

Subject: Re: Key themes & trades [I]
From: Tazia Smith <[REDACTED]>
Date: Thu, 25 Sep 2014 08:27:17 -0400
To: Uzair Aqeel <[REDACTED]>
Cc: Nav Gupta <[REDACTED]>, Vinit Sahni <[REDACTED]>, Paul Morris <[REDACTED]>, Caroline Kitidis <[REDACTED]>, Vahe Stepanian <[REDACTED]>

Classification: For internal use only

Thanks Team. Yes, we'll absolutely follow up accordingly with Jeffrey and US clients.

TDS

--

Tazia Smith
Director
Key Client Partners - US

Deutsche Bank Securities, Inc.
Deutsche Asset & Wealth Management
[REDACTED] or

E-mail: [REDACTED]

----- Original Message -----

From: Uzair Aqeel
Sent: 09/25/2014 01:07 PM GDT
To: Tazia Smith
Cc: Nav Gupta; Vinit Sahni; Paul Morris; Caroline Kitidis
Subject: Key themes & trades

Hi Tazia,

Here are some trades we're thinking about that Nav suggested you may wish to highlight to Jeffrey Epstein.

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)

(Embedded image moved to file: pic25430.gif)

Source: Bloomberg 25-Sep-2014

EURINR lower as a combined play on continued inflows into India and ECB activism:

83 Trade: A 6m EURINR 78 put (at-the-money spot) financed by selling the call has zero net premium (spot ref: 77.95, forward: 80.50)

With the Modi government showing decisiveness in pursuing its reform agenda, capital inflows into India look likely to continue for the foreseeable future

Indian equities are at all-time highs and the entry point is not very attractive

The rupee also embeds carry of 7%/year, cheapening risk reversals

Chart of EURINR spot

(Embedded image moved to file: pic16078.gif)

Source: Bloomberg 25-Sep-2014

S&P 500 Put options dislocated relative to Call options

Trade: A 6m 110% calls financed by 6m 90% puts in a ratio of 4 calls bought per put sold has zero net premium (spot ref: 1998)

Very high demand for SPX puts makes it possible to buy multiple calls for each call sold

Across major indices, the ratio of calls-to-puts is highest for US equities

financial, tax or accounting adviser or in any other fiduciary capacity with respect to any proposed transaction(s) mentioned herein. This document does not constitute the provision of investment advice and is not intended to do so, but is only intended to be general information. This material is for our clients' informational purposes and is a general solicitation of derivatives business for the purposes of, and to the extent it is subject to, §§ 1.71 and 23.605 of the U.S. Commodity Exchange Act. This is not an offer, advice, recommendation or solicitation to buy or sell, nor is it an official confirmation of terms. Any offering or potential transaction that may be related to the subject matter of this communication will be made pursuant to separate and distinct documentation and in such case the information contained herein will be superseded in its entirety by such documentation in final form.

Key Clients Partners ("KCP") services are offered to a select group of Deutsche Asset & Wealth Management ("DeAWM") clients who are able to meet certain criteria including, without limitation, financial and sophistication qualifications. All Key Clients Partners opportunities may not be available in all DeAWM locations.

Investments are subject to various risks, including market fluctuations, regulatory change, possible delays in repayment and loss of income and principal invested. The value of investments can fall as well as rise and you may not recover the amount originally invested at any point in time. Furthermore, substantial fluctuations of the value of the investment are possible even over short periods of time. The terms of any investment will be exclusively subject to the detailed provisions, including risk considerations, contained in the Offering Documents. When making an investment decision, you should rely on the final documentation relating to the transaction and not any summary contained herein. Past performance is no guarantee of future results; nothing contained herein shall constitute any representation or warranty as to future performance. Further information is available upon investor's request. Deutsche Bank is not acting as your municipal advisor, swap advisor, financial advisor or in any other advisory, agency or fiduciary capacity with respect to any transaction with you (whether or not Deutsche Bank has provided or is currently providing other services to you on related or other matters) unless expressly agreed by Deutsche Bank in writing. Deutsche Bank may engage in transactions in a manner inconsistent with the views discussed herein. Deutsche Bank trades or may trade as principal in the instruments (or related derivatives), and may have proprietary positions in the instruments (or related derivatives) discussed herein, and these may be known to the author. Deutsche Bank may make a market in the instruments (or related derivatives) discussed herein. Assumptions, estimates and opinions expressed constitute the author's judgment as of the date of this material and are subject to change

without notice.

This material is not a research report and was not prepared, reviewed or edited by the Deutsche Bank Research Department. The views expressed herein may differ from those of the Research Department. Sales and Trading functions are subjects to additional potential conflicts of interest which the research Department does not face, so this material should not necessarily be considered objective or unbiased. DB seeks to transact business on an arm's length basis with sophisticated investors capable of independently evaluating the merits and risks of each transaction, with investors who make their own decision regarding those transactions. The distribution of this document and availability of these products and services in certain jurisdictions may be restricted by law. You may not distribute this document, in whole or in part, without our express written permission. DB SPECIFICALLY DISCLAIMS ALL LIABILITY FOR ANY DIRECT, INDIRECT, CONSEQUENTIAL OR OTHER LOSSES OR DAMAGES INCLUDING LOSS OF PROFITS INCURRED BY YOU OR ANY THIRD PARTY THAT MAY ARISE FROM ANY RELIANCE ON THIS DOCUMENT OR FOR THE RELIABILITY, ACCURACY, COMPLETENESS OR TIMELINESS THEREOF

Unless notified to the contrary in a particular case, investment instruments are not insured by the Federal Deposit Insurance Corporation ("FDIC") or any other governmental entity, and are not guaranteed by or obligations of Deutsche Bank AG or its affiliates. This document may not be reproduced or circulated without our written authority. Although information in this document has been obtained from sources believed to be reliable, we do not guarantee its accuracy, completeness or fairness, and it should not be relied upon as such. All opinions and estimates herein, including forecast returns, reflect our judgment on the date of this report and are subject to change without notice and involve a number of assumptions which may not prove valid.

Deutsche Bank AG, including its subsidiaries and affiliates, does not provide legal, tax or accounting advice. This communication was prepared solely in connection with the promotion or marketing, to the extent permitted by applicable law, of the transaction or matter addressed herein, and was not intended or written to be used, and cannot be relied upon, by any taxpayer for the purposes of avoiding any U.S. federal tax penalties. The recipient of this communication should seek advice from an independent tax advisor regarding any tax matters addressed herein based on its particular circumstances.

Deutsche Asset & Wealth Management ("DeAWM") represents the asset management and wealth management activities conducted by Deutsche Bank AG or any of its subsidiaries ("Deutsche Bank"). Not all DeAWM products and services are offered in all jurisdictions and availability is also subject to local

regulatory restrictions and requirements. Brokerage services are offered through Deutsche Bank Securities Inc., a registered broker-dealer and investment adviser, which conducts investment banking and securities activities in the United States. Deutsche Bank Securities Inc. is a member of FINRA, NYSE and SIPC. Banking and lending services are offered through Deutsche Bank Trust Company Americas, member FDIC, and other members of the Deutsche