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Subject: French Election Trades
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Brad

Ahead of the elections this weekend here are some trades based on different outcomes.

Bullish:

- Macron/Fillon both move to next round
- Macron has > 40% of votes
- Macron/Le Pen both move to next round with Le Pen below 20% (neutral to bullish)

Trades:

- Long 240 SPY May Calls
 - Cost: \$0.79 (33 bps)
- Long EuroStoxx Calendar Spread Risk Reversal
 - Client Short 1M 94.75% PUT (28.3% Delta), Client Long 3M 105% CALL (21.65% Delta)
 - Premium: Cashless
- Long EuroStoxx Risky
 - Tenor: May 19, 2017 (Listed Expiry)
 - Short Put Strike: 95%
 - Long Call Strike: 101.75% / 102%
 - Premium: Cashless

Bearish:

- Le Pen/Melenchon both move to next round
- Macron/Le Pen both move to next round, Le Pen > 40% of the votes

Trades:

- Short EUR Forward
 - 1mo Forward
 - Spot Ref: 1.07, Forward: 1.0708 [can buy a 1.10 EUR call option, expiring May 8th, for 40 bps, to limit downside]
- Short EURCHF
 - 1mo Forward
 - Spot Ref: 1.069, Forward: 1.0682
- Buy Protection on French Banks
 - Buy 5 YR CDS on BNP or SocGen
 - BNP: 92 bps

o SocGen: 93 bps

Paul

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