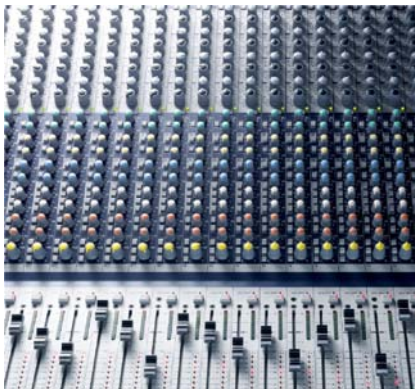


Hedge Equity Exposure with Foreign Exchange Option

Buy 6 Month Dual Digital – AUDUSD & USDJPY lower

Trade Idea – March 5, 2012



This Dual Digital option presents a low cost opportunity to hedge tail risk for equity portfolios or any risky portfolio that is affected by global “risk off” events.

USDJPY and AUDJPY have both traded lower in previous bouts of market stress (Lehman, Flash Crash, Greek Crisis 2.0).

In particular, the current spot, volatility and correlation levels provide an attractive entry levels to establish a medium term tail risk hedge.

This Dual Digital Trade is more cost effective than two alternatives:

- 1) AUDJPY Digital Put 10% OTMS costs: 15.5%
- 2) SPX 6m Digital Put 15% OTMS costs: 16%
10% OTMS costs: 22.5%

Dual Digital Trade Details

Currencies:	AUDUSD & USDJPY
Tenor:	6 Month
Strikes:	AUDUSD: 7% OTM Spot (Current Spot * 0.93 = 0.9950) USDJPY: 3% OTM Spot (Current Spot * 0.97 = 79.05)
Offer:	9.75% of Payout (good in up to \$25mio Payout)
Payout	If both AUDUSD and USDJPY are below their respective strikes at expiry, the option pays 100% of Payout, otherwise zero.

Positioning (assumes \$25mio payout)

Delta	Short \$29mio Short \$35mio	AUDUSD Delta USDJPY Delta
Vega	Long \$355,000 Short \$160,000 Short \$80,000	AUDJPY Vega AUDUSD Vega USDJPY Vega

Profitability Analysis

Upside:	If both AUDUSD and USDJPY are below their respective strikes at expiry, the option holder is paid 100% of the payout amount
Downside:	The maximum loss is the premium paid

Trade Rationale

- Buy 6 month AUDUSD & USDJPY Dual Digital because:
 - AUDUSD and USDJPY have shown high correlation with equities in previous periods of market stress – see Chart 1
 - Current AUDUSD and USDJPY spot levels are close to recent highs, allowing more room for an unwind in times of market stress – see Chart 2
 - AUDJPY 6m implied volatility is close to post GFC lows, cheapening the Dual Digital structure – see Chart 3
 - The implied correlation between AUDUSD and JPYUSD is currently near its post GFC highs, cheapening this option as the buyer is selling correlation. Also, the correlation has dropped previously during risk off periods (good for this trade as both AUDUSD and USDJPY head lower during times of market stress). – see Chart 4

Chart 1

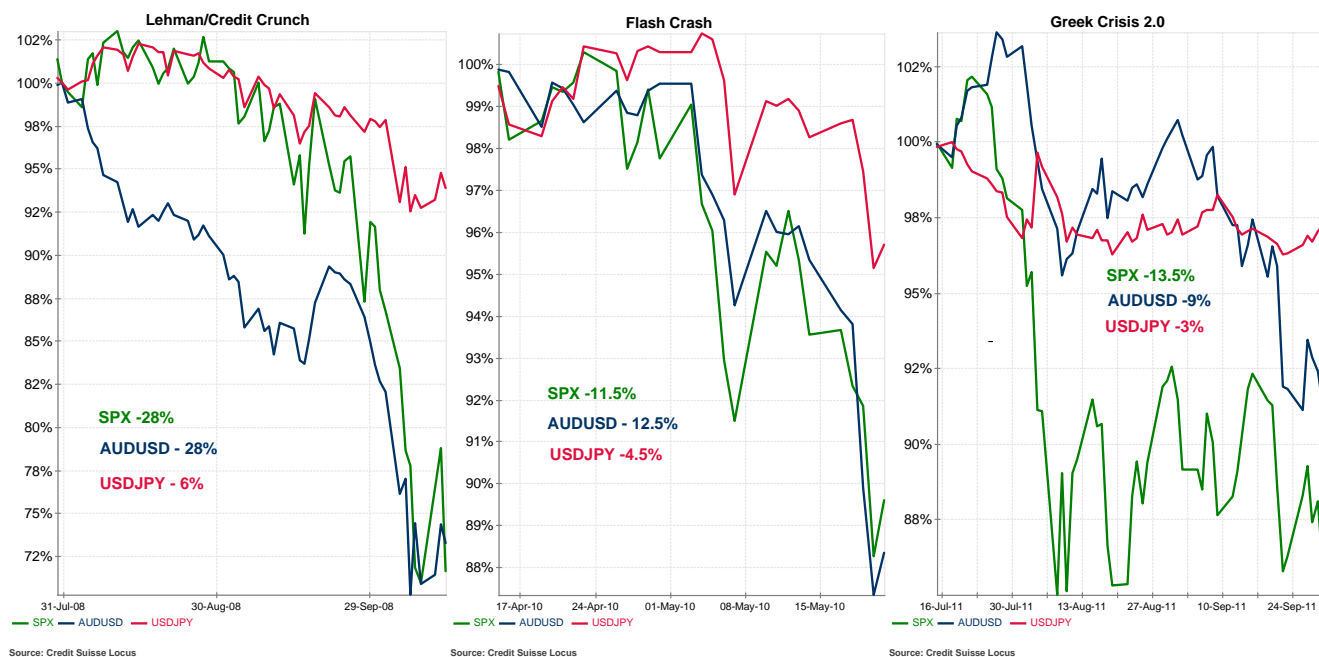
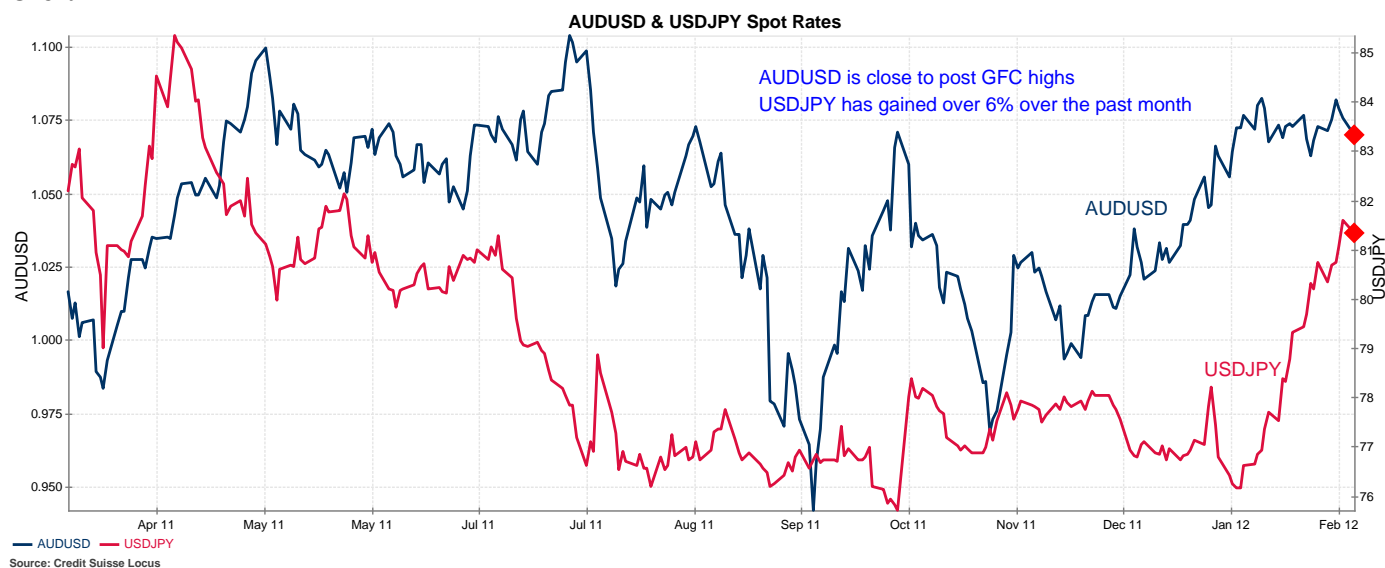


Chart 2



This material has been prepared by individual sales and/or trading personnel of Credit Suisse or its subsidiaries or affiliates (collectively "Credit Suisse") and not by Credit Suisse's research department. It is not investment research or a research recommendation for the purposes of FSA rules as it does not constitute substantive research. All Credit Suisse research recommendations can be accessed through the following hyperlink: <https://s.research-and-analytics.csfb.com/login.asp> subject to the use of approved login arrangements. This material is provided for information purposes, is intended for your use only and does not constitute an invitation or offer to subscribe for or purchase any of the products or services mentioned. Any pricing information provided is indicative only and does not represent a level at which an actual trade could be executed. The information provided is not intended to provide a sufficient basis on which make an investment decision. Credit Suisse may trade as principal or have proprietary positions in securities or other financial instruments that are the subject of this material. It is intended only to provide observations and views of the said individual sales and/or trading personnel, which may be different from, or inconsistent with, the observations and views of Credit Suisse analysts or other Credit Suisse sales and/or trading personnel, or the proprietary positions of Credit Suisse. Observations and views of the salesperson or trader may change at any time without notice. Information and opinions presented in this material have been obtained or derived from sources believed by Credit Suisse to be reliable, but Credit Suisse makes no representation as to their accuracy or completeness. Credit Suisse accepts no liability for loss arising from the use of this material. Nothing in this material constitutes investment, legal, accounting or tax advice, or a representation that any investment or strategy is suitable or appropriate to your individual circumstances. Any discussions of past performance should not be taken as an indication of future results, and no representation, expressed or implied, is made regarding future results. Trade report information is preliminary and subject to our formal written confirmation.

Chart 3

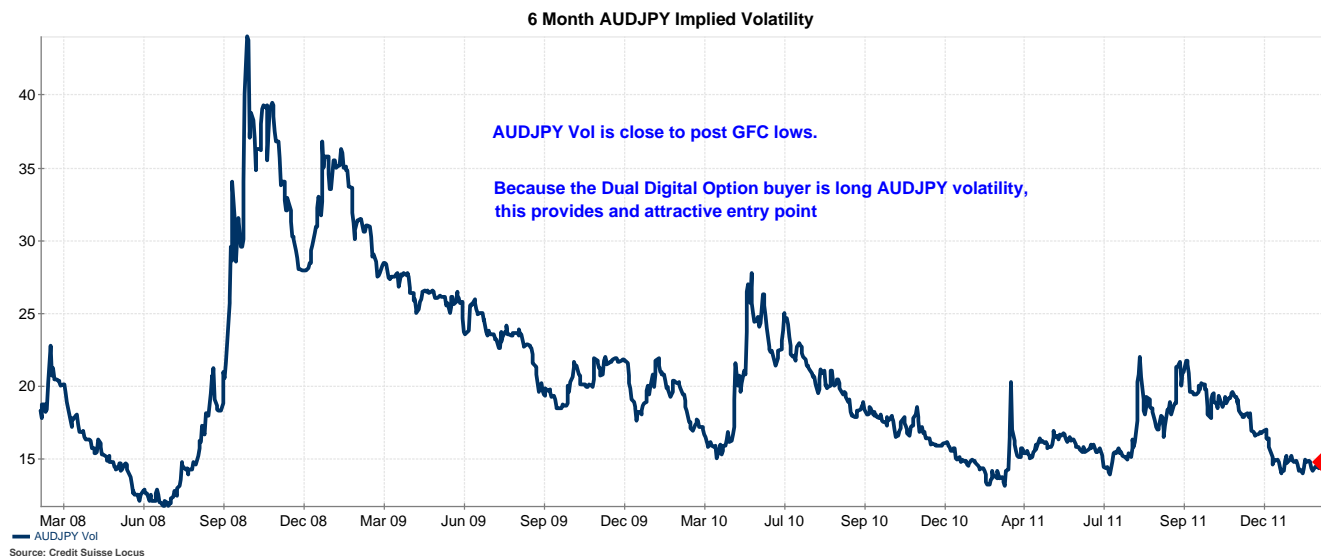
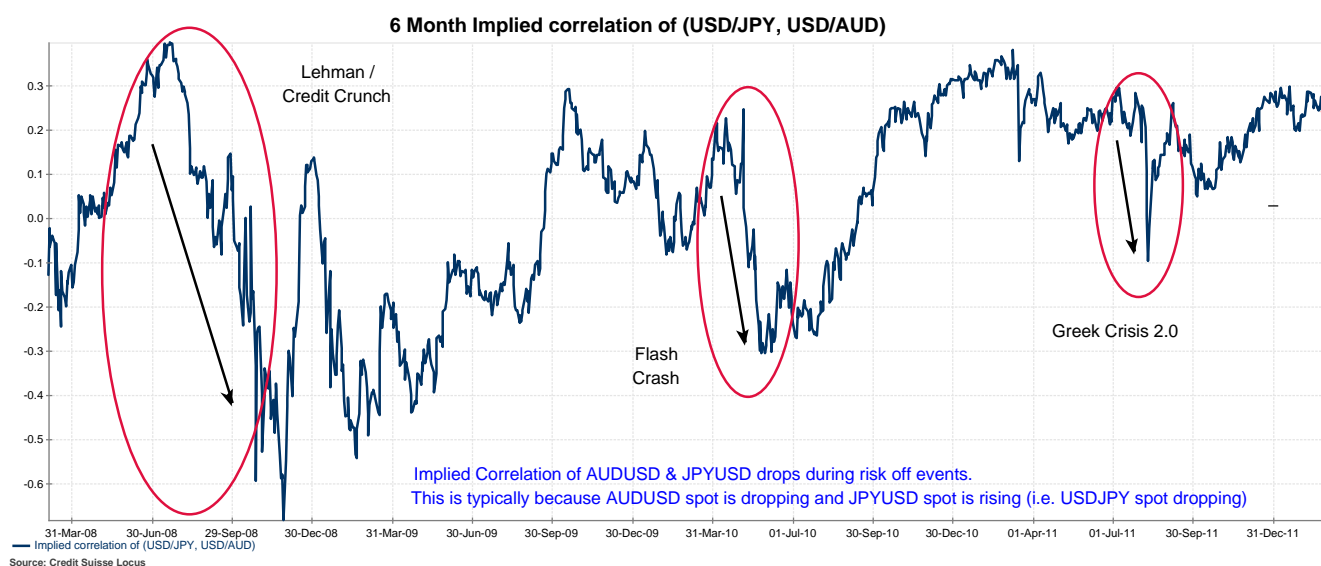


Chart 4



This material has been prepared by individual sales and/or trading personnel of Credit Suisse or its subsidiaries or affiliates (collectively "Credit Suisse") and not by Credit Suisse's research department. It is not investment research or a research recommendation for the purposes of FSA rules as it does not constitute substantive research. All Credit Suisse research recommendations can be accessed through the following hyperlink: <https://s.research-and-analytics.csfb.com/login.asp> subject to the use of approved login arrangements. This material is provided for information purposes, is intended for your use only and does not constitute an invitation or offer to subscribe for or purchase any of the products or services mentioned. Any pricing information provided is indicative only and does not represent a level at which an actual trade could be executed. The information provided is not intended to provide a sufficient basis on which to make an investment decision. Credit Suisse may trade as principal or have proprietary positions in securities or other financial instruments that are the subject of this material. It is intended only to provide observations and views of the said individual sales and/or trading personnel, which may be different from, or inconsistent with, the observations and views of Credit Suisse analysts or other Credit Suisse sales and/or trading personnel, or the proprietary positions of Credit Suisse. Observations and views of the salesperson or trader may change at any time without notice. Information and opinions presented in this material have been obtained or derived from sources believed by Credit Suisse to be reliable, but Credit Suisse makes no representation as to their accuracy or completeness. Credit Suisse accepts no liability for loss arising from the use of this material. Nothing in this material constitutes investment, legal, accounting or tax advice, or a representation that any investment or strategy is suitable or appropriate to your individual circumstances. Any discussions of past performance should not be taken as an indication of future results, and no representation, expressed or implied, is made regarding future results. Trade report information is preliminary and subject to our formal written confirmation.