

From: Daniel Sabba <[REDACTED]>

To: "jeffrey E." <jeevacation@gmail.com>

CC: Paul Morris <[REDACTED]>, Stewart Oldfield <[REDACTED]>, Vahe Stepanian <[REDACTED]>, "Ariane Dwyer" <[REDACTED]>, Richard Kahn <[REDACTED]>

Subject: Idea for Greece Resolution & Continued ECB Quantitative Easing [C]

Date: Thu, 18 Jun 2015 15:02:03 +0000

Inline-Images: image003.png; image004.png

Classification: **Confidential**

Recent dynamics on Greece negotiations have been a constant headline in major news outlets. Clients can use the following transaction to position for a resolution and rally in European equity and bond markets.

Trade rationale:

- Uncertainty over Greece has been regarded as a contributor to the recent sell-off in European equities. The DAX has sold-off around 12% over the last three months.
- The transaction below is designed to position for a European equity rally over the short term, followed by a decline in EUR interest rates. This could happen in the event of a Greece resolution or continuation of ECB quantitative easing, among other drivers.
- An investor can buy 2% out of the money DAX call options expiring on September 18 2015 for 1.90% of the notional amount. If DAX gets back to April highs and EUR interest rates decline to levels observed in June, investors would receive ~10% of Notional (~5x initial premium). Additionally, this transaction would offer further upside in the event of greater equity appreciation.

Indicative transaction terms:

Client buys: DAX 102% call options contingent on 10y EUR CMS < ATM-25bps at expiry

Notional: EUR50mm

Expiry: 18 Sep 2015

Offer (mid): 1.90% (1.52%)

Ref vanilla calls: 3.75%

DAX futures ref: 10850

10y EUR CMS ATM: 1.16%

DAX Index YTD Price History:



10 Year Euro Swaps YTD Price History:



Please let us know if you would like to discuss. Best regards,
Daniel

Daniel Sabba
Key Client Partners
Deutsche Bank Securities Inc.
Tel. [REDACTED]
Mobile [REDACTED]
Email [REDACTED]

All trade execution information contained herein is being provided as an accommodation at your request in advance of your receipt of the official trade confirmation(s). Additional trade detail information available upon request. The terms of the trade(s) may be subject to change prior to settlement, and therefore the official trade confirmation(s) and account statements issued by Deutsche Bank shall govern. Deutsche Bank is not responsible for any discrepancy between the informal execution report and the official trade confirmation(s) or account statements.

This communication may contain confidential and/or privileged information. If you are not the intended recipient (or have received this communication in error) please notify the sender immediately and destroy this communication. Any unauthorized copying, disclosure or distribution of the material in this communication is strictly forbidden.

Deutsche Bank does not render legal or tax advice, and the information contained in this communication should not be regarded as such.