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**From:** Paul S Barrett <[REDACTED]>  
**To:** Jeffrey Epstein <jeevacation@gmail.com>  
**CC:** Jeffrey M Matusow <[REDACTED]>; Jes Staley  
<[REDACTED]>  
**Sent:** 8/24/2010 10:32:19 PM  
**Subject:** RE: 30yr swaps

Our 10MM JPY position is a forward extra with the short call knocking in only if we hit 81.50. The big rally in the JPY has been driven by falling US yields. Now that we have reduced all of our 30yr rates exposure we should sit tight. The BoJ has been making some noise recently regarding intervention and I don't think we should cut the exposure right now.

Paul Barrett, CFA  
Managing Director  
Global Investment Opportunities Group  
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[REDACTED]

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**From:** Jeffrey Epstein [mailto:jeevacation@gmail.com]  
**Sent:** Tuesday, August 24, 2010 4:25 PM  
**To:** Paul S Barrett  
**Cc:** Jes Staley  
**Subject:** Re: 30yr swaps

yen? ,, so far jpm recommendations. are a disaster

On Tue, Aug 24, 2010 at 4:19 PM, Jeffrey Epstein <jeevacation@gmail.com> wrote:  
ok

On Tue, Aug 24, 2010 at 3:44 PM, Paul S Barrett <[REDACTED]> wrote:  
Jeffrey

Left you a message.

We should unwind the remainder of our 30yr swap exposure. Between the jobless claims and housing data the risk has substantially grown for a hard landing which would drive interest rates lower.

We have 10MM of an outright swap and 10MM of a receiver swaption (4.35% strike)

Let me know.

Paul

Paul Barrett, CFA  
Managing Director  
Global Investment Opportunities Group  
JPMorgan Private Bank

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