

From: Tazia Smith <[REDACTED]>

To: jeevacation@gmail.com

Cc: Paul Morris <[REDACTED]>, [REDACTED], Vahe Stepanian
<[REDACTED]>

Subject: buy euro vol... [I]

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Inline-Images: unnamed; unnamed(1); unnamed(2); unnamed(3)

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Good Morning Jeffrey:

Euro vol is trading at recent (and multi-year) lows, ~6.40. See 1yr and 4yr histories below. And seems ripe for a mean reversion move upward. We discussed getting long euro vol on this morning's trading call, and I'll be back with any additional iterations and/or crosses our team identifies, but I like a simple EURUSD 3mo put offered ~1.85% (1mo offered ~1%); look to take gains upon a mean reversion move.

Let us know your thoughts.

Best Regards,
Tazia

European Option Put
<Client> buys European EUR Put on EUR/USD
Strike: 1.3625
Notional: EUR 10,000,000
Expiry: Thu 08-May-2014 (3m)
Settlement: Mon 12-May-2014
ZoneCut: NY
Premium: USD 185,000
Premium Date: Wed 12-Feb-2014

Indicative Levels Only. Subject to market movement. Source: DB WM FX Sales, 2/10/14

EURUSD 1mo Implied Vol - 1yr history



EURUSD 1mo Implied Vol - 4yr history



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Tazia Smith

Director | Key Client Partners - US

Deutsche Bank Securities Inc
Deutsche Asset & Wealth Management
345 Park Avenue, 26th Floor
New York, NY 10154
Tel. +1 (212) 454-2889
Fax +1 (646) 257-3131
Mobile +1 (917) 327-4107
Email [REDACTED]

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