

From: Jeffrey Epstein <jeevacation@gmail.com>

To: Vinit Sahni <[REDACTED]>

Subject: Re: Oil options

Date: Fri, 14 Mar 2014 03:39:28 +0000

Inline-Images: graycol.gif

thanks 4 hours for a quote in a normally fast moving market ? confirms my voiced concerns

On Thu, Mar 13, 2014 at 10:24 PM, Vinit Sahni <[REDACTED]> wrote:

Classification: External Communication

I am on a plane to and from tokyo tomorrow next 2-3 days, if u need something otherwise available 24/7 on [\[REDACTED\]](#).

In Vinit Sahni

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

From: Vinit Sahni

Sent: 03/13/2014 09:47 PM EDT

To: jeevacation@gmail.com

Cc: Paul Morris

Subject: Fw: Oil options

Classification: External Communication

Jeffrey - apologise if this long to execute next time we'll be much quicker.

In Nav Gupta

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

From: Nav Gupta

Sent: 03/12/2014 09:35 PM GDT

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

Cc: Tazia Smith; Paul Morris/db/dbcom@dbamericas; Vinit Sahni/db/dbcom@dbemea

Subject: Oil options

Jeffrey

Just got off the phone with Vinit.

DB stopped marketmaking OTC oil options - for short dated I'd go for exch traded - better liquidity and lower transaction costs in and out.

My central scenario - Kerry Lavrov meeting Friday will be a bust and the Crimea referendum this weekend will result in "yes" given the 59pct ethic Russian makeup. Sunday/ Monday sanction rhetoric from ranging from g8 expulsion to Iran-style bank embargo is raised a notch. Russia follows with more threats of counter-sanctions. My sense is the Obama 5m of 696m SPR release is to show Merkel and co he will step in. He needs to because there are 8 small European and Baltic countries that rec 70%+ of their gas from Russia. Germany gets 30%.

Cross asset correlations outside of the US are increasing past few days - eg copper and the Turkish lira hourly charts are on top of each other past 4 days. I'm worried there is a 30-40pct(?) chance of a hard risk off move in

markets in first half of next week - more focused on European equities, copper, EM FX (Turkey, ZAR, Ruble etc) than SPX. In that scenario oil is way up.

Exchange WTI calls - there are 2 options (as of 3pm est):

5day expiry 17march 2014 underlying clj4 97.92

and

35d expiry 16april2014 underlying clk4 97.59

** The 5 day options are a bit short - one possibility is sell a 3usd out of the money put (95.5 strike) for 20cents and buy a 2usd OTM 100 call for 25. Net pay 5cents. But 5d is a bit short for me.

**For 35d expiry You could look at selling 91.50 (6usd OTM put) for 56cents and buying 103c (5.5usd OTM) for 58cents or the 102c (4.5usd OTM) for 76cents.

CL1 <comdty> OMON on Bloomberg has live strikes and bid/ask.

If 5d is too short and 35d is too long / not enough gamma, Tazia may be able to source liquidity from the street. Am Cc'ing her for any live pricing or additional comment

Best

Nav

+ [redacted]
[redacted]

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