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**From:** Ens, Amanda <[REDACTED]>  
**Sent:** Thursday, March 30, 2017 2:18 PM  
**To:** jeffrey E.  
**Cc:** Richard Kahn  
**Subject:** RE: AAPL trade recap

Jeffrey,

We still have high conviction on replacing long AAPL stock positions with calls or call spreads.

Buy May 19th \$150 call for \$2.15 or

Buy May 19th \$150/\$160 call spread for \$1.70 or

Buy May 19th \$150 call /sell a \$160 call with a continuous knock-in at \$170 for \$2.15 (pay \$0.45 more to get an extra \$9.99 potential upside participation)

Buy June 16th \$150 call for \$2.90 or

Buy June 16th \$150/\$160 call spread for \$2.05 or

Buy June 16th \$150 call /sell a \$160 call with a continuous knock-in at \$170 for \$2.60 (pay \$0.55 more to get an extra \$9.99 potential upside participation)

Buy July 21st \$150 call for \$3.75 or

Buy July 21st \$150/\$165 call spread for \$3.00

From our derivatives strategist:

Since its pre-election lows on 4-Nov, AAPL has gone up 30%, climbing last week to its all-time highs and recording the second best performance among the 50 largest stocks in the S&P 500 (albeit at almost half the volatility).

With 3m ATM implied volatility having trended lower for the past two years and currently sitting at its 6th %-ile, we favor replacing long stock positions via cheap calls to maintain upside exposure while limiting losses to the (low) upfront premium paid.

For investors looking to reduce the upfront premium, we suggest selling short dated OTM calls to help fund short dated ATM calls, which levers the relatively flat upside skew (Chart below)

Amanda Ens

Director

Bank of America Merrill Lynch

Merrill Lynch, Pierce, Fenner & Smith Incorporated

[REDACTED]

Phone [REDACTED]

[REDACTED] >

From: Ens, Amanda

Sent: Wednesday, March 29, 2017 11:47 AM

To: 'jeffrey E.' <jeevacation@gmail.com <mailto:jeevacation@gmail.com> >; 'Richard Kahn' <[REDACTED] <mailto:[REDACTED]> >

Subject: AAPL trade recap

Jeffrey,

Southern Trust

- \* Sold 100,000 shares AAPL at \$143.55
- \* Bought AAPL \$150 19-May-2017 expiry calls on 2,500 contracts at \$1.95 (\$2.01 net of \$6/contract commission)
- \* Premium: \$502,500
- \* Options will be booked OTC as listed option look-alikes

Please let me know if you'd like to work an order on the balance.

Thanks,

Amanda

Amanda Ens

Director

Bank of America Merrill Lynch

Merrill Lynch, Pierce, Fenner & Smith Incorporated

[REDACTED]

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