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To: Undisclosed recipients;

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Global Investment Opportunities Group (GIO)

Opportunistic Investments

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J.P.Morgan

TRADE ALERT: SHORT EURO

By now, most investors are familiar with the longer term pressures on the Euro (sovereign risk concerns, high debt balances, weak economic outlook, low rates, etc.) News flow is likely to keep volatility high on this currency in the near term. However, the Euro has been strong recently as the roll-off of a large ECB lending facility this week was not as disruptive and did not signal greater weakness among European banks as investors had feared. Strength was likely aided by some amount of short covering as short EURUSD has been a popular trade. We believe current levels are attractive for entering medium term short positions with EUR above 1.25.

Risks:

- Strong rebound in European economy.
- Quick resolution of liquidity and sovereign risk concerns in Europe.
- Intervention by the ECB.

Implementation:

- Please contact your J.P. Morgan representative to discuss investment options.

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