

From: Shohet, Zion
[[MCEAEX_O=TRAVELERS_OU=NY_CN=RECIPIENTS_CN=TRVGROUP+5FNY_CN=SHOHETZ@citi
group.com]
Sent: Thursday, July 10, 2008 7:17 PM
To: Crittenden, Gary
Subject: FW: Good day as O/N Libor continues to come off

FYI market texture.

-----Original Message-----

From: Hewett Jr, Edward A [CMB-FICC] [mailto:edward.a.hewett.jr@citi.com]
Sent: Thursday, July 10, 2008 6:51 PM
To: Bere, Scott; Farrell, Nicholas; Gambelli, Michael; Richards, Geoff; Shohet, Zion M; Smith, Mark B; Stuckey, Richard A;
Tanner, Gordon O; Verdeschi, Michael; Wainhouse, Charles; Weinberg, Marc A
Subject: Good day as O/N Libor continues to come off

Good news is that Asia's demand for cash is coming back down towards 2%. They are paying 2.15 while just last nite they were paying 2.35 for o/n cash.

This will help bring the o/n Libor down from the high levels that had been posted since qtr end. Today we dropped to 2.17 from 2.32 posted on Wednesday. We should see it drop further tom.

There were zero borrowings from the Fed to the dealer community according to the Fed's release. Banks continue to tap into the term facility to the tune of \$12.9bln.

Today we didn't lend into the Asian market as we wanted to keep our powder dry and see how Europe opened. The market opened softer so we let some cash go there. We continue to see the dealers, come up long and sell the market to us.. Lehman sold us \$900mm today in addition to the \$2bln they have in their call account with us.

FT has us selling our German Retail OPS to Credit Mutual for between €3-5bln Euros...

Ed