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From: Jeffrey M Matusow
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Subject: Euro at 1.22

Germany banning naked short selling and naked short sovereign CDS positions. GBP trading down to 1.43

Gold bounced from this morning's levels back above \$1225.

The index I mentioned this morning - iTraxx Europe - consists of 125 large European corporates. We should buy this as a hedge to the Dividend position. It costs 1.2% a year. If Europe blows up it will trade higher to offset a fall in the Dividends. If Europe ends up ok and the iTraxx Europe returns to pre-crisis levels, you likely lose 50bps - but the Dividend position will be fine.

Let's discuss.

Jeff

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