

From: Bismal, Anuraj <abismal@lehman.com>
Sent: Thursday, January 31, 2008 5:02 PM (GMT)
To: Kelly, Martin <martin.kelly@lehman.com>; Lee, Matthew <matthew.lee@lehman.com>; Stewart, Marie <marie.stewart@lehman.com>; Rossi, Stephen F <stephen.rossi@lehman.com>
Subject: FW: Repo 105 for Q1

Fascinating email.

I spoke briefly with John Feraca about this - John said the market does have capacity issues - but he had not heard if there were any specific issues that would prevent Repo105 and Repo108 being at similar level to Q4.

Something to keep an one eye on.

Anuraj

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

From: McGarvey, Michael
Sent: Thursday, January 31, 2008 11:53 AM
To: Bismal, Anuraj
Subject: Repo 105 for Q1

Anuraj,

I just had a call with Anthony Jawad who runs the London repo desk around our Q1 repo 105 game plan. Basically we are going to struggle to even make the same level of repo 105 benefit that we achieved in Q4 (30bn). There is serious risk that we might fall well short of the Q4 level due to disruptions in the repo market which Jawad described as the worst he's seen in 7 years. We are going to follow up with individual desk's to get commitments for longer term 1 month repos so we can lock in the benefit for Q1 early. I will keep you posted.

Thanks,
Mike