
From: jeffrey E. <jeevacation@gmail.com>
Sent: Friday, July 8, 2016 12:51 PM
To: Richard Kahn
Subject: Re: Swaption Indications

ask for a graph of profits year 1 though 5 =A0 different spot rates

On Wed, Jul 6, 2016 at 4:05 PM, Richard Kahn <[REDACTED]> wrote:

=div dir="auto">

Sent from my iPhone

Begin forwarded message:

From: Benoit Weitzman, Maria P - NEW YORK NY" <[REDACTED]>
<mailto:[REDACTED]>
Date: July 6, 2016 at 3:46:31 PM EDT

Subject: Swaption Indications

Rich,

John and I were speaking earlier in the day and he had inquired about some indications on interest rate payer swaptions. Below please find indicative pricing on a few iterations of 10 year /span>10 year payer swaptions:

10yr Reference Swap Rate: =C2 =A0 =A0 1.2950

10yr ATMF (At the Money Forward Rate): =C2 2.0360 =C2 =A0

Strikes	=C2	=A0	=C2	=A0	=C2	=C2	Upfront Cost
2.0360 (ATMF):	=C2		=C2	=A0	=A0		8.60% offer (8.5% mid)
2.0410 (ATMF+50)	=C2	=A0	=C2	=A0	=A0		6.65% offer (6.15% mid)
3.0360 (ATMF+100):	=A0	=C2	=A0	=	=C2		5.25% offer (4.68% mid)

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

ATMF+100/ATMF+300: 3.35% (2.85% mid)

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 Markets Group



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