the correlation between EURUSD and the spread between EUR and US interest rates (yellow)