

(1) 3/20/14 Note - marking down, ~22%. 15% european barrier (= 2.2562). Initial strike 1.9619. Current USDBRL spot ~2.3267, -18%.

(2) 4/14/14 Note - marking down ~19%. 15% european barrier (=2.3040). Initial strike 2.0035. Current USDBRL spot ~2.3267, -16%.

Payout: a) make 28.5% if BRL is up more than 3% vs. USD at maturity, b) make 5% if BRL is up between 0-3% vs USD, c) get your principal down less than 15% vs. USD, d) loose 1 for 1 if BRL is down more than 15% vs USD at maturity (max loss 100%)

[attachment "HSBC BRL Step Up - TD April 5, 2013.pdf" deleted by Tazia Smith/db/dbcom] [attachment "HSBC BRL Step Up - TD March 13, 2013.pdf" deleted by Tazia Smith/db/dbcom]

----- Forwarded by Tazia Smith/db/dbcom on 12/16/2013 02:14 PM -----

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Date: 11/12/2013 02:55 PM  
Subject: BRL Notes marking down >20% [C]

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Classification: Confidential

Jeffrey -

You're long 1mm USD each of BRL step up notes in Southern Trust from JP. The notes have a 15% barrier and BRL is presently down ~17% vs. USD from your initial strike. The notes are marking down more than 20%. Barrier is European. Final valuation date on the notes are 3/20/14 and 4/14/14.

Posting you and would like to get your view given the move and mark-to-market (vs. your -10% rule).

Speak with you soon,

Tazia  
[REDACTED]



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