
From: Daniel Sabba <[REDACTED]>
Sent: Sunday, December 21, 2014 7:24 PM
To: Jeffrey Epstein
Subject: Re: Fw: EOD Commodities Nov - 19 Dec

Classification: Public

Sell straddles, delta hedging every day. We have an index that does that so you don't need to trade the net delta daily. I can walk you through it if you would like.

</=ont>

From: "jeffrey E." [je=vacation@gmail.com]
Sent: 12/21/2014 03:15 PM AST
&=bsp; To: Daniel Sabba
Subject: Re: Fw: EOD Commodities= Nov - 19 Dec

trade?

On Sun, Dec 21, 2014 at 1:58 PM, Daniel Sabba <[REDACTED]> <mailto:[REDACTED]> > wrote:

Classification: Public

We broke 51% in short term crude vol=

From: Prateek Jain
Sent: 12/19/2014 09:08 PM GMT
Subject: EOD Commodities=Nov - 19 Dec

OIL

It goes down, it goes up. Another high volatility day in crude with WTI up over 5% and BRE up 3.5%. There has been consumer buying in Asia and Europe, which has helped fuel this rally. Furthermore, Rig counts went down again with oil rigs down 10 to 1536 and gas ones down 8 to 338. Interestingly, Williston and Permian rigs took most of the hit, while EF gained 2. Seems consistent with the companies which have been saying they will focus on their best plays which tend to be in the more mature Eagle ford area. Also, a point about OPEC December production. We said yesterday it will be 28.8-28.9Mbpd. Interestingly, Iran actually upped its production around 160k bpd mom; Iran's

production has been pretty steady=so far this year. The extra crude from Iran will probably not find its way to the market however, so the effective OPEC production mom is down more like 350kbd to 29.7, still above the call on OPEC but much less so than most in the market expects. My sense is Iran= upped production so as to store and ride the contango as its storage had been depleted at the beginning of the year as China was buying. They have oil in the ground which is pretty =uch useless (although they are implicitly riding contango there as well). =heir thought process probably is that if prices rally, restrictions are lifted, or china comes back for spr=buying, why not have it ready. Yes u have to pay cost but it's you= national shipping company, probably much cheaper than 75 cents all in (i.=. insurance and freight rates). Happy holidays to everyone-see you in 2 weeks!

Oil vols were a surprise today, rallying along with =latprice. With the weekend decay and price rally, one would expect prompt =ols to come off 2 vols..interestingly they ended up 1.5 vols.. We heard ab=ut some producer activity in cal16, taking advantage of the contango and relatively cheaper skew. Also, WTI/Br= vol spread rallied in the back (0.75 in dec5).. Jun5 and Dec5 wti/bre vol=spread is now getting into a sell region in my opinion...

G15	51.50%	+1.70%	=C2	=A0	47.70%	+0.50%	</=>
H15	=A0	49.60%	+1.20 %	=A0	47.00%	+1.00%	=C2 =A0
M15	43.15%	+1.30%	=C2	40.00%	+0.85%	=C2	
Z15	=C2	35.30%	+0.75%	=C2	=C2	33.00%	+0.00% =C2 =A0
	=C2						

BASE METALS

3m lvls	=C2	dod change	=C2	support	=A0	resistance
Al \$1906.5	=	-\$6	=C2	\$1900	=	\$1945
Cu \$6396.75	=A0	+\$82	=A0	\$6300	=A0	\$6530
Zn \$2176.5	=	+\$51.5	=A0	\$2100	=A0	\$2200
Ni \$15,635	=	-\$15	=C2	\$15,300	=A0	\$16,300
Pb \$1885	=C2	+\$20	=C2	\$1830	=	\$1900

Investor risk appetite has returned following the st=bilization in the Ruble and oil prices, causing equities and the base comp=ex to rise but Nickel and Aluminium have been left behind by the move. =A0 Chinese housing data has improved with completions rising 8.1% yoy but the floor space under construction was onl= up 10.1%, the smallest increase in 9 years. Copper moved upwards as=the bears take profit. It hit highs of ~\$6430 at around noon and dro=ped off slightly in the afternoon. The IMF has urged Zambia, Africa's 2nd biggest copper producer to resolve the =ssues with moving from a value added tax regime to a royalty model which h=s been cited as the cause for the closure of the 117 kMT/yr Lumwana copper=mine, with First Quantum and Vedanta expected to follow suit. Chile's Codelco have approved a \$3.3bn =nvestment to transform the Chuquibambilla mine into an underground operation=to extend it's life

by 40 years and have it producing 320kMT/year Global copper production is approaching the 2 mMT record high at 1.993 mMT. Aluminium traded up in the morning but dropped sharply at around 15:00 to test support at around \$1900. Nickel did not see much in terms of a sustained rally in the morning and came off sharply at around 13:00. Chinese ferro-nickel imports are set to surge in the next 2 years on the removal of a tax on overseas purchases and a number of Indonesian projects coming online as Chinese firms have skirted the Indonesian ore export ban by investing in plants in Indonesia in order to export Nickel Pig Iron. China has been seen importing 200-250kMT in 2015. Zinc prices rose in the morning and were stable throughout the afternoon. A0 Zinc production has hit a new high of 1.17 mMT. Lead has rallied on the news that smelters in Henan are cutting output by up to 30%, causing the global lead surplus to fall to 7451 kMT <=>

Shanghai Aluminium on warrant stocks are down 6.55% to 69.8 kMT. LME Aluminium on warrant stocks are down 2.47% to 1957.7 kMT. Shanghai Copper on warrant stocks are down 6.41% to 26.6 kMT. LME Copper stocks are flat 140.7 kMT. LME Nickel stocks are up 0.03% to 304.6 kMT.

Copper Vols are up ~0.84% , Ali Vols down ~0.19% in the front, Nickel Vols are up around 0.35%, Lead and Zinc Vols unchanged

Upcoming Data

22/12-US Existing Home Sales- Survey 5.2m, Prior 5.2m

23/12-US Durable Goods Orders-Survey 2.9%, Prior 0.4%, Revised 0.3%

23/12-US Durable Personal Consumption- Prior 0.4%

23/12-US Richmond Fed Manufacturing Index- Survey 7, Prior 4

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.