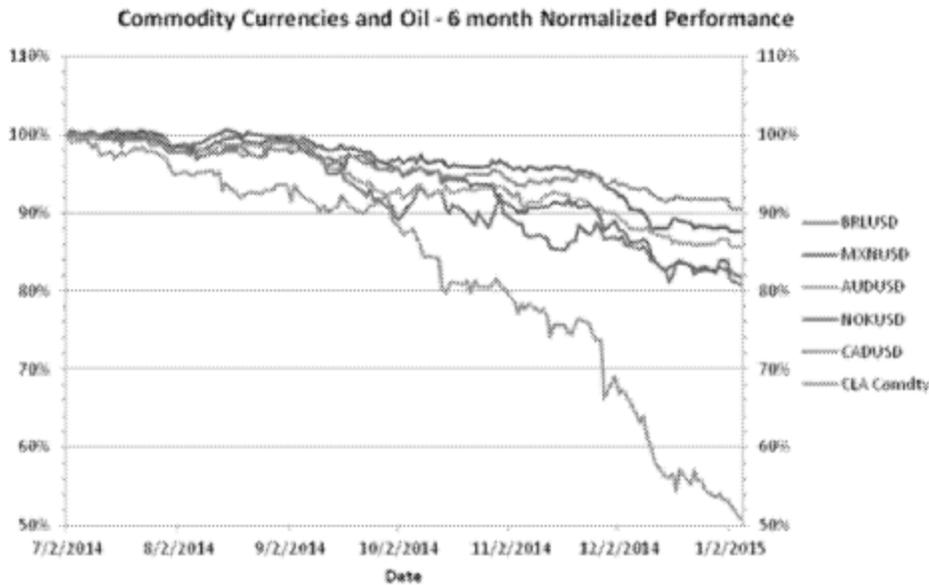


- Given the recent downward move in commodities, commodity linked currencies have experienced increased volatility and marked depreciation vs. USD (see historical price chart below)
- Affected commodity linked currency pairs include AUDUSD, USDBRL, USDCAD, USDMXN, and USDNOK
- Premium neutral bullish risk reversals on commodity currencies can take advantage of implied vol, skew and forward dynamics (i.e. client buys foreign currency call and sells foreign currency put)
- Looking at volatility adjusted skew amongst commodity currencies, current USDBRL levels provide a compelling entry point into premium neutral risk reversals.



Other commodity currencies: While for USDBRL call strike is about 14% away from spot while put is about 1% away, for USDMXN the call strike would be approximately 8% away while put strike would be 3% away from spot.

Best regards,
Daniel

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Key Client Partners
Deutsche Bank Securities Inc.

