

From: Laurie Cameron <[REDACTED]>
To: Jeffrey Epstein <jeevacation@gmail.com>
Subject: 20 Sept 2013 position
Date: Sun, 22 Sep 2013 15:57:33 +0000

Agreed. My first thought when Fed did nothing to change its bond purchases is that the fed or the govt wld consider tapering irresponsible before a budget was passed and debt ceiling raised.

I worried that one of the Fed's motivations to not steal the stage was exactly this -- keep the money flowing until the budget is passed and debt ceiling is raised. If for some reason the House digs their heels in on Obamacare and a resolution can't be agreed upon by Oct 1 debt default would be a disaster (in the short term Especially) for Financial markets and the economy. Singapore, Switzerland, Norway (and Jgbs) wld be knee jerk beneficiaries as wld gold and short spx options. My juggle this week will be to get DB trading (and pricing) started. Any position modifications shld be priced there for now. Am motivated to close JPM risk as soon as possible.

Thank you for reserving comment. I promise that I can imagine what comments wld be.

Many wishes of good health in the meantime

On Sun, Sep 22, 2013 at 9:38 AM, Jeffrey Epstein <jeevacation@gmail.com> wrote:

we have to deal with the lilihood of a us debt default positon. run to safely? No need to express my reaction so far.

On Fri, Sep 20, 2013 at 11:51 PM, Laurie Cameron <[REDACTED]> wrote:

Hi

It has indeed been a long week. Even though the FOMC did what they told us they would do (begin tapering when unemployment was at 7%), they had the stage and the prepared audience who would have warnly received a first gesture b the Fed as a \$10 bn monthly decrease in bond purchases was priced into most markets.

The immediate reaction was a sell off in the USD and I covered some short currency delta hedges that we had on and bought small AUD, NZD and GBP. It was clear by Thursday that the USD sell off was too much and I closed out the small excess long currency/short USD position.

There are four main casualties in our position

- 1) a 92 AUD put which was kicked in (and thanks to the move to 9368 in AUD) which has become expensive. I asked JPM for prices Thursday to roll this position up to a 95 rki 98 but they will no longer let me trade anything unless I am closing a position. approx unrealized loss \$147k
- 2) a short 1.57 Gbp call for next Feb which i have not alizedsufficiently covered with a delta hedge. this has an unrealized loss of approx \$185k.
- 3) a 82 nzd call rki 8450 ko 7689 has suffered from the USD fall - \$164k
- 4) a realized gain in the nzd forward contract of \$188k. This is deeply disappointing, but i will work my way out of this in the months ahead.

Overall the position does not look good. If I can use trading tactics to roll up the aud and gbp trades, the position will do well even if we stay at current levels into year end. I feel strongly the the USD will slowly creep back to mid Auust levels in the weeks ahead. Strong technical signals on T uesday which were not negated after Fed Wed supports the idea that NZD and GBP and AUD are due for a correction lower.

Now that JPM will no longer let me manage the positions unless I am closing them has changed how I will work with them. I am now focused on getting Autobahn and being able to trade electronically with DB. My hands are tied with JPM.

I'm sorry that it has been a disappointing week. It has been a tricky market to trade. The bid offer spreads at jpm (con20 onbps) make it hard to actively trade positions. Next week will be better.

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