

**Unofficial Transcript**

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**Call Participants:** and Peggy, last name unknown  
("P") (New York Federal Reserve)

: Hello, Barclays.

P: ?

: Hi.

P: Hi, it's Peggy from the New York Fed. How are you?

: Good. How's it going Peggy?

P: Good, good just wanted a little bit of color on, uh, what you're seeing in term, funding.

: Well, it's, it's not getting any worse it-it's s-still the levels are still ah, way above where they should be so, in that sense the, uh, while I would think this deposit auction would help

P: Oh.

: U-unfortunately, since it's one month it doesn't help for term liquidity, um, but I guess the fact that things aren't getting worse uh, uh, that's a positive.

P: Yeah, I sh- I heard that volume you're seeing, you know, since this announcement last week that you've actually seen more volume.

: A little bit it has picked up a little bit not, not

P: Oh.

: Dramatically though. It's still not to the level where, maybe in the past when you'd show a level, where you'd get five billion before this thing you'd maybe would have gotten four, five, six, now maybe you might get...*[Offline conversation]*

*[ and Offline Unknown Person ]*

: Explosion in Manhattan?

P: What?

*[Offline conversation]*

: Thank you.

: Um, some uh, yeah, well it has improved a little bit but um, well, yeah, it is impro- I guess it'd be wrong to not say it is improving, it is improving

P: Right.

: But it's still not anywhere near where, where it should be but um...

P: Right, what are volumes you're seeing about now? You, you...

: They have picked up a little bit.

P: Like a couple hundred million is what like, like what's, you mean, when you do an average trade what are the sizes you're getting now?

: Well, it varies I mean uh, we used to be able to get half a billion, billion trades

P: Yeah.

: Before this thing you we wou- get like fifty hundred million pieces biggest, today we actually got a couple uh, a four hundred and a two hundred million block so that was good

P: Okay, oh, that's good.

: So, in that sense it it is getting more liquid just the rates are still, uh

P: Right.

: Egregious to where they should be but the volumes eh, uh, yeah, volume certainly has picked up no-, but it's still, let me put it this way it's still very poor but it's it's picked up noticeably [laughs]

P: Right.

: But still at a, at a kind of a poor level maybe when everybody sees how these things go.

P: Right, you know what I mean, prior to the FOMC meeting, you know, the spread between to the target and these term fixings, these LIBOR fixings was about seventy five basis points, it's still seventy, seventy five basis points.

: You know, LIBORs being set too low anyway, but uh, yeah, that-that is correct.

P: Yeah.

: So in that sense, it's-it's, but volume has uh, improved a little.

P: Right.

: So I-I will give you that, but uh, it's still nowhere near where it

P: [sighs]

: Where it was but that could change this week, you know.

P: Yeah, so.

: At some point everybody's gonna be done funding over year end in which case, uh hopefully the money will come out, you know.

P: Right, um, have you seen anything trade in the year turn?

: I'm sorry in the what?

P: Just a year turn.

: Somebody, I heard a broker say it was trading at ten percent.

P: Ten percent. Hey well, that's, you know, that's the same level it was trading three weeks ago, so.

: Yeah, so i- but uh we-we don't ta-taking the actually turn doe- isn't really in our interest.

P: Yeah.

: But that's all I've seen today in the turn was ten percent.

P: And talking to investors too that's not desirable for them either, you know, I mean, it's one it's three days, you know rather four days I think but

: Yeah, so.

P: Yeah, so, okay.

: I-I guess what you guys did it-it stopped the bleeding, it is improving but still nowhere near it should be to keep it simple.

P: Oh, I like that quote. I'm gonna quote you on that. [laughter] Stopped the bleeding [laughter].

: [laughter] Well, from getting worse, yeah. [laughter]

P: [laughter] Yeah, that's good, with a Band Aid, yeah, okay.

: Exactly.

P: That's great. Thanks so much for

: But it would

P: Oh, sorry.

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: I'm sorry, it would have been preferable obviously, I think you might have heard if this would have been, had a sixty or ninety day, uh

P: Yeah, a longer term, definitely.

: Have you heard that from other people or?

P: Oh yeah, across the board, that's definitely something new. I mean people will always say, you know make it a larger size, but definitely more the longer term has-has been across the board has really been voiced, so.

: Well, hopefully, maybe the next time, you know.

P: Right, well we have Thur-, we got another one coming on Thursday, so.

: Well, not too late to change that maturity.

P: [laughter] Yeah, okay.

: You have a great day, Peggy.

P: Thank you so much take care.

: Bye, bye.

P: Bye, bye.