

From: Fontana, Thomas [CMB-RISK] [0000109146@citigroup.com]
Sent: Friday, July 11, 2008 12:38 PM
To: Frenzel, Gregory [CMB-RISK]
Subject: FW: Lehman Intraday OD Analysis

Importance: High

Attachments: Lehman DOLs tracking 23-27 June08.pdf

As requested.

Best regards,

Tom

Global Financial Institutions
Risk Management

Office: (212) 816-4986
Cell: (908) 577-2039
Home: (908) 665-0694

>
> _____
> From: Tyagi, Vivek [CMB-GTS]
> Sent: Wednesday, July 02, 2008 10:38 PM
> To: Fontana, Thomas [CMB-RISK]; Torres, Melissa J [CMB-RISK]; Isaac,
> Tom [CMB-GBKG]; Mauerstein, Michael [CMB-GBKG]; Faber, Reto
> [CMB-GBKG]; Mandaro, William [CMB-GBKG]; Tilley, Timothy [CMB-GBKG];
> Salariya, Paul [CMB-GBKG]; Copsey, Simon [CMB-GTS]; Beard, Mark
> Lindsay [CMB-GTS]; Egan, Paul [CMB-GTS]; Kanthadai, Sridhar [CMB-GTS];
> Singh, Satvinder S [CMB-GTS]; Gelb, Andrew [CMB-GTS]; Thind, Gurbir
> [CMB-GTS]; Chatterji, Ranjit [CMB-GTS]; 'Garza Cadena, Adrian
> [BMX-ACCVAl]; Fajardo Ramirez, Edmundo [BNMX]; Sleightholme, Michael
> [CMB-GTS]; Soejima, Hiroyuki [CMB-GTS]
> Cc: Obermaier, Thomas [CMB-GTS]; Devlin, Catherine [CMB-GTS];
> Satchithanandan, S [CMB-GTS]; Silbiger, Julius [CMB-GTS]; Chawla,
> Manjeet [CMB-GTS]; Brill, Daniel J [CMB-GTS]
> Subject: Lehman Intraday OD Analysis
> Importance: High

>
>
> We conducted a manual study to dimension Lehman's DOL usage globally.
> The exercise was conducted in seven major markets/clusters that
> account for 94% of Lehman's clearing lines. For this exercise local
> GTS staff physically noted Cash & Securities Clearing OD positions on
> a spreadsheet. This process was repeated every hour for the week of
> June 23 and eventually aggregated for the attached analysis.
>
> We measured Cash overdrafts on two levels - Actual intraday overdrafts
> and Potential intraday overdrafts (latter includes pending payments).
> Securities risk was defined as RVP-DVP. Though not exactly similar,
> Cash & SFS risk footprint was aggregated for a intraday risk proxy.
>
> Over the observed period, maximum actual overdraft was \$10.4bn and
> maximum potential overdraft was \$17.6bn. There was a high degree of
> volatility over the week, with a 24-hour average potential risk of
> \$3.3bn with significant variance around mean. Additionally, as
> expected the heaviest volumes were observed when NA first opens for
> business at EMEA mid-day.
>
> Additional detail on the exercise and its findings are in the attached
> presentation. Please call if you have any questions or comments.

>
> Regards,
> Vivek
> <<Lehman DOLs tracking 23-27 June08.pdf>>
>
>