



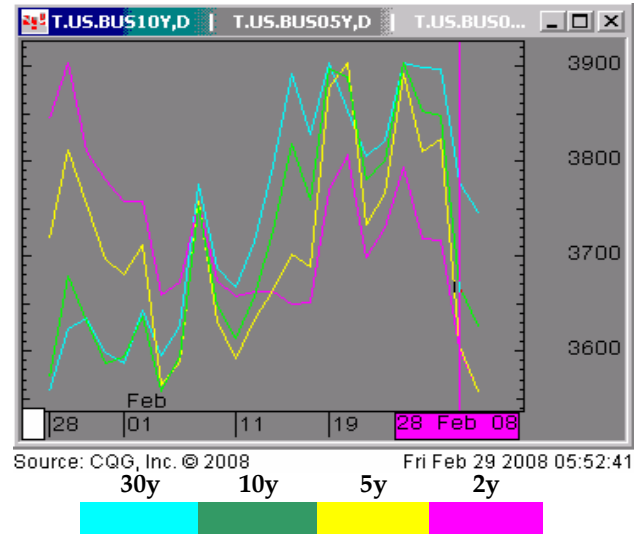
The Morning Email: Treasuries

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Daily Yield Curve

2/29/2008 5:52



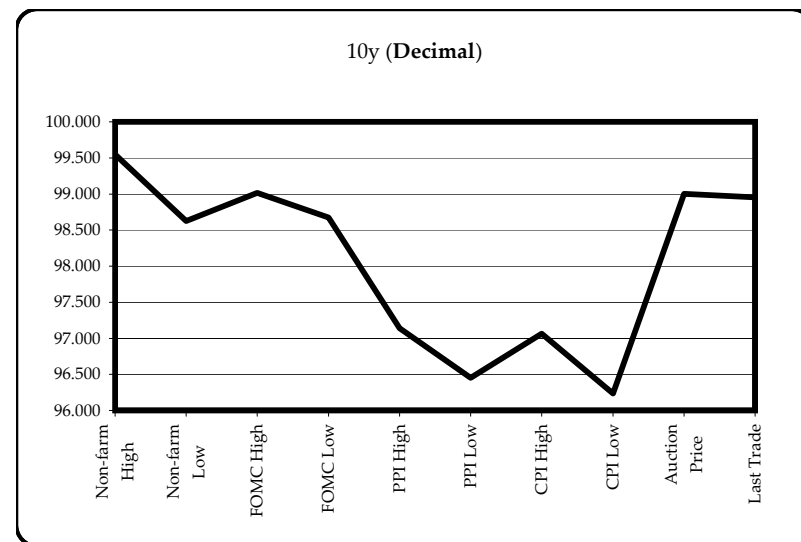
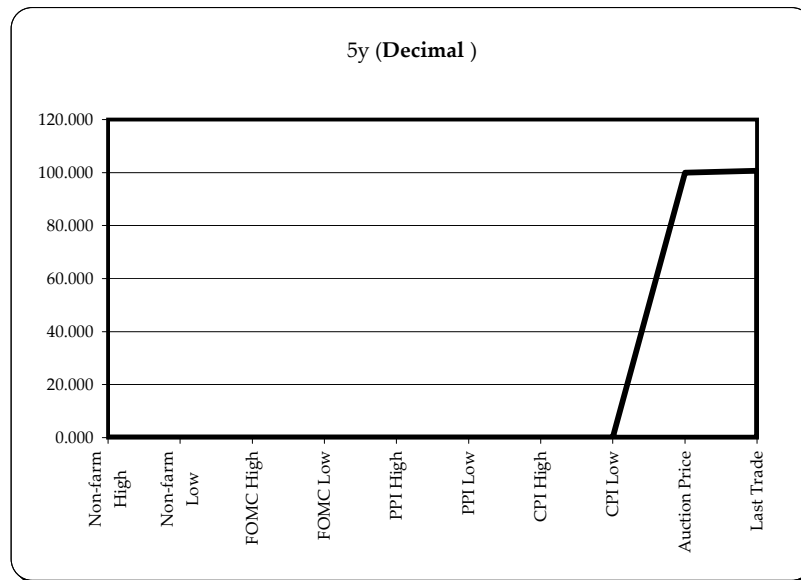
ROLL TO JUNE

Want something added? Let me know: jgoulding@ghco.com

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Economic Releases - 32nds					
	5y	10y	ZNM8	ZBM8	Date
Non-farm High	0.0000	99.175	114.282	118.24	2/1/2008
Non-farm Low	0.0000	98.200	115.269	119.24	2/1/2008
FOMC High	0.0000	99.005	115.210	120.24	1/31/2008
FOMC Low	0.0000	98.215	114.277	121.24	1/31/2008
PPI High	0.0000	97.045	114.218	122.24	2/26/2008
PPI Low	0.0000	96.145	113.242	123.24	2/26/2008
CPI High	0.0000	97.020	113.303	124.24	2/20/2008
CPI Low	0.0000	96.075	113.221	125.24	2/20/2008
Auction Price	99.3126	99.000			
Last Trade	100.2070	98.305	116.190	117.19	2/29/2008 5:52

Auctions - 32nds				
	2 y	5y	10y	30y
Auction Price	99.292	99.313	99.000	98.250
Auction Yield Stop	2.045	2.755	3.620	4.4449
Actual Auction Date	2/27/2008	2/28/2008	2/6/2008	2/7/2008



Notes: Cash and futures are adjusted for roll.
 Release times are from release to 2pm cdt
 {Mch08 to Jun08 Futures roll: ZF = (-20); ZN = (-43); ZB = (-36) [tics]}
 r = reopen

	Last	Net	32 nds			Volume	SYM NAME
			High	Low	Open		
TUAM8	107.077	0.1	107.085	107.022	107.032	92,502	2y Fut
FVAM8	113.270	0.2	113.280	113.180	113.195	101,672	5y Fut
TYAM8	116.190	0.3	116.205	116.075	116.080	218,582	10y Fut
USAM8	117.190	0	117.200	117.030	117.030	41,950	30y Fut
	Last	Net	High	Low	Open	Volume	SYM NAME
BUS02P	100.157	4.2	100.172	100.132	100.145	na	2y Cash
BUS05P	100.200	(10.2)	100.215	100.142	100.142	na	5y Cash
BUS10P	98.300	12.5	99.010	98.220	98.220	na	10y Cash
BUS30P	98.025	19	98.050	97.235	98.010	na	30y Cash
	Last	Net	High	Low	Open	Volume	SYM NAME
BUS02Y	1.744	(6.90)	1.828	1.716	1.828	na	2y Yield
BUS05Y	2.609	(5.30)	2.706	2.604	2.706	na	5y Yield
BUS10Y	3.624	(4.40)	3.674	3.613	3.674	na	10y Yield
BUS30Y	4.487	(3.40)	4.541	4.483	4.516	na	30y Yield

	Libor\$ ^	Tbill	CP ^^
1M	3.111	2.000	3.130
3M	3.058	1.876	3.060
6M	2.931	1.929	2.940

	Libor\$ ^	Repos
0/N	3.163	2.000
1week	3.138	2.100
2week	3.136	2.050

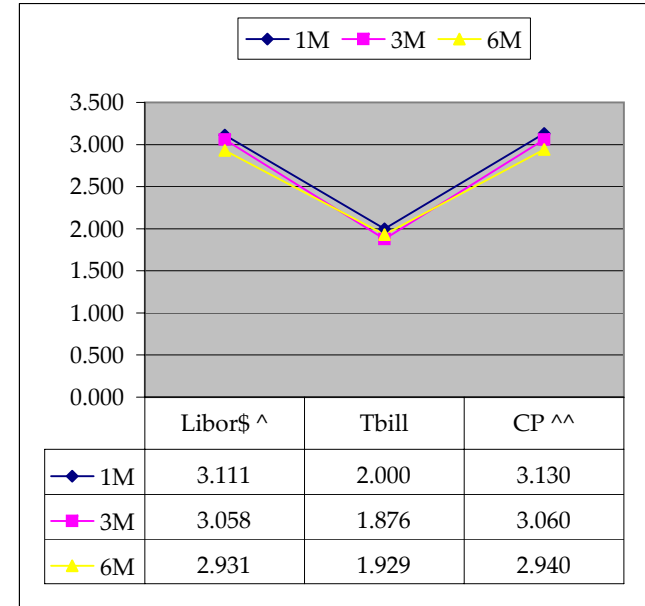
	TSY	Swap	ED Pks ^^^
2y	1.743	87.75	2.743
5y	2.609	88.75	4.445
10y	3.624	71.25	4.960

"Swap spreads are essentially a measure of the difference between buying a safe government bond and making a riskier loan to a bank" --WSJ

Red pack / Blue pack is a 2/5 proxy
 Red pack / Gold pack is a 2/10 proxy
 Blue pack / Gold pack is a 5/10 proxy

Notes

^Quoted in US Dollars
 ^^CP = Commercial Paper
 ^^ED Pks are colored for pack identifications. Example, the red pack is a 2-yr proxy and is colored red.
 Lastly, SYM = Symbol



	2/5	Rd/Blu Pk Difference
	86.6	170.1
	2/10	Rd/Gld Pk Difference
	188.1	221.6
	5/10	Blu/Gld Pk Difference
	101.5	51.5

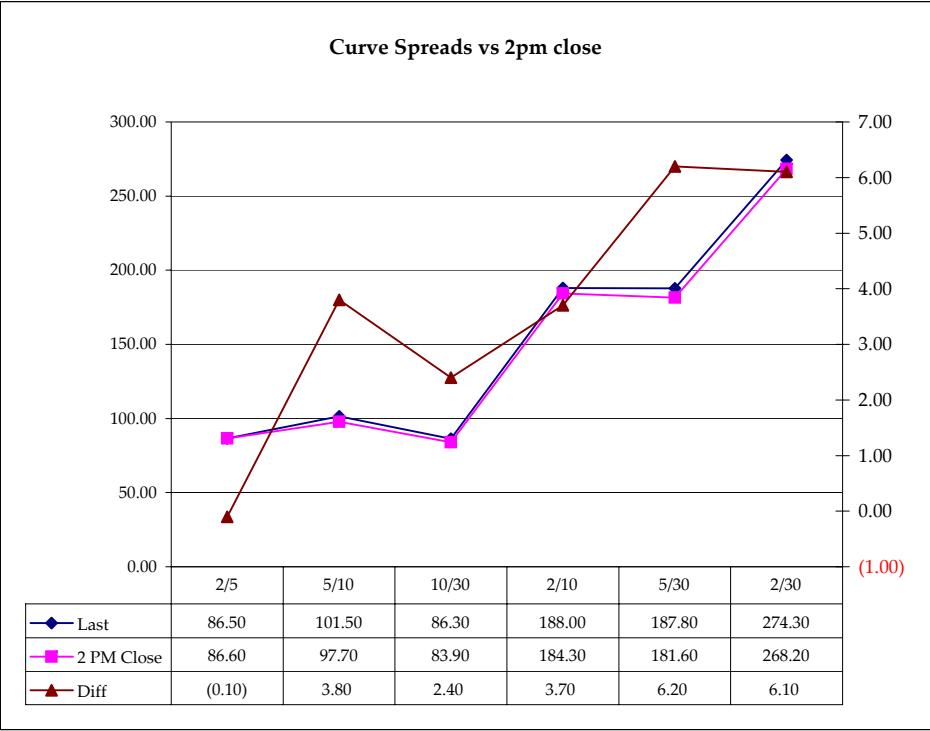
	M Duration	DV01 32	DV01 \$	DV01 Box	CF
30y	16.44	5.17	\$1,617	10.35	n/a
10y	8.32	2.64	\$824	5.28	n/a
5y	4.64	1.51	\$471	6.03	n/a
2y	1.95	0.63	\$196	2.50	n/a
ZB	10.45	4.01	\$125	4.01	0.7765
ZN	6.06	2.29	\$72	4.58	0.8210
ZF	4.11	1.51	\$47	3.02	0.8633
ZT	1.92	0.68	\$21	2.71	0.9286

Yield Curve Spreads			
	Last	2pm close	Diff
2/5	86.50	86.60	(0.10)
5/10	101.50	97.70	3.80
10/30	86.30	83.90	2.40
2/10	188.00	184.30	3.70
5/30	187.80	181.60	6.20
2/30	274.30	268.20	6.10

DV01 32, said differently, is "how many TICS are in a basis point?".

Example, If ZN moves 1~basis point, then, it's moved 2.08 tics (Today, 10/25/07, the value in the box is 2.08).

Since ZN trades in half tics, then, 4.17 boxes = 1 basis point in ZN. (Again, today, 10/25/07, the value in the box is 4.17). Of course the values will be different as you look at this. But, they won't be that much different. So, I think you can get the idea I'm trying to get across.



Notes

CF = Conversion Factor

MDuration = Modified Macaulay Duration

MDuration & DV01s for Futures are based on proxy issue (CTD)

DV01 Box = Dollar Value of 1 basis point move per Box

US Financial Futures / Eurex Bond

	ZB	ZN	ZF	ZT
Bund (H)	1.040	1.900	2.900	3.400
Bobl (H)	0.560	0.996	1.600	1.800
Shatz (H)	0.223	0.390	0.600	0.710

US Financial Futures

	ZB	ZN	ZF	ZT
ZB		1.620	2.657	2.962
ZN	0.376		1.641	1.115
ZF	0.376	0.610		1.115
ZT	0.338	0.547	0.897	

Eurex Bonds

	Bund (H)	Bobl (H)	Shatz (H)
Bund (H)	1.0	1.9	4.8
Bobl (H)	0.5	1.0	2.6
Shatz (H)	0.2	0.4	1.0

US Treasuries v US Financial Futures

	2y	5y	10y	30y
ZB	1.56	3.76	6.58	12.90
ZN	2.73	6.59	11.53	22.61
ZF	4.15	9.99	17.47	34.28
ZT	4.62	11.13	19.48	38.21

US Treasuries v Eurex Bonds

	2y	5y	10y	30y
Bund (H)	1.5	3.6	6.4	12.3
Bobl (H)	2.8	6.7	11.8	22.9
Shatz (H)	7.1	17.2	30.4	59.0

US Treasuries

	2y	5y	10y	30y
2y		2.409	4.215	8.268
5y	0.415		1.750	3.432
10y	0.237	0.571		1.961
30y	0.121	0.291	0.510	

Note: Any ratio with the Bund, Bobl, or Shatz is from Bloomberg. So, the Bloomberg hedge ratios, in this spreadsheet, are static. Meaning, I only update them once in a while but always on rolls. My hedge ratio's are live, meaning, they're updated in real-time.

	Cpn	Mty	Close 32	Close	Last	Diff	Basis		Roll		Close 32	Last	
							Close	Last					
2y	2.000	2/28/10	100.0800	1.872	1.744	(0.128)				FVAM8	113.065	113.270	June 08 Contracts
5y	2.750	1/31/13	100.0175	2.738	2.609	(0.129)	74.45	75.70		TYAM8	115.235	116.190	
10y	3.500	2/15/18	98.070	3.715	3.624	(0.091)	102.43	103.35		USAM8	116.19	117.190	
30y	4.375	5/15/37	97.03	4.554	4.487	(0.067)	209.88	216.03		FVar1		17.7	Roll: 1/4 tic spreads
										TYar1		110.5	
										USar1		102.2	
										FVH8		114.130	March 08 Contracts
										TYAH8		117.290	
										USAH8		118.210	

Curve Spreads		
	Close bps	Last bps
2/5	86.6	86.5
5/10	97.7	101.5
10/30	83.9	86.3
2/10	184.3	188.0
5/30	181.6	187.8
2/30	268.2	274.3



Notes:
 Basis = (Cash Decimal - (Futures Decimal * CF))*32
 MDuration for Curve Spreads:
 Longer duration minus shorter duration
 32 = price is quoted in 32nds

Cash Duration Matrix

Cash Duration Matrix				
	2	5	10	30
2	100%			
5	42%	100%		
10	23%	56%	100%	
30	12%	28%	51%	137%
Cash Matrix [DV01 x Duration]				
	2	5	10	30
2	\$196			
5	\$198	\$471		
10	\$193	\$460	\$824	
30	\$191	\$456	\$818	\$1,617
Cash Matrix [DV01 over / (under) valued]				
	2	5	10	30
2				
5	(\$2)			
10	\$3	\$11		
30	\$4	\$15	\$6	
Cash Matrix [DV01 over / (under) as %]				
	2	5	10	30
2				
5	-1.03%			
10	1.41%	2.47%		
30	2.20%	3.27%	0.78%	

What is this? (1):
 2yr cash has X% duration of 5yr cash .

What is this? (2):
 - 2yr cash has DV01 of X\$
 - Multiply the 2yr DV01 by the percent duration to come up with what the 2yrs DV01 SHOULD be compared to the 5yr.

What is this? (3):
 - Now you can see the over/under value, based on the DV01, from contract to contract. In this example we are looking at the 2yr compared to the 5yr.

 Or you can look at the over/under value as a percentage instead of dollar terms.

		Tic for Tic Matrix			
		2y	5y	10y	30y
ZT		0.92	2.23	3.90	7.64
ZF		0.41	1.00	1.75	3.43
ZN		0.27	0.66	1.15	2.26
ZB		0.16	0.38	0.66	1.29

		Box for Box Matrix			
		2y	5y	10y	30y
ZT		0.92	2.23	7.79	15.28
ZF		0.41	2.00	3.49	6.86
ZN		0.55	1.32	1.15	2.26
ZB		0.62	1.50	1.32	2.58

		2y	5y	10y	30y
2y		1.00	2.41	4.22	8.27
5y		0.42	1.00	1.75	3.43
10y		0.24	0.57	1.00	1.96
30y		0.12	0.29	0.51	1.00

		2y	5y	10y	30y
2y			2.41	2.11	4.13
5y		0.42		0.44	1.72
10y		0.47	2.29		1.96
30y		0.24	0.58	0.51	

		ZT	ZF	ZN	ZB
ZT		1.00	2.23	3.38	5.92
ZF		0.45	1.00	1.52	2.66
ZN		0.30	0.66	1.00	1.75
ZB		0.17	0.38	0.57	1.00

		2y	5y	10y	30y
ZT			2.23	6.76	23.70
ZF		0.45		1.52	5.31
ZN		0.15	0.66		3.51
ZB		0.04	0.19	0.29	