

Subject: RE: Hedged MRK [C]
From: Vahe Stepanian <[REDACTED]>
Date: Fri, 04 Sep 2015 09:45:28 -0400
To: Richard Kahn <[REDACTED]>, Daniel Sabba <[REDACTED]>
Cc: jeffrey E. <jeevacation@gmail.com>, Paul Morris <[REDACTED]>, Todd Stevens <[REDACTED]>, Stewart Oldfield <[REDACTED]>, Ariane Dwyer <[REDACTED]>

Classification: Confidential

Jeffrey / Rich – updated levels:

MRK Puts

MRK Ref = \$52.07

Expiry: November 2015

Strike

Bid

Ask

47.50

1.08

1.25

50.00

1.76

1.93

Expiry: April 2016

Strike

Bid

Ask

47.50

2.43

2.64

50.00

3.35

3.60

Thank you,

Vahe

From: Richard Kahn [mailto:██]

Sent: Friday, September 04, 2015 9:40 AM

To: Daniel Sabba

Cc: jeffrey E.; Paul Morris; Todd Stevens; Stewart Oldfield; Vahe Stepanian; Ariane Dwyer

Subject: Re: Hedged MRK [C]

Merck 52.07 this am. Can you please refresh pricing on November and April puts. Thank you.

Richard Kahn

HBRK Associates Inc.

575 Lexington Avenue, 4th Floor

New York, NY 10022

Tel

Fax

Cel

On Sep 3, 2015, at 12:49 PM, Daniel Sabba <[REDACTED]> wrote:

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Jeffrey- please see below as a follow up to yesterday's chat on MRK.

Note that MRK reached its 52wk low of \$51.17/sh. last Tuesday (8/25), and its currently not too far off of the lows @ \$53.44/share.

Please let us know the number of shares you wish to purchase outright, as well as the tenor and strikes of the puts.

Below, we've included levels for ~10% OTM listed puts, both 3m and 6m tenors.

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MRK Puts

MRK Ref = \$53.44

Expiry: November 2015

Strike

Bid

Ask

47.50

0.83

0.85

50.00

1.31

1.37

Expiry: April 2016

Strike

Bid

Ask

47.50

2.06

2.18

50.00

2.85

2.96

MRK Nov 47.50 put: implied volatility v. price (per contract)

<image007.jpg>

MRK Nov 50 put: implied volatility v. price (per contract)

{cid:image009.jpg@01D0E63E.6FD27A10}

MRK Apr16 47.50 put: implied volatility v. price (per contract)

{cid:image011.jpg@01D0E63E.6FD27A10}

MRK Apr16 50 put: implied volatility v. price (per contract)

<image016.jpg>

MRK Stock Price

(September 2014-September 2015)

{cid:image002.jpg@01D0E63E.6FD27A10}

Source: Bloomberg Finance L.P.

Daniel Sabba

Key Client Partners

Deutsche Bank Securities Inc.

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Mobile [REDACTED]

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