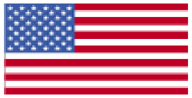


The Morning Email: US Deliverable Basket

12/18/2008 5:34

Central Time

This email lists the deliverable baskets against the Chicago Board of Trade Financial Futures 2, 5, 10, & 30 year.
The work in this document is based on the work of *Galen Burghardt.* I highly suggest reading his books on the Bond Basis and the Eurodollar.

Closes marked 11/13/2008, @ 2pm CT
I'll remark closes this week.

Want something added? Let me know: jgoulding@ghco.com
Disclaimer: All information within this newsletter is meant for internal use at GH Trader's LLC, only. All information has been recorded to the best of my ability. This material is based upon information that I consider reliable, but I do not represent that it is accurate or complete.

Time (CT)	5:34:59	**Mch09 Fut**	**Last 32**	**Mch09 Fut**	**Last 32**		**Last Delivery Day**	**Last Trading Day**
Trade Date	12/18/2008	ZT	108.210	ZN	127.190	**2yr / 5yr**	4/06/2009	3/31/2009
Settle Date	12/19/2008	ZF	119.262	ZB	139.190	**10yr/ 30yr**	3/31/2009	3/19/2009

2 Yr Symbol	**Last 32**	**Coup**	**Issue Date**	**Mat Date**	**CF**	**Basis**	**Yield**	**DV01 ($)**	**DV01 32**	**MDUR**	**Full Price**	**2 PM Close Yield**	**Diff**
T.US.B012P1110*	100.3100	1.250	11/30/08	11/30/10	0.9152	48.85	0.746	$ 197	0.629	1.92	102.260	0.920	-0.174
T.US.B043P1210**	107.1500	4.375	12/15/05	12/15/10	0.9733	67.01	0.577	$ 215	0.689	1.92	111.987	0.694	-0.116
T.US.B042P0111	107.1670	4.250	01/17/06	01/15/11	0.9700	68.01	0.580	$ 221	0.706	1.97	111.910	0.682	-0.102
T.US.B044P0211	108.0300	4.500	02/28/06	02/28/11	0.9732	75.18	0.757	$ 235	0.753	2.09	112.750	0.821	-0.064
T.US.B046P0311	108.2920	4.750	03/31/06	03/31/11	0.9768	88.87	0.783	$ 246	0.788	2.16	113.824	0.782	0.001

2y OTR is not deliverable into the DEC 08 Futures. The CTD for MCH09 Futures us marked **.
CF for OTR is for DEC08 Delivery. The remaining CFs are for MCH09 Delivery.

5Yr Symbol	**Last 32**	**Coup**	**Issue Date**	**Mat Date**	**CF**	**Basis**	**Yield**	**DV01 ($)**	**DV01 32**	**MDUR**	**Full Price**	**2 PM Close Yield**	**Diff**
T.US.B034P0513**	110.2220	3.500	06/02/08	05/31/13	0.9090	56.91	1.029	$ 475	1.521	4.15	114.616	1.322	-0.293
T.US.B033P0613	109.3070	3.375	06/30/08	06/30/13	0.9027	57.57	1.110	$ 475	1.519	4.17	113.729	1.382	-0.272
T.US.B033P0713	109.3000	3.375	07/31/08	07/31/13	0.9011	63.00	1.154	$ 484	1.549	4.26	113.698	1.454	-0.300
T.US.B031P0813	108.1970	3.125	09/02/08	08/31/13	0.8899	63.65	1.228	$ 488	1.562	4.35	112.106	1.511	-0.283
T.US.B031P0913	108.2200	3.125	09/30/08	09/30/13	0.8881	72.85	1.244	$ 498	1.593	4.44	112.175	1.559	-0.316
T.US.B026P1013	107.0020	2.750	10/31/08	10/31/13	0.8714	83.08	1.258	$ 501	1.604	4.55	110.076	1.685	-0.428
T.US.B020P1113*	103.0500	2.000	11/30/08	11/30/13	0.8392	83.34	1.337	$ 496	1.586	4.70	105.386	1.669	-0.332

NOTES

MDUR = Modified Macaulay Duration
CF = Conversion Factor
* = OTR
** = CTD
*** = OTR & CTD
#VALUE! = No quote being provided by exchange
#NUM! = No quote being provided by exchange
Carry (LDD) = Carry cost to Last Delivery Day and is quoted in 32nds
BNOC = Basis Net of Carry and is quoted in 32nds

Jim Goulding, jgoulding@ghco.com

New Issues:
All new issues are Rolled forward based on Yield Roll.

												2 PM Close	
10 Yr Symbol	**Last 32**	**Coup**	**Issue Date**	**Mat Date**	**CF**	**Basis**	**Yield**	**DV01 ($)**	**DV01 32**	**MDUR**	**Full Price**	**Yield**	**Diff**
T.US.B044P1115	120.0400	4.500	11/15/05	11/15/15	0.9202	86.82	1.426	$ 756	2.420	6.04	125.16	1.969	-0.543
			Please go to last page to view missing issue.										
T.US.B051P0516	123.0450	5.125	05/15/06	05/15/16	0.9202	3940.50	1.337	$ 817	2.614	6.34	128.84	2.287	-0.950
T.US.B047P0816	121.0700	4.875	08/15/06	08/15/16	0.9202	3879.00	1.883	$ 818	2.618	6.46	126.62	2.415	-0.531
T.US.B045P1116	119.0350	4.625	11/15/06	11/15/16	0.9202	3811.50	1.997	$ 837	2.679	6.74	124.23	2.491	-0.494
T.US.B045P0217**	119.0850	4.625	02/15/07	02/15/17	0.9202	3816.50	2.046	$ 852	2.728	6.85	124.37	2.567	-0.521
T.US.B045P0517	#NAME?	4.500	05/15/07	05/15/17	0.9202	#NAME?	#NAME?	#NAME?	#NAME?	#NAME?	#NAME?	2.625	#NAME?
T.US.B046P0817	120.0650	4.750	08/15/07	08/15/17	0.9202	3846.50	2.175	$ 900	2.880	7.18	125.42	2.696	-0.521
T.US.B042P1117	117.0300	4.250	11/15/07	11/15/17	0.9202	3747.00	2.131	$ 917	2.933	7.53	121.75	2.655	-0.525
T.US.B034P0218	111.1200	3.500	02/15/08	02/15/18	0.9202	3564.00	2.125	$ 901	2.885	7.83	115.20	2.686	-0.561
T.US.B037P0518	114.2750	3.875	05/15/08	05/15/18	0.9202	3675.50	2.122	$ 950	3.040	7.98	119.09	2.645	-0.523
T.US.B040P0818	116.1250	4.000	08/15/08	08/15/18	0.9202	3724.50	2.113	$ 973	3.114	8.06	120.74	2.635	-0.522
T.US.B036P1118*	114.1300	3.750	11/17/08	11/15/18	0.9202	3661.00	2.128	$ 992	3.174	8.37	118.48	2.693	-0.565

NOTES

MDUR = Modified Macaulay Duration

CF = Conversion Factor

* = OTR

** = CTD

*** = OTR & CTD

#VALUE! = No quote being provided by exchange

#NUM! = No quote being provided by exchange

Carry (LDD) = Carry cost to Last Delivery Day and is quoted in 32nds

BNOC = Basis Net of Carry and is quoted in 32nds

New Issues:

All new issues are Rolled forward based on Yield Roll.

30 Yr Symbol	Last 32	Coup	Issue Date	Mat Date	CF	Basis	Yield	DV01 ($)	DV01 32	MDUR	Full Price	Yield	Diff
T.US.B074P1124	166.1150	7.500	08/15/94	11/15/24	1.1500	186.45	2.439	$ 1,897	6.071	10.87	174.50	3.266	-0.827
T.US.B075P0225**	168.1600	7.625	02/15/95	02/15/25	1.1640	120.98	2.618	$ 1,916	6.130	10.84	176.75	3.281	-0.664
T.US.B067P0825	157.2950	6.875	08/15/95	08/15/25	1.0899	116.67	2.618	$ 1,862	5.957	11.26	165.34	3.281	-0.664
T.US.B060P0226	145.0550	6.000	02/15/96	02/15/26	0.9999	113.11	2.729	$ 1,783	5.706	11.76	151.63	3.369	-0.640
T.US.B066P0826	156.3000	6.750	08/15/96	08/15/26	1.0798	132.11	2.847	$ 1,967	6.295	11.98	164.18	3.467	-0.620
T.US.B064P1126	153.2150	6.500	11/15/96	11/15/26	1.0537	140.74	2.825	$ 1,939	6.205	12.07	160.64	3.452	-0.626
T.US.B065P0227	155.2900	6.625	02/18/97	02/15/27	1.0676	136.39	2.850	$ 1,959	6.269	12.02	162.98	3.449	-0.598
T.US.B063P0827	152.1050	6.375	08/15/97	08/15/27	1.0411	149.30	2.878	$ 1,960	6.273	12.32	159.12	3.443	-0.566
T.US.B061P1127	149.0250	6.125	11/17/97	11/15/27	1.0139	157.82	2.920	$ 1,969	6.302	12.66	155.59	3.467	-0.547
T.US.B054P0828	140.2200	5.500	08/17/98	08/15/28	0.9433	201.45	2.942	$ 1,925	6.161	13.14	146.52	3.465	-0.524
T.US.B052P1128	137.0650	5.250	11/16/98	11/15/28	0.9145	225.59	2.971	$ 1,928	6.168	13.50	142.76	3.483	-0.512
T.US.B052P0229	137.2300	5.250	02/16/99	02/15/29	0.9138	239.20	2.963	$ 1,934	6.189	13.50	143.25	3.483	-0.520
T.US.B061P0829	151.3150	6.125	08/16/99	08/15/29	1.0144	242.60	2.962	$ 2,112	6.757	13.33	158.43	3.492	-0.530
T.US.B062P0530	155.1500	6.250	02/15/00	05/15/30	1.0296	278.47	2.961	$ 2,228	7.128	13.75	162.03	3.491	-0.530
T.US.B053P0231	142.0350	5.375	02/15/01	02/15/31	0.9245	327.59	2.961	$ 2,119	6.781	14.34	147.73	3.487	-0.526
T.US.B044P0236	135.1550	4.500	02/15/06	02/15/36	0.8013	678.25	2.973	$ 2,408	7.706	17.18	140.18	3.492	-0.520
T.US.B046P0237	142.0350	4.750	02/15/07	02/15/37	0.8320	751.16	2.744	$ 2,564	8.206	17.44	147.05	3.246	-0.502
T.US.B050P0537	147.2400	5.000	05/15/07	05/15/37	0.8652	782.94	2.726	$ 2,680	8.577	17.52	152.94	3.250	-0.524
T.US.B043P0238	135.2900	4.375	02/15/08	02/15/38	0.7786	813.75	2.699	$ 2,549	8.158	18.15	140.44	3.216	-0.518
T.US.B045P0538*	138.1300	4.500	08/15/08	05/15/38	0.7950	826.78	2.700	$ 2,616	8.370	18.28	143.06	3.199	-0.500

NOTES

MDUR = Modified Macaulay Duration

CF = Conversion Factor

* = OTR

** = CTD

*** = OTR & CTD

#VALUE! = No quote being provided by exchange

#NUM! = No quote being provided by exchange

Carry (LDD) = Carry cost to Last Delivery Day and is quoted in 32nds

BNOC = Basis Net of Carry and is quoted in 32nds

New Issues:

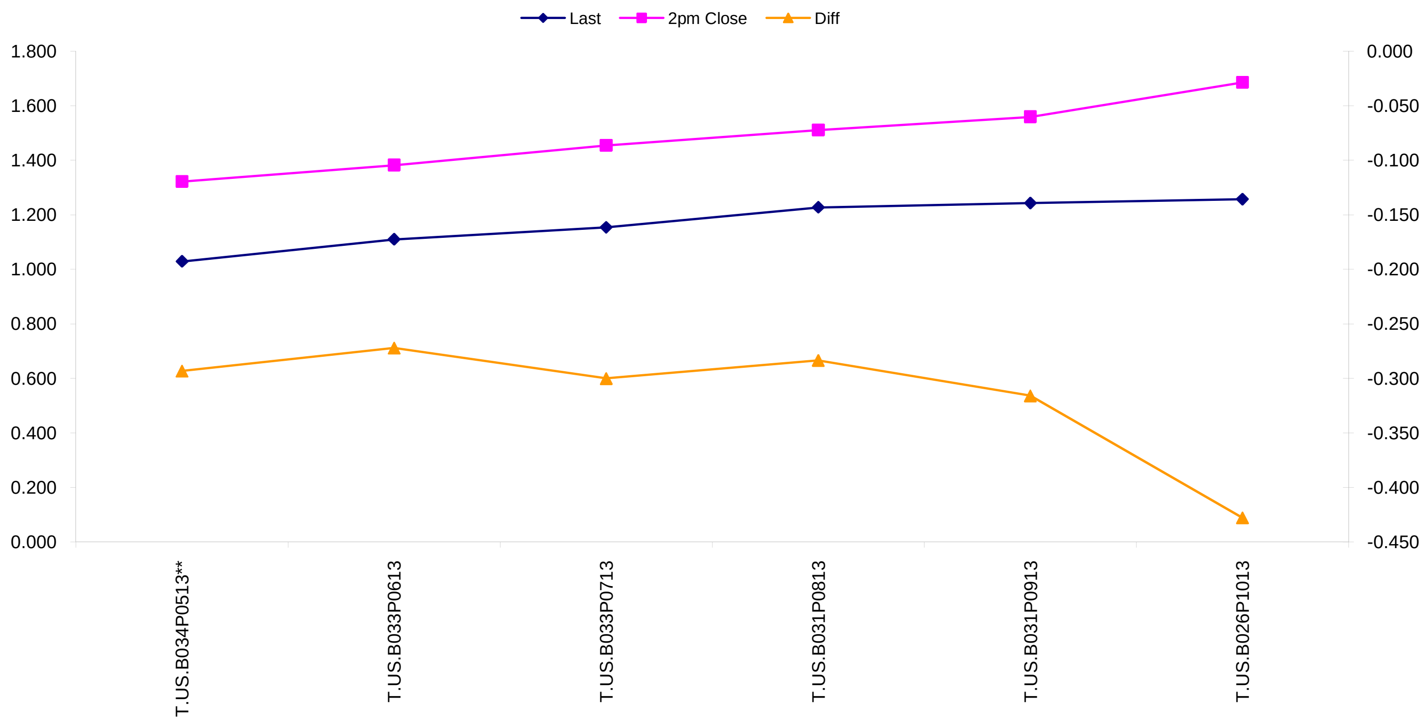
All new issues are Rolled forward based on Yield Roll.

Extra Notes:

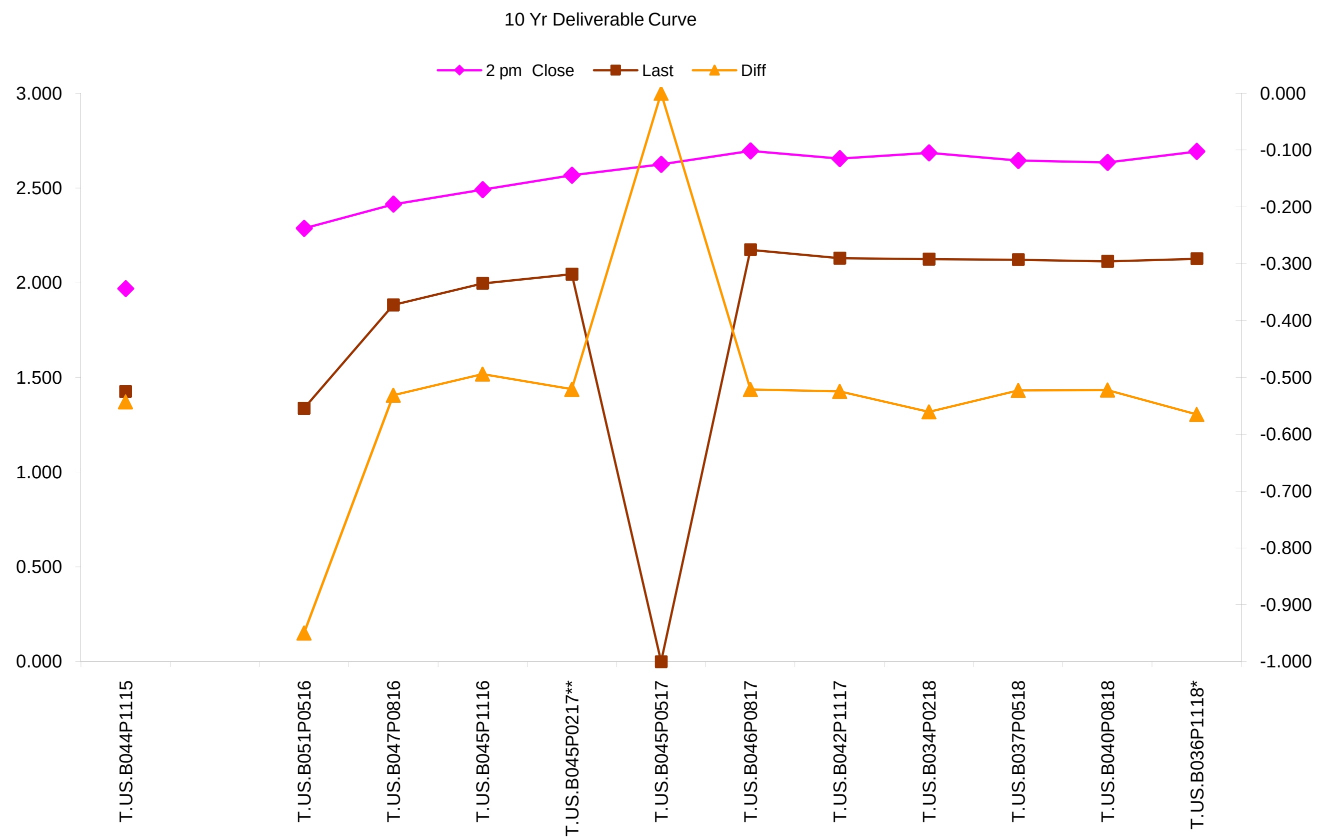
10 Yr Symbol	LAST 32	Coupon	Issue Date	Mat Date	CF	Basis	Yield	DV01 ($)	DV01 32	MDUR	Full Price
T.US.B044P0216	#VALUE!	4.500	02/15/06	02/15/16	0.9202	#VALUE!	#N/A	#N/A	#N/A	#N/A	#N/A

The contract above is a big pain in the keister. Trying to chart the entire 10 yr delivery basket is ruined because this contract refuses to give a proper quote, for whatever reason. So, I've exiled it to this page. It resides in the middle of the basket so taking it out shouldn't hurt the chart. I'm only really looking to see if the delivery curve is steepening or flattening anyways. Taking this issue out won't harm the bigger picture.

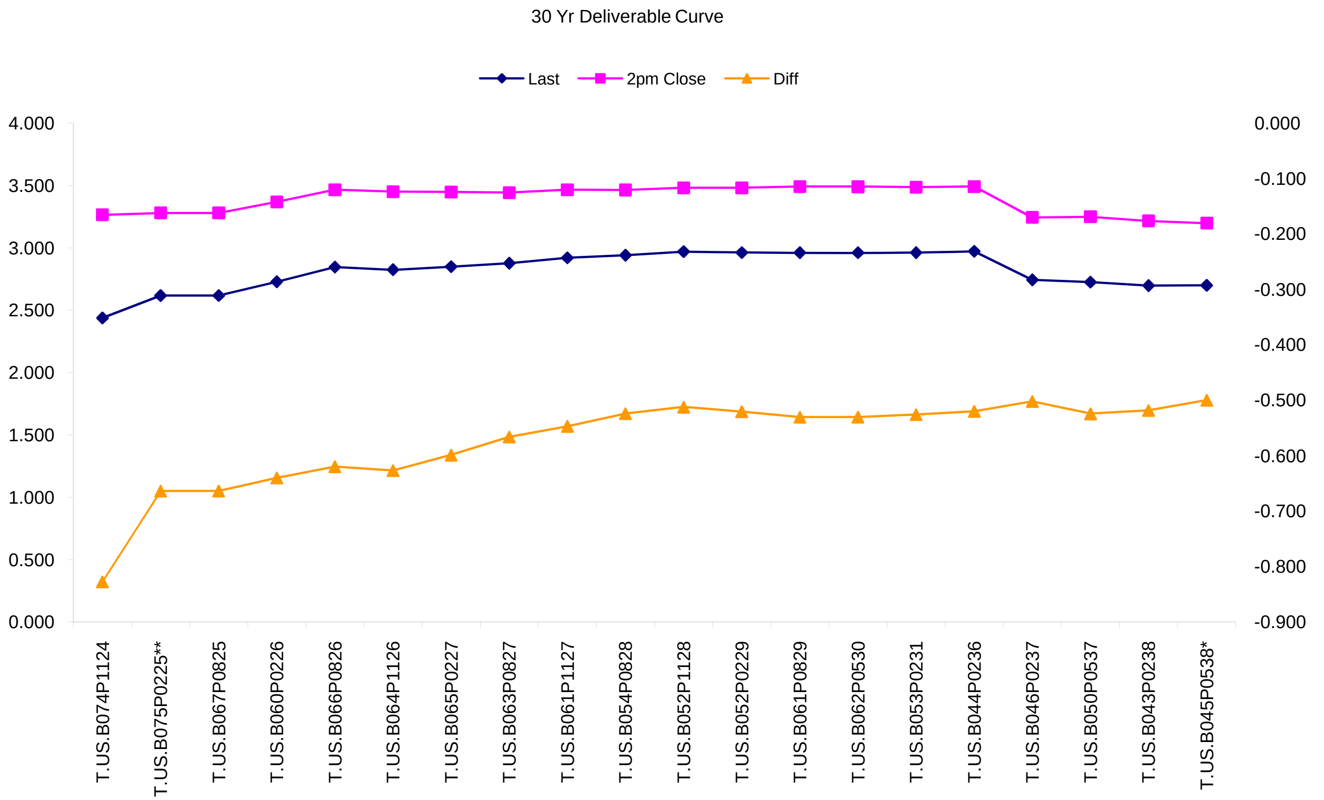
5 Yr Deliverable Curve



A flatter delivery curve will make shorter duration notes CTD.
A steeper delivery curve will make longer duration notes CTD.



A flatter delivery curve will make shorter duration notes CTD.
A steeper delivery curve will make longer duration notes CTD.



A flatter delivery curve will make shorter duration notes CTD.
A steeper delivery curve will make longer duration notes CTD.