

From: Vahe Stepanian <[REDACTED]>
To: Richard Kahn <[REDACTED]>, Daniel Sabba <[REDACTED]>
CC: "jeffrey E." <jeevacation@gmail.com>, Paul Morris <[REDACTED]>, Todd Stevens <[REDACTED]>, Stewart Oldfield <[REDACTED]>, Ariane Dwyer <[REDACTED]>

Subject: RE: Hedged MRK [C]

Date: Fri, 04 Sep 2015 13:45:28 +0000

Inline-Images: image001.jpg; image003.jpg; image004.jpg

Classification: **Confidential**

Jeffrey / Rich – updated levels:

MRK Puts

MRK Ref = \$52.07

Expiry: November 2015

Strike	Bid	Ask
47.50	1.08	1.25
50.00	1.76	1.93

Expiry: April 2016

Strike	Bid	Ask
47.50	2.43	2.64
50.00	3.35	3.60

Thank you,
Vahe

From: Richard Kahn [mailto:[REDACTED]]
Sent: Friday, September 04, 2015 9:40 AM
To: Daniel Sabba
Cc: jeffrey E.; Paul Morris; Todd Stevens; Stewart Oldfield; Vahe Stepanian; Ariane Dwyer
Subject: Re: Hedged MRK [C]

Merck 52.07 this am. Can you please refresh pricing on November and April puts. Thank you.

Richard Kahn
HBRK Associates Inc.
575 Lexington Avenue, 4th Floor
New York, NY 10022
Tel 212-971-1306
Fax 646-350-0954
Cell [REDACTED]

On Sep 3, 2015, at 12:49 PM, Daniel Sabba <[REDACTED]> wrote:

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

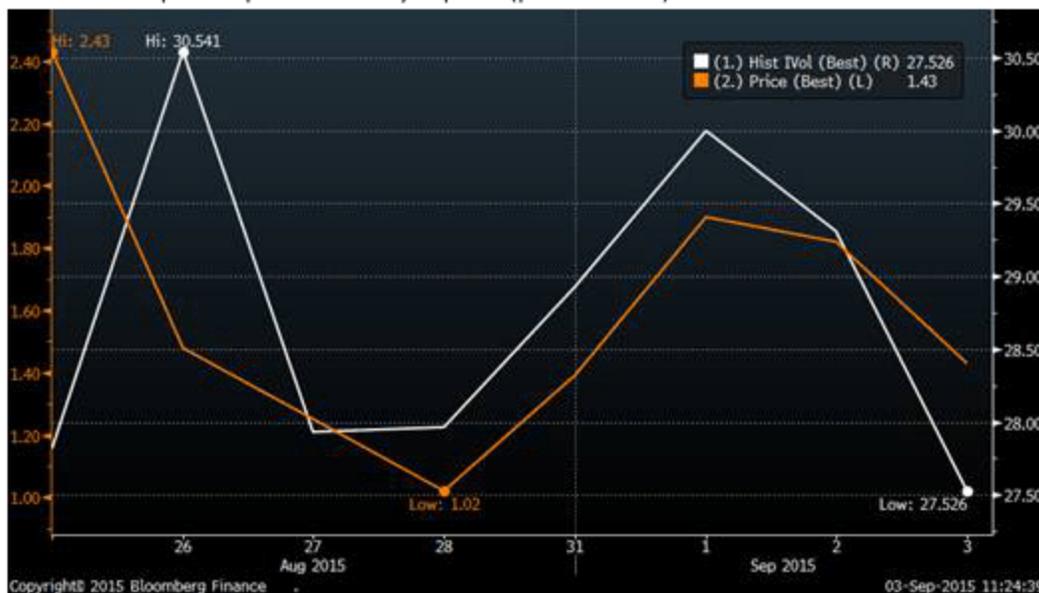
Expiry: April 2016

Strike	Bid	Ask
47.50	2.06	2.18
50.00	2.85	2.96

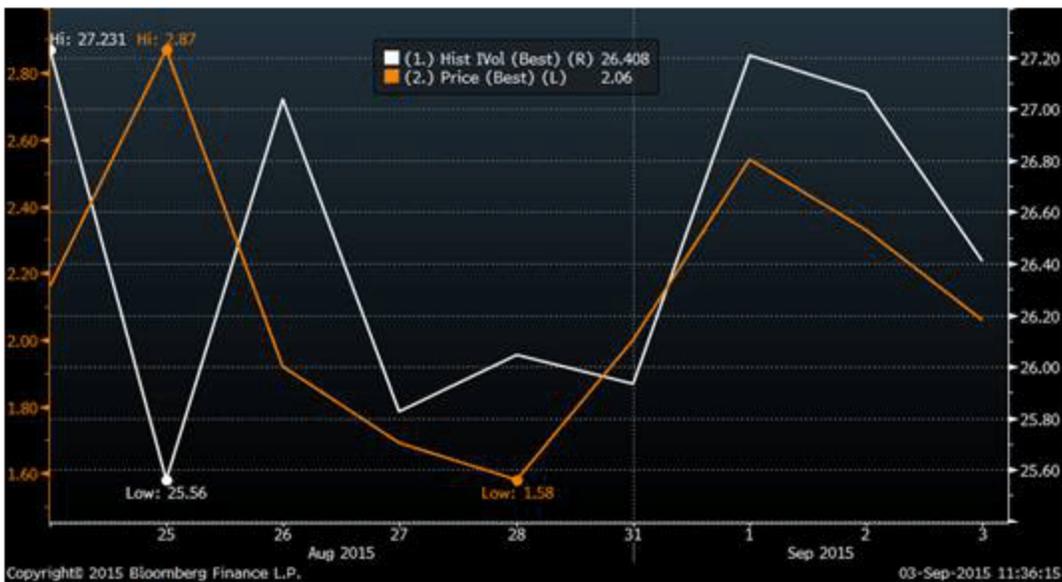
MRK Nov 47.50 put: implied volatility v. price (per contract)

<image007.jpg>

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)

<image016.jpg>

MRK Stock Price

(September 2014-September 2015)



Source: Bloomberg Finance

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