
From: Richard Kahn <[REDACTED]@m>
Sent: Monday, July 11, 2016 2:00 PM
To: Jeffrey Epstein
Subject: Fwd: Swaption Indications

Richard Kahn
HBRK Associates Inc.
575 Lexington Avenue, 4th Floor
New York, NY 10022
[REDACTED]

Begin forwarded message:

From: "Weitzman, Maria P - NEW YORK NY" [REDACTED]
<=>Date: July 8, 2016 at 2:20:15 PM EDT
To: Richard Kahn [REDACTED]
=>Cc: "Darrah, John W - NEW YORK NY" [REDACTED] bollard,
James S" [REDACTED], "Graff, Guido M - NEW YORK NY" <[REDACTED]>
[REDACTED], "Minsky, Julie" <[REDACTED]>
Subject: RE: Swaption Indications

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Rich,</=>

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Modeling those scenarios would be difficult as there are many variables and underlying assumptions that would need to be considered such as volatility and skew. As such, the trading desk is not comfortable analyzing beyond one year. I am working with the traders to provide something to you as soon as possible, but it will likely be early next week.

<=p>

Best,</=>

<=p>

Maria</=>

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Maria Betzios Weitzman
Director

Merrill Lynch GWRS Market= Group

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From: Richard Kah= [mailto:ric [REDACTED]]
Sent: Friday, July 08, 2016 9:48 AM
To: Weitzman, Maria P - NEW YORK NY
Cc: Darrah, John W - NEW YORK NY; Pollard, James S; Graff, Guido M - N=W YORK NY; Minsky, Julie
Subject: Re: Swaption Indications < [REDACTED]>

My principal likes this trade idea and would like to s=e a graph of profits year 1 though 5 at different spot rates.
Th=nk you.

Rich

Sent from my iPhone

On Jul 6, 2016, at 3:46 PM, Weitzman, Maria P - NEW YORK NY <m [REDACTED]@m [REDACTED]> wrote:</=>

Rich,</=>

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John and I were speaking e=rlier in the day and he had inquired about some indications on interest rat=
payer swaptions. Below please find indicative pricing on a few i=erations of 10 year <=span>10 year payer swaptions:

10yr Reference Swa= Rate: &nb=p; = &nb=p; 1.2950

10yr ATMF (At the M=ney Forward Rate): &nb=p; 2.0360 =nbsp; &nbs=;

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Strikes &=bsp; = &nb=p; &nbs=; &n=sp; = Upfront Cost

2.0360 (ATMF): &nb=p; &=bsp; = &n=sp; 8.60% offer (8.05% mid)

2.0410 (ATMF+50) &=bsp; =nbs; &nbs=; &n=sp; = 6.65% offer (6.15% mid)

3.0360 (ATMF+100): = &nbs=; &n=sp; = &nb=p; 5.25% offer (4.68% mid)

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To cheapen up the swaption, the client can choose to cap the upside such as:

ATMF+100/ATMF+300: =nbs; &nbs=; &=bsp; = 3.35% (2.85% mid)

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My team is responsible for Rates, FX and Commodities OTC derivative products, so please feel free to reach out to me through John with any additional thoughts or questions.

Thanks,

Maria

Maria Betzios Weitzman
Director

Merrill Lynch GWRS Market Group



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