From: Richard Kahn [redacted]>
Sent: Tuesday, February 28, 2017 11:16 PM
To: Jeffrey Epstein
Subject: Fwd: FX BULLet: Five reasons to sell EUR/USD

Richard Kahn
HBRK Associa=es Inc.
575 Lexington Avenue, 4th Fl=or
New York, NY 10022
[redacted]

Begin forwarded message:

From: "Ens, Amanda" [redacted]>
Date: February 28, 2017=at 5:06:51 PM EST
To: "Rich Kahn" [redacted]
Subject: FX BULL=t: Five reasons to sell EUR/USD
Reply-To: "Ens, Amanda" [redacted]

Can implement through FXE, the ETF. Recall our FX strategy also lik=s owning April expiry ATM puts.

=nbsp;

=span style="mso-bookmark:_MailOriginal">
BofA Merrill Lynch Global Research<=strong>

<=pan style="mso-bookmark:_MailOriginal">Summary: FX strategy is bearish EUR/USD and are convicted i= should be sold, now. Here is why...

1. &n=sp; Three major event risks in=luding tax reform, the March FOMC meeting and the French election could wea=en the EUR and strengthen USD.

2. The recent divergence between EUR/USD positionin= and risk reversals reminds us of 2011 which witnessed a sharp EUR/USD sell=off. (Chart 1)

3. &=bsp; Differentials for c=re inflation, unemployment and 5y rate spreads would justify a weaker EUR/U=D in 1H17. (Chart 19-21)

4. Technical trend models recently broke down confirming t=e breakdown in the CEEREU, such as the EUR advance decline line of G9 curre=cies. (Chart 3, panel 1 and 3)

5. Spot EUR/USD formed a bearish flag pattern that s=ggests the 4Q16 decline and bearish momentum will continue.

· Support: 1.0490, 1.0350, 1.0025. Resistance: 1.0680= 1.08, and 1.1025

Chart=1: EUR/USD positioning and risk reversal diverge

=nbsp;

</=>

Technical Advant=ge: Euro chart pack

- In this report, w= show EUR trends and technical breadth is still weak vs DM and may bounce v= EM.
- EUR trends in DM are mostly down, except=EUR/JPY. EUR/GBP is forming a top. EUR/Oil has less downside left than real=zed.
- Established downtrends in EUR/RUB and EU=/ZAR could bounce and should be sold. EUR/KRW may find support near an 11-y=ar low.

Global Liquid Markets Weekly: What do we know (almost for sure)=

- The interdependency between tax ref=rm, March FOMC mtg and the French election means selling EUR/USD is the rig=t trade now
- The MXN would be a major benefici=ry if we are not correct.
- In our annual mediu=-term oil outlook we now see Brent prices averaging $50 to $70/bbl through 2=22.

=/tr>

<http://rsch.baml.com/r?q=9o9FdjPJ80=2cA5chvPpmQ&e=richardkahn12%40gmail.com&h=Jip-xw> <=pan style="font-family:"Arial","sans-serif";mso-farea=t-font-family:"Times New Roman";text-decoration:none;text-underli=e:none">FX Viewpoint: EUR in 2017
<http://r=ch.baml.com/r?q=9o9FdjPJ80m2cA5chvPpmQ&e=richardkahn12%40gmail.com&=mp;h=Jip-xw>

- We=expect weaker EUR short term, as the US delivers fiscal stimulus and market= get concerned about EZ political risks.
- We s=e EUR strengthening in H2, as the EUR is undervalued, EZ data is improving,=and the ECB will taper QE.
- We are long EUR/JP= for the year. Downside short-term risks an opportunity to buy.<=span>

Back to top

* Read=the research report(s), available through the link(s) above, for complete i=formation including important disclosures and analyst certification(s).

</=d>

<=p>

2245488

<=iv>

2245532

<http://rsch-bems-tr.baml.c=m/q/RfHf_p1CGLIvBEgExrulfg~~/AAAAAQA~/RgRamHl3PkEIASxYiLmAETFCCgAEd_S1WM0ke=NSF3JpY2hhcmRrYWhuMTJAZ21haWwuY29tCVEEAAAAAEeZeyJ0ZW1wbGF0ZSI6ImRlZmF1bHRfd=VtcGxhdGUiLCJjbGllbnRfaWQiOiI1LTAyMjgxNzA2NTY1MzkwNDE6MjI0NTcyNC1ITkEwIiwiY=V0aG9yIGVtYWlsIjoiYWRtaW5AY29sZHNwYXJrLmNvbSIsIm5hbWUiOiIwMjI4MTcwNjU2NTM5M=QxOjIyNDU3MjQtSE5BMCJ9> 2245724

<=body>
=