

From: Daniel Sabba <[REDACTED]>
To: "jeffrey E." <jeevacation@gmail.com>
Cc: Paul Morris <[REDACTED]>, [REDACTED], Stewart Oldfield <[REDACTED]>, Vahe Stepanian <[REDACTED]>
Subject: Re: Jeffrey, an idea for you - 10x payout EUR digitals [C]
Date: Mon, 27 Oct 2014 12:38:15 +0000
Inline-Images: unnamed; unnamed(1)

Classification: Confidential

Jeffrey,

Per our conversation, please see below bid/offers for EUR 10mm puts expiring 02-Feb-2015.

EURUSD spot ref = 1.2675

Strike	Bid (USD)	Offer (USD)
1.22	46,800	53,800
1.21	34,600	41,600
1.2	25,500	32,500
1.19	18,600	24,600
1.18	13,600	19,600
1.17	9,700	15,700
1.16	6,900	12,900
1.15	4,700	10,700

Regards,
Daniel

From: Daniel Sabba/db/dbcom
To: "jeffrey E." <jeevacation@gmail.com>@DEUBAINT,
Cc: Paul Morris <[REDACTED]>, Vahe Stepanian <[REDACTED]>, Stewart Oldfield/db/dbcom <[REDACTED]>
Date: 10/24/2014 10:34 AM
Subject: Re: Jeffrey, an idea for you - 10x payout EUR digitals [C]

Classification: Confidential

Jeffrey,

Per our phone conversation, please find mids and offers below.

Please note these offers work for one transaction at EUR10mm payout - one offer done at this size with you cancels the other offers.

Each digital payout : EUR10mm
Expiry 2-Feb-2015

Strike	Mid (EUR)	Offer (EUR)
1.22	1,330,900	1,419,200
1.21	1,003,800	1,091,900

1.20	762,400	850,400
1.19	583,500	671,300
1.18	453,800	541,500
1.17	347,400	435,000
1.16	275,100	362,700
1.15	220,700	308,200

Regards,
Daniel

From: "jeffrey E." <jeevacation@gmail.com>
To: Daniel Sabba/db/[REDACTED]
Date: 10/24/2014 10:06 AM
Subject: Re: Jeffrey, an idea for you - 10x payout EUR digitals

lets speak

On Fri, Oct 24, 2014 at 8:57 AM, Daniel Sabba <[REDACTED]> wrote:
Jeffrey,

This is a trade that is getting a lot of attention from hedge fund principals. Paul told me you have an options background and we thought this might be interesting for you.

We solved for the expiries European put digitals on EURUSD would need to have for the structure to have 10x payout at expiry.

Buy European digital puts in EURUSD

Spot Ref: 1.2655
Strike: 1.2000
Payout: If EURUSD at or below 1.2000 at expiry: USD10mm
If EURUSD above 1.2000 at expiry: USD 0
Expiry: 02/01/15
Premium Offer: USD1mm (10x payout)

While implied vol in EURUSD has gone up a bit since the summer, it is still very low for historical standards. Many catalysts for why a EUR sell-off could happen, from renewed ECB monetary expansion, weak data out of Germany and faster US recovery leading to a stronger USD, between others.

3m ATMF implied vol in EURUSD (source: Bloomberg)



Please note all prices are indicative and subject to change without notice.

Regards,
Daniel



Daniel Sabba

Director | Key Client Partners

Deutsche Bank Securities Inc
Deutsche Asset & Wealth Management



Email [Redacted]

Derivatives are financial transactions based upon one or more predetermined market factors where periodic payments (or a one-time lump-sum payment) are made by each of the parties to the transaction based upon the value of the market factor or factors. The amount of the payment(s) will either be set at a fixed amount or fluctuate as the value of the underlying market factor fluctuates. The underlying market factors are items or variables which are subject to market fluctuations; for example, interest rates, currency exchange rates, assets, stock prices, stock index levels, commodities or a combination of one or more of these factors. Derivatives are normally used either as a hedging device or as an investment vehicle. Over-the-counter (OTC) derivative transactions involve numerous risks including, among others, market, counterparty default and illiquidity risk. In certain transactions, you could lose your entire investment or incur unlimited loss.

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