

Bloomberg BRIEF

Structured Notes

05.19.11

VOLUMES

U.S. Structured Notes

LAST WEEK (MAY 9-13)

↓ \$628 MILLION (1 year ago: \$1.31 billion)

FIRST QUARTER

↑ \$14.8 BILLION (1 year ago: \$10.6 billion)

APRIL

↓ \$3.07 BILLION (1 year ago: \$4.09 billion)

YEAR TO DATE (JAN. 1 - MAY 13)

↑ \$18.6 BILLION (1 year ago: \$16.2 billion)

YEAR TO DATE EQUITY

↑ \$8.62 BILLION (1 year ago: \$7.62 billion)

YEAR TO DATE COMMODITIES

↑ \$1.90 BILLION (1 year ago: \$1.46 billion)

Global Rate Linked Notes

LAST WEEK (MAY 9-13)

↑ \$3.29 BILLION (1 year ago: \$1.1 billion)

FIRST QUARTER

↓ \$30.3 BILLION (1 year ago: \$31.1 billion)

APRIL

↑ \$9.83 BILLION (1 year ago: \$9.40 billion)

YEAR TO DATE (JAN. 1 - MAY 13)

↑ \$45.7 BILLION (1 year ago: \$42.8 billion)

YEAR TO DATE RATES

↓ \$21.9 BILLION (1 year ago: \$23.6 billion)

YEAR TO DATE CLNS

↑ \$15.8 BILLION (1 year ago: \$14.7 billion)

Buyers Snap Up Commodity-Tied Notes, Other Sales Fall

BY MATT ROBINSON

Investors concerned about inflation are buying commodity-linked structured notes, increasing issuance of the securities even as overall sales of U.S. notes have dropped.

Issuance of commodity-linked notes increased by 4.8 percent to \$366 million in April from \$349 million in March. Total structured note issuance declined 38 percent to \$3.1 billion in April from \$5 billion in March, according to data compiled by Bloomberg.

Investors concerned about inflation have looked to the asset class as the two have historically risen at the same time, according to **Philippe J.J. Comer**, **Barclay Capital's** head of commodity investor structur-

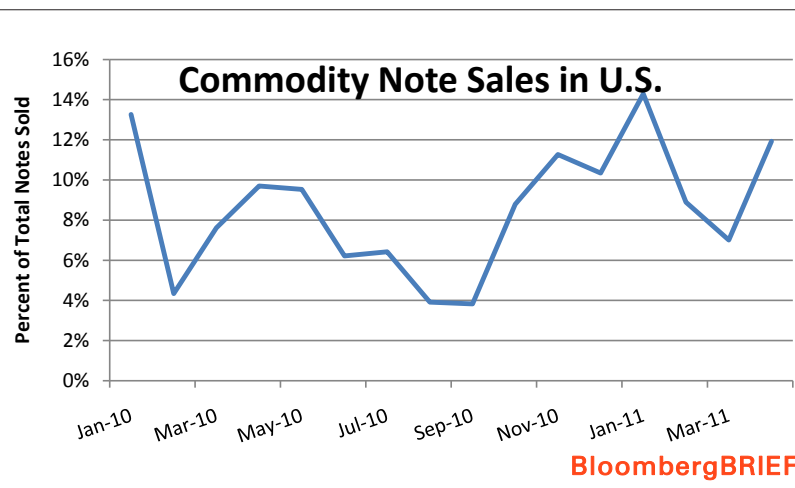
ing in the Americas, where he oversees the creation of commodity indexes and commodity-based derivative products.

"Recently, we've seen more and more interest to go beyond the asset play and invest in single sectors or specific underlying," commodities, Comer said in a telephone interview.

Barclays Plc issued \$8.5 million of one-year notes linked to palladium, a metal used in almost every car's catalytic converter. The notes, sold May 3, return between 7.4 percent and 20 percent as long as palladium doesn't fall by more than 20 percent, according to a prospectus filed with the SEC.

Commodities dropped the most in more than two years on slower economic growth May 5. The **Standard & Poor's GSCI Index** of 24 raw materials fell 6.5 percent to 683.83 on May 5, the biggest decline since Jan. 7, 2009.

The decline hasn't deterred many investors as they "see the downtick correction in prices as a buying opportunity," Comer said.



Silver-Linked Note Trading Surges as Metal's Price Falls

BY SARFRAZ THIND

Trading volumes of silver-linked structured notes on NYSE Euronext exchanges surged in the first two weeks of the month as the price of the metal fell.

Investors bought and sold 190.7 million euros (\$271 million) of silver-linked notes on the Euronext exchanges from May 1-13, compared with 159.4 million euros in the whole of April, which had been the busiest month this year. NYSE Euronext operates markets in Paris,

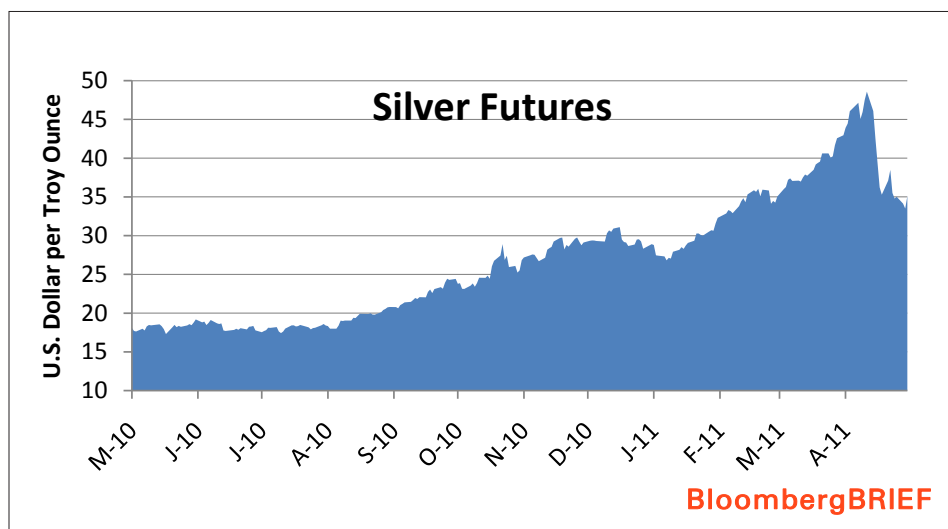
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Silver-Linked Note Trading...

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Amsterdam, Brussels and Lisbon.

"In the last few weeks silver was the most-traded underlying among all our leveraged products," said **Erik Mauritz**, head of public distribution for Benelux countries at **Royal Bank of Scotland Group Plc** in Amsterdam. "This is something we haven't seen since 2004. Investors have seen little move in the equity markets this year so view silver as a prime investment opportunity to take long positions as the asset dipped."

The surge in volumes came as silver dropped to \$35.2 per ounce, 29 percent down from a 30-year high reached on April 25. This month also saw the biggest weekly drop since at least 1975, after **CME Group Ltd.**, the Comex owner, boosted the cash amount needed for a speculative position by 84 percent. The precious metal price is up 93 percent from a year ago.

RBS's most popular product on the Amsterdam exchange in May has been so-called turbo and quanto notes linked to silver. Turbo notes allow investors to take leveraged bets on the metal's gains, while quanto notes are used to hedge foreign-currency exposure to its price per ounce, quoted in dollars.

RBS's silver turbo note turnover grew to 81 million euros in April and 87 million euros so far in May, from 63 million euros in March, according to Mauritz.

While most investors remain long the underlying asset – betting on a rise – the ratio of long-to-short silver securities

dropped from 13.16 in April to 4.55 in May, according to NYSE Euronext statistics.

Increased volatility in silver prices has led banks to sell more structured notes on silver offering guaranteed coupons with some capital protection. The notes include embedded derivatives which rise in value as volatility increases. Volatility soared to 135.1 percent on May 9 from 59 percent at the beginning of the month, according to data compiled by Bloomberg.

"Over the last two weeks the price moves on silver have got scary, though it has allowed us to generate a very attractive coupon," said **Pascal Hildbrand**, structured product salesman at **Clariden Leu**, the Zurich-based private bank. "Silver structured products offer the advantage of caution and safety with capital guarantees, though there is the disadvantage of having returns capped."

Clariden sold a 1 million-euro (\$1.4 million), 10.75 percent structured note linked to silver, in a private transaction last week. The so-called reverse convertible security pays the coupon as long as the price of silver remains above 60 percent of its initial price of \$36.2 per ounce, according to Clariden. If the price falls below this level, the investment is converted into equivalent units of the underlying asset.

The one-year note was priced May 13 when silver had already dropped 25 percent from its April high. A similar note

issued the previous month would have returned between 6 percent and 7 percent said Clariden's Hildbrand. Structured notes offering silver exposure may not be suitable for everyone, he said.

"The problem with offering silver to mass subscription is that it's such a volatile metal," said Hildbrand. "Conditions underlying the note change from day to day meaning that if you have a week's subscription period the price at the end of the week can change a lot from the initial guidance."

Core Pacific-Yamaichi Agrees to Repurchase Lehman Notes

BY DOUGLAS WONG

Core Pacific-Yamaichi (H.K.) Ltd. agreed with Hong Kong's Securities and Futures Commission to repurchase **Lehman Brothers**-related structured notes from clients at their original value, the regulator said in a statement last week.

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NEWS

Push to Standardized Names Borrows from Swiss

BY MATT ROBINSON AND SARFRAZ THIND

Eric Greschner is working on a plan to convince banks in the U.S. to adopt a Swiss-inspired labeling system for structured notes, just as the **Swiss Structured Products Association** (SSPA) has plans to make its five-year-old system more visible in marketing materials.

Greschner, co-founder of **Regatta Research & Money Management LLC**, has received permission from the Zurich-based association to apply its uniform naming system to the U.S. market.

"A lot of these structures – maybe 90 percent of them – are fairly generic and commoditized," said Greschner, whose firm teaches national training courses in structured notes at brokerage firms. "Why should there be five different names for PPNs?" Greschner said in a telephone interview.

The effort would bring more clarity to the U.S. market for the complex securities that grew to a record \$50 billion in 2010, and allow potential investors to more easily compare offerings from different issuers. In the U.S., **Morgan Stanley** and **Citigroup** sell "Elks"; the **Royal Bank of Scotland** issues "Rexs" and **UBS** sells "Yield Optimization Notes with Contingent Protection." All of the notes would likely be labeled barrier reverse convertibles if issuers followed SSPA's guidelines.

The Swiss standard started when **Eric Wasescha**, who was at **Bank Sarasin & Cie AG**, the Swiss wealth manager controlled by **Rabobank Groep NV**, set up a spreadsheet for his own use to categorize the different products, which gained popularity among his colleagues, according to SSPA director **Martin Fricker**. The SSPA was set up in 2006 and quickly adopted the structured products map, Fricker said.

"We said that every issuer can continue to use their own marketing names but add the categorization number. Banks are not eager to drop their marketing names – so we said they could use those and also add the official categorization to it."

Currently, the SSPA is working on the second stage of the map which will encourage all issuers to drop their own names and use the SSPA's standardized categorization of structured products, which should begin in earnest in October, according to Fricker.

"We think it's common sense to make things more consistent and coherent and are trying to get issuers to drop their own names. The more one name becomes adopted the less interesting it will be for issuers to use their own name, because they then have to explain the product," he said.

The variety of synonyms used by underwriters in the U.S. has confused both investors and brokers, said **Randy Pegg**, executive vice president for **Advisors Asset Management in Monument, Colorado**.

"It's been a problem in our industry for years," said Pegg, whose firm distributes bonds and structured notes to more than 35,000 brokers, "We get that question a lot times, 'Aren't those the same thing? Why is there different terminology?'"

It's more about when rather than if the industry will adopt a standard, said **Keith Styrcula**, chairman and founder of the New York-based **Structured Products Association**, who is currently adding to an executive committee that he said may move this issue and others forward.

ISSUER RATINGS

Structured notes are unsecured obligations of banks.

The below table shows the credit ratings of the top issuers of structured notes in the U.S. and Europe.

Top Issuers Based in the Americas

ISSUER	MOODY'S/S&P RATING
JPMorgan Chase	Aa3/A+
Bank of America Corp	A2/A
Citigroup Funding Inc.	A3
Morgan Stanley	A2/A
Royal Bank of Canada	Aa1/AA-
Goldman Sachs Group, Inc.	A1/A
Bank of Montreal	Aa2/A+

Top European Issuers

ISSUER	MOODY'S/S&P RATING
DZ Bank	Aa3/A+
Barclays	Aa3/AA-
Commerzbank	A2/A
LBBW	Aa2
UBS	Aa3/A+
Deutsche Bank	Aa3
Royal Bank of Scotland PLC	Aa3/A+
Credit Agricole	Aa3/AA-
SG	Aa2/A+
ING	Aa3/A+
Intesa Sanpaolo	Aa2/A+

Correction: The Americas ratings box that appeared in the May 12 issue were incorrect. The ratings above are accurate.

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NOTES SOLD

SEC-REGISTERED NOTES

■ **Citigroup Inc.** issued \$60 million of **fixed-to-floating rate**, two-year notes tied to Libor, the largest such offering for the bank in 2011, according to data compiled by Bloomberg. The securities, sold May 10, return 1 percent interest then switch to a floating rate of three-month Libor plus 1 percent, according to a prospectus filed with the SEC.
CUSIP: 1730T0MM8
BBGID: EI6739342

■ **HSBC Holdings Plc** issued \$46.9 million of one-year notes tied to a basket of equity indexes made up of the **EURO STOXX 50 Index (SX5E)**, **FTSE 100 Index (UKX)** and **Tokyo Stock Price Index (TPX)**. The securities, sold May 13, yield a maximum of 16.76 percent at maturity. If the indexes decline, investors can lose up to 100 percent of their initial investment. **JPMorgan Chase & Co.** underwrote the bonds for a 1 percent commission.
CUSIP: 4042K1HQ9

■ **Goldman Sachs Group Inc.** issued \$26 million of eight-year **callable step-up notes**, the largest such offering so far this year, according to data compiled by Bloomberg. The securities, sold May 11, pay 3.25 percent initially. The rate then rises to 4.50 percent after four years, then 7.75 percent in 2017 and 9 percent in 2018, according to a prospectus filed with the SEC. The bank can redeem the notes quarterly beginning in November. Goldman distributed the notes for a 1.9 percent commission.
CUSIP: 38143UUL3
BBGID: EI6641001

■ **Bank of America Corp.** issued \$5 million of three-year notes, called "Currency Market Index Target-Term Securities," tied to an **equal-weighted basket of currencies**, made up of the Australian, New Zealand, Canadian and U.S. dollars. The notes, sold May 9, bear no interest. At maturity investors are paid return any gains in the basket up to 205 percent, according to a prospectus filed with the

SEC. Investors may lose up to 10 percent of their principal if the basket falls.
CUSIP: 06050R619
BBGID: CD4763016

■ **Barclays PLC** issued \$1.2 million of reverse convertible notes linked to the **iShares Silver Trust**, the first such offering from the bank since at least January 2010, according to data compiled by Bloomberg. The six-month notes, sold May 13, return 18.85 percent a year with investors at risk of losing money if the shares fall by more than 20 percent by the time the notes mature, according to a prospectus filed with the SEC. Barclays distributed the notes for a 1.5 percent commission.
CUSIP: 06741JHL6
BBGID: RC5668079

NOTES SOLD OUTSIDE THE U.S.

■ **Societe Generale SA** issued 100 million euros (\$1.43 million) of structured notes that pay a coupon equivalent to the **10-year euro swap rate** plus 30 basis points. The ten-year notes pay a maximum seven percent and have a zero percent floor, according to data compiled by Bloomberg. The 10-year euro swap rate, the cost to convert fixed interest payments to floating, has risen 23 basis points this year to 3.451 percent, according to composite prices on Bloomberg.
ISIN: XS0628540576
BBGID: EI6775437

■ **Credit Agricole SA** issued 6.75 million euros (\$9.5 million) of structured notes linked to **European inflation**. The five-year securities pay a fixed 3.4 percent in the first two years, according to data compiled by Bloomberg. After that it switches to a coupon equal to the harmonized index of consumer prices in Europe ex-tobacco, with the minimum of 3.4 percent. The inflation rate is currently at 2.8 percent, according to Bloomberg price data.
ISIN: XS0619382657
BBIS: EI6792259

■ **Swedish Export Credit Bank** issued 29 million krona (\$4.6 million) of structured notes that pay a coupon equivalent to

twice the three-month Stockholm interbank offer rate, or **Stibor**, minus 1.96 percent. The five-year deal was arranged by **Royal Bank of Scotland Group Plc.**, according to data compiled by Bloomberg. Three-month Stibor has risen from 0.6 percent a year ago to its current 12-month peak.
ISIN: XS0629090720
BBGID: EI6781955

■ **Royal Bank of Scotland Group Plc** sold \$1.65 million of structured notes that pay 6 percent as long as **three-month Libor** stays between zero and 6 percent. The six-year deal was self led. RBS has the option to redeem the notes on quarterly call dates beginning in May, 2013. Three-month Libor was last above 6 percent in December 2000.
ISIN: XS0620897412
BBGID: EI6519413

■ **Natixis SA** issued 45 million euros (\$64.3 million) of structured notes that pay a coupon equivalent to the 30-year Euribor, plus 60 basis points. The 11-year notes pay a maximum seven percent and have a zero percent floor, according to data compiled by Bloomberg. 30-year Euribor was at 3.717 percent today, according to composite prices on Bloomberg. It reached 5.9 percent in September 2001, its highest level in the last ten years.
ISIN: FR0011050301
BBGID: EI6781559

ON THE MOVE

■ **Raphael Aronowicz** joined **Yorkville Asset Management** on April 11 as an associate portfolio manager, where he helps devise structure products for the Toronto-based fund, he said in a telephone interview. Aronowicz, 24, left **UBS Wealth Management** in Toronto earlier in the month, where he was a structured product specialist and reported to **Shona Stone**, head of investment solutions. Aronowicz works for **Hussein Amad**, the founder of the firm.

—Matthew Robinson

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VOICES

Customizable Structured Notes Platform Is a 'Game Changer,' Rivard Says



Francois Rivard, managing director of the financial products solutions group at the National Bank of Canada, discusses the bank's new bespoke notes platform introduced in January. The

platform allows investment advisors to create customized structured notes and evaluate their risk profile.

Rivard, a former vice president at Invesco Trimark, leads a group in charge of engineering, distributing and supporting structured products distributed among the bank's retail branches and third-party investment advisors across Canada.

Tell me about the bespoke notes platform.

"The bespoke notes platform allows advisors the ability to build totally customized products. No longer are we dictating what they should be buying. They decide what they want to buy and we position for them."

"We gave investment advisors the ability to do five things. Number one, they choose

the underlying (security); two, the kind of exposure; three, the term; how long do they want to invest in the vehicle? After that, we give them the option to choose a commission: Do they want 0 percent commission because it's a fee-based account? Do they want to get paid a commission because it's not a fee based account? Number five, is where I think we really evolved in becoming a premier game-changer in Canada, is that, that product will be delivered to them in less than 24 hours."

Give me an example.

"On March 11, the Nikkei was down 15 percent overnight. At that time, a lot of investment advisors wanted to take a position, but were still a little worried of a further, small decline. But they knew it was not going to be down 50 percent overnight. So, we built a double-up accelerator on a two-year term with 15 percent downside protection. If the index went down another 15 percent, you'd be protected and if goes up, you get double the return."

Why did you create the bespoke platform?

"We wanted to really switch the power from the issuer to the investor. We thought it would make for better products."

Why did you add the educational component to the product?

"We built the whole program to make sure that when investment advisors use these products in portfolios that they use them properly and adequately. So they understand the real risk return profile associated with the products."

What's popular in Canada?

"Accelerator notes are popular; notes with an accelerated upside with the same downside risk. We're also issuing some principal-protected notes but more cautiously with some minimum coupons. We're also very successful with doing market-linked GICs with minimum coupons."

What do you think people would be surprised to learn about the Canadian market?

"How diverse the market is. We have 10 provinces. Provinces like Alberta are a lot more risk driven. Provinces like Quebec are a lot less risk driven and more risk averse. Ontario is in between the two. It comes from the history of each one of the provinces and the history of the type of people who live there."

"It can make things difficult. You need to be all things to everybody. Well, you know what? We're not going to try to be all things to everybody when issuing something. We're going to give you the opportunity to tell us what you want."

MASTER COMPLEXITY WITH CLARITY

TRANSPARENT AND INDEPENDENT VALUATIONS FOR DERIVATIVES AND STRUCTURED NOTES

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EXCHANGE TRADED NOTES

Top 10 U.S.Exchange Traded Notes, by Market Capitalization

NAME	ISSUER	TICKER	RANK	MARKET CAPITALIZATION*
IPATH DOW JONES-UBS COMMDTY	Barclays	DJP	1	3,151,136,000
JPMORGAN ALERIAN MLP INDEX	JPMorgan Chase	AMJ	2	2,639,725,000
IPATH S&P 500 VIX S/T FU ETN	Barclays	VXX	3	1,349,004,000
ELEMENTS ROGERS TOTAL RETURN	SEK	RJI	4	909,534,100
IPATH MSCI INDIA INDEX ETN	Barclays	INP	5	738,446,800
IPATH S&P 500 VIX M/T FU ETN	Barclays	VXZ	6	678,833,400
ELEMENTS ROGERS AGRI TOT RET	SEK	RJA	7	665,444,900
IPATH GOLDMAN SACHS CRUDE	Barclays	OIL	8	624,470,500
PWRSHS DB GOLD DOUBLE LONG	Deutsche Bank	DGP	9	503,580,000
IPATH DJ-UBS GRAINS SUBINDEX	Barclays	JJG	10	321,995,900

Top 10 U.S.Exchange Traded Notes, by Volume

NAME	ISSUER	TICKER	RANK	YEAR-TO-DATE RETURN*
IPATH S&P 500 VIX S/T FU ETN	Barclays	VXX	1	22,753,978.00
ELEMENTS ROGERS AGRI TOT RET	SEK	RJA	2	1,551,301.00
VELOCITYSHARES 2X VIX SH-TRM	Credit Suisse	TVIX	3	1,528,415.00
POWERSHARES DB OIL 2X SHORT	Deutsche Bank	DTO	4	1,519,421.00
JPMORGAN ALERIAN MLP INDEX	JPMorgan Chase	AMJ	5	1,271,110.00
PWRSHS DB GOLD DOUBLE SHORT	Deutsche Bank	DZZ	6	1,227,622.00
ELEMENTS ROGERS TOTAL RETURN	SEK	RJI	7	1,214,718.00
IPATH S&P 500 VIX M/T FU ETN	Barclays	VXZ	8	1,042,270.00
IPATH GOLDMAN SACHS CRUDE	Barclays	OIL	9	987,723.00
PWRSHS DB GOLD DOUBLE LONG	Deutsche Bank	DGP	10	971,884.00

Top 10 U.S. ETNs Launched This Year, by Market Capitalization

NAME	ISSUER	TICKER	RANK	YEAR-TO-DATE RETURN*
IPATH INVERSE JAN 2021 S&P	Barclays	IVO	1	49,470,540
CS MERGER ARBITRAGE 2X NET	Credit Suisse	CSMB	2	32,933,360
RBS US M/C TRENDPILOT ETN	RBS	TRNM	3	20,436,400
MS CUSH MLP HI ETN	Morgan Stanley	MLPY	4	20,079,200
RBS GOLD TRENDPILOT ETN	RBS	TBAR	5	12,845,520
E-TRACS WELLS FARGO BDCI ETN	UBS	BDCS	6	9,719,999
IPATH PURE BETA GRAINS	Barclays	WEET	7	6,047,568
IPATH PURE BETA COTTON	Barclays	CTNN	8	5,935,000
IPATH PURE BETA SUGAR	Barclays	SGAR	9	5,886,250
IPATH PURE BETA AGRICULTURE	Barclays	DIRT	10	5,713,200

Source: Bloomberg LP

Average daily trading volume over last five days, ending May 18.

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U.S. RANKINGS BY ASSET CLASS

The tables below rank issuers and underwriters of U.S.-registered structured notes by asset class. Equity-linked notes do not include reverse convertibles.

Issuers: All Asset Classes

SEC-REGISTERED STRUCTURED NOTE ISSUERS*	2011 Year-to-Date			
	RANK	MARKET SHARE	VOLUME USD (Mln)	DEAL COUNT
Barclays	1	15.1%	2,815.5	356
Bank of America	2	11.8%	2,196.8	98
UBS	3	9.5%	1,763.1	143
Goldman Sachs	4	8.9%	1,651.5	131
Citigroup	5	8.1%	1,513.7	55
JPMorgan	6	7.8%	1,452.7	346
Deutsche Bank	7	6.9%	1,290.9	127
RBC	8	6.1%	1,144.5	364
SEK	9	6.0%	1,113.7	46
Eksportfinans	10	4.8%	898.2	37
UBS	11	4.6%	858.9	130
Credit Suisse	12	3.8%	705.9	153
HSBC	13	3.7%	692.6	140
Wells Fargo	14	1.3%	243.2	32
RBS	15	0.7%	124.1	41
BMO	16	0.4%	75.7	134
Toyota	17	0.4%	75.0	1
Nomura	18	0.1%	22.8	8
SunTrust	19	0.0%	5.2	2
TOTAL (JAN. 1 - MAY 13, 2011)	19	100.0%	18,644.0	2,344

Issuers: Commodity-Linked

SEC-REGISTERED STRUCTURED NOTE ISSUERS*	2011 Year-to-Date			
	RANK	MARKET SHARE	VOLUME USD (Mln)	DEAL COUNT
Eksportfinans	1	22.0%	419.1	11
SEK	2	21.5%	408.6	16
Deutsche Bank	3	16.2%	307.5	17
Bank of America	4	11.8%	224.0	9
Barclays	5	11.2%	213.4	31
JPMorgan	6	5.8%	111.0	12
Morgan Stanley	7	5.1%	97.7	14
Goldman Sachs	8	3.7%	70.9	4
Credit Suisse	9	1.0%	19.2	5
HSBC	10	0.7%	13.2	3
Wells Fargo	11	0.4%	7.4	2
Citigroup	12	0.3%	5.0	1
UBS	13	0.2%	3.8	1
BMO	14	0.1%	1.3	4
RBC	15	0.0%	0.9	1
TOTAL (JAN 1 to MAY 13, 2011)	15	100.0%	1,902.7	131

Underwriters: Equity-Linked

SEC-REGISTERED STRUCTURED NOTE UNDERWRITERS*	2011 Year-to-Date			
	RANK	MARKET SHARE	VOLUME USD (Mln)	DEAL COUNT
Bank of America	1	36.3%	3,126.3	98
JPMorgan	2	17.2%	1,480.6	148
UBS	3	13.5%	1,165.3	117
Goldman Sachs	4	9.4%	812.5	84
Citigroup	5	6.5%	562.2	14
Morgan Stanley	6	4.4%	380.8	48
Barclays	7	3.9%	332.0	45
HSBC	8	2.1%	183.1	79
Wells Fargo	9	2.1%	181.3	37
RBC	10	1.7%	147.1	28
Credit Suisse	11	1.6%	141.2	46
Deutsche Bank	12	1.0%	87.8	15
RBS	13	0.1%	12.4	8
SunTrust	14	0.1%	5.2	2
BMO	15	0.0%	3.7	4
Natixis	16	0.0%	1.0	1
TOTAL (JAN 1 to MAY 13, 2011)	16	100.0%	8,622.6	774

* According to data compiled by Bloomberg from SEC filings.

Underwriters: Commodity-Linked

SEC-REGISTERED STRUCTURED NOTE UNDERWRITERS*	2011 Year-to-Date			
	RANK	MARKET SHARE	VOLUME USD (Mln)	DEAL COUNT
Bank of America	1	53.6%	1,019.7	29
JPMorgan	2	22.5%	429.0	37
Deutsche Bank	3	9.5%	181.7	12
Morgan Stanley	4	4.1%	78.3	13
Goldman Sachs	5	3.8%	72.3	5
Barclays	6	2.3%	43.3	14
UBS	7	2.0%	37.1	4
Wells Fargo	8	1.3%	25.3	6
Credit Suisse	9	0.3%	5.5	3
Citigroup	10	0.3%	5.0	1
HSBC	11	0.2%	3.4	2
BMO	12	0.1%	1.3	4
RBC	13	0.0%	0.9	1
TOTAL (JAN 1 to MAY 13, 2011)	13	100.0%	1,902.7	131

REEVALUATE TRANSPARENCY
BLOOMBERG PRESENTS AN EXPANDED DERIVATIVES SOLUTION



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ASSET CLASS BREAKDOWN

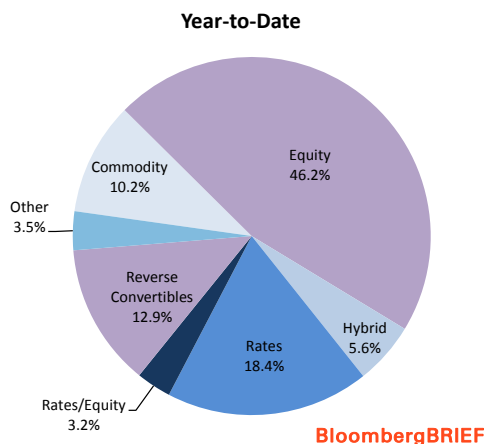
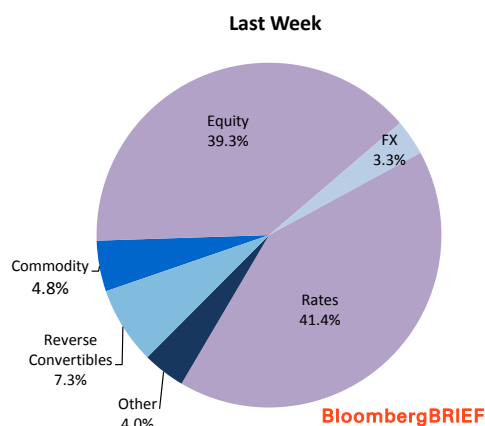
SEC-REGISTERED NOTES*

Investors bought more interest-rate notes than equity-linked securities last week. That's the first time this year that offerings tied to interest-rate have attracted the most buyers.

Interest-rate linked notes made up 41.4 percent of all U.S.-registered notes sold. Eleven of the securities were sold, raising a total of \$260 million.

Year-to-date investors have shown a preference for equity-linked notes, which have made up 46.2 percent of notes sold in 2011.

Sales of reverse convertible notes also fell as a percentage of overall sales to 7.3 percent last week, compared with an average of 12.9 percent for the year.



RANKINGS

Global Underwriters**

GLOBAL RATES-BASED STRUCTURED NOTE UNDERWRITERS**	2011 Year-to-Date			
	RANK	MARKET SHARE	VOLUME USD (Mln)	DEAL COUNT
DZ Bank AG	1	15.1%	6,959.0	122
Barclays Capital	2	8.8%	4,054.4	269
JP Morgan	3	7.6%	3,486.9	60
Deutsche Bank AG	4	5.3%	2,439.9	106
LBBW	5	4.7%	2,151.2	34
Societe Generale	6	4.4%	2,006.8	44
UBS	7	4.3%	1,996.9	195
RBS	8	4.2%	1,932.3	142
Commerzbank AG	9	4.1%	1,896.8	28
Bank of America Merrill Lynch	10	2.8%	1,286.2	45
Citi	11	2.7%	1,255.3	85
Credit Agricole CIB	12	2.6%	1,202.0	55
ING Groep NV	13	2.5%	1,160.2	75
WestLB AG	14	2.4%	1,119.7	10
Goldman Sachs & Co	15	2.3%	1,078.2	31
Rabobank Nederland	16	1.7%	801.5	9
Intesa Sanpaolo SpA	17	1.7%	773.7	4
KBC Group NV	18	1.7%	762.9	19
BNP Paribas Group	19	1.5%	712.7	41
Credit Suisse	20	1.5%	697.0	43
TOTAL (JAN 1 - MAY 18, 2011)	79	100%	46,079	1,961

U.S. Underwriters*

U.S. REGISTERED STRUCTURED NOTE UNDERWRITERS**	2011 Year-to-Date			
	RANK	MARKET SHARE	VOLUME USD (Mln)	DEAL COUNT
Bank of America	1	25.2%	4,699.1	160
JPMorgan	2	17.8%	3,326.2	466
UBS	3	11.1%	2,064.5	268
Morgan Stanley	4	9.7%	1,812.6	141
Barclays	5	8.4%	1,563.1	270
Citigroup	6	8.1%	1,513.7	55
Goldman Sachs	7	6.9%	1,293.0	120
RBC	8	3.2%	592.0	339
Deutsche Bank	9	2.5%	470.2	52
Wells Fargo	10	1.6%	303.1	51
Credit Suisse	11	1.5%	286.4	129
HSBC	12	1.3%	246.0	99
Incapital	13	1.3%	245.3	8
RBS	14	0.7%	124.1	41
BMO	15	0.4%	75.7	134
Nomura	16	0.1%	22.8	8
SunTrust	17	0.0%	5.2	2
Natixis	18	0.0%	1.0	1
TOTAL (JAN 1 - MAY 13, 2011)	18	100.0%	18,644.0	2,344

* According to data compiled by Bloomberg from SEC filings.

** Based on data submitted to Bloomberg by banks. Excludes variable-principal redemption, reverse- and synthetic-convertibles. Global includes Euromarket issues from all nations and domestic European notes. Excludes SEC registered issues.

GLOSSARY

Speeder

Speeder notes provide a leveraged exposure to an underlying asset up to a preset limit. Investors are exposed to all the downside if the asset falls, but will earn a multiple of a small rise in the underlying asset at maturity.

As returns are capped the notes are unfavorable for a very bullish outlook on the underlying.

Speeders have been especially popular in Switzerland. They are similar to Mini-Futures products popular in the U.S. and other European countries which provide futures-like leverage on an underlying asset.

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U.S. SEC-REGISTERED NOTES

Notes sold in excess of \$1 million the week of May 9, 2011.

ISSUER	CUSIP	BBGID	TRADE DATE	AMOUNT IN MLNS	UNDERWRITER	TYPE	TERM IN MONTHS	CALLABLE	UNDERLYING
CITIGROUP	1730T0MM8	BBG001PB1WB1	05/10/11	\$60.0	CITIGROUP	RATES	24	NO	LIBOR
GOLDMAN SACHS	38143UUN9	BBG001P5Q0D5	05/13/11	\$58.3	GOLDMAN SACHS	RATES	144	YES	STEPUP CALLABLE
BARCLAYS	06738KKE0	BBG001PB1G08	05/10/11	\$56.2	BARCLAYS	RATES	24	NO	LIBOR
BANK OF AMERICA	06050R502	BBG001P8B4Y4	05/12/11	\$55.2	BANK OF AMERICA	EQUITY-LINKED	12	NO	SLB
HSBC	4042K1HQ9	BBG001PFQ1F9	05/13/11	\$46.9	JPMORGAN	EQUITY-LINKED	12	NO	SX5E,UKX,TPX
MORGAN STANLEY	61745EM81	BBG001NPWBB4	05/12/11	\$40.0	MORGAN STANLEY	RATES	144	NO	CPI
GOLDMAN SACHS	38143UUL3	BBG001P27ZF4	05/11/11	\$26.0	GOLDMAN SACHS	RATES	96	YES	CALLABLE STEPUP
RBC	78009C373	BBG001PB1N76	05/13/11	\$25.2	RBC	EQUITY-LINKED	12	NO	SLW
JPMORGAN	48125XQE9	BBG001PJ6LL2	05/13/11	\$18.3	JPMORGAN	COMMODITY	12	YES	CRUDE,COPPER,CORN
DEUTSCHE BANK	25154W712	BBG001PH5LH2	05/13/11	\$16.7	UBS	EQUITY-LINKED	6	NO	SLB
DEUTSCHE BANK	25154W696	BBG001PH59T6	05/13/11	\$14.6	UBS	EQUITY-LINKED	6	NO	CAT
RBC	78009M785	BBG001P8B4W6	05/12/11	\$12.2	RBC	EQUITY-LINKED	12	YES	SPX
BARCLAYS	06738KKG5	BBG001PGP541	05/11/11	\$12.0	BARCLAYS	PROP INDEX	13	NO	BXCS1592
MORGAN STANLEY	617482UF9	BBG001PJF733	05/13/11	\$11.6	MORGAN STANLEY	COMMODITY	24	NO	COMMODITY BASKET
HSBC	40433C817	BBG001PDBVP3	05/13/11	\$11.3	UBS	REVCON	12	NO	FCX
SEK	01019MAW8	BBG001PHNCV6	05/13/11	\$10.0	WELLS FARGO	EQUITY-LINKED	12	NO	SPX
SEK	01019A831	#N/A INVALID SECURITY	05/09/11	\$9.7	GOLDMAN SACHS	EQUITY-LINKED	18	NO	FXI
GOLDMAN SACHS	38146Q875	BBG001PM3S60	05/12/11	\$8.8	GOLDMAN SACHS	EQUITY-LINKED	12	NO	SPX
CITIGROUP	1730T0KA6	BBG001P3SKH0	05/10/11	\$8.5	CITIGROUP	RATES	180	YES	STEPUP CALLABLE
HSBC	40433C791	BBG001PDBVQ2	05/13/11	\$8.0	UBS	REVCON	12	NO	SU
GOLDMAN SACHS	38146Q123	#N/A INVALID SECURITY	05/13/11	\$7.2	GOLDMAN SACHS	EQUITY-LINKED	24	NO	EFA
JPMORGAN	48125XRN8	BBG001PJ6Q59	05/13/11	\$6.7	JPMORGAN	EQUITY-LINKED	12	NO	CVX
BANK OF AMERICA	06050R650	BBG001P8B4V7	05/12/11	\$5.7	BANK OF AMERICA	FX	24	NO	GOLDLNPM
BANK OF AMERICA	06050R510	BBG001P8B4X5	05/12/11	\$5.4	BANK OF AMERICA	EQUITY-LINKED	12	YES	BA
BARCLAYS	06738KKC4	BBG001PGP8D5	05/13/11	\$5.3	BARCLAYS	FX	18	NO	MPUS, IHUS, TYUS
JPMORGAN	48125XNY8	BBG001NVBKR7	05/09/11	\$5.3	JPMORGAN	RATES	180	YES	STEPUP CALLABLE
BANK OF AMERICA	06050R619	BBG001PCHNG7	05/09/11	\$5.0	BANK OF AMERICA	FX	36	NO	AUD, NZD, CAD VS THE USD
GOLDMAN SACHS	38143UUP4	BBG001PM3WK5	05/13/11	\$5.0	GOLDMAN SACHS	FX	24	NO	CNY, KRW, SGD VS USD
GOLDMAN SACHS	38146Q842	#N/A INVALID SECURITY	05/09/11	\$4.5	GOLDMAN SACHS	EQUITY-LINKED	24	NO	EEM
GOLDMAN SACHS	38146Q867	BBG001PM3TX8	05/11/11	\$4.2	GOLDMAN SACHS	EQUITY-LINKED	18	NO	MXEA
GOLDMAN SACHS	38143UUR0	#N/A INVALID SECURITY	05/10/11	\$4.1	GOLDMAN SACHS	RATES/COMMODITY	13	NO	DJUBENTR
DEUTSCHE BANK	25154W720	BBG001PH59S7	05/13/11	\$4.1	DEUTSCHE BANK	EQUITY-LINKED	13	NO	SPX
JPMORGAN	48125XQN9	BBG001PJ6PD2	05/13/11	\$4.0	JPMORGAN	EQUITY-LINKED	12	NO	C
GOLDMAN SACHS	38143UUH2	BBG001P3YW87	05/13/11	\$3.8	GOLDMAN SACHS	RATES/EQUITY	180	YES	LIBOR,SPX
HSBC	4042K1HN6	BBG001PB0Y91	05/11/11	\$3.4	HSBC	EQUITY-LINKED	48	NO	SPX,EFA,MDY,EEM,IWM
HSBC	4042K1GN7	BBG001PFZX78	05/13/11	\$3.4	HSBC	REVCON	12	YES	SPX,RTY
BARCLAYS	06738KKL4	BBG001PGZSX8	05/12/11	\$3.0	BARCLAYS	RATES	60	NO	LIBOR
CREDIT SUISSE	22546EG65	BBG0018K5348	05/13/11	\$2.6	CREDIT SUISSE	EQUITY-LINKED	15	NO	SPX
BARCLAYS	06738KKK6	BBG001PG9N59	05/13/11	\$2.5	BARCLAYS	RATES/COMMODITY	24	NO	PLTMLNPM
BARCLAYS	06738KKJ9	BBG001PG9KR1	05/13/11	\$2.5	BARCLAYS	RATES/COMMODITY	18	NO	PLDMLNPM
MORGAN STANLEY	61745ER60	BBG001P9XDF9	05/10/11	\$2.0	MORGAN STANLEY	RATES	240	NO	CMS
JPMORGAN	48125XRG3	BBG001PDC025	05/11/11	\$2.0	JPMORGAN	EQUITY-LINKED	12	NO	XOM
JPMORGAN	48125XQQ2	BBG001PCW579	05/10/11	\$1.8	JPMORGAN	EQUITY-LINKED	13	NO	RTY
JPMORGAN	48125XQP4	BBG001PCQN59	05/09/11	\$1.5	JPMORGAN	REVCON	6	NO	CLR
RBC	78008TCV4	BBG001PG1LQ8	05/12/11	\$1.4	RBC	REVCON	3	NO	HL
JPMORGAN	48125XQL3	BBG001PCQD42	05/12/11	\$1.3	JPMORGAN	REVCON	12	YES	SPX,RTY
BARCLAYS	06741JHL6	BBG001PG9N95	05/13/11	\$1.2	BARCLAYS	REVCON	6	NO	SLV
GOLDMAN SACHS	38143UUG4	BBG001P3ZBT9	05/13/11	\$1.2	GOLDMAN SACHS	EQUITY-LINKED	180	YES	SPX
JPMORGAN	48125XQS8	BBG001PCWNF1	05/10/11	\$1.0	JPMORGAN	REVCON	18	NO	ADS OF BIDU
RBC	78008TCR3	BBG001PCMTF9	05/10/11	\$1.0	RBC	REVCON	6	NO	CDE
JPMORGAN	48125XRM0	BBG001PH3YH6	05/12/11	\$1.0	JPMORGAN	REVCON	6	YES	MHR