Subject: Re: EURUSD Risk Reversal Pricing [C]
From: jeffrey E. <jeevacation@gmail.com>
Date: Wed, 01 Jul 2015 15:51:23 -0400
To: Paul Morris <[redacted]>

on plane with people talk tomor morning

On Wed, Jul 1, 2015 at 9:50 PM, Paul Morris <[redacted]> wrote:
Jeffrey Daniel and Vahe are on the desk if you have a few minutes now? Thx

-----Original Message-----
From: Daniel Sabba
Sent: Wednesday, July 01, 2015 03:44 PM Eastern Standard Time
To: jeffrey E.; Vahe Stepanian
Cc: Ariane Dwyer; Paul Morris; Stewart Oldfield; Richard Kahn
Subject: RE: EURUSD Risk Reversal Pricing [C]

Classification: Confidential

Jeffrey – we understand you are travelling – can we please have a call to discuss this issue? Thanks, Daniel ([redacted]

From: jeffrey E. [mailto:jeevacation@gmail.com]
Sent: Wednesday, July 01, 2015 11:38 AM
To: Vahe Stepanian
Cc: Daniel Sabba; Ariane Dwyer; Paul Morris; Stewart Oldfield; Richard Kahn
Subject: Re: EURUSD Risk Reversal Pricing [C]

please check your prices   I have gone to three other banks and yours is the only one with a 141 price on the 104 puts,   not one other house has that wide a spread.   NOT ONE-- all other show the same bid

On Wed, Jul 1, 2015 at 3:53 PM, Vahe Stepanian <[redacted]> wrote:

Classification: Confidential

Jeffrey - we priced vanilla risk reversals with 1.04 and 1.05 strikes on the put leg. We provided levels as a spread, and with bid/asks on each leg per your request. Note that if executed as a spread, you would only cross bid/-ask once and pay mid premium on the put leg.

Pricing as spread:

EUR/USD Spot ref = 1.1092

1) SOFL buys Put, sells Call on EUR/USD in a Risk Reversal

Put Strike: 1.0400

Call Strike: 1.1615

Notional: EUR 100,000,000 EUR

Expiry: Wed 30-Dec-2015 (6m)

Mid Premium: USD 1,351,000:-1,351,000 ($0.00)

Net premium: zero

2) SOFL buys Put, sells Call on EUR/USD in a Risk Reversal

Put Strike: 1.05

Call Strike: 1.155

Notional: EUR 100,000,000 EUR

Expiry: Wed 30-Dec-2015 (6m)

Mid Premium: USD 1,551,000:-1,551,000 ($0.00)

Net premium: zero

Pricing with bid/ask on each leg:

EUR/USD Spot ref = 1.1092

1) Risk Reversal with 1.04 strike put

SOFL buys European EUR Put on EUR/USD

Strike: 1.04

Notional: EUR 100,000,000

Expiry: Wed 30-Dec-2015 (6m)

Premium: $1,270,000 / $1,415,000

SOFL sells European EUR Call on EUR/USD

Strike: 1.1615

Notional: EUR 100,000,000

Expiry: Wed 30-Dec-2015 (6m)

Premium: USD $1,324,000 / $1,440,000

2) Risk Reversal with 1.05 strike put

SOFL buys European EUR Put on EUR/USD

Strike: 1.05

Notional: EUR 100,000,000

Expiry: Wed 30-Dec-2015 (6m)

Premium: $1,490,000 / $1,615,000

SOFL sells European EUR Call on EUR/USD

Strike: 1.155

Notional: EUR 100,000,000

Expiry: Wed 30-Dec-2015 (6m)

Premium: USD -1,550,000 / $1,650,000

Please let us know if you wish to execute.

Thank you,

Vahe

Vahe Stepanian

Assistant Vice President | Key Client Partners
Deutsche Bank Securities Inc.
Tel. +1 212 454-1539
Mobile +1 347 854-4676
Email [redacted]

settlement, and therefore the official trade confirmation(s) and account statements issued by Deutsche Bank shall govern. Deutsche Bank is not responsible for any discrepancy between the informal execution report and the official trade confirmation(s) or account statements.

--

please note