

Morning Comments April 1, 2009

The tertiary currencies are generally strengthening v. USD broadly, having faded from the spikes up 2 days back and are testing to find whether resistance is meaningful at current levels. We have written extensively about the relation between SPX prices and the Mexican Peso so no need to rehash, put the most weight here. Note the 14 level in MXN and its significance in allowing for a further leg to unfold here dovetailing with the leg up in SPX prices we believe is the most likely outcome as we have recently discussed. DXY again reached up towards the 86+ level and was rebuffed while attempting to build support above 85. A real battle is on here and its outcome will play no small role in determining the timing of an SPX rally or fade to deeper resistance. At this point the onus is on the bulls to prove strength but generally a pretty square fight at the moment. Our strategy continues to follow the last several days commentary.

With regards to the US automakers' potential for bankruptcy and it's market impact, I attach the front page of GM's debt actives from Bloomberg. Trading 10 or 15 cents on the dollar for the most part with an equity valuation of around \$1BB is this really a market moving event?



The results presented should not and cannot be viewed as an indicator of future performance.
 Charts courtesy of Bloomberg Finance L.P.

<HELP> for explanation. CurncyCORR
 1<GO> to Edit, 2<GO> for more options, <MENU> to return to correlation menu

| | | | | | | | | | | |
|---|--------------|--------|----------------------|-------------|-----------|--------|--------|--------|--------|--------|
| 1) Edit | 2) Actions | 3) | currency corr matrix | | | | | | | |
| 04/01/2008 | - 04/01/2009 | Daily | Calculation | Correlation | Local CCY | | | | | |
| Correlation Matrix (10 Rows x 10 Columns) | | | | | | | | | | |
| Security | MXN | PLN | CZK | HUF | TWD | BRL | KRW | SPX ↑ | RUB | TRY |
| 1) SPX | -0.677 | -0.471 | -0.397 | -0.507 | -0.117 | -0.540 | -0.120 | 1.000 | -0.245 | -0.613 |
| 2) TWD | 0.174 | 0.218 | 0.184 | 0.247 | 1.000 | 0.209 | 0.552 | -0.117 | 0.252 | 0.200 |
| 3) KRW | 0.225 | 0.125 | 0.065 | 0.146 | 0.552 | 0.200 | 1.000 | -0.120 | 0.103 | 0.165 |
| 4) RUB | 0.255 | 0.529 | 0.594 | 0.541 | 0.252 | 0.277 | 0.103 | -0.245 | 1.000 | 0.374 |
| 5) CZK | 0.476 | 0.816 | 1.000 | 0.795 | 0.184 | 0.438 | 0.065 | -0.397 | 0.594 | 0.618 |
| 6) PLN | 0.549 | 1.000 | 0.816 | 0.813 | 0.218 | 0.449 | 0.125 | -0.471 | 0.529 | 0.616 |
| 7) HUF | 0.570 | 0.813 | 0.795 | 1.000 | 0.247 | 0.444 | 0.146 | -0.507 | 0.541 | 0.665 |
| 8) BRL | 0.608 | 0.449 | 0.438 | 0.444 | 0.209 | 1.000 | 0.200 | -0.540 | 0.277 | 0.618 |
| 9) TRY | 0.632 | 0.616 | 0.618 | 0.665 | 0.200 | 0.618 | 0.165 | -0.613 | 0.374 | 1.000 |
| 0) MXN | 1.000 | 0.549 | 0.476 | 0.570 | 0.174 | 0.608 | 0.225 | -0.677 | 0.255 | 0.632 |

Color bands based on Statistical Significance: Most Significant Significant Less Significant Least Significant
 Click on a security to view more options, or on a matrix value to view correlation and scatter charts.
 Australia 61 2 9777 8600 Brazil 5511 3048 4500 Europe 44 20 7330 7500 Germany 49 69 9204 1210 Hong Kong 852 2977 6000
 Japan 81 3 3201 8900 Singapore 65 6212 1000 U.S. 1 212 318 2000 Copyright 2009 Bloomberg Finance L.P.
 SN 560591 01-Apr-2009 07:47:00

DXY ↑ 85.428 - .002 Y / CurncyGPC
 At 7:53 Op 85.517 Hi 85.989 Lo 85.412 Prev 85.430



Australia 61 2 9777 8600 Brazil 5511 3048 4500 Europe 44 20 7330 7500 Germany 49 69 9204 1210 Hong Kong 852 2977 6000
 Japan 81 3 3201 8900 Singapore 65 6212 1000 U.S. 1 212 318 2000 Copyright 2009 Bloomberg Finance L.P.
 SN 560591 01-Apr-2009 07:53:22

PLN ↑ **3.4322** - **.0669** m 3.4303/3.4341
 At 8:26 Op 3.4980 Hi 3.5496 Lo 3.4289 Prev 3.4992

Currency **GPC**
 Value 4/ 3/09

PLN BGN CURRENCY Show

GPC - Candle Chart

Page 1/19



Australia 61 2 9777 8600 Brazil 5511 3048 4500 Europe 44 20 7330 7500 Germany 49 69 9204 1210 Hong Kong 852 2977 6000
 Japan 81 3 3201 8900 Singapore 65 6212 1000 U.S. 1 212 318 2000 Copyright 2009 Bloomberg Finance L.P.
 SN 560591 01-Apr-2009 08:26:15

CZK ↓ **20.4877** - **.1575** BGN 20.4725/20.5030 BGMsg:M.NUZIALE
 At 8:27 Op 20.6457 Hi 20.7880 Lo 20.4110 Close 20.6452 Value 4/ 3/09

CZK BGN CURRENCY Show

GPC - Candle Chart

Page 1/19



Australia 61 2 9777 8600 Brazil 5511 3048 4500 Europe 44 20 7330 7500 Germany 49 69 9204 1210 Hong Kong 852 2977 6000
 Japan 81 3 3201 8900 Singapore 65 6212 1000 U.S. 1 212 318 2000 Copyright 2009 Bloomberg Finance L.P.
 SN 560591 01-Apr-2009 08:27:35

TWD 33.824 - .088 BGN 33.818/33.831 BGN Curncy**GPC**
 At 04:00 Op 33.921 Hi 33.923 Lo 33.755 Close 33.912 Value 4/ 3/09
 TWD BGN CURRENCY Show GPC - Candle Chart Page 1/19



Australia 61 2 9777 8600 Brazil 5511 3048 4500 Europe 44 20 7330 7500 Germany 49 69 9204 1210 Hong Kong 852 2977 6000
 Japan 81 3 3201 8900 Singapore 65 6212 1000 U.S. 1 212 318 2000 Copyright 2009 Bloomberg Finance L.P.
 SN 560591 01-Apr-2009 08:29:38

<HELP> for explanation. Corp
 94<GO> to edit columns. Click on columns to sort. 95<GO> to export to excel.

| Corporate Securities | | | | | | | | | | Page | 1 / 1 |
|----------------------|---------|----------|---------|-----|---------------|----------------------|------|---------|------|------|-------|
| GM (18 Found) | Cpn Typ | All | Mty Typ | All | Exclude | Matrd/Call/MTN/StrPr | | | | | |
| Issuer | Coupon | Maturity | Series | Rtg | Mty Type | Announce | Curr | Ask Px | PCS | | |
| 1)GM CORP PT TRUST | 8.950 | 07/02/09 | 91A2 | C+ | CALL/SINK | 09/24/91 | USD | N.A. | N.A. | | |
| 2)GENERAL MOTORS | 7.200 | 01/15/11 | | C | CALLABLE | 01/04/01 | USD | 15.0000 | TRAC | | |
| 3)GENERAL MOTORS | 7.250 | 07/03/13 | | C | BULLET | 06/26/03 | EUR | 21.2986 | BGN | | |
| 4)GENERAL MOTORS | 7.125 | 07/15/13 | | C | CALLABLE | 06/26/03 | USD | 13.5100 | TRAC | | |
| 5)GENERAL MOTORS | 8.375 | 12/07/15 | | C | BULLET | 06/26/03 | GBP | 25.6250 | BVAL | | |
| 6)GENERAL MOTORS | 7.700 | 04/15/16 | | C | BULLET | 04/10/96 | USD | 11.0000 | TRAC | | |
| 7)GENERAL MOTORS | 8.800 | 03/01/21 | | C | PUTABLE | 03/06/91 | USD | 11.0000 | TRAC | | |
| 8)GENERAL MOTORS | 9.400 | 07/15/21 | | C | BULLET | 07/15/91 | USD | 15.6250 | TRAC | | |
| 9)GENERAL MOTORS | 8.875 | 07/10/23 | | C | BULLET | 06/26/03 | GBP | 25.0000 | BVAL | | |
| 10)GENERAL MOTORS | 8.250 | 07/15/23 | | C | CALLABLE | 06/26/03 | USD | 10.0000 | TRAC | | |
| 11)GENERAL MOTORS | 8.100 | 06/15/24 | | C | CALLABLE | 06/05/96 | USD | 12.5000 | TRAC | | |
| 12)GENERAL MOTORS | 7.400 | 09/01/25 | | C | BULLET | 09/06/95 | USD | 11.2500 | TRAC | | |
| 13)GENERAL MOTORS | 6.750 | 05/01/28 | | C | BULLET | 04/21/98 | USD | 11.2500 | TRAC | | |
| 14)GENERAL MOTORS | 8.375 | 07/05/33 | | C | BULLET | 06/26/03 | EUR | 15.0274 | BGN | | |
| 15)GENERAL MOTORS | 8.375 | 07/15/33 | | C | CALLABLE | 06/26/03 | USD | 13.5000 | TRAC | | |
| 16)GENERAL MOTORS | 7.750 | 03/15/36 | | C | BULLET | 03/15/96 | USD | 7.0090 | TRAC | | |
| 17)GENERAL MOTORS | 7.375 | 05/23/48 | | C | CALLABLE | 05/20/03 | USD | 13.0000 | TRAC | | |
| 18)GENERAL MOTORS | 6.500 | 06/23/49 | | C+ | PERP/CALL/PUT | 05/23/86 | CHF | N.A. | N.A. | | |

Australia 61 2 9777 8600 Brazil 5511 3048 4500 Europe 44 20 7330 7500 Germany 49 69 9204 1210 Hong Kong 852 2977 6000
 Japan 81 3 3201 8900 Singapore 65 6212 1000 U.S. 1 212 318 2000 Copyright 2009 Bloomberg Finance L.P.
 SN 560591 01-Apr-2009 08:15:35

Important Disclosures

Analyst Certification - The author certifies that this research report accurately states his/her personal views about the subject securities, which are reflected in the substance of this report. The author certifies that no part of his/her compensation was, is, or will be directly or indirectly related to the specific recommendations or views contained in this research report. The research provided in this report is based on technical analysis provided by Bay Crest Partners LLC. Technical analysis is the study of price and volume and the interpretation of trading patterns associated with such studies in an attempt to project future price movements. The investments discussed in this report may not be suitable for all investors. Investors should use technical analysis as one input into formulating an investment opinion.

Potential Conflicts of Interest

Analysts employed by Bay Crest Partners LLC are compensated from revenues generated by the firm. Bay Crest Partners LLC generally prohibits any research analyst and any member of his or her household from executing trades in the securities of a company that such research analyst covers. Additionally, Bay Crest Partners LLC generally prohibits any research analyst from serving as an officer, director or advisory board member of a company that such analyst covers.

Company Specific Disclosures

Bay Crest Partners LLC does not expect to receive or intend to seek compensation for investment banking services from any or all companies listed.

Additional Information

Please write to Bay Crest Partners LLC 40 Wall Street, 45th Floor, New York, NY 10005 Attention: Compliance Department.

Other Disclosures

This report is issued and approved by Bay Crest Partners LLC, a registered member of NYSE, FINRA, ARCA, ISE, NASDAQ, NFA. This report does not constitute an offer or solicitation to buy or sell any securities discussed herein in any jurisdiction where such offer or solicitation would be prohibited. The securities mentioned in this report may not be suitable for all types of investors. This report does not take into account the investment objectives, financial situation or specific needs of any particular client of Bay Crest Partners LLC. Recipients should consider this report as only a single factor in making an investment decision and should not rely solely on investment recommendations contained herein, if any, as a substitution for the exercise of independent judgment of the merits and risks of investments. The analyst writing the report is not a person or company with actual, implied or apparent authority to act on behalf of any issuer mentioned in the report. Before making an investment decision with respect to any security recommended in this report, the recipient should consider whether such recommendation is appropriate given the recipient's particular investment needs, objectives and financial circumstances.

We recommend that investors independently evaluate particular investments and strategies. Past performance is not a guarantee of future results, and no representation or warranty, express or implied, is made regarding future performance of any security mentioned in this report. The price of the securities mentioned in this report and the income they produce may fluctuate and/or be adversely affected by exchange rates, and investors may realize losses on investments in such securities, including the loss of investment principal. Bay Crest Partners LLC accepts no liability for any loss arising from the use of information contained in this report. All information, opinions and statistical data contained in this report were obtained or derived from public sources believed to be reliable, but Bay Crest Partners LLC does not represent that any such information, opinion or statistical data is accurate or complete, and they should not be relied upon as such. All estimates, opinions and recommendations expressed herein constitute judgments as of the date of this report and are subject to change without notice. Nothing in this report constitutes legal, accounting or tax advice. Since the levels and bases of taxation can change, any reference in this report to the impact of taxation should not be construed as offering tax advice on the tax consequences of investments. This report may provide addresses of, or contain hyperlinks to, Internet web sites. Bay Crest Partners LLC has not reviewed the linked Internet web site of any third party and takes no responsibility for the contents thereof. Each such address or hyperlink is provided solely for the recipient's convenience and information, and the content of linked third party web sites is not in any way incorporated into this document. Recipients who choose to access such third-party web sites or follow such hyperlinks do so at their own risk.

This report or any portion hereof may not be reprinted, sold, or redistributed without the written consent of Bay Crest Partners LLC.