From: Richard Kahn <[redacted]>
Sent: Friday, January 13, 2017 2:53 PM
To: jeffrey E.
Subject: Trade Ideas

i spoke with Paul Barrett yesterday and he actually likes =his trade Amanda is mentioning. paul believes that even with no =ove in oil prices, these companies have cut expenses and will have =argin expansion some additional trade ideas Paul =entioned are:

a) =uts on British Pound as he thinks it is going to 1.18 or =ower..
b) Puts on Turkish Lira

c) Likes the Electronics space - Activision and EA =ports
d) Still loves Ten Cent Holdings

please advise if you =ould like for me to obtain pricing on any of the following trade =deas thank you

Richard Kahn
HBRK Associates Inc.
[redacted]

Begin forwarded message:

From: =/b>"Ens, Amanda" <[redacted]>

Subject: =/b>***As January =asses, It's Time to BUY Energy....Seasonality becomes a tailwind...See =hart below...

Date: January 13, 2017 at 9:39:17 AM EST

To: =/b>"jeffrey E." <jeevacation@gmail.com>, Richard Kahn <[redacted]>

Jeffrey,

Buy an XOP (E&P =TF) appearing call spread into seasonal tailwinds, taking advantage of =ery cheap implied vol

· Buy a 6 month XOP 110% call with a short 117.5% =all that knock in if XOP trades above 125% during the life of the trade =continuous observation) for 2.45% premium cost

- Gross max payoff if knock-in is triggered: 3.1x (7.5%/2.45%)
- Gross max payoff if knock-in is not triggered: 6.1x (14.9%/2.45%) – you have upside up to =24.9%

Rationale

The Energy Sector began the year on a weak note, =rading off about 2% since the start of the year as recent oil weakness =as not created any sense of urgency to buy the sector, and see a long =waited reallocation of capital back into the sector…

But, The MTD performance in January so far is very =ypical, and is basically following the normal seasonal pattern =f the past 10yrs, with WTI crude selling off 3.6% on average. In =ooking at the Energy Equities a similar pattern prevails, with the S&P 500 Energy Index trading off 1.8% in =anuary. From a seasonal perspective this turns more favorable in =ebruary….

***The good =ews is that following this weak initial month, the following 3 month =eriod between Feb-April is typically one of the strongest seasonal =eriods for both crude and The Energy Equities. =/u>The S&P 500 Energy Index has typically risen 1.1%, 1.9%, =.5% on average February-April respectively over the past 10 years, for an average 3mos gain of ~7.5%. =n fact the only Feb-Apr 3mos period that didn't produce a =ositive return for the Energy sector in the past 10yrs, was back in =009, which was largely a market phenomenon in February '09 when =he broader S&P 500 fell ~11%.

Please see Heat map below, showing the S&P 500 =nergy Index over the past 10yrs…

Source: Bloomberg

Amanda =ns

Director | =lobal Equities

Bank of America Merrill Lynch

Merrill Lynch, Pierce, Fenner & Smith Incorporated

[redacted]

This message, and any attachments, is for the intended =ecipient(s) only, may contain information that is privileged, =onfidential and/or proprietary and subject to important terms and =onditions available at http://www.bankofamerica.com/emaildisclaimer. If you =re not the intended recipient, please delete this message.

=

=