
From: jeffrey E. <jeevacation@gmail.com>
Sent: Wednesday, October 15, 2014 7:47 PM
To: Vahe Stepanian
Subject: Re: Fw: AAL + US Airlines [C]

unwind

On Wed, Oct 15, 2014 at 2:21 PM, Vahe Stepanian <vah=.s[REDACTED]> > wrote:

=font face="sans-serif">Classification: Confidential

Jeffery - following up on the below. Would appreciate if you could please clarify whether you wish to:

A) Unwind existing AAL position

and/or

B) Sell puts per the below on DAL, UAL, AAL, and LUV.

If B, should we use \$500k notional on each name for a total of \$2mm total exposure to the underliers (in addition to your existing AAL position)?

Thanks,
Vahe

----- Forwarded =y Vahe Stepanian/db/dbcom on 10/15/2014 02:18 PM -----

From: Vahe Stepanian/db/dbcom
To: "jeffrey E." <jeevacation@gmail.=om <mailto:jeevacation@gmail.com> >@DEUBAINT,
C=: [REDACTED]

Date: 10/15/2014 11:48 AM
Subject: Re: AAL + US Airlines [C]

Classification: Confidential

Jeffrey - to clarify, which would you like me to do:

A) Unwind existing AAL position

and/or

B) Sell puts per the below on DAL, UAL, AAL, and LUV.

If B, should we use \$500k notional on each name for a total of \$2mm total exposure to the underliers (in addition to your existing AAL position)?

Thank you,
Vahe

--

From: "jeffrey E." <jeevacation@gmail.com <mailto:jeevacation@gmail.com> >
To: Vahe Stepanian/db/[REDACTED]
Date: 10/15/2014 11:37 AM
Subject: Re: AAL + US Airlines [C]

sell it all

On Wed, Oct 15, 2014 at 11:24 AM, Vahe Stepanian <[REDACTED]>
<mailto:[REDACTED]> wrote:

Classification: Confidential

Good Morning Jeffrey - quick update on AAL. Recall you currently hold the following position:

Please let us know should you wish to hold or add to the position. <=ont size="3">

Separately, Vinit / Nav's team in London is highlighting US airlines (m=jors specifically) per the below. To summarize, they believe selling 1m puts to monetize implied volatility around the 60% level is attractivewith 3Q earnings on tap and volatility rising across equity markets. Details included below.

Thank you,
Vahe

----- Forwarded by Tazia Smith/db/dbcom on 10/15/2014 10:46 AM -----font size="3">

Fr=m: Uzair Aqeel/db/=bcom@DBEMEA
To: Nav Gupta/db/dbcom@DBEMEA, Vi=it Sahni/db/dbcom@DBEMEA,
Date: 10/15/2014 08:38 AM
Subject:<=ont size="3"> KCP Capital Markets Ideas - U= Airlines [I]

Classification: For internal use only

The equity sell-off has left US airlines oversold on a technical basis. We are starting to see interest in getting long the sector given the attractive valuations, particularly as the majors are expected to produce record free cash flow this year.

Delta Airlines is about 20% off from the September high

(Source: Bloomberg, Oct-15, 2014)

At the same time, the dramatic drop in oil prices will eventually feed into improved margins. Indeed, this is one of the few US sectors that actually benefit from lower oil prices.

WTI crude oil is down almost 25% since the June peak

(Source: Bloomberg, Oct-15, 2014)

With 3Q earnings on tap through the rest of the month and volatility rising across equity markets, selling 1m puts to monetise implied volatility around the 60% level is attractive.

Implied volatility has rallied dramatically recently (1m 90% vol for Delta Airlines shown)

(Source: Deutsche Bank, Oct-15, 2014)

Trades:

- Investors take in 3.9% premium for selling Delta Airlines November 30-strike puts (exchange-traded):

(Source: Bloomberg, Oct-15, 2014)

- Investors take in 4% premium for selling United Airlines November 38-strike puts (exchange-traded):

(Source: Bloomberg, Oct-15, 2014)

- Investors take in 3.4% premium for selling American Airlines November 27-strike puts (exchange-traded):

(Source: Bloomberg, Oct-15, 2014)

- Investors take in 3.4% premium for selling SouthWest Airlines November 28-strike puts (exchange-traded):

(Source: Bloomberg, Oct-15, 2014)

THIS MATERIAL IS INTENDED FOR INSTITUTIONAL CUSTOMERS ONLY AS DEFINED BY FINRA 4512(c). The trading and investment ideas discussed herein are general and do not take into account an institutional client's particular circumstances (including tax situation), investment guidelines, investment goals, restrictions or needs. Deutsche Bank ("DB") is not acting as a legal, financial, tax or accounting adviser or in any other fiduciary capacity with respect to any proposed transaction(s) mentioned herein. This document does not constitute the provision of investment advice and is not intended to do so, but is only intended to be general information. This material is for our clients' informational purposes and is a general solicitation of derivatives business for the purposes of, and to the extent it is subject to, §§ 1.71 and 23.605 of the U.S. Commodity Exchange Act. This is not an offer, advice, recommendation or solicitation to buy or sell, nor is it an official confirmation of terms. Any offering or potential transaction that may be related to the subject matter of this communication will be made pursuant to separate and distinct documentation and in such case the information contained herein will be superseded in its entirety by such documentation in final form.

Key Clients Partners ("KCP") services are offered to a select group of Deutsche Asset & Wealth Management ("DeAWM") clients who are able to meet certain criteria including, without limitation, financial and sophistication qualifications. All Key Clients Partners opportunities may not be available in all DeAWM locations.

Investments are subject to various risks, including market fluctuations, regulatory change, possible delays in repayment and loss of income and principal invested. The value of investments can fall as well as rise and you may not recover the amount originally invested at any point in time. Furthermore, substantial fluctuations of the value of the investment are possible even over short periods of time. The terms of any investment will be exclusively subject to the detailed provisions, including risk considerations, contained in the Offering Documents. When making an investment decision, you should rely on the final documentation relating to the transaction and not any summary contained herein. Past performance is no guarantee of future results; nothing contained herein shall constitute any representation or warranty as to future performance. Further information is available upon investor's request. Deutsche Bank is not acting as your municipal advisor, swap advisor, financial advisor or in any other advisory, agency or fiduciary capacity with respect to any transaction with you (whether or not Deutsche Bank has provided or is currently providing other services to you on related or other matters) unless expressly agreed by Deutsche Bank in writing. Deutsche Bank may engage in transactions in a manner inconsistent with the views discussed herein. Deutsche Bank trades or may trade as principal in the instruments (or related derivatives), and may have proprietary positions in the instruments (or related derivatives) discussed herein, and these may be known to the author. Deutsche Bank may make a market in the instruments (or related derivatives) discussed herein. Assumptions, estimates and opinions expressed constitute the author's judgment as of the date of this material and are subject to change without notice.

This material is not a research report and was not prepared, reviewed or edited by the Deutsche Bank Research Department. The views expressed herein may differ from those of the Research Department. Sales and Trading functions are subjects to additional potential conflicts of interest which the research Department does not face, so this material should not necessarily be considered objective or unbiased. DB seeks to transact business on an arm's length basis with sophisticated investors capable of independently evaluating the merits and risks of each transaction, with investors who make their own decision regarding those transactions. The distribution of this document and availability of these products and services in certain jurisdictions may be restricted by law. You may not distribute this document, in whole or in part, without our express written permission. DB SPECIFICALLY DISCLAIMS ALL LIABILITY FOR ANY DIRECT, INDIRECT, CONSEQUENTIAL OR OTHER LOSSES OR DAMAGES INCLUDING LOSS OF PROFITS INCURRED BY YOU OR ANY THIRD PARTY THAT MAY ARISE FROM ANY RELIANCE ON THIS DOCUMENT OR FOR THE RELIABILITY, ACCURACY, COMPLETENESS OR TIMELINESS THEREOF

Unless notified to the contrary in a particular case, investment instruments are not insured by the Federal Deposit Insurance Corporation ("FDIC") or any other governmental entity, and are not guaranteed by or obligations of Deutsche Bank AG or its affiliates. This document may not be reproduced or circulated without our written authority. Although information in this document has been obtained from sources believed to be reliable, we do not guarantee its accuracy, completeness or fairness, and it should not be relied upon as such. All opinions and estimates herein, including forecast returns, reflect our judgment on the date of this report and are subject to change without notice and involve a number of assumptions which may not prove valid.

Deutsche Bank AG, including its subsidiaries and affiliates, does not provide legal, tax or accounting advice. This communication was prepared solely in connection with the promotion or marketing, to the extent permitted by applicable law, of the transaction or matter addressed herein, and was not intended or written to be used, and cannot be relied upon, by any taxpayer for the purposes of avoiding any U.S. federal tax penalties. The recipient of this communication should seek advice from an independent tax advisor regarding any tax matters addressed herein based on its particular circumstances.

Deutsche Asset & Wealth Management ("DeAWM") represents the asset management and wealth management activities conducted by Deutsche Bank AG or any of its subsidiaries ("Deutsche Bank"). Not all DeAWM products and services are offered in all jurisdictions and availability is also subject to local regulatory restrictions and requirements. Brokerage services are offered through Deutsche Bank Securities Inc., a registered broker-dealer and investment adviser, which conducts investment banking and securities activities in the United States. Deutsche Bank Securities Inc. is a member of FINRA, NYSE and SIPC. Banking and lending services are offered through Deutsche Bank Trust Company Americas, member FDIC, and other members of the Deutsche

This communication may contain confidential and/or privileged information. If you are not the intended recipient (or have received this communication in error) please notify the sender immediately and destroy this communication. Any unauthorized copying, disclosure or distribution of the material in this communication is strictly forbidden.

Deutsche Bank does not render legal or tax advice, and the information contained in this communication should not be regarded as such.

--

please note

The information contained in this communication is confidential, may be attorney-client privileged, may constitute inside information, and is intended only for the use of the addressee. It is the property of JEE

Unauthorized use, disclosure or copying of this communication or any part thereof is strictly prohibited and may be unlawful. If you have received this communication in error, please notify us immediately by return e-mail or by e-mail to jeevacation@gmail.com <<mailto:jeevacation@gmail.com>>, and destroy this communication and all copies thereof, including all attachments. copyright -all rights reserved

This communication may contain confidential and/or privileged information.

If you are not the intended recipient (or have received this communication in error) please notify the sender immediately and destroy this communication. Any unauthorized copying, disclosure or distribution of the material in this communication is strictly forbidden.

Deutsche Bank does not render legal or tax advice, and the information

contained in this communication should not be regarded as such.

<=>

=br>--

plea=e note

The information contained in this communication is confi=ential, may be attorney-client privileged, may constitute inside inform=ation, and is intended only for the use of the addressee. It is the prop=erty of JEE Unauthorized use, disclosure or copying of this commun=cation or any part thereof is strictly prohibited and may be unlawful. =f you have received this communication in error, please notify us immed=ately by return e-mail or by e-mail to jeevacation@gmail.com <<mailto:jeevacation@gmail.com>> , and destroy this c=mmunication and all copies thereof, including all attachments. copyrigh= -all rights reserved