

---

**From:** Daniel Sabba <[REDACTED]>  
**Sent:** Thursday, November 13, 2014 8:08 PM  
**To:** jeffrey E.  
**Subject:** Re: Follow-up on EUR hedging discussion [C]

Classification: Confidential

Could you please specify which structure/size in particular? Thank you, Daniel

<=r>

From: "jeffrey E." [jeevacat=on@gmail.com]  
Sent: 11/13/2014 04:05 PM AST  
=o: Daniel Sabba  
Subject: Re: Follow-up on EUR hedging=discussion [C]

prices of puts and calls?

On Thu, Nov 13, 2014 at 2:38 PM, Daniel =abba <[REDACTED]> > wrote:

Classification: Confidential

Classification: Strictly Confidential

Jeffrey,

I met with the head of FX trading of our investment bank to discuss the EUR hedging question you posed. To build a multi-billion short, a solution would be to implement a combination of spot, forward and options transactions over the course of several trading days/weeks. We propose discussing an execution plan in case you would like to pursue that route. We wanted to share with you the following parameters, which are indications for a EUR 1bn short delta executed live in a typical trading day.

Indication Considerations:

- Spot ref 1.2450/1.2451 - a live execution of EUR 1bn spot could indicatively be done 20pips below screen bid at 1.243=

- 5y EURUSD forward mid 1.3530

- The indications below are for execution of one leg only, not all of them as a package

- You mentioned this was a consideration for a client of yours - these indications assume standard ISDA/CSA terms

- The levels below would be improved if instead of transacting EUR 1bn delta, you did a smaller size. I have also included the levels for EUR 25mm delta

Indicative Transaction Terms (for EUR 1bn delta):

- A. 5y EURUSD premium neutral risk reversal (long EURUSD put struck at 1.2450 / short EURUSD call struck at 1.4450). EUR 1.5bn notional per leg would lead to a net delta of EUR 1.05bn
- B. Short EURUSD 1bn 5y forward. Forward points: 1034/1120
- C. 1y EUR puts struck at 1.2450 (spot) offered at 3.10% - EUR 2.3bn notional would lead to a delta of EUR 967mm

Indicative Transaction Terms (for smaller size ~ EUR 25mm delta):

- A. 5y EURUSD premium neutral risk reversal (long EURUSD put struck at 1.2450 / short EURUSD call struck at 1.4600)
- B. Short EURUSD 1bn 5y forward. Forward points: 1040/1125
- C. 1y EUR puts struck at 1.2450 (spot) offered at 2.90%

As you can see the pricing for smaller size is much better. Please advise on how you would like to proceed.

Best regards,  
Daniel

\_\_\_\_\_ = \_\_\_\_\_

Daniel Sabba  
Key Client Partners  
Deutsche Bank Securities Inc



---

This communication may contain confidential and/or privileged information.

If you are not the intended recipient (or have received this communication in error) please notify the sender immediately and destroy this

communication. Any unauthorized copying, disclosure or distribution of the material in this communication is strictly forbidden.

Deutsche Bank does not render legal or tax advice, and the information contained in this communication should not be regarded as such.

--

please note

The information contained in this communication is confidential, may be attorney-client privileged, may constitute inside information, and is intended only for the use of the addressee. It is the property of JEE. Unauthorized use, disclosure or copying of this communication or any part thereof is strictly prohibited and may be unlawful. If you have received this communication in error, please notify us immediately by

return e-mail or by e-mail to jeevacation@gmail.com <mailto:jeevacation@gmail.com> , and  
destroy this communication and all copies thereof,  
including all attachments. copyright -all rights reserved

---

This communication may contain confidential and/or privileged information.

If you are not the intended recipient (or have received this communication in error) please notify the sender immediately and destroy this communication. Any unauthorized copying, disclosure or distribution of the material in this communication is strictly forbidden.

Deutsche Bank does not render legal or tax advice, and the information contained in this communication should not be regarded as such.