



The Morning Email: Treasuries

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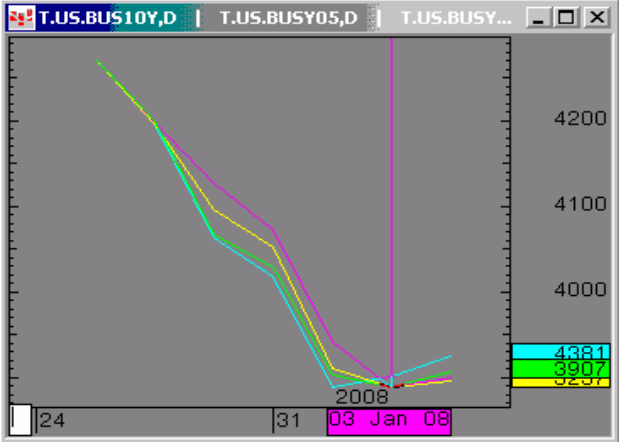
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Daily Yield Curve



Source: CQG, Inc. © 2008 Fri Jan 04 2008 05:48:55

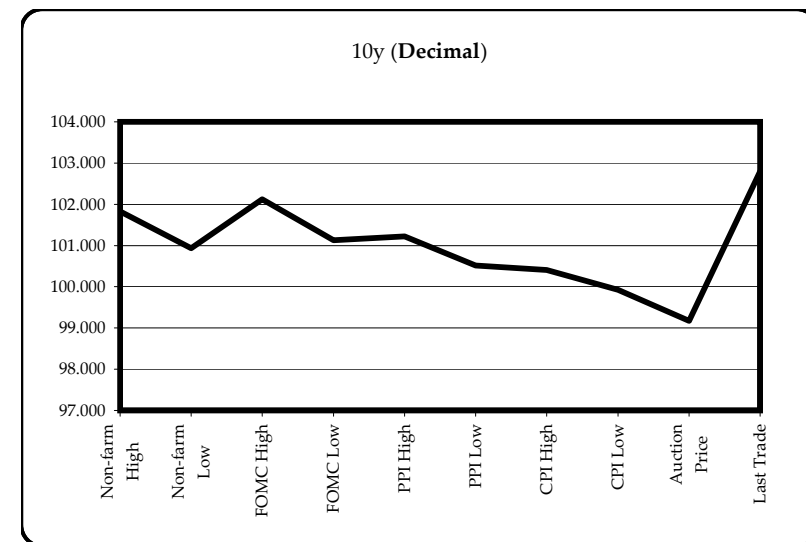
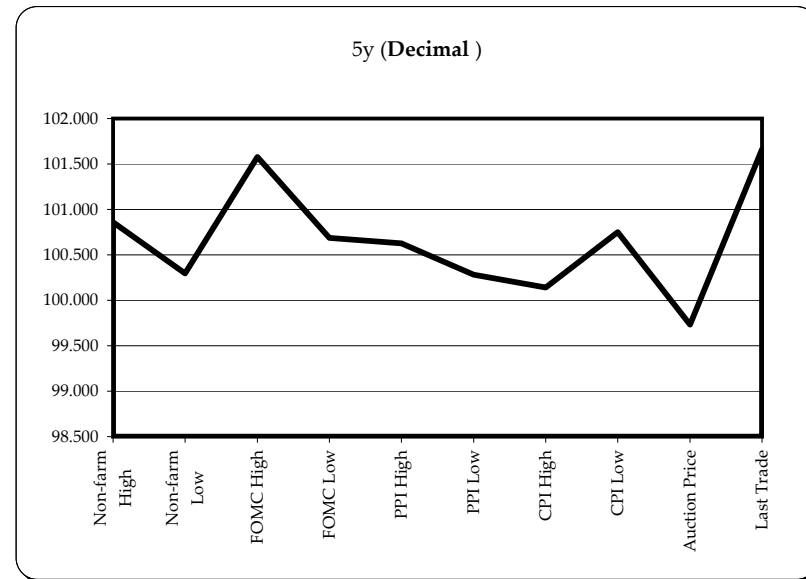


ALL NEWS HAS BEEN MOVED TO A NEW EMAIL CALLED "NEWS RECAP"

Want something added? Let me know: jgoulding@ghco.com
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Economic Releases - 32nds					
	5y	10y	ZNH8	ZBH8	Date
Non-farm High	100.2750	101.265	113.090	116.17	12/7/2007
Non-farm Low	100.0950	100.300	112.120	115.00	12/7/2007
FOMC High	101.1850	102.040	113.200	116.16	12/11/2007
FOMC Low	100.2200	101.040	112.185	115.03	12/11/2007
PPI High	100.2000	101.070	112.240	115.13	12/13/2007
PPI Low	100.0900	100.165	112.085	114.08	12/13/2007
CPI High	100.0450	100.130	112.075	114.07	12/14/2007
CPI Low	99.5600	99.295	111.240	113.19	12/14/2007
Auction Price	99.2347	99.056			
Last Trade	101.2120	102.255	114.120	117.20	1/4/2008 5:52

Auctions - 32nds				
	2 y	5y	10y	30y
Auction Price	99.298	99.235	99.056	105.103
Auction Yield Stop	3.159	4.435	4.353	4.666
Actual Auction Date	12/26/2007	12/27/2007	11/7/2007	11/8/2007



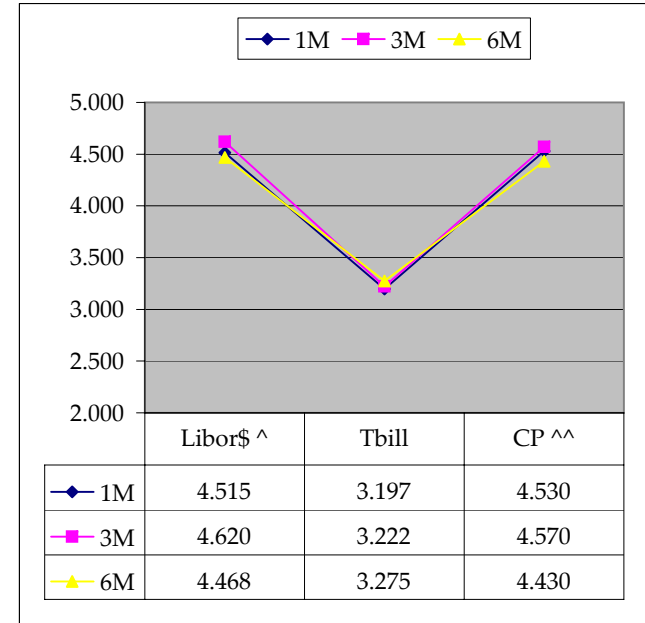
Notes: Cash and futures are adjusted for roll.
 Release times are from release to 2pm cdt
 {Dec07 to Mch08 Futures roll: ZF = (-12); ZN = (-25); ZB = (+1) [tics]}
 r = reopen

	Last	Net	32 nds			Volume	SYM NAME
			High	Low	Open		
TUAH8	105.187	(0.0)	105.205	105.180	105.195	18,569	2y Fut
FVAH8	111.030	0.0	111.045	110.315	111.030	31,763	5y Fut
TYAH8	114.120	0.0	114.150	114.080	114.135	56,816	10y Fut
USAH8	117.200	(0)	117.310	117.170	117.280	20,893	30y Fut
	Last	Net	High	Low	Open	Volume	SYM NAME
BUS02P	100.260	(1.0)	100.272	100.255	100.267	na	2y Cash
BUS05P	101.212	(1.5)	101.230	101.195	101.227	na	5y Cash
BUS10P	102.250	(5.0)	102.280	102.220	102.270	na	10y Cash
BUS30P	110.030	(7)	110.150	110.030	110.140	na	30y Cash
	Last	Net	High	Low	Open	Volume	SYM NAME
BUS02Y	2.822	1.50	2.842	2.777	2.822	na	2y Yield
BUS05Y	3.259	1.10	3.276	3.24	3.264	na	5y Yield
BUS10Y	3.901	1.30	3.922	3.882	3.903	na	10y Yield
BUS30Y	4.379	1.80	4.39	4.358	4.371	na	30y Yield

	Libor\$ ^	Tbill	CP ^^
1M	4.515	3.197	4.530
3M	4.620	3.222	4.570
6M	4.468	3.275	4.430

	Libor\$ ^	Repos
0/N	4.338	4.000
1week	4.478	3.950
2week	4.499	3.950

	TSY	Swap	ED Pks ^^^
2y	2.825	81.75	3.439
5y	3.258	75.25	
10y	3.907	63.50	



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

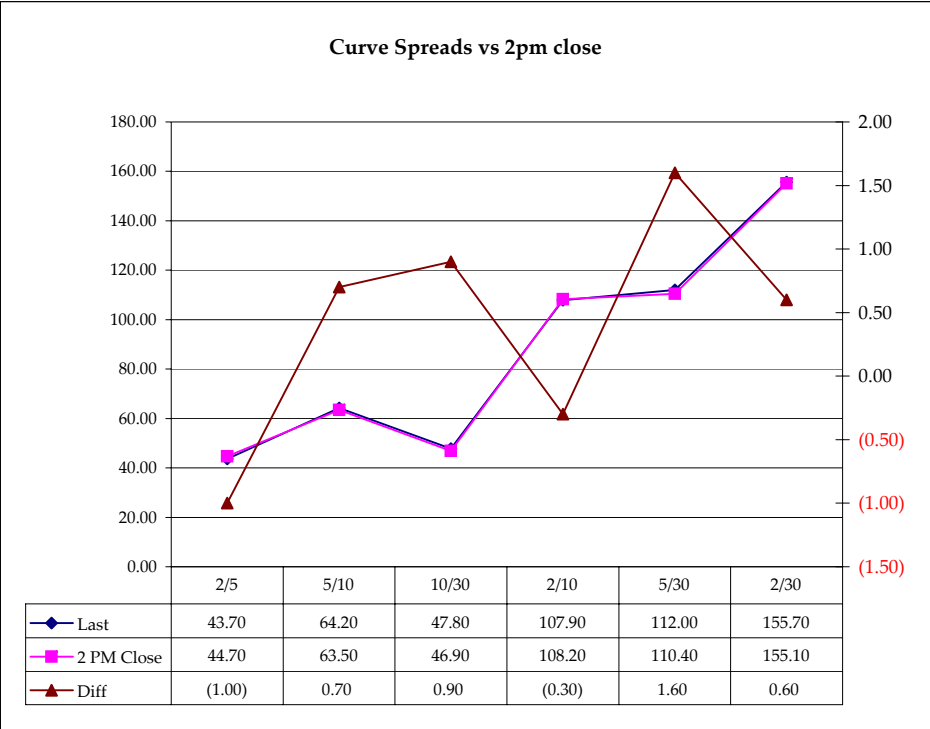
	M Duration	DV01 32	DV01 \$	DV01 Box	CF
30y	15.78	5.66	\$1,769	11.32	n/a
10y	7.98	2.64	\$825	5.28	n/a
5y	4.53	1.48	\$463	5.93	n/a
2y	1.91	0.62	\$192	2.46	n/a
ZB	10.29	3.96	\$124	3.96	0.8633
ZN	5.90	2.18	\$68	4.36	0.8747
ZF	3.95	1.41	\$44	2.83	0.8877
ZT	1.91	0.64	\$20	2.58	0.9549

Yield Curve Spreads			
	Last	2pm close	Diff
2/5	43.70	44.70	(1.00)
5/10	64.20	63.50	0.70
10/30	47.80	46.90	0.90
2/10	107.90	108.20	(0.30)
5/30	112.00	110.40	1.60
2/30	155.70	155.10	0.60

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)	0.980	1.700	2.700	2.900
Bobl (H)	0.530	0.960	1.500	1.570
Shatz (H)	0.210	0.380	0.580	0.630

US Treasuries v US Financial Futures

	2y	5y	10y	30y
ZB	1.55	3.74	6.66	14.29
ZN	2.82	6.80	12.10	25.96
ZF	4.35	10.48	18.65	40.01
ZT	4.77	11.50	20.48	43.92

US Financial Futures

	ZB	ZN	ZF	ZT
ZB		1.817	2.801	3.074
ZN	0.550		1.541	1.692
ZF	0.357	0.649		1.098
ZT	0.318	0.578	0.891	

US Treasuries v Eurex Bonds

	2y	5y	10y	30y
Bund (H)	1.7	3.9	7.1	14.3
Bobl (H)	3.1	7.1	12.8	25.8
Shatz (H)	7.8	15.9	28.8	58.1

Eurex Bonds

	Bund (H)	Bobl (H)	Shatz (H)
Bund (H)	1.0	1.7	3.5
Bobl (H)	0.6	1.0	2.1
Shatz (H)	0.3	0.5	1.0

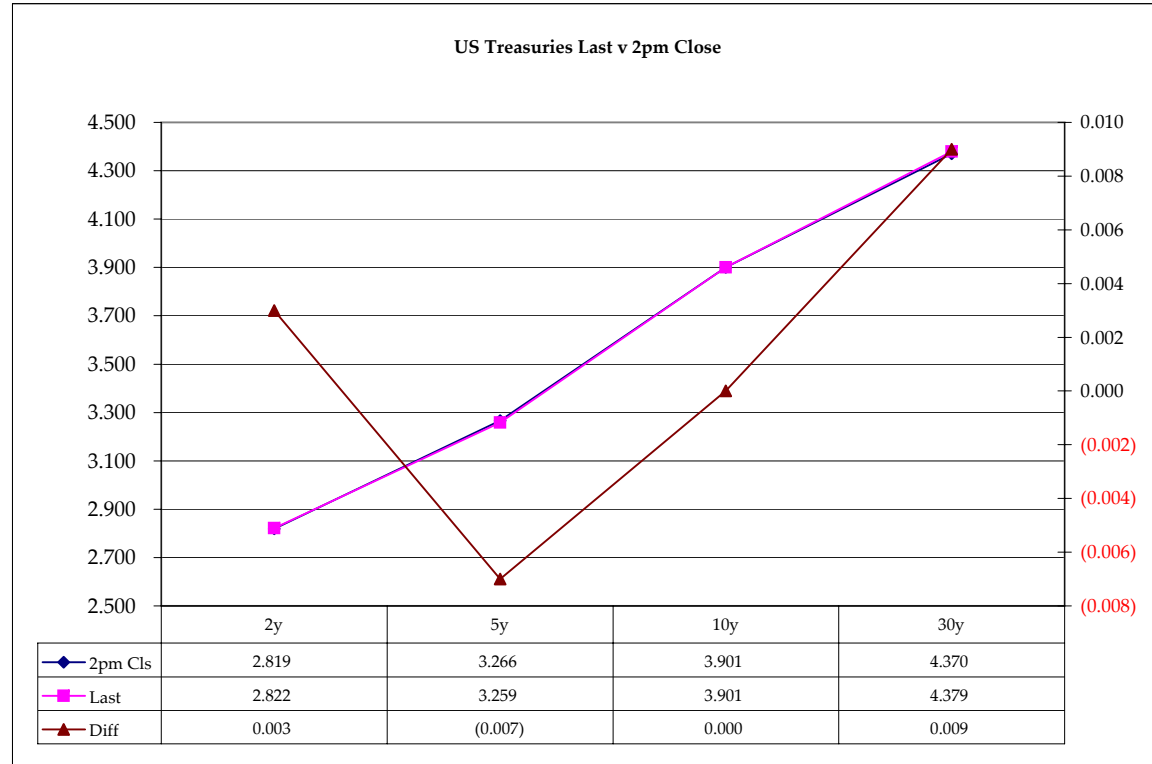
US Treasuries

	2y	5y	10y	30y
2y		2.410	4.289	9.199
5y	0.415		1.780	3.818
10y	0.233	0.562		2.145
30y	0.109	0.262	0.466	

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	3.250	12/31/09	100.2650	2.819	2.822	0.003				FVAH8	111.015	111.030
5y	3.625	12/31/12	101.2050	3.266	3.259	(0.007)	98.06	97.43		TYAH8	114.110	114.120
10y	4.250	11/17/17	102.265	3.901	3.901	0.000	89.97	88.10		USAH8	117.24	117.200
30y	5.000	5/15/37	110.12	4.370	4.379	0.009	278.59	276.04				

Curve Spreads		
	Close bps	Last bps
2/5	44.7	43.7
5/10	63.5	64.2
10/30	46.9	47.8
2/10	108.2	107.9
5/30	110.4	112.0
2/30	155.1	155.7



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	43%	100%		
10	24%	56%	100%	
30	12%	28%	51%	135%
Cash Matrix [DV01 x Duration]				
	2	5	10	30
2	\$192			
5	\$193	\$451		
10	\$197	\$462	\$825	
30	\$214	\$501	\$895	\$1,769
Cash Matrix [DV01 over / (under) valued]				
	2	5	10	30
2				
5	(\$0)			
10	(\$5)	(\$11)		
30	(\$21)	(\$50)	(\$70)	
Cash Matrix [DV01 over / (under) as %]				
	2	5	10	30
2				
5	-0.10%			
10	-2.44%	-2.34%		
30	-10.05%	-9.96%	-7.80%	

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

What is this? (2):
 -2yr cash has DV01 of \$202
 -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
2y	ZT	0.95	2.24	4.10	8.78
5y	ZF	0.43	1.02	1.87	4.00
10y	ZN	0.28	0.66	1.21	2.60
30y	ZB	0.16	0.36	0.67	1.43

		Box for Box Matrix			
		2y	5y	10y	30y
2y	ZT	0.95	2.24	8.19	17.57
5y	ZF	0.43	2.04	3.73	8.00
10y	ZN	0.56	1.32	1.21	2.60
30y	ZB	0.62	1.46	1.33	2.86

		2y	5y	10y	30y
2y	1.00	2.34	4.29	9.20	
5y	0.43	1.00	1.83	3.92	
10y	0.23	0.55	1.00	2.15	
30y	0.11	0.25	0.47	1.00	

		2y	5y	10y	30y
2y	2.34	2.14	4.60		
5y	0.43	0.46	1.96		
10y	0.47	2.19	2.15		
30y	0.22	0.51	0.47		

		ZT	ZF	ZN	ZB
ZT	1.00	2.20	3.38	6.15	
ZF	0.46	1.00	1.54	2.80	
ZN	0.30	0.65	1.00	1.82	
ZB	0.16	0.36	0.55	1.00	

		2y	5y	10y	30y
ZT	2.20	6.77	24.60		
ZF	0.46	1.54	5.60		
ZN	0.15	0.65	3.63		
ZB	0.04	0.18	0.28		