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**From:** Paul Morris [REDACTED]  
**Sent:** 1/29/2015 5:22:41 PM  
**To:** Stewart Oldfield [REDACTED]  
**Subject:** FW: One idea for diverging policies - calls on global dispersion [C]

Classification: **Confidential**

Paul Morris  
Managing Director  
Deutsche Bank Private Bank  
[REDACTED]

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**From:** Daniel Sabba  
**Sent:** Thursday, January 29, 2015 5:12 PM  
**To:** Daniel Sabba; jeffrey E.  
**Cc:** Vahe Stepanian; Richard Kahn; Paul Morris  
**Subject:** RE: One idea for diverging policies - calls on global dispersion [C]

Classification: **Confidential**

Jeffrey,

Per our conversation, we received your order to bid on this structure at the indicated terms for \$100k premium (~\$4.166mm notional). As discussed, we communicated your overnight order to our London desk and we will revert tomorrow on whether the transaction has been executed.

Thank you,  
Daniel

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**From:** Daniel Sabba  
**Sent:** Thursday, January 29, 2015 2:54 PM  
**To:** 'jeffrey E.'  
**Cc:** Vahe Stepanian; Richard Kahn; Paul Morris  
**Subject:** One idea for diverging policies - calls on global dispersion [C]

Classification: **Confidential**

Jeffrey,

As we look at the world, the enormous dispersion of monetary and fiscal policies is obvious. One transaction we have used in the past to articulate this theme, and it trickling down to equity markets, are calls on dispersion. This is an OTC transaction in which a client pays a premium and receives a payout based on the average realized dispersion across global markets. It is a way to be economically short correlation and long volatility across markets, similarly to outperformance index options. I have plotted the historical 1y average realized dispersion between S&P500, EuroStoxx50, Nikkei, EEM and HSCEI to illustrate.