

To: Jeffrey M Matusow [REDACTED]
From: Jeffrey Epstein
Sent: Tue 8/3/2010 10:07:09 AM
Subject: Re: Update

Im back in new york [REDACTED]

On Mon, Aug 2, 2010 at 2:51 PM, Jeffrey M Matusow <[REDACTED]> wrote:

Good day for the markets – Dow up 200 points, S+P up 23 pts.

Oil is above \$80 for the first time since early May – trading at \$81.40

Corn was up another point this morning, although it has since sold off to Friday's level.

CAD, INR, AUD all at new recent highs; On the down side the JPY continues to be strong. EUR and GBP also at new highs.

We doubled down on the Venezuela position last week and the whole position is now at breakeven.

The 2012 dividends traded above 100 this morning. 2011 is at 105.

Ford was upgraded by S+P to B+.

We have been selling the JPM Preferreds at prices above \$24.70.

BP and Goldman hitting new post-crisis highs.

I think we should use this rally to put on some protection. I like buying a put on an equally weighted basket of AUD, CAD and NZD. In 2008 these currencies fell by 30%+ vs the USD. They have now recovered to within 2-3% of their post-Lehman highs. If we have another big retreat from risk, this should act as a shock absorber for the risk positions (dividends, INR, Ford, Venezuela, oil etc.).

Let me know what you think.

Jeff

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