

Subject: RE: Trade ideas for shorting Asian currencies [C]
From: Stewart Oldfield <[REDACTED]>
Date: Mon, 17 Aug 2015 11:05:14 -0400
To: Vahe Stepanian <[REDACTED]>
Cc: Daniel Sabba <[REDACTED]>,
Ariane Dwyer <[REDACTED]>,
Paul Morris <[REDACTED]>

Classification: Confidential

Maybe should express strikes and premium as % of spot? Hard to tell what the leverage is on the bet

From: Vahe Stepanian
Sent: Monday, August 17, 2015 10:46 AM
To: jeffrey E.
Cc: Daniel Sabba; Ariane Dwyer; Paul Morris; Stewart Oldfield; Richard Kahn
Subject: FW: Trade ideas for shorting Asian currencies [C]

Classification: Confidential

Jeffrey - I'm following up on Rich's email below about shorting Asian currency. Given your CNH maturity last week, we thought it made sense to revisit CNH options.

Initially looked at premium neutral risk reversals, but given USD calls are nearly 4 vols over the puts, we decided to look at USDCNH call spreads instead.

Indicative pricing:

Spot ref = 6.444

SOFL buys Call, sells Call on USD/CNH in a Call Spread

Strikes 6.55 /
6.75

Notional: USD 50,000,000 USD

Expiry: Tue 17-Nov-2015
(3m)

Premium: SOFL pays 324,500 (USD
486,000: -161,500)

Premium Date: Wed 19-Aug-2015

SOFL buys Call, sells Call on USD/CNH in a Call Spread

Strikes 6.55 /
6.8

Notional: USD 50,000,000
USD

Expiry: Wed 17-Feb-2016 (6m)

Premium: SOFL pays 428,000 (USD
794,500: -366,500)

Premium Date: Wed 19-Aug-2015

SOFL buys Call, sells Call on USD/CNH in a Call
Spread

Strikes: 6.55 /
7.10

Notional: USD 50,000,000 USD

Expiry: Wed 17-Aug-2016
(12m)

Premium: SOFL pays 783,500 (USD
1,216,000: -432,500)

Premium Date: Wed 19-

Aug-2015

I've also attached a short DB Research note from Friday which details recent forecast revisions to CNY.

Note that the above options use CNH as underlying.

Please let us know if you have thoughts.

Thank you,

Vahe

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

From: Richard Kahn [mailto:]

Sent: Monday, August 17, 2015 8:04 AM

To: Daniel Sabba; Vahe Stepanian

Subject: Trade ideas for shorting Asian currencies

Can you please send to Jeffrey and myself some trade ideas for shorting Asian currencies. Thank you.

Sent from my iPhone