

From: Ariane Dwyer <[REDACTED]>

To: "jeevacation@gmail.com" <jeevacation@gmail.com>

CC: Daniel Sabba <[REDACTED]>, Vahe Stepanian <[REDACTED]>, Paul Morris <[REDACTED]>, Stewart Oldfield <[REDACTED]>, Richard Kahn <[REDACTED]>

Subject: FW: Trade ideas for shorting Asian currencies [C]

Date: Thu, 20 Aug 2015 17:06:27 +0000

Inline-Images: image001.jpg; image002.jpg; image003.jpg

Jeffrey,

Please find below USDKRW charts as per your request.

1. 1y USDKRW spot



2. USDKRW and USDCNH spot since 2011



3. USDKRW and USDCNH 6 month skew since 2011



Source: Bloomberg Finance LP

Best,
Ari

From: jeffrey E. [<mailto:jeevacation@gmail.com>]
Sent: Thursday, August 20, 2015 11:22 AM
To: Vahe Stepanian
Subject: Re: FW: Trade ideas for shorting Asian currencies [C]

send charts on the korean

On Mon, Aug 17, 2015 at 4:51 PM, Vahe Stepanian <[REDACTED]> wrote:

Classification: **Confidential**

Jeffrey – I've included additional pricing below to short Asian currencies on the back of conversations today with Rich.

Basket cheapening to vanillas:	15%	20%
Equally -weighted basket in CNH, KRW, SGD and TWD		
Strike/ Premium:	ATMS / 2.20%	2.5% OTMS/ 1.28%
Basket cheapening to vanillas:	17%	25%

Basket performance is sum of currency performance given by $\text{USDCCY final} - \text{USDCCY initial} / \text{USDCCY final spot}$

Payout = Max (0, Basket Performance - Strike)

Strike = 0.0% for ATMS and 2.5% for 2.5% OTMS

ATMS = At the money spot

OTMS = Out of the money spot

From: Vahe Stepanian

Sent: Monday, August 17, 2015 10:46 AM

To: 'jeffrey E.'

Cc: Daniel Sabba; Ariane Dwyer; Paul Morris; Stewart Oldfield; 'Richard Kahn'

Subject: FW: Trade ideas for shorting Asian currencies [C]

Classification: **Confidential**

Jeffrey - I'm following up on Rich's email below about shorting Asian currency. Given your CNH maturity last week, we thought it made sense to revisit CNH options.

Initially looked at premium neutral risk reversals, but given USD calls are nearly 4 vols over the puts, we decided to look at USDCNH call spreads instead.

Indicative pricing:

Spot ref = 6.444

SOFL buys Call, sells Call on USD/CNH in a Call Spread

Strikes 6.55 / 6.75

Notional: USD 50,000,000 USD

Expiry: **Tue 17-Nov-2015 (3m)**

Premium: SOFL pays 324,500 (USD 486,000:-161,500)

Premium Date: Wed 19-Aug-2015

SOFL buys Call, sells Call on USD/CNH in a Call Spread

Strikes 6.55 / 6.8

Notional: USD 50,000,000 USD

Expiry: Wed 17-Feb-2016 (6m)

Premium: SOFL pays 428,000 (USD 794,500:-366,500)

Premium Date: Wed 19-Aug-2015

SOFL buys Call, sells Call on USD/CNH in a Call Spread

Strikes: 6.55 / 7.10

Notional: USD 50,000,000 USD

Expiry: Wed 17-Aug-2016 (12m)

Premium: SOFL pays 783,500 (USD 1,216,000:-432,500)

Premium Date: Wed 19-Aug-2015

I've also attached a short DB Research note from Friday which details recent forecast revisions to CNY.

Note that the above options use CNH as underlying.

Please let us know if you have thoughts.

Thank you,

Vahe

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

From: Richard Kahn [mailto:]

Sent: Monday, August 17, 2015 8:04 AM

To: Daniel Sabba; Vahe Stepanian

Subject: Trade ideas for shorting Asian currencies

Can you please send to Jeffrey and myself some trade ideas for shorting Asian currencies. Thank you.

Sent from my iPhone

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