

To: Jeevacation[jeevacation@gmail.com]
From: Jeffrey M Matusow
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Subject: Update

On top of the financial issues, we now have the Korea situation heating up - European stock markets are down 3-4% and US futures are down 2-2.5%.

On the positive side, the Euro is below 1.22, GBP hitting fresh lows around 1.43, the short interest rate positions are working.

The two big worry positions are:

Euro dividends - down a point at 85. Nothing to do here.

30 year swap rates - down another 10bps. I think we should buy some protection on the 30y swap position. If Korea disintegrates further we will see more safe haven buying of Treasuries and the USD which will keep long term rates low.

Goldman is indicating opening around \$134.50 - down \$2 from yesterday's close.

The other safe haven, Gold, is at \$1195. That is up from the recent low at \$1180 but down from last week's high at \$1240.

Give me a call.

Jeff

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Work: [REDACTED]

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