

Subject: RE: Levered plays on BASF, Allianz and Volkswagen [C]
From: Daniel Sabba <[REDACTED]>
Date: Thu, 23 Apr 2015 10:24:24 -0400
To: jeffrey E. <jeevacation@gmail.com>
Cc: Vahe Stepanian <[REDACTED]>,
Ariane Dwyer <[REDACTED]>,
Paul Morris <[REDACTED]>,
Richard Kahn <[REDACTED]>

Classification: Confidential

Jeffrey,

Refreshed levels on the quanto-USD options are below. Would you have a moment to finish our conversation from this morning? Also, would you like us to price listed look-alike OTC trades since listed trades can't currently be cleared by DB to a US Person?

qUSD 100% Call 3m

Offer

Mid Level

Spot

BASFn.DE

4.05%

3.74%

90.01

ALVG.DE

2.70%

2.40%

159.6

VOWG_p.DE

4.90%

4.59%

226.15

qUSD 90% Call 6m

Offer

Mid Level

Spot

BASFn.DE

11.50%

11.16%

90.01

ALVG.DE

9.80%

9.46%

159.6

VOWG_p.DE

12.35%

12.40%

226.15

Regards,

Daniel

From: Daniel Sabba
Sent: Tuesday, April 14, 2015 10:38 AM
To: 'jeffrey E.'
Cc: Vahe Stepanian; Ariane Dwyer; Paul Morris; 'Richard Kahn'
Subject: RE: Levered plays on BASF, Allianz and Volkswagen [C]

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Jeffrey,

We received the quanto USD prices for 3m 100% calls and 6m 90% calls. They work for a notional of USD 5mm.

3m qUSD 100% Call

Offer

Mid Level

Spot Ref

BASFn.DE

3.55%

3.22%

94.67

ALVG.DE

2.10%

1.78%

168.05

VOWG_p.DE

4.60%

4.25%

246.2

6m qUSD 90% Call

Offer

Mid Level

Spot Ref

BASFn.DE

11.15%

10.82%

94.67

ALVG.DE

9.35%

8.99%

168.05

VOWG_p.DE

12.55%

12.16%

246.2

Looking forward to discussing,

Daniel

From: Daniel Sabba

Sent: Monday, April 13, 2015 2:41 PM

To: 'jeffrey E.'

Cc: Vahe Stepanian; Ariane Dwyer; Paul Morris; Richard Kahn

Subject: Levered plays on BASF, Allianz and Volkswagen [C]

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Jeffrey,

This is a first cut of what we are looking at for you. We are pricing these alternatives tomorrow when European markets reopen. Will also connect with European colleagues to explore other opportunities, including credit.

A. Quanto call options (denominated in USD).

- The idea is to benefit on the performance in local currency in USD, without the need to hedge for EUR FX.

B. In-the-money vanilla call-options (denominated in EUR).

- The goal is to purchase options whose premium is mostly composed by intrinsic value to obtaining large embedded option leverage.

Vol references (from Bloomberg):

3m BASF (VAS GR) 100% implied vol: 22.15%

3m Allianz (ALV GR) 100% implied vol: 15.35%

3m Volkswagen (VOW GR) 100% implied vol: 25.08%

We will revert tomorrow. Please let us know if anything else comes to mind.

Daniel

Daniel Sabba

Key Client Partners

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