



745 Seventh Avenue
4th Floor
New York, NY 10019

January 25, 2011

John Sinsheimer
Director of Capital Markets
State of Illinois
Governors' Office of Management and Budget
JRTC, Suite 15-100
100 W. Randolph
Chicago, Illinois 60601
United States

Dear Mr. Sinsheimer:

Thank you for your letters dated January 13th to Rich Ricci and Omar Dagheftani regarding market activities in State of Illinois CDS transactions.

As background, we would like to make you aware that Barclays Capital was not in the Municipal Finance business before its acquisition of the North American operations of Lehman Brothers in September, 2008. In addition Barclays Capital decided to cease its market making in Municipal CDS in the fall of 2009. However, we do continue to provide price information to both investor and issuer clients and may transact in Municipal CDS upon client request or for risk-reducing purposes.

We are pleased to provide the following information in response to the questions referenced in your letter:

Disclose whether your firm has participated in credit default swap market-making activities related to any State of Illinois credit default swaps ("CDS") within the past 3 months. Please include and/or indicate the following:

- In the event of your firm's participation in State of Illinois CDS activities within the past 3 months please disclose your firm's cumulative notional volume of State of Illinois CDS trades and the firm's outstanding gross and net notional amount of State of Illinois CDS, as of the end of the current 3-month period
- Disclose whether your firm has entered into any proprietary trades for its own account in State of Illinois CDS, as of the end of the current 3-month period.
- Disclose your firm's outstanding gross and net notional amount of proprietary State of Illinois CDS and whether the net position is short or long credit protection, as of the end of the current 3-month period.
- List all time periods during the past 3 months during which the firm held net long or net short State of Illinois CDS proprietary credit protection positions, the amount of such positions, and whether those positions were net long or net short credit protection positions.

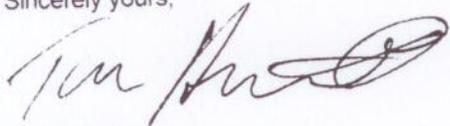
Barclays Capital has not engaged in any CDS transactions, proprietary or otherwise, in State of Illinois bonds in the past 3 months. We do have outstanding State of Illinois CDS positions from several transactions executed in 2009. The net notional amount of those transactions is zero; the gross notional amount is \$33 million.

- **Indicate whether within the previous 3 months, the firm released any publicly available research or marketing reports that reference State of Illinois CDS and include those research or marketing reports as attachments.**

Attached are copies of 4 firm research reports that reference State of Illinois CDS. There were no stand-alone reports on the topic.

Please let us know if we can provide you with any additional information

Sincerely yours,

A handwritten signature in black ink, appearing to read "Tom Hamilton", with a stylized flourish at the end.

Tom Hamilton
Managing Director
Head of Municipal Business

January 18, 2011

John Sinsheimer
Director of Capital Markets
State of Illinois
Governor's Office of Management and Budget
JRTC, Suite 15-100
100W. Randolph
Chicago, IL 60601

Re: Credit Default Swap Questions

Blaylock Robert Van, LLC has not participated in credit default swap market-making activities related to any State of Illinois credit default swaps within the past 3 months.

- In the event of your firm's participation in State of Illinois CDS activities within the past 3 months please disclose your firm's cumulative notional volume of State of Illinois CDS trades and the firm's outstanding gross and net notional amount of State of Illinois CDS, as of the end of the current 3-month period.

N/A

- Disclose whether your firm has entered into any proprietary trades for its own account in State of Illinois CDS, as of the end of the current 3-month period.

N/A

- Disclose your firm's outstanding gross and net notional amount of proprietary State of Illinois CDS and whether the net position is short or long credit protection, as of the end of the current 3-month period.

N/A

- List all time periods during the past 3 months during which the firm held net long or net short State of Illinois CDS proprietary credit protection positions, the amount of such positions, and whether those positions were net long or net short credit protection positions.

N/A

- Indicate whether within the previous 3 months, the firm released any publicly available research or marketing reports that reference State of Illinois CDS and include those research or marketing reports as attachments.

N/A



Timothy S. O'Brien
Executive Vice President



CABRERA CAPITAL MARKETS, LLC

OSTON • CHICAGO • LOS ANGELES • MIAMI • NEW YORK • PEPPER PIKE • PHILADELPHIA • SAN ANTONIO • TAMPA

January 14, 2011

John Sinsheimer
Director of Capital Markets, State of Illinois
JRTC, Suite 15-100, 100 W. Randolph
Chicago, IL 60601

Re: State of Illinois Credit Default Swap Questions

In the event of your firm's participation in State of Illinois CDS activities within the past 3 months please disclose your firm's cumulative notional volume of State of Illinois CDS trades and the firm's outstanding gross and net notional amount of State of Illinois CDS, as of the end of the current 3-month period.

Cabrera Capital Markets, LLC ("Cabrera") has not participated in State of Illinois Credit Default Swap activities within the past 3 months. The firm has not traded any State of Illinois CDS.

Disclose whether your firm has entered into any proprietary trades for its own account in State of Illinois CDS, as of the end of the current 3-month period.

Cabrera has not entered into any proprietary trades for its own account in State of Illinois CDS at any time.

Disclose your firm's outstanding gross and net notional amount of proprietary State of Illinois CDS and whether the net position is short or long credit protection, as of the end of the current 3-month period.

Cabrera has no outstanding gross and no notional amount of proprietary State of Illinois CDS.

List all time periods during the past 3 months during which the firm held net long or net short State of Illinois CDS proprietary credit protection positions, the amount of such positions, and whether those positions were net long or net short credit protection positions.

At no time in the past 3 months has Cabrera held net long or net short State of Illinois CDS proprietary credit protection positions.

Indicate whether within the previous 3 months, the firm released any publicly available research or marketing reports that reference State of Illinois CDS and include those research or marketing reports as attachments.

Cabrera has not, within the previous 3, months released any publicly available research or marketing reports that reference State of Illinois CDS.

Please let us know if you have any other questions.

Sincerely,

Martin Cabrera
Chief Executive Officer
Cabrera Capital Markets, LLC

January 21, 2011

Via Email and Special Messenger
john.Sinsheimer@Illinois.gov
Kacy.Bassett@Illinois.gov

Office of the Governor
JR - C, 100 W. Randolph
Suite 16-100
Chicago, Illinois 60601
Attn: John Sinsheimer

Re: HB 5960

Dear Mr. Sinsheimer:

This letter is submitted on behalf of Citigroup Global Markets Inc. and its affiliates ("CGMI") in response to your letter dated January 13, 2011 requesting information related to CGMI's market activities related to credit default swaps on State of Illinois General Obligation bonds and Build Illinois bond. Your requests are listed below in italics followed by our response.

(1) *In the event of your firm's participation in State of Illinois CDS activities within the past 3 months please, disclose your firm's cumulative notional volume of State of Illinois CDS trades and the firm's outstanding gross and net notional amount of State of Illinois CDS, as of the end of the current 3-month period.*

CGMI's cumulative (gross) notional volume of State of Illinois CDS trades for the period of October 21, 2010 thorough and including January 20, 2011 is \$60,000,000

CGMI's outstanding gross notional amount of State of Illinois CDS as of January 20, 2011 is \$270,600,000

CGMI's outstanding net notional amount of State of Illinois CDS as of January 20, 2011 is \$10,600,000

(2) *Disclose whether the firm has entered into any proprietary trades for its own account in State of Illinois CDS as of the end of the current 3-month period.*

CGMI has not entered into any proprietary trades for its own accounts in State of Illinois CDS for the period of October 21, 2010 through and including January 20, 2011.¹

¹ Cit is a market maker of CDS where Markit MCDX is the reference index. The State of Illinois comprises one of the 50 different issuers referenced in the index. These index trades are not included in the amounts above. Only included are the single name trades where the State of Illinois is the reference entity.

13) Disclose your firm's outstanding gross and net notional amount of proprietary State of Illinois CDS and whether the net position is short or long credit protection, as of the end of the current 3-month period.

Not applicable. See response to item 3 above.

14) List all time periods during the past 3 months during which the firm held net long or net short State of Illinois CDS proprietary credit protection positions, the amount of such positions, and whether those positions were net long or net short credit protection positions.

Not applicable. See response to item 3 above.

16) Indicate whether, within the previous 3 months, the firm released any publicly available research or marketing reports that reference State of Illinois CDS and include those research or marketing reports as attachments.

CGMI has not released any publicly available research or marketing reports that reference State of Illinois CDS within the previous 3 months.

Sincerely,



Rade Kijajic

DW DUNCAN - WILLIAMS, INC.
INVESTMENT BANKERS EST. 1969
"A Firm Understanding"

January 19, 2011

State of Illinois – Governor's Office of Management and Budget
JRTC, Suite 15-100
100 W. Randolph
Chicago, Illinois 60601
Attn: John Sinsheimer, Director of Capital Markets

Re: Credit Default Swap Market-Making Activities

VIA FedEx and Email (John.Sinsheimer@Illinois.gov)

Dear Mr. Sinsheimer:

Duncan-Williams, Inc. (the "Firm") is in receipt of your letter dated January 13, 2011, wherein you inquire as to the Firm's market-making activities relating to credit default swaps on State of Illinois General Obligation bond and Build Illinois bonds. This letter is to confirm that the Firm has not participated in any credit default swap market-making activities related to Illinois bonds within the past 3 months, nor has the Firm ever participated in any credit default swap market-making activities related to Illinois bonds. In responding to your request, the Firm took into consideration the bullet points noted in your letter. The Firm hopes this letter satisfies your inquiry.

Sincerely,



Rob Humphreys
VP/Associate General Counsel

Cc: Kacy Bassett (via email at Kacy.Bassett@Illinois.gov)

Richard A. Ryffel
Managing Director, Investment Banking
12555 Manchester Road
St. Louis, MO 63131-3729
314-515-2672 Tel
314-515-2674 Fax
richard.ryffel@edwardjones.com
www.edwardjones.com

Edward Jones[®]

January 18, 2011

Mr. John Sinsheimer
Director of Capital Markets
State of Illinois
Governor's Office of Management and Budget
JRTC
100 West Randolph
Suite 16-100
Chicago IL 60601

Dear John:

In response to your letter dated January 13, 2011, I offer this response per the instructions provided. Hard copy of same follows by overnight mail.

With respect to Credit Default Swaps ("CDS"), Edward Jones does not participate in this market in anyway. We are not a provider of CDS and do not make any markets in CDS. For completeness, however, I have provided below a response to each interrogatory you submitted.

Disclose whether your firm has participated in credit default swap market-making activities related to any State of Illinois credit default swaps ("CDS") within the past three months. Please include and/or indicate the following:

- In the event of your firm's participation in State of Illinois CDS activities within the past 3 months please disclose your firm's cumulative notional volume of State of Illinois CDS trades and the firm's outstanding gross and net notional amount of State of Illinois CDS as of the end of the current 3-mo. period.

Edward Jones has not participated in any State of Illinois CDS activities over the requested three-month periods.

- Disclose whether your firm has entered into any proprietary trades for its own account in State of Illinois CDS, as of the end of the current 3-mo. period.

Edward Jones has not entered into any proprietary State of Illinois CDS trades over the requested period.

- Disclose your firm's outstanding gross and net notional amount of proprietary State of Illinois CDS and whether the net position is short or long credit protection, as of the end of the current 3-mo period.

Edward Jones has no outstanding proprietary State of Illinois CDS positions as of the end of the requested three-month period.

- List all time periods during the past 3 mo. During which the firm held net long or net short State of Illinois CDS proprietary credit protection positions, the amount of such positions, and whether those positions were net long or net short credit protection positions.

Edward Jones has not during the past three months held any net long or net short positions of State of Illinois CDS.

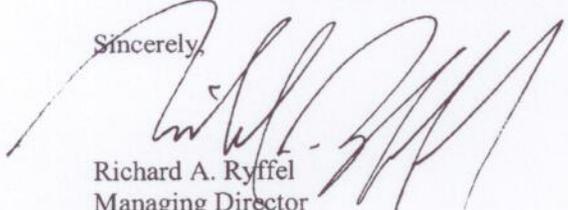
- Indicate whether within the previous 3 mo. The firm released any publicly available research or marketing reports that reference State of IL CDS and include those research or marketing reports or attachments.

Edward Jones has not published any publicly available research regarding the State of Illinois which references State of Illinois CDS.

I appreciate the opportunity to address your questions. Should you have additional questions, please do not hesitate to contact me at richard.ryffel@edwardjones.com or 314.515.2672.

Thank you for your confidence in Edward Jones.

Sincerely,



Richard A. Ryffel
Managing Director
Investment Banking

cc: Kacy Bassett

ESTRADA HINOJOSA

January 19, 2011

Mr. John Sinsheimer
Director of Capital Markets
Governor's Office of Management and Budget
JRTC, Suite 15-100
100 W. Randolph
Chicago, IL 60601

Re: Credit Default Swap (CDS) Questions

Dear Mr. Sinsheimer:

We at Estrada Hinojosa and Company, Inc. ("Estrada Hinojosa" or "Firm") are pleased to respond to your inquiry about our Firm's role regarding credit default swaps ("CDS") as they relate to market making activities and the debt of the State of Illinois. The short answer is Estrada Hinojosa has nothing to disclose.

Our Firm is a FINRA-registered broker-dealer, fully licensed to participate in the financial markets. However, our business model does not include market making activities for CDS, whether related to the State of Illinois debt or that of any other municipal bond issuer.

Estrada Hinojosa was privileged to serve the State of Illinois during 2010 as a bond underwriter for the following two transactions:

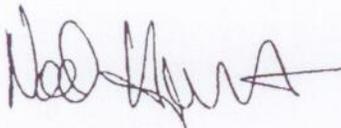
- General Obligation Bonds, Taxable Series of January 2010 \$3,466,000,000 1/15/2010
- Toll Highway Senior Refunding Revenue Bonds, 2010 Series A-1 \$279,300,000 7/1/2010

Prior to 2010, Estrada Hinojosa has participated as a bond underwriter for eight other Illinois transactions totaling a principal amount of \$2,539,030,000. Please find attached a complete list of our firm's involvement with State of Illinois financings.

With the establishment of a branch office in downtown Chicago in 2009, Estrada Hinojosa is now poised to better serve the State of Illinois and welcomes additional bond underwriting assignments from you.

If we can be of further assistance, please do not hesitate to contact me.

Sincerely,



Noé Hinojosa, Jr.
President & CEO
Estrada Hinojosa & Company, Inc.

Cc: Fernando Grillo/Courtney Knight
Enc: EH State of Illinois Deals
NH/RE/na

ESTRADA HINOJOSA & COMPANY, INC.
5501 Ross Avenue, Suite 4100, P.O. Box 47 Dallas, Texas 75201
Tel: (214) 658-1671 Fax: (214) 658-1671

HOUSTON DALLAS MIAMI NEW YORK SAN ANTONIO SAN DIEGO

Estrada Hinojosa & Company State of Illinois Deals

UW or FA	Issuer	Issue	Amount	Dated Date	Year
Underwriter	Illinois Housing Development Authority	Multi-Family Housing Refunding Bonds, Series 1992	\$53,560,000	3/1/1992	1992
Underwriter	State of Illinois	Build Illinois Bonds, Sales Tax Revenue Bonds, Series S	\$331,645,000	9/15/1993	1993
Underwriter	Illinois Housing Development Authority	Homeowner Mortgage Revenue Bonds, Series 1994	\$60,000,000	7/1/1994	1994
Underwriter	Illinois Housing Development Authority	Multi-Family Housing Bonds, Series 1994	\$57,625,000	11/1/1994	1994
Underwriter	Illinois State Toll Highway Authority	Toll Highway Senior Priority Revenue Bonds, 2005 Series A	\$770,000,000	6/22/2005	2005
Underwriter	Illinois State Toll Highway Authority	Toll Highway Senior Priority Revenue Bonds, 2006 Series A-2	\$500,000,000	6/7/2006	2006
Underwriter	Illinois State Toll Highway Authority	Toll Highway Variable Rate Senior Refunding Revenue Bonds, 2008 Series A-1	\$383,100,000	2/7/2008	2008
Underwriter	Illinois State Toll Highway Authority	Toll Highway Variable Rate Senior Refunding Revenue Bonds, 2008 Series A-2	\$383,100,000	2/7/2008	2008
Underwriter	State of Illinois	General Obligation Bonds, Taxable Series of January 2010	\$3,466,000,000	1/15/2010	2010
Underwriter	Illinois State Toll Highway Authority	Toll Highway Senior Refunding Revenue Bonds, 2010 Series A-1	\$279,300,000	7/1/2010	2010
10 Transactions Totaling:			\$6,284,330,000		

January 21, 2011

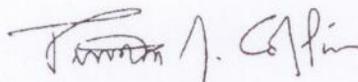
Mr. John Sinsheimer
Director of Capital Markets
State of Illinois
C/O JRTC Suite 15 - 100
100 W. Randolph
Chicago, IL 60601

Dear Mr. Sinsheimer:

Fidelity Capital Markets is a division of National Financial Services LLC. Fidelity Capital Markets does not trade municipal credit default swaps on a proprietary basis, and has not published any research recommending the sale or purchase of municipal credit default swaps.

Thank you.

Sincerely,



Timothy J. Coffin
Vice President
TJC/hs



George K. Baum & Company

INVESTMENT BANKERS SINCE 1928

January 14, 2011

Mr. John Sinsheimer
Director of Capital Markets
JRTC, Suite 15-100
100 W Randolph
Chicago, IL 60601

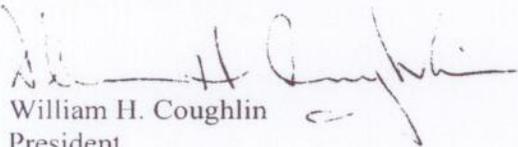
Dear John:

In regard to your letter of January 13, 2011 to Jonathan E. Baum, this is to advise that George K. Baum & Company does not participate in the credit default swap business whatsoever and has never written any research or marketing reports that reference State of Illinois credit default swaps.

I trust this information satisfies your request.

Very truly yours,

George K. Baum & Company


William H. Coughlin
President

WHC:lsp



George K. Baum & Company

INVESTMENT BANKERS SINCE 1928

January 19, 2011

Mr. John Sinsheimer
Director of Capital Markets
State of Illinois
Governor's Office of Management and Budget
JRTC, Suite 15-100
100 W. Randolph
Chicago, Illinois 60601

RE: State of Illinois Credit Default Swap Questions

Dear Mr. Sinsheimer:

Enclosed please find our responses to the above-referenced questions.

We appreciate the opportunity to submit our response to the State of Illinois.

Regards,

GEORGE K. BAUM & COMPANY

A handwritten signature in black ink, appearing to read 'Albert Boumenot', with a large, stylized 'A' at the end.

Albert Boumenot
Senior Vice President

With the proliferation of credit default swaps, George K. Baum & Company prides itself on the fact that it does not, will not, nor has it ever participated in this practice. The primary purpose of George K. Baum & Company's proprietary trading is to provide liquidity for our public finance clients' bonds in the secondary market. As a client-first business, our firm will never place financial bets against our clients, or use financial products, of any type, that aim for a negative outcome. Additionally, George K. Baum & Company will never facilitate such trading activity on behalf of others. George K. Baum & Company's main focus will always be to put our clients' interests first.

State of Illinois Credit Default Swap Questions

Disclose whether your firm has participated in credit default swap market-making activities related to any State of Illinois credit default swaps ("CDS") within the past 3 months. Please include and/or indicate the following:

- In the event of your firm's participation in State of Illinois CDS activities within the past 3 months, please disclose your firm's cumulative notional volume of State of Illinois CDS trades and the firm's outstanding gross and net notional amount of State of Illinois CDS, as of the end of the current 3-month period.*

None. George K. Baum & Company has never participated in State of Illinois CDS activities.
- Disclose whether your firm has entered into any proprietary trades for its own account in State of Illinois CDS, as of the end of the current 3-month period.*

None. George K. Baum & Company has never entered into any such trades.
- Disclose your firm's outstanding gross and net notional amount of proprietary State of Illinois CDS and whether the net position is short or long credit protection, as of the end of the current 3-month period.*

None. George K. Baum & Company has never participated in any such trading activity.
- List all time periods during the past 3 months during which the firm held net long or net short State of Illinois CDS proprietary credit protection positions, the amount of such positions, and whether those positions were net long or net short credit protection positions.*

None. George K. Baum & Company has never participated in State of Illinois CDS activities.
- Indicate whether within the previous 3 months, the firm released any publicly available research or marketing reports that reference State of Illinois CDS and include those research or marketing reports as attachments*

None. George K. Baum & Company has never generated any such reports.



January 21, 2011

John Sinsheimer
Director of Capital Markets
State of Illinois
Governor's Office of Management and Budget
JRTC, Suite 15-100
100 W. Randolph
Chicago, Illinois 60601

Dear Mr. Sinsheimer:

I am pleased to respond on behalf of Goldman, Sachs & Co. to the questions posed in your letter dated January 13, 2011 regarding our firm's activities related to State of Illinois municipal credit default swaps ("CDS").

Disclose whether your firm has participated in credit default swap market-making activities related to any State of Illinois credit default swaps ("CDS") within the past 3 months.

Please include and/or indicate the following:

- ***In the event of your firm's participation in State of Illinois CDS activities within the past 3 months please disclose your firm's cumulative notional volume of State of Illinois CDS trades and the firm's outstanding gross and net notional amount of State of Illinois CDS, as of the end of the current 3-month period.***

As it has done in respect of many states' CDS, Goldman Sachs participated in market-making activities with respect to State of Illinois CDS the past fiscal quarter (October 1, 2010 – December 31, 2010). Goldman Sachs's cumulative notional volume of trades in State of Illinois CDS during that time was \$65.0 million. Goldman Sachs's net notional position as of December 31, 2010 in Illinois CDS was \$67.5 million, and our gross notional position in Illinois CDS was \$1,591.5 million.

It is not feasible to assess whether Goldman Sachs is long or short exposure to State of Illinois credit solely by reference to notional amounts of CDS, as other considerations, including the various maturities of our CDS positions and our risks related to market-making activities in the State's bonds, are key determinants and drivers of the firm's risk profile.

- **Disclose whether your firm has entered into any proprietary trades for its own account in State of Illinois CDS, as of the end of the current 3-month period.**

Goldman Sachs has not entered into any trades for its own proprietary account in State of Illinois CDS during the past fiscal quarter. As noted above, Goldman Sachs has entered into Illinois CDS contracts from time to time, stepping in with its own capital to execute client trades as a principal in order to promote market liquidity in a market-making capacity.

- **Disclose your firm's outstanding gross and net notional amount of proprietary State of Illinois CDS and whether the net position is short or long credit protection, as of the end of the current 3-month period.**

Please see the above answer.

- **List all time periods during the past 3 months during which the firm held net long or net short State of Illinois CDS proprietary credit protection positions, the amount of such positions, and whether those positions were net long or net short credit protection positions.**

Please see the above answers.

- **Indicate whether within the previous 3 months, the firm released any publicly available research or marketing reports that reference State of Illinois CDS and include those research or marketing reports as attachments.**

During the previous fiscal quarter, Goldman Sachs has not published any research or marketing reports concerning State of Illinois CDS. In that regard, the firm's Global Investment Research Division does not create or publish research on municipal issuers. From time to time, various groups within the firm's Securities Division have provided marketing materials to clients to educate them generally about the municipal asset class and the products available to gain or limit exposure to that asset class, including tax-exempt bonds, interest rate derivatives, CDS and, most recently, BABs. These materials are available to the firm's institutional sales force and are on occasion in turn provided to certain investing clients.

Thank you for the opportunity to respond to your questions. We look forward to continuing to serve the State of Illinois and the larger municipal market.

Sincerely,



Kathleen Brown
Chairman of Investment Banking for the Midwest

January 21, 2011

John Sinsheimer, Director of Capital Markets
State of Illinois Governor's Office of Management and Budget
JRTC, Suite 15-100
100 W. Randolph
Chicago, IL 60601

Dear Mr. Sinsheimer:

In response to your request dated January 13, 2011, please see below Jefferies & Company's completed Credit Default Swap questionnaire. The State's questions are reproduced below in italics; Jefferies' responses are provided in bold.

Disclose whether your firm has participated in credit default swap market-making activities related to any State of Illinois credit default swaps ("CDS") within the past 3 months. Please include and/or indicate the following:

- *In the event of your firm's participation in State of Illinois CDS activities within the past 3 months please disclose your firm's cumulative notional volume of State of Illinois CDS trades and the firm's outstanding gross and net notional amount of State of Illinois CDS, as of the end of the current 3-month period.*

Response: Jefferies has not participated in State of Illinois CDS market-making activities within the past 3 months.

- *Disclose whether your firm has entered into any proprietary trades for its own account in State of Illinois CDS, as of the end of the current 3-month period.*

Response: No such trades have been made.

- *Disclose your firm's outstanding gross and net notional amount of proprietary State of Illinois CDS and whether the net position is short or long credit protection, as of the end of the current 3-month period.*

Response: No outstanding balance.

- *List all time periods during the past 3 months during which the firm held net long or net short State of Illinois CDS proprietary credit protection positions, the amount of such positions, and whether those positions were net long or net short credit protection positions.*

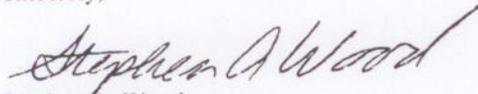
Response: No net long or net short position in this timeframe.

- *Indicate whether within the previous 3 months, the firm released any publicly available research or marketing reports that reference State of Illinois CDS and include those research or marketing reports as attachments.*

Response: To the best of our knowledge and after due inquiry, the firm has not released any such publicly available research or marketing reports.

This response will be provided electronically and in hard copy as requested. We would be happy to provide additional detail upon request.

Sincerely,



Stephen A. Wood
Managing Director
520 Madison Avenue, 8th Floor
New York, NY 10022
212.284.4674
swood@jefferies.com

J.P.Morgan

State of Illinois
Governor's Office of Management and Budget
JRTC, 100 W. Randolph, Suite 16-100
Chicago
Illinois 60601
Attention: John Sinsheimer, Director of Capital Markets

January 21, 2011

Dear John,

I refer to your letter dated January 13, 2011 setting out certain questions concerning State of Illinois Credit Default Swaps ("State of Illinois CDS").

J.P. Morgan participates in the CDS markets (including the CDS market in municipal entities) primarily as a market maker. In that role, J.P. Morgan facilitates market liquidity and meets the needs of investors. The CDS market on municipal entities began around 2004 and is substantially smaller than the corporate CDS market. In 2008, the market developed the MCDX index which is a basket of fifty different single-name municipal CDS contracts. While the State of Illinois is one of the fifty municipal entities in that index, in preparing this response we have not included data relating to MCDX since trading in MCDX is not specific to the State of Illinois or any other single municipal entity.

During the period October to December 2010 (the "Relevant Period"), J.P. Morgan did participate in market-making activities in relation to State of Illinois CDS. In response to the questions presented in the letter (and in the order in which they were presented):

- During the Relevant Period, J.P. Morgan entered into State of Illinois CDS having a cumulative notional amount of US\$25 million. As of the end of the Relevant Period, J.P. Morgan was party to State of Illinois CDS having a gross notional amount of US\$365 million and had a net notional long credit protection position of US\$25 million.
- J.P. Morgan did not enter into any proprietary trades in State of Illinois CDS during the Relevant Period and, as of the end of the Relevant Period, had no proprietary trades in State of Illinois CDS.
- As of the end of the Relevant Period, the outstanding notional amount of proprietary trades in State of Illinois CDS entered into by J.P. Morgan was zero.
- At no time during the Relevant Period did J.P. Morgan hold net long or net short proprietary State of Illinois CDS positions.

- J.P. Morgan did not, during the Relevant Period, release any publicly available research or marketing report that expresses a view with respect to State of Illinois CDS. While we believe that they fall outside the scope of the inquiry, we attach to this letter a CDS Daily Trading Volumes report published by J.P. Morgan in December 2010. This report, which is produced entirely from publicly available information and contains data such as percentage changes in CDS trading volumes in relation to a variety of corporate, sovereign and municipal entities including the State of Illinois, does not express any views or recommendations.

I would like to emphasize that the State of Illinois is a highly valued client of J.P. Morgan and to reiterate our commitment to advancing its interests. If you wish to discuss this matter further, or J.P. Morgan's partnership with the State of Illinois in meeting its financing needs, please do not hesitate to contact me at 312 385 8444 or by email at eric.r.rockhold@jpmorgan.com.

Sincerely,



Eric R. Rockhold
Managing Director

CDS Daily Trading Volumes

As of Dec 17, 2010

Table 1: Single name CDS average daily trading volumes

	Daily average trading volume (\$bn)				Current % Share	Daily avg trading vol changes (\$bn)		
	17-Dec-10	10-Dec-10	1m avg	YTD avg		1w avg	1m avg	YTD avg
All CDS	22.53	27.80	29.68	34.91	100%	-5.27	-7.15	-12.37
Corporates	17.04	19.79	22.11	27.64	76%	-2.75	-5.07	-10.60
US corporate	8.29	10.93	10.82	13.90	37%	-2.64	-2.53	-5.61
Int'l Developed corporate	8.40	8.41	10.79	12.82	37%	0.00	-2.38	-4.42
Emerging Market corporate	0.34	0.45	0.50	0.91	2%	-0.10	-0.16	-0.57
Sovereign	5.50	8.02	7.57	7.27	24%	-2.52	-2.08	-1.77
Developed sovereign	3.98	5.86	5.49	3.75	18%	-1.88	-1.51	0.23
Emerging Market sovereign	1.51	2.15	2.09	3.52	7%	-0.64	-0.57	-2.01

Table 2: Single name CDS trading volume breakdown by rating and sector (Based on top corporate CDS)

Rating	Total			US		Int'l Developed Markets		Emerging Markets	
	17-Dec-10	% Share	1m chg	17-Dec-10	1m chg	17-Dec-10	1m chg	17-Dec-10	1m chg
Investment grade	12.05	72%	-3.89	5.15	-2.08	6.68	-1.64	0.22	-0.17
High yield	3.50	21%	-0.54	2.70	-0.24	0.78	-0.30	0.02	-0.01
Not rated	1.13	7%	-0.43	0.39	-0.20	0.67	-0.24	0.07	0.01
Defaulted	0.00	0%	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Sector									
Basic Material	1.27	8%	-0.33	0.49	-0.07	0.78	-0.25	0.00	-0.01
Communication	2.89	17%	-0.27	1.14	-0.16	1.72	-0.06	0.02	-0.05
Consumer & Retail	2.81	17%	-0.85	2.01	-0.31	0.79	-0.53	0.01	-0.01
Energy	0.66	4%	-0.25	0.31	-0.19	0.22	-0.02	0.13	-0.03
Financial	5.78	34%	-1.49	2.36	-1.26	3.28	-0.24	0.15	0.01
Healthcare & Pharm	0.27	2%	-0.26	0.24	-0.15	0.03	-0.11	0.00	0.00
Industrial	1.94	11%	-1.08	0.94	-0.33	0.97	-0.71	0.03	-0.04
Technology	0.35	2%	-0.09	0.30	-0.04	0.05	-0.03	0.00	-0.01
Utilities	0.97	6%	-0.43	0.45	0.02	0.51	-0.43	0.00	-0.02

Table 3: Top traded CDS

	Avg Daily Trading Vol (\$bn)		Today's Rank (Rank 1w-ago)
	17-Dec-10	1m avg	
REPUBLIC OF ITALY	0.85	1.08	1 (2)
KINGDOM OF SPAIN	0.65	1.20	2 (1)
FRENCH REPUBLIC	0.60	0.71	3 (9)
FEDERATIVE REPUBLIC OF BRAZIL	0.35	0.44	4 (7)
BARCLAYS BANK PLC	0.33	0.20	5 (117)
PORTUGUESE REPUBLIC	0.32	0.47	6 (8)
FEDERAL REPUBLIC OF GERMANY	0.30	0.39	7 (10)
THE ROYAL BANK OF SCOTLAND PL	0.30	0.13	8 (179)
GENERAL ELECTRIC CAPITAL CORP	0.29	0.23	9 (15)
REPUBLIC OF AUSTRIA	0.26	0.14	10 (93)

Table 4: Top traded corporate CDS

	Avg Daily Trading Vol (\$bn)		Today's Rank (Rank 1w-ago)
	17-Dec-10	1m avg	
BARCLAYS BANK PLC	0.33	0.20	1 (94)
THE ROYAL BANK OF SCOTLAND PUBL	0.30	0.13	2 (154)
GENERAL ELECTRIC CAPITAL CORPOF	0.29	0.23	3 (6)
MBIA INSURANCE CORPORATION	0.21	0.20	4 (8)
DEUTSCHE TELEKOM AG	0.21	0.16	5 (16)
TELECOM ITALIA SPA	0.18	0.16	6 (12)
AXA	0.18	0.11	7 (84)
BANCO SANTANDER, S.A.	0.17	0.29	8 (3)
SMURFIT KAPPA FUNDING PUBLIC LIM	0.17	0.05	9 (487)
TELEFONICA, S.A.	0.16	0.15	10 (32)

Table 5: Top increase in CDS trading volume

	Avg Daily Trading Vol (\$bn)	
	17-Dec-10	10-Dec-10
BARCLAYS BANK PLC	0.33	0.05
THE ROYAL BANK OF SCOTLAND PUBLIC LIMITED	0.30	0.04
FRENCH REPUBLIC	0.60	0.37
REPUBLIC OF AUSTRIA	0.26	0.06
SMURFIT KAPPA FUNDING PUBLIC LIMITED COMF	0.17	0.01
AXA	0.18	0.05
KONINKLIJKE KPN N.V.	0.13	0.01
HANNOVER RUECKVERSICHERUNG AG	0.15	0.03
LLOYDS TSB BANK PLC	0.14	0.03
ZURICH INSURANCE COMPANY LTD	0.13	0.02

Table 6: Top decrease in CDS trading volume

	Avg Daily Trading Vol (\$bn)	
	17-Dec-10	10-Dec-10
MORGAN STANLEY	0.03	0.85
KINGDOM OF SPAIN	0.65	1.47
THE GOLDMAN SACHS GROUP, INC.	0.10	0.79
REPUBLIC OF ITALY	0.85	1.44
HELLENIC REPUBLIC	0.07	0.45
IRELAND	0.16	0.47
KINGDOM OF BELGIUM	0.11	0.28
REPUBLIC OF KOREA	0.08	0.21
BERKSHIRE HATHAWAY INC.	0.01	0.14
BANCO BILBAO VIZCAYA ARGENTARIA, SOCIEDAD AN	0.14	0.26

Source for all: DTCC & J.P. Morgan

The certifying analyst(s) is indicated by a superscript AC. See last page of the report for analyst certification and important legal and regulatory disclosures

CDS Notional Outstanding

Table 10: All credit products notional outstanding

	Gross notional outstanding (\$bn)				Current % Share	Gross notional changes (\$bn)		
	17-Dec-10	10-Dec-10	19-Nov-10	31-Oct-08		1w	4w	Since Oct 08
All Credit Products	26,344	26,336	27,095	33,558	100%	7	-751	-7214
Single name CDS	15,004	15,084	15,247	15,381	57%	-80	-243	-377
Credit Default Index	8,885	8,924	9,092	14,768	34%	-39	-207	-5882
Credit Default Tranche	2,454	2,328	2,756	3,410	9%	126	-302	-955

Table 11: All credit products net notional outstanding

	Net notional outstanding (\$bn)				Current % Share	Net notional changes (\$bn)		
	17-Dec-10	10-Dec-10	19-Nov-10	31-Oct-08		1w	4w	Since Oct 08
All Credit Products	2,367	2,395	2,402	3,010	100%	-27.9	-34.8	-643
Single name CDS	1,204	1,206	1,216	1,580	51%	-1.6	-12.1	-377
Credit Default Index & Tranche	1,163	1,189	1,185	1,429	49%	-26.3	-22.8	-267

Table 12: Single name CDS net notional breakdown by region (based on top 1000 CDS)

Entity type	Net notional outstanding (\$bn)				Current % Share	Net notional changes (\$bn)		
	17-Dec-10	10-Dec-10	19-Nov-10	31-Oct-08		1w	4w	Since Oct 08
US corporate	439	440	440	647	40%	-1.0	-0.8	-208.1
Int'l Developed corporate	393	394	400	533	36%	-0.6	-7.4	-140.3
Emerging Market corporate	34	34	34	45	3.1%	0.0	0.3	-10.2
Developed sovereign	147	146	148	88	13.4%	0.5	-1.5	59.1
Emerging Market sovereign	81	81	81	91	7.4%	0.0	0.2	-10.1

Table 13: Single name CDS net notional breakdown by rating and sector (based on top corporate CDS)

Rating	Total			US		Int'l Developed Markets		Emerging Markets	
	17-Dec-10	% Share	1w chg	17-Dec-10	1w chg	17-Dec-10	1w chg	17-Dec-10	1w chg
Investment grade	630	75%	1.0	307	0.5	299	0.5	24	0.0
High yield	142	17%	-1.0	102	0.3	37	-1.3	2	0.0
Defaulted	72	9%	-1.4	26	-1.7	41	0.2	5	0.0
	0.0	0.0%	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Sector									
Basic Material	64	7%	0.1	26	0.2	37	0.0	0.7	0.0
Communication	103	12%	-0.1	45	0.0	54	-0.1	4.0	0.1
Consumer & Retail	150	17%	0.0	92	0.1	57	-0.1	0.6	0.0
Energy	51	6%	0.2	28	0.1	14	0.1	9.2	0.0
Financial	259	30%	-2.0	131	-1.4	114	-0.6	13.5	0.0
Healthcare & Pharm	25	3%	-0.1	19	0.0	6	-0.1	0.3	0.0
Industrial	140	16%	0.3	61	0.3	74	0.0	4.4	0.0
Technology	19	2%	0.1	14	0.1	5	0.0	0.5	0.0
Utilities	49	6%	-0.1	20	-0.2	28	0.1	1.1	0.0

Table 14: Top weekly changes in all indices and tranches

	Net notional (\$bn)	
	17-Dec-10	4w chg
CDX.IG	319.9	-26.3
CDX.HY	74.2	-4.4
ITRAXX EUROPE	428.5	4.3
LCDX	10.8	-0.5
ITRAXX EUROPE SECTORS	84.1	0.5
ITRAXX EUROPE HVOL	33.9	-0.4
MBX	2.3	-0.3
ITRAXX EUROPE CROSSOVER	35.2	0.3
ITRAXX ASIA	9.5	0.2
CDX.EM	25.3	0.2
CMBX	36.4	0.1
TABX	2.1	0.1

Table 12: Top weekly changes in on-the-run indices and tranches

	Net notional (\$bn)	
	17-Dec-10	4w chg
CDX.NA.IG.15	68.8	-2.2
CDX.NA.HY.15	18.8	1.4
ITRAXX EUROPE SERIES 14	41.8	1.2
ITRAXX EUROPE SENIOR FINANCIALS SERIES 14	19.8	1.0
ITRAXX EUROPE CROSSOVER SERIES 14	9.6	0.5
ITRAXX EUROPE HIVOL SERIES 14	3.4	-0.3
ITRAXX SOVX WESTERN EUROPE SERIES 4	5.3	0.2
ITRAXX EUROPE SUB FINANCIALS SERIES 14	11.9	-0.2
ABX.HE.PENAAA.07-1	0.5	0.1
ITRAXX SOVX ASIA PACIFIC SERIES 4	0.5	0.1
CDX.EM.14	7.2	0.1
PRIMEX.FRM.2	1.1	0.1

Source for all DTCC & J.P. Morgan

Table 13. Top weekly changes in US corporate CDS

	Net notional (\$bn)		Bond&Loan Outst (\$bn)	CDS/Debt Ratio
	17-Dec-10	4w chg		
1 GENERAL ELECTRIC CAPITAL CORPOF	12.72	0.33	248.9	5.1%
2 MBIA INSURANCE CORPORATION	6.27	0.19	1.0	625.1%
3 BANK OF AMERICA CORPORATION	6.17	0.17	154.0	4.0%
4 BERKSHIRE HATHAWAY INC.	6.02	0.13	16.0	37.6%
5 THE GOLDMAN SACHS GROUP, INC.	5.40	-0.15	169.9	3.2%
6 WELLS FARGO & COMPANY	5.33	0.06	53.6	9.9%
7 JPMORGAN CHASE & CO.	5.20	-0.05	149.3	3.5%
8 MORGAN STANLEY	5.13	-0.12	181.8	2.8%
9 CITIGROUP INC.	4.36	-0.04	167.0	2.6%
10 MERRILL LYNCH & CO., INC.	4.08	-0.16	113.7	3.6%
11 METLIFE, INC.	4.03	0.15	25.0	16.1%
12 INTERNATIONAL LEASE FINANCE CORI	2.95	0.11	24.0	12.3%
13 AMERICAN INTERNATIONAL GROUP, IN	2.87	-0.13	97.5	2.9%
14 AT&T INC.	2.69	0.05	49.9	5.4%
15 SLM CORPORATION	2.56	0.01	21.4	12.0%
16 THE PMI GROUP, INC.	2.47	-0.05	0.8	305.1%
17 WHIRLPOOL CORPORATION	2.33	-0.08	3.5	66.6%
18 COMPUTER SCIENCES CORPORATION	2.30	0.09	3.5	65.8%
19 RADIAN GROUP INC.	2.26	0.01	1.1	203.8%
20 SARA LEE CORPORATION	2.25	0.01	3.7	61.4%
21 MACY'S INC.	2.20	0.01	-	-
22 SPRINT NEXTEL CORPORATION	2.10	0.07	6.3	33.2%
23 CENTEX CORPORATION	2.09	-0.05	1.5	140.2%
24 CBS CORPORATION	2.05	0.00	7.4	27.7%
25 MASCO CORPORATION	2.03	0.03	5.4	37.9%
26 THE SHERWIN-WILLIAMS COMPANY	2.01	-0.02	2.0	102.5%
27 TIME WARNER INC.	1.99	-0.06	16.6	12.0%
28 ASSURED GUARANTY MUNICIPAL COR	1.98	0.08	0.3	664.3%
29 WAL-MART STORES, INC.	1.97	0.00	58.6	3.4%
30 CONSTELLATION ENERGY GROUP, INC	1.96	0.00	5.0	39.1%
31 AUTOZONE, INC.	1.93	0.02	3.6	54.3%
32 MGIC INVESTMENT CORPORATION	1.89	-0.07	1.1	170.2%
33 THE DOW CHEMICAL COMPANY	1.89	-0.01	20.6	9.2%
34 SOUTHWEST AIRLINES CO.	1.85	-0.01	2.9	63.7%
35 ALCOA INC.	1.82	0.03	11.2	16.3%
36 SAFFEWAY INC.	1.81	-0.05	5.7	32.0%
37 CENTURYLINK, INC.	1.79	0.00	3.2	55.3%
38 LIMITED BRANDS, INC.	1.78	-0.07	3.3	53.5%
39 NORDSTROM, INC.	1.77	0.00	2.9	62.0%
40 MBIA INC.	1.75	-0.09	1.0	174.2%
41 ALLY FINANCIAL INC.	1.73	-0.08	41.0	4.2%
42 INTERNATIONAL PAPER COMPANY	1.73	-0.02	7.4	23.4%
43 INGERSOLL-RAND COMPANY	1.73	-0.03	1.3	132.9%
44 VERIZON COMMUNICATIONS INC.	1.73	0.01	25.5	6.8%
45 KRAFT FOODS INC.	1.71	0.06	31.3	5.5%
46 WEYERHAEUSER COMPANY	1.71	-0.03	5.0	34.0%
47 CARNIVAL CORPORATION	1.68	-0.06	0.3	496.8%
48 CONOCOPHILLIPS	1.68	-0.04	20.6	8.2%
49 ALTRIA GROUP, INC.	1.68	0.05	14.3	11.7%
50 NABORS INDUSTRIES, INC.	1.67	0.02	-	-
51 CATERPILLAR INC.	1.64	0.01	20.7	7.9%
52 RYDER SYSTEM, INC.	1.63	-0.03	2.9	57.0%
53 TEMPLE-INLAND INC.	1.62	-0.03	1.1	143.6%
54 TRANSOCEAN INC.	1.61	0.07	-	-
55 PULTEGROUP, INC.	1.61	0.02	2.8	58.5%
56 ROYAL CARIBBEAN CRUISES LTD.	1.60	-0.02	6.4	25.0%
57 THE KROGER CO.	1.59	-0.04	9.1	17.4%
58 R.R. DONNELLEY & SONS COMPANY	1.58	-0.05	5.1	30.7%
59 MEADWESTVACO CORPORATION	1.57	0.00	1.1	137.3%
60 THE PROCTER & GAMBLE COMPANY	1.56	-0.03	23.4	6.7%
61 MOTOROLA, INC.	1.55	0.08	4.1	37.7%
62 LENNAR CORPORATION	1.55	-0.02	2.9	53.5%
63 GANNETT CO., INC.	1.52	-0.09	5.3	28.6%
64 THE HOME DEPOT, INC.	1.52	-0.04	11.3	13.5%
65 PITNEY BOWES INC.	1.52	-0.02	5.4	27.9%

Source for all: DTCC, Bloomberg & J.P. Morgan. Debt outstanding data is at the issuer level and is sourced from Bloomberg.

Table 14. Top weekly changes in US corporate CDS

	Net notional (\$bn)		Bond&Loan Outst (\$bn)	CDS/Debt Ratio
	4w chg	17-Dec-10		
1 GENERAL ELECTRIC CAPITAL CORPOF	0.33	12.72	248.9	5.1%
2 TARGET CORPORATION	-0.06	1.04	14.1	7.4%
3 K. HOVNIANIAN ENTERPRISES, INC.	0.16	0.88	-	-
4 METLIFE, INC.	0.15	4.03	25.0	16.1%
5 CONSTELLATION ENERGY GROUP, INC	0.00	1.96	5.0	39.1%
6 VERIZON COMMUNICATIONS INC.	0.01	1.73	25.5	6.8%
7 ARROW ELECTRONICS, INC.	-0.15	1.03	-	-
8 MACY'S, INC.	0.01	2.20	-	-
9 OMNICOM GROUP INC.	-0.06	1.13	3.2	35.8%
10 TIME WARNER INC.	-0.06	1.99	16.6	12.0%
11 ANHEUSER-BUSCH COMPANIES, INC.	0.05	1.18	22.5	5.3%
12 CBS CORPORATION	0.00	2.05	7.4	27.7%
13 VULCAN MATERIALS COMPANY	-0.09	0.47	3.9	12.0%
14 D.R. HORTON, INC.	-0.11	1.45	2.2	67.2%
15 THE ALLSTATE CORPORATION	0.13	0.94	6.9	13.7%
16 ERP OPERATING LIMITED PARTNERSH	-0.04	0.71	6.6	10.7%
17 MOTOROLA, INC.	-	1.55	4.1	37.7%
18 OLIN CORPORATION	0.03	1.20	0.7	181.4%
19 TENET HEALTHCARE CORPORATION	-0.03	0.31	5.1	6.1%
20 CAMPBELL SOUP COMPANY	-0.05	0.77	4.6	17.0%
21 MGIC INVESTMENT CORPORATION	-0.07	1.89	1.1	170.2%
22 R.R. DONNELLEY & SONS COMPANY	-0.05	1.58	5.1	30.7%
23 AMERICAN EXPRESS COMPANY	-0.06	1.49	13.5	11.0%
24 NEWS AMERICA INCORPORATED	-0.03	0.95	11.3	8.4%
25 CARDINAL HEALTH, INC.	0.01	0.93	3.9	24.1%
26 KB HOME	0.06	1.07	1.7	64.2%
27 CITIGROUP INC.	-0.04	4.36	167.0	2.6%
28 THE NEW YORK TIMES COMPANY	0.06	1.34	1.2	111.7%
29 INTERNATIONAL LEASE FINANCE CORI	0.11	2.95	24.0	12.3%
30 PROGRESS ENERGY, INC.	-0.01	0.72	4.7	15.4%

Table 15. Top weekly % changes in US corporate CDS

	Net notional		Bond&Loan Outst (\$bn)	CDS/Debt Ratio
	4w % chg	17-Dec-10		
1 XCEL ENERGY INC.	25.4%	0.23	1.9	12.1%
2 TENET HEALTHCARE CORPORATION	-10.2%	0.31	5.1	6.1%
3 K. HOVNIANIAN ENTERPRISES, INC.	22.6%	0.88	-	-
4 VULCAN MATERIALS COMPANY	-16.5%	0.47	3.9	12.0%
5 COMMUNITY HEALTH SYSTEMS, INC.	-10.8%	0.30	-	-
6 TARGET CORPORATION	-5.5%	1.04	14.1	7.4%
7 TECO ENERGY, INC.	12.3%	0.22	0.3	67.7%
8 THE MOSAIC COMPANY	8.5%	0.12	1.5	8.6%
9 THE TRAVELERS COMPANIES, INC.	-12.1%	0.47	6.1	7.7%
10 ENERGY TRANSFER PARTNERS, L.P.	6.2%	0.36	7.1	5.1%
11 NEWMONT MINING CORPORATION	-2.0%	0.41	6.5	6.2%
12 RITE AID CORPORATION	17.6%	0.59	7.3	8.1%
13 ERP OPERATING LIMITED PARTNERSH	-5.5%	0.71	6.6	10.7%
14 ARROW ELECTRONICS, INC.	-12.8%	1.03	-	-
15 ARAMARK CORPORATION	-9.0%	0.20	5.6	3.6%
16 CISCO SYSTEMS, INC.	-5.9%	0.53	-	-
17 THE ALLSTATE CORPORATION	16.2%	0.94	6.9	13.7%
18 OMNICOM GROUP INC.	-4.8%	1.13	3.2	35.8%
19 ANHEUSER-BUSCH COMPANIES, INC.	4.1%	1.18	22.5	5.3%
20 CAMPBELL SOUP COMPANY	-6.4%	0.77	4.6	17.0%
21 TIME WARNER CABLE INC.	19.6%	0.73	24.4	3.0%
22 PROGRESS ENERGY, INC.	-1.7%	0.72	4.7	15.4%
23 STANDARD PACIFIC CORP.	2.4%	0.38	1.9	19.6%
24 STANDARD LIFE ASSURANCE LIMITED	6.2%	0.40	-	-
25 WIND ACQUISITION FINANCE S.A.	-0.9%	0.52	-	-
26 CHEVRON CORPORATION	-6.0%	0.54	5.0	10.8%
27 DISH DBS CORPORATION	6.1%	0.51	6.2	8.3%
28 OLIN CORPORATION	2.4%	1.20	0.7	181.4%
29 CARDINAL HEALTH, INC.	1.3%	0.93	3.9	24.1%
30 NEWS AMERICA INCORPORATED	-3.0%	0.95	11.3	8.4%

CDX.EM net notional outstanding

	Net Notional Outstanding (\$bn)			Change (\$bn)		Min (\$bn)	Max (\$bn)	5Y CDS (bp)	Basis point risk (\$mm) ***
	Beginning	History **	Current	1w	4w				
EM Sovereign	90.88		80.82	0.03	0.20	66.86	90.88	-	-
EM Corp	44.54		34.37	0.05	0.31	33.97	44.54	-	-
CDX.EM	23.77		25.30	0.16	0.42	14.14	25.30	210	-
1 China	2.65		4.56	0.06	-0.08	1.46	4.67	71	2.12
2 Korea	5.64		4.45	-0.03	0.08	3.03	5.64	96	2.05
3 Jsc 'Gazprom'	2.87		2.92	-0.02	-0.01	1.89	3.83	223	1.29
4 Hutchison Whampoa Limited	2.86		2.36	-0.03	-0.07	2.17	3.06	78	1.10
5 Poland	2.43		2.15	-0.06	-0.07	1.66	2.60	145	0.98
6 Petroleos Mexicanos	1.92		1.95	-0.01	-0.02	1.60	2.55	142	0.88
7 Petroleo Brasileiro S/A Petrobras	0.54		1.85	0.00	0.05	0.36	1.85	162	0.84
8 Jsc Vtb Bank	1.43		1.83	-0.03	0.03	1.06	2.34	310	0.79
9 ABU DHABI	0.00		1.13	0.00	-0.06	0.36	1.24	90	0.52
10 Thailand	1.21		1.12	0.04	0.06	0.91	1.23	101	0.52
11 Romania	1.93		1.10	-0.01	-0.09	1.06	1.93	300	0.47
12 Bulgaria	1.82		1.10	-0.03	-0.06	1.01	1.82	255	0.48
13 Russian Agricultural Bank	0.62		1.08	0.01	0.00	0.62	1.57	221	0.48
14 Slovenia	0.00		0.86	-0.01	0.01	0.61	0.87	76	0.40
15 State Bank Of India	0.77		0.86	0.05	0.10	0.68	0.90	158	0.39
16 Pccw-Hkt Telephone Limited	0.74		0.85	0.00	0.02	0.55	0.88	109	0.39
17 Kazakhstan	2.81		0.85	0.00	0.01	0.62	2.81	184	0.38
18 Czech Republic	1.17		0.85	-0.03	-0.05	0.85	1.34	94	0.39
19 Sberbank	0.94		0.83	-0.01	-0.02	0.76	1.69	196	0.37
20 Israel	0.60		0.80	0.00	0.02	0.45	0.80	115	0.37
21 Slovak Republic	1.03		0.80	0.00	0.01	0.76	1.14	85	0.37
22 Telecom Corporation Of New Zeal.	0.81		0.77	0.00	0.00	0.65	0.88	73	0.36
23 The Export-Import Bank Of Korea	1.19		0.74	0.00	0.00	0.43	1.19	111	0.34
24 Reliance Industries Limited	0.88		0.73	0.03	0.04	0.59	0.93	157	0.33
25 Vietnam	0.82		0.72	0.02	0.05	0.35	0.82	310	0.31
26 Posco	1.02		0.72	0.00	0.04	0.66	1.02	81	0.34
27 Croatia	0.79		0.69	0.00	0.08	0.47	0.81	250	0.31
28 Telefonos De Mexico, Sociedad An	0.00		0.68	0.01	0.01	0.28	0.89	117	0.31
29 Icici Bank Limited	1.26		0.67	0.00	0.02	0.60	1.26	198	0.30
30 EGYPT	0.00		0.66	-0.02	-0.03	0.42	0.70	225	0.29

* CDS net notional outstanding and its contribution to CDX.EM net notional outstanding
 *** Basis point risk = Net notional * 5Y Spread DV01

** Red dots = beginning and ending values, green dots = max and min values
 Source for all: DTCC & J.P. Morgan

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