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Subject: Brent Solutions [C]
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Inline-Images: unnamed; unnamed(1); unnamed(2); unnamed(3)

Classification: Confidential

Jeffrey -

Below please find solutions that can be combined to reflect your view that transport/supply constraints will cause Brent to spike within the next 5-6months for a brief (~2 week) period; your objective is to monetize both the potential upside spike and downward reversion.

We know you've traded risk-reversals and knock-in options in the past. The knock-in puts are compelling to reflect your reversion view. Examples below include three iterations of 6mo knock-in puts on the June 2014 contract (currently trades ~1.9% below spot). Implied vol is near 10yr lows.

Consider a risk reversal combined with a KI put. Consider overlaying these on an absolute return note given attractive curve and vol entry point.

Please find indicative levels below. Will call you to discuss further.

Best Regards,
Tazia

Knock-In Put Iterations:

Indicative levels only, subject to market movement. Source: DB Commodities Structuring, as of 11/4/13.

Brent Jun14 reference: \$104.2
Brent spot: \$106.5

(1) 6mo KI Put

Put on Jun14 Brent, strike 115. Option knocks in only if Brent Jun14 closes above 115 on any day.

Indicative Offer: ~\$1.96/bbl (~1.9%)
Indicative cost on \$5mm notional: \$95,000
Max Loss: Premium Paid

(2) 6mo KI Digital Put

Digital Put on Jun14 Brent, strike 115. Option knocks in only if Brent Jun14 closes above 120 on any day.

Indicative Offer: 11.9%
Digital Payout: 100%
Indicative cost on \$1mm notional: \$119,000
Max Payout on \$1mm notional: \$1,000,000 (~8.4x premium paid)
Max Loss: Premium Paid

(3) 6mo Max Strike Put

If Brent Jun14 fixes above \$115/bbl on any day during trade, then: max [0, Maximum Brent Jun14 fix during trade – Brent Jun14 at expiry – \$10/bbl]

Indicative Offer: ~\$1.51/bbl (~1.5%)

Indicative cost on \$5mm notional: \$75,000

Max Payout: Max Brent Jun14 fix during trade – Brent Jun14 at expiry – \$10/bbl

Max Loss: Premium Paid

Upside Exposure Solutions:

Indicative levels only, subject to market movement. Source: DB Commodities Structuring, and DB AWM Structured Solutions, as of 11/4/13.

Brent Jun14 reference: \$104.2

Brent spot: \$106.5

(1) Risk Reversal:

Buy 6m \$109.41 call (105% of Jun14 ref): \$3.51/bbl

Sell 6m \$85 put: \$0.95/bbl

Net Debit: \$2.56/bbl (~2.5%)

Indicative cost on \$5mm Notional: \$125,000

Max Loss: \$87.56/bbl

For your reference:

6m \$104.2 call (ATM): \$5.90/bbl (~5.7%)

6m \$109.41 call (105% of Jun14 ref): \$3.51/bbl (~3.4%)

6m \$85 put: \$0.95/bbl (~0.9%)

6m \$90 put: \$1.58/bbl (~1.5%)

(2) ATM 6mo Swap

A futures look-alike in the form of a Jun14 ATM swap, which has positive carry of ~\$2/bbl (differential between Jun14 and spot)

(3) Absolute Return Note on Brent

Structure Absolute Return Note on Brent Crude

Underlier: Brent

Barrier Observation: European

Maturity: 2yrs

Upside Max: Uncapped

Barrier Level: 82.5%

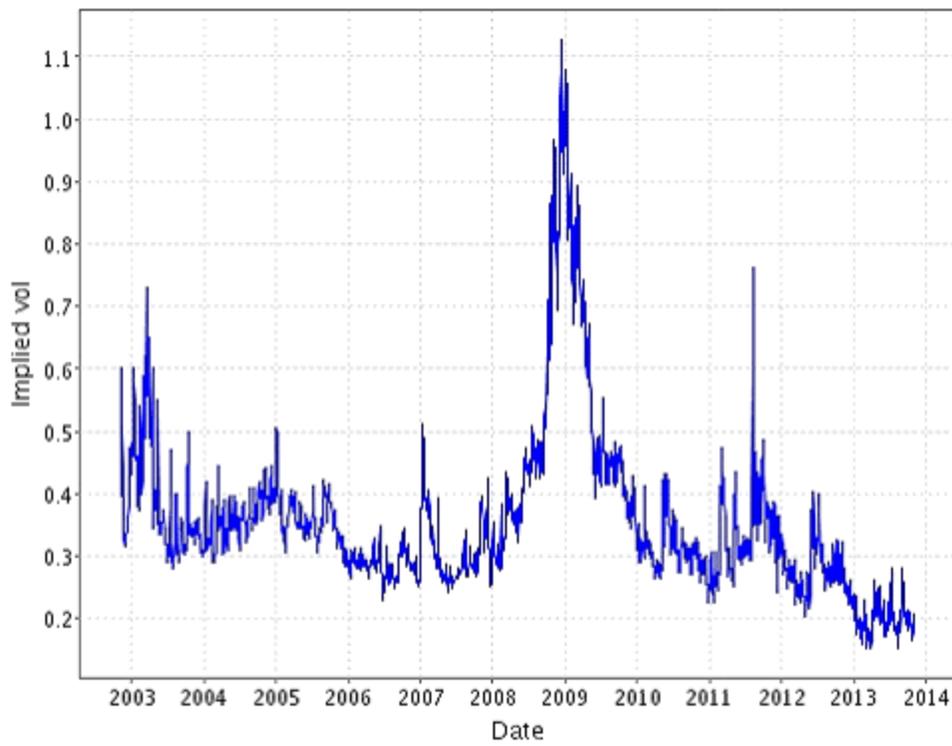
Max Loss: 100%

In fully-funded form, the absolute return structure prices well on crude. You can unwind this early to capture a move. This vehicle gives room to monetize moves in crude prices both on the upside and downside. This structure has a relatively high delta, should crude move higher and can help offset/compensate for your premium paid should crude move lower, but stay above the barrier.

Implied Vol & Price Curves:

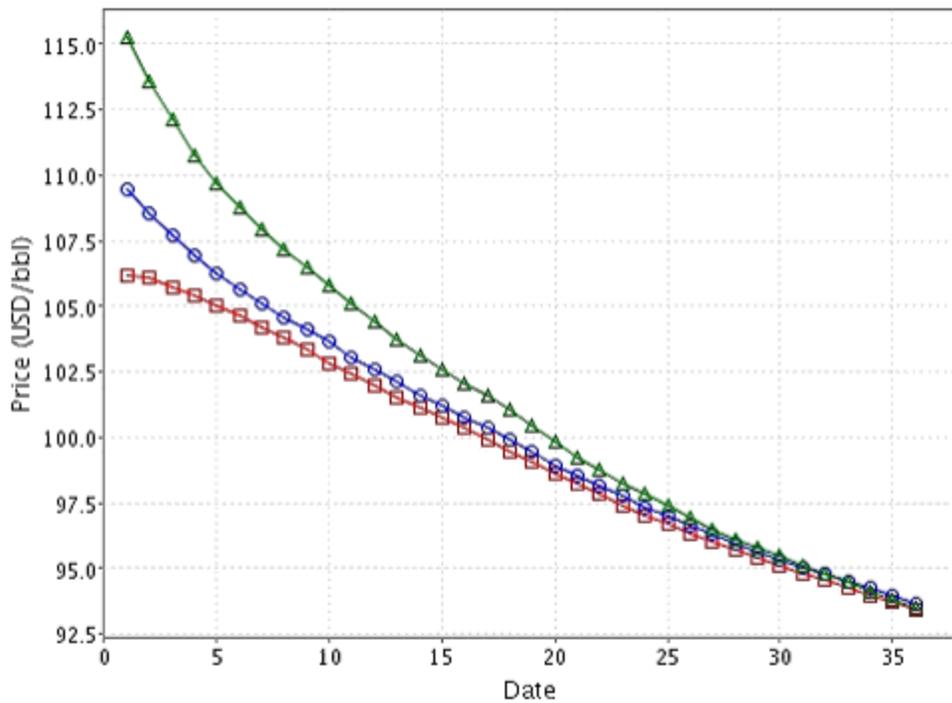
The degree of backwardation has subsided but vols are still very low compared to their average over the last 10 years. Investors looking to express a bullish view on Brent crude oil can take advantage of premiums which are close to 10-year lows.

IPE Brent 1mo Implied Vol - Mid Implied Vol



— IPE Brent 1M implied vol - Mid implied volatility

IPE Brent forward curves



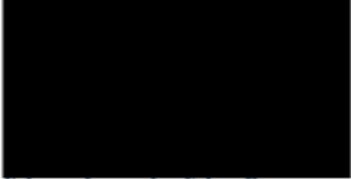
□ Close_Price (04-Nov-2013) ○ Close_Price (04-Oct-2013) ▲ Close_Price (05-Sep-2013)

Source: DB AnalyzerLite, 11/5/13



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