

From: Michaels, Jeff <jamicha2@lehman.com>
Sent: Tuesday, May 27, 2008 5:55 PM (GMT)
To: Amin, Kaushik <kamin@lehman.com>
Subject: RE: Repo 105 of US Agencies / Tips / Euroclear - The plan

They continue to do so, and have repo 105'd everything they can (only about 500mm eligible, with or without euroclear). Working on it.

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>From: Amin, Kaushik
>Sent: Tuesday, May 27, 2008 1:53 PM
>To: Michaels, Jeff
>Subject: RE: Repo 105 of US Agencies / Tips / Euroclear - The plan

>
>Important to get as much of the Agency inventory out as possible.

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>From: Michaels, Jeff
>Sent: Tuesday, May 27, 2008 1:07 PM
>To: Amin, Kaushik
>Subject: FW: Repo 105 of US Agencies / Tips / Euroclear - The plan

>
>Fyi - Euroclear does not look to work for this quarter end. Will continue to max out the traditional options.

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>From: Silverberg, Marc
>Sent: Tuesday, May 27, 2008 12:11 PM
>To: Gothard, Chaz S
>Cc: Feraca, John; McGarvey, Michael; King, Mitchell; Michaels, Jeff; Allery, Stephen; Gavin, Mark; Morgan, Phil; Reed, Paul
>Subject: RE: Repo 105 of US Agencies / Tips / Euroclear - The plan

>
>Hi Chaz,

>
>I just spoke with Nancy Denig regarding the Euroclear rout looking to be utilized for the remaining 578mm of sub FNMA and DTC positions. The test trades done on Friday have still not settled. For a number of reasons to be explained by Nancy (e-mail to follow shortly), the Euroclear path does not sound like it will work for quarter-end activity.

>
>Are there any other options open for this collateral?

>
>Thanks,
>Marc

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>From: Reed, Paul
>Sent: Tuesday, May 27, 2008 11:51 AM
>To: Silverberg, Marc
>Subject: FW: Repo 105 of US Agencies / Tips / Euroclear - The plan

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>From: Gothard, Chaz S
>Sent: Tuesday, May 27, 2008 11:29 AM
>To: Gothard, Chaz S; Feraca, John; McGarvey, Michael; King, Mitchell; Michaels, Jeff
>Cc: Allery, Stephen; Gavin, Mark; Morgan, Phil
>Subject: RE: Repo 105 of US Agencies / Tips / Euroclear - The plan

>
 >Repo 105 Executed so far :-
 >
 >Banque De France (Ryan Murphy) \$ 3.84 yards
 >
 >Mizuho :
 >
 >FFCB's \$ 169 mill
 >FNMA's \$ 317 mill
 >AID's (DTC) \$ 488 mill
 >TVA's \$1.101 yards
 >TIP's \$ 3.756 yards
 >
 >Credit Suisse :
 >
 >TIP's \$ 1.004 yards
 >
 >Dresdner :
 >
 >FNMA's \$ 451 mill
 >
 >\$ Total 11.126yards
 >
 >We have not managed to fund :
 >
 >31359MNU3 US31359MNU35 FNMA 100,000,000
 >31359MRK1 US31359MRK17 FNMA 100,000,000
 >31359MRK1 US31359MRK17 FNMA 30,000,000
 >31359MTP8 US31359MTP85 FNMA 140,000,000
 >31359MTP8 US31359MTP85 FNMA 130,000,000
 >31359MTP8 US31359MTP85 FNMA 50,000,000
 >313586RC5 US313586RC55 FNMA 80,000,000
 >
 >This is all Sub debt and the bottom 80 mill is in DTC If they can be transfered to Euroclear im confident they can be 105'd . Our 3 X 20 mill still has not settled however dispite Nancy Denigs best efforts.
 >If this process can be sorted out we can do another \$ 578 millMarc Silverberg ..can u help on this ?
 >
 >Regards
 >
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 >
 >From: Gothard, Chaz S
 >Sent: Friday, May 23, 2008 5:25 PM
 >To: Feraca, John; McGarvey, Michael; King, Mitchell; Michaels, Jeff
 >Cc: Allery, Stephen; Gavin, Mark; Morgan, Phil
 >Subject: Repo 105 of US Agencies / Tips / Euroclear - The plan
 >
 >All,
 >
 >Mitch King has identified various additional lines of collateral vs net \$ 3.1 yards (\$ 530 mill in DTC) - FFCB , FNMA, TVA Egypt AID & FHLB's .
 >Tim Balgarnie's Tips rolls are vs net \$ 4.3 yards (we already have \$ 670 mill out on Term with Mizuho)
 >We therefore have \$ 7.4 yards of US assets to fund val 28th for a week.....
 >

>Trades done / in the pipeline :-
>
>Credit Suis>se (FED settle) - \$ 1 yard - TIPS only bid @ 2.40% - Done val 28th - 4 June (Sam Edwards)
>Dresdner (FED Settle)- \$ 450 mill - FNMA's only - Anthony Cronin has bid @ 2.35 - i have asked for a 2.30 bid as Mizuho are bidding @ 2.25%
>Mizuho (FED & DTC settle) - Have bid on all our paper inc. DTC but are happy to wait for the breakdown til next week.
>
>Euroclear - We are currently reversing in \$ 2.1 yards of collateral on Open to fill our Triparty commitments .I have arranged to closeout ?400mill (\$620 mill) val 27th .
>I have matured the following Triparty - \$150 mill RBC , GBP 125 mill ING & GBP 250mill State Street for val 27th . (\$ 890 mill equiv).
>Also, Jake has informed me his book will reduce by \$400mill val Friday (30th)
>
>This leaves around \$1.48 yards of Rev Repos still on open . All things remaining constant if we return the remaining \$1.48 yards i will need around \$ 1 yard of Agency paper flipped from the FED to satisfy my remaining Triparty trades . This would leave around \$ 5 yards for Mizuho to fund.....no increase in size from tis weeks trade !
>
>Based on the above we are only using \$5.67 yards of our recently increased \$ 8 yard line with Mizuho . Dresdner also said they could take UST's .
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>Would the US Treasury desk like to get anything out ?
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>
>Regards
>
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