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Subject: Short Term Trade Idea - short Canadian Dollar into the OPEC meeting on April 17th
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Trade Idea: Buy put options on CAD vs USD and CAD vs MXN ahead of the OPEC meeting on April 17th.

Rationale: Our belief is that the bullish news for oil is already priced in. If they fail to deliver on a universal freeze, we think oil sells off which could be negative for CAD.

Implementation: Indicative pricing assuming USDCAD spot ref 1.29, CADMXN spot ref 13.6931

- Buy a 2 week 1.29 USDCAD call costs 0.93% usd
- Buy a 2 week 13.69 CADMXN put costs 0.80 % usd

Spot near the all time highs from 2012 (13.9173)



Bloomberg April 12th 2016

Doha meeting notes

At least 15 major oil producers (including three non-OPEC countries) will attend a meeting in Doha on Sunday April 17 to discuss a proposal to freeze crude supply at February levels. Reaching an agreement likely will be meaningless for most, with production levels already near historic highs, while the countries with the potential to add the most crude supply to the market—Iran and Libya—are fiercely opposed to any freeze. Officials from Latin America are expected to meet over

the weekend to decide how to position for the meeting. Production in the region has been on a declining trend for the past few years, and the decline in oil prices has exacerbated the economic costs. Oil production is also under pressure in Brazil from Petrobras corruption scandals, and in Mexico from the inefficiencies in Pemex that spurred the 2014 energy reform.

The IB traders believe the Doha meeting is much ado about nothing and think there is roughly \$5 baked into the price based on the market's perceived view that some bullish outcome will result from the meeting. The market is still heavily sensitive to headlines though, as we saw this morning when an Interfax headline from an "unidentified person" stated that Saudi and Russia have reached a consensus on an oil freeze. Not exactly new news as Iran is still increasing their production and Iraqi output hit a record in March, up 90 kb/d MoM to 4.55mbd; exports up to 3.81, almost 60kb/d higher MoM..

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