As soon as NY gets in will get a price on the MBONO 7.75% 11/13/2042 and ping u

as and when our view on rates or the currency changes will keep u updated, as here u have risk on both components unlike the PDVSA where the bond was denominated in USDs.

Best
Vinit

Vinit Sahni
Managing Director | Global Head - Professional Client Group & Key Client Partners Capital Markets Group

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From:	Jeffrey Epstein <jeevacation@gmail.com>
To:	Vinit Sahni/db/d[redacted]
Date:	14/01/2014 10:18
Subject:	Re: Jeffrey - Mexico -> MBONO 30y look interesting [C]

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agreed lets do 3m

On Tue, Jan 14, 2014 at 4:23 AM, Vinit Sahni <[redacted]> wrote:
Classification: Confidential

Jeffrey - was looking for value in the EM space, post the PDVSA analysis, started looking at Mexico...

here is a trade I think makes sense -> buying MBONO 30y unhedged

At around 7.5% yield, inflation probably in the 3-4% in the foreseeable future, and USD/MXN likely stable or stronger in real (deflated) terms, I think it is good value. The curve is steep. If you look at 10Y10Y UST and 10Y10Y MXN yields, the spread is above 500bp . Say inflation differential is 100bp higher in Mex and credit diff is 100bp (10Y CDS is about 100bp higher in Mexico although Mex has much better debt dyn), this still leaves