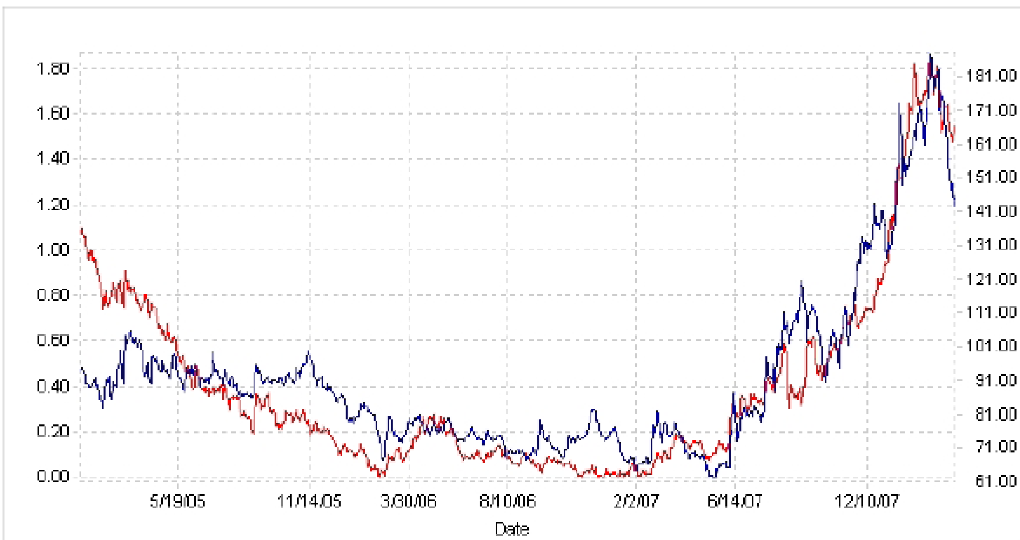
MERRILL LYNCH US RATES STRATEGY

Value Concepts from the ML Trading Desk

The Correlation of the Yield Curve and Volatility

Red - Left - Absolute Value Sw10yr rate minus Sw2yr rate
Blue - Right - Implied Normal Volatility 3m-5yr



ML US Rates Strategy
April 9, 2008