

From: Daniel Sabba <[REDACTED]>
To: "jeffrey E." <jeevacation@gmail.com>
CC: Vahe Stepanian <[REDACTED]>, Ariane Dwyer <[REDACTED]>, Paul Morris <[REDACTED]>, Richard Kahn <[REDACTED]>
Subject: RE: Levered plays on BASF, Allianz and Volkswagen [C]
Date: Tue, 14 Apr 2015 14:38:24 +0000

Classification: **Confidential**

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
[REDACTED]	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
[REDACTED]	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]

Classification: **Confidential**

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
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.