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**From:** Vinit Sahnii [REDACTED]  
**Sent:** 7/30/2014 1:59:19 AM  
**To:** Nav Gupta [REDACTED]  
**CC:** Paul Morris [REDACTED]  
**Subject:** Re: For Approval [I]

We need to fix this these are non advisory clients

Vinit

On 30 Jul 2014, at 06:47, "Nav Gupta" <[REDACTED]> wrote:

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To keep u in the loop. Tazia still working w/ compl on language to send JE my s+p idea from last week  
Tazia Smith

----- Original Message -----

**From:** Tazia Smith  
**Sent:** 07/29/2014 07:04 PM EDT  
**To:** Siri Cowden  
**Cc:** Zbynek Kozelsky; Vahe Stepanian; Nav Gupta  
**Subject:** Re: Fw: For Approval [I]

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Hi Siri -

Revised the point of view language:

Intended for Non-Advisory Clients

Since the Malaysian airline disaster and rising tensions with Russia, the put skew on S&P equity options has richened.

Investors bought equity puts for protection and dealers who were already short the put skew had to short cover.

Result - the skew has widened to levels where calls appear really quite inexpensive to puts.

**Trade 1**

**3mth Expiry, strikes 5% either side of the forward. Buy 3 to 3.25 calls for every 1 put sold**

**Trade 2**

**6mth Expiry, strikes 10% either side of the forward. That ratio becomes 4 to 4.35.**

Max loss is 100% downside exposure to the market from the strike of the sold put.

These are big numbers - even if investors are slightly bearish on the market, skew makes an attractive relative-value entry to sell puts to buy calls.

Is 3:1 - 4:1 compelling enough?

For investors who are long equities, or bullish going forward, using these risk reversals is