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Subject: Hedged MRK [C]

Date: Thu, 03 Sep 2015 16:49:58 +0000

Inline-Images: image002.jpg; image007.jpg; image009.jpg; image011.jpg; image016.jpg

Classification: **Confidential**

Jeffrey- please see below as a follow up to yesterday's chat on MRK.

Note that MRK reached its 52wk low of \$51.17/sh. last Tuesday (8/25), and its currently not too far off of the lows @ \$53.44/share.

Please let us know the number of shares you wish to purchase outright, as well as the tenor and strikes of the puts.

Below, we've included levels for ~10% OTM listed puts, both 3m and 6m tenors.

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MRK Puts

MRK Ref = \$53.44

Expiry: November 2015

Strike	Bid	Ask
47.50	0.83	0.85
50.00	1.31	1.37

Expiry: April 2016

Strike	Bid	Ask
47.50	2.06	2.18
50.00	2.85	2.96

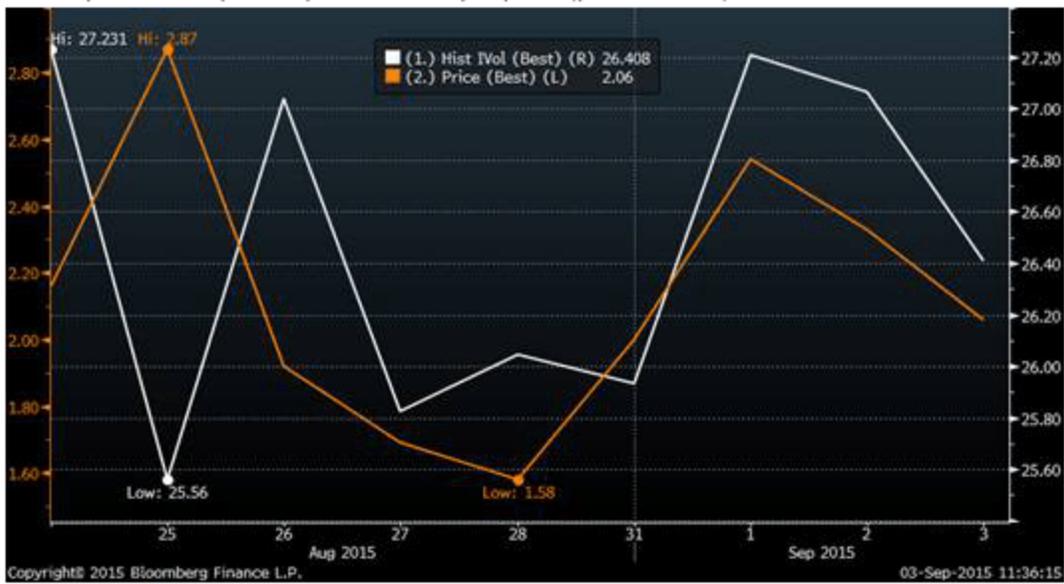
MRK Nov 47.50 put: implied volatility v. price (per contract)



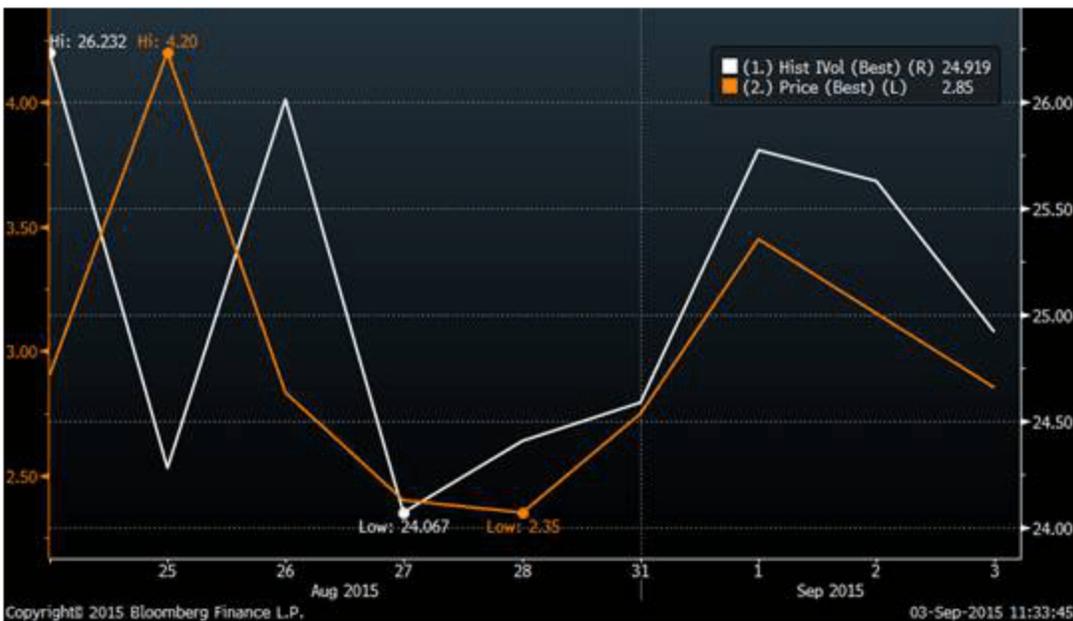
MRK Nov 50 put: implied volatility v. price (per contract)



MRK Apr16 47.50 put: implied volatility v. price (per contract)



MRK Apr16 50 put: implied volatility v. price (per contract)



MRK Stock Price

(September 2014-September 2015)



Source: Bloomberg Finance

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