- Need to work open int in CDS, £6 on all w IBM, you can see open int.
- This is another reason for restart of trade values.

- Ask ING/JP Morgan
- SVCE provides indicative quotes —
  MET price communications is via email, flow of indicative quotes.
  - MARK-IT
  - CMX
  - BLOOMBERG

MARK IT REFERENCE CASH FROM 06,
WHO WAS ON BOTH SIDES OF TRADES — VY CHAUSS.

Look at relevant value not notional —
but that doesn’t include P.E.
P.E. is CP risk.

2010-03-16  11E  BERGSTEN, GOLDFEN, WILLIAMSON,
              NEISMAN

WE/1) DEFINE THE CRISIS — DOES IT INCLUDE VICTIMS?
     ARE SMALLER NETS VICTIMS?

2) SHOCK VS PROPAGATION

3) WHAT DID WE NOT SEE IN 2005-2006?
   Known: Low rates, CANTAC views, asset bubble
   \transmission of capill flows into lower
   Still not NECESSARILY known.
Thirteen Bankers: Role of Regulation

We are currently writing the book. Final Glaciers

1. They all did it
2. BCR Panic

Why? - Unrelated assumption that HSG prices would fail for 10 yrs accounted for inflation.
- Final system depends on prices never falling.
- Lack of prosperity in MBS - only when ARS showed decline was there prosperity.

William Cline
- Sympathetic to 2. J. Taylor
- Current act was FICA x 1/3 and not the main factor.
- You need to look at net flows.

MG/

Defining crisis
1. Currency - no action it was for the euro
2. Debt - based on CRA sources. No.
3. BKG - fiscal cost of rescuing insures.

Total will be much lower on FIs.

Figure if you include exporters.

4. Exonc - substantial movement in GDP.
- W/O spread, unemployment.

Causes - finance on GDP, HSG loans, etc.
Remedies - opt to BKG by old ideas.
E.g.: Prop Trading - not a cause.
3/30 Paul Volcker at WE.

-- Why did unemployment go up so much, based on usual relationship with GDP etc.

JW: -- Business unemployment rates up less than expected.

MIKE: -- US GDP was smallest in G-7, but really large increase in unemployment.

-- Series of events. Not ignoring what happened in the row.


-- Mid-2006; RFS OIL stopped growing late 2005.

-- Summer 2007; M1 turbulence. FR eases.

-- Aug 2007; BSC. Calming - VIX spread calmed down again.

-- NBER dates peak end 2007.

-- World econ boom continued thru 1Q 08, very volatile.

-- INFANTARY in 2006. ECB last tightening more in mid-2008.

-- LEH. VIX, TED spread shot up.

-- Global econ turned down Summer 08.

-- Dives in 2H 08 - inc China.

-- Lost 2 Q declining decline 4Q 08 see US.

-- Can't test - the financial system as test.

W.E. can't everyone.

-- Recovery see mid-2009. Int'l finance disruption has eased.

-- It's not all the financial sector.

Follow 6 inflation of 2008, a slowdown was inevitable.
ARS - PART of phenomenon - making $ by creating liquidity. Liabilities that are in liquid thus are underestimates.

Depended on buyers. Liquidity dries up immotely.

Abnormal instincts: same principle.

Massive creation of pseudo-liquidity.

Essence of BEC is created with by creating liquidity. One has to be careful now you let $15

Engage in that activity.

S. Weinstein

You have 2 Rules:

1. NARRATIVE
2. INVESTIGATE - "had we known, outcome might have been different."

Gary Gubser

1. Crisis justinosk kK it was a scam.
2. AIG exposures - even FED don't know.

2. Did they rely?

Gary Gubser

Complete a utter BEC capture - Way in which 1CC.

1. Basel was so captured by BEC.

Tarako book.

1. IRS CT or w/ big intl firms.
2. Regulators are PO - COI Singapore.

2. Only 100 INVESTIGATE COUNT. FED SMART should have O/IS in all. FED STUPID

The missed huge pile of securities.

Also HBs > MMFs

Legend will cover that.
Hank Greenberg

- API - HANK GREENBERG
- HANK WHAT YOU DOING?

- NEXT CRISIS WILL BE HSG.

- SUPPOSE FIN / VANG / TRUE WT RECEIVED.

- LK AT POPULAR THY SERVE.

- IEC WAS LIFE AT SURF A BUBBLE.

- WHY WAS WE WRE?
  1) BAD STUFF
  2) DON'T KNOW WHERE IT WAS.

- THINK IT WILL BE LIKE PRV BUBBLES -
  INFLV ND TAKE CARE OF IT.

- LEVERAGE - SPREAD SICK.
  CONTRACTOR

- CAN WE REAP PARCELS, AFTER LTN.

- WHO WILL BE PROTECTED AFTER LTN.

- WIESEL - ULTIMATE STC & NOT LTN.
  - AGENTIFIC FACTOR. NOT IF PRV

- WHEN SMALLER A FAILS.
  - CASE - SUCUR NO MAKE CARE FOR BUBBLE.
  - STUPIDITY.
  - ESTATE OF RISK UNDERSTOOD BY GNT & PROFESSOR.

  - IN NO LTN UND WT.

- CASH WAS TOO LITTLE THEN.

- IF WE WANT RUN A 20% HSG & DROP, WE ND HNG CAN CUT GS,

- ECONIC PAROS - SECRETION WILL REDUCE RISK.

- SPEECH AT JACKSON HOLE -
  KAHN, KAHN, KAHN, KAHN, KAHN, KAHN, KAHN, KAHN.

- AS HYPE
  - RISK WILL NOT ON SPREAD.

- GIVE FIST SENSE THAT LEVERAGE COLD
  - GO TO 40-1.
AUST 7 CAN'T. KS5 DO NOT GO ALC.

TSP: HN.A. 96 SAID SADK KS5 DT FOLLOW SELF-INFLICT.
- RISK MOR 5 WHO HAVE STATUS/POWER/TENURE.
- RISK MOR 5 WHO GIVE TO SLOW OFF

LIFE CEO UND. 5-0X.

MORNS/ 5G U/LE IN SELF-REGULATION.

MKE/ - CALL DANCE FROM FAILURE.
- YOU ARE ONLY TO HOLD THE RISK.
- PLE ASSUMED IT CO UNLOAD RISK.

2010-03-17 RESCH TEAM MTG

- EMPTY SUBORDINATION?
- WORST WAS SITUATION — THY HAD A MASSIVE BIS TO PICK THE WORST STUFF

WE/ HYPOTHESES?

GE/ - PLE LOST NATIONAL PRICE DECIDE
1) WOULD BLOW THEM OUT. THY ASSUMED IT WONT HAPP.

- COMPREHEND OF QUOTES.

WE/ 2) RM WAS INSUFFICIENT, SCENARIO ANALYSIS.
THY USE THE ANALYSIS BUT DIDN'T ELEVATE IT. OR, DON'T USE FULL IMPACT.

READING LISTS
- MANGAN2 SHADOW BS6
  PAGE 1 = 25-6, TOTAL 100 PP
  PAGE 2 = WORKS GROUP SHUZ,

- SELF IN BS6 SUB TO SHUZ

DON'T FORGET ACGA.