

1Y EURUSD VOL: Low - but then again most most vols are
What I like about EURUSD is that central bank policy on each side is diverging
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This Table shows mid-market premiums (in % of notional) as spot and time change.
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19.5 is mid (offer is 21)

4) Scale into £4mm Nationwide (UK Building Society) 6.875% perpetual which yields 6.4% in GBP and is likely to be called in 5years
European Bank AT1 Hybrid Bonds (aka CoCo's) have rallied significantly. We were unable to get the BBVA issue at the right levels.
A very similar bond which has rallied 30bp less than the BBVA is the Nationwide (UK Building Society) 6.875% perpetual which currently yields 6.4% and is likely to be called in 5years time. It has a tier1 capital trigger of 7% and current tier1 capital ratio is 13% which is fair margin.

The Nationwide one i'm suggesting today is rated Fitch/S&P BB+, its parent is Fitch/S&P rated single-A
The BBVA bond we tried to buy earlier is rated Fitch BB-, its parent is S&P rated BBB-

I suggest scaling £2mm at 6.5% and £2mm at 6.75%. Transaction cost is 6bp from mid.

Yield to call of Nationwide 6.875% perpetual ISIN XS1043181269
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Tazia for any execution, Q&A to me.

Best,
Nav

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Nav Gupta
Managing Director

Deutsche Bank AG, Filiale London
Deutsche Asset & Wealth Management
105/108 Old Broad St (Pinners Hall), EC2N 1EN London, United Kingdom

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