

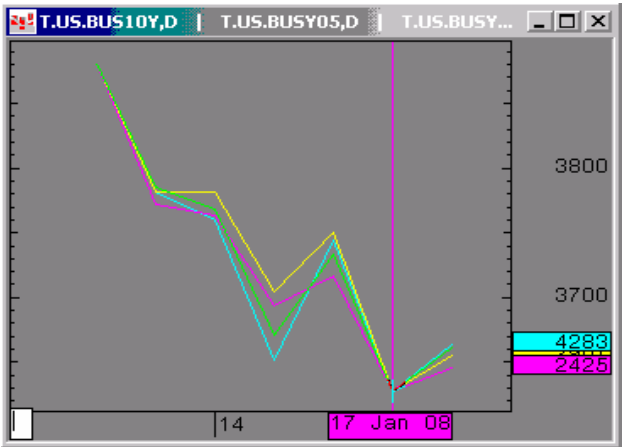


The Morning Email: Treasuries

Table of Contents

- Pg 1 Important Econ Releases, Highs & Lows
- Pg 2 Quotes
- Pg 3 Duration, DV01s, Curve Spreads, CF
- Pg 4 Hedge Ratio's
- Pg 5 Closes: 2pm CST vs this Morning
- Pg 6 Cash Duration Matrix
- Pg 7 Tic for Tic & Box for Box Matrix

Daily Yield Curve



Source: CQG, Inc. © 2008 Fri Jan 18 2008 05:42:35

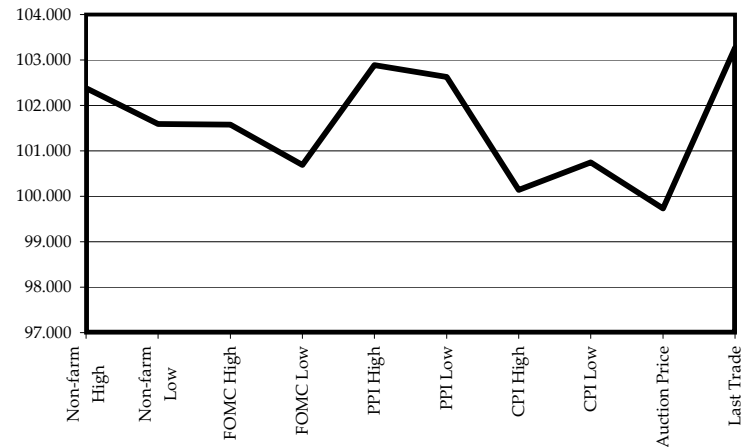


Want something added? Let me know: jgoulding@ghco.com
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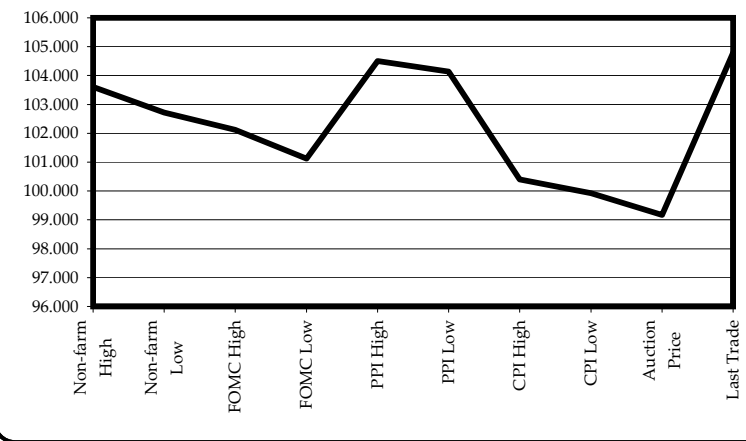
Economic Releases - 32nds					
	5y	10y	ZNH8	ZBH8	Date
Non-farm High	102.1225	103.195	115.075	118.18	1/4/2008
Non-farm Low	101.1900	102.230	114.085	117.16	1/4/2008
FOMC High	101.1850	102.040	113.200	116.16	12/11/2007
FOMC Low	100.2200	101.040	112.185	115.03	12/11/2007
PPI High	102.2850	104.160	116.030	119.17	1/15/2008
PPI Low	102.2000	104.045	115.235	119.02	1/15/2008
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	103.0850	104.255	116.120	119.22	1/18/2008 5:44

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

5y (Decimal)



10y (Decimal)



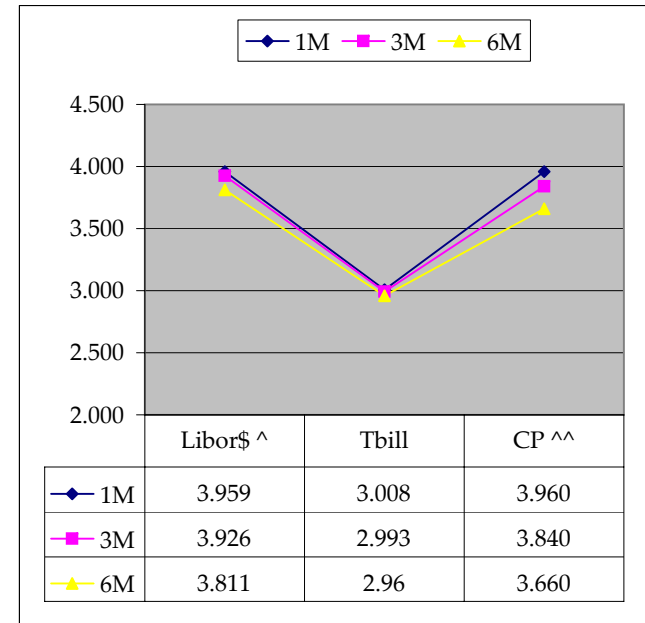
Notes: Cash and futures are adjusted for roll.
 Release times are from release to 2pm cdt
 {Dec07 to Mch08 Futures roll: ZF = (-12); ZN = (-25); ZB = (+1) [tics]}
 r = reopen

	Last	Net	32 nds			Volume	SYM NAME
			High	Low	Open		
TUAH8	106.100	0.0	106.120	106.090	106.115	29,009	2y Fut
FVAH8	112.230	(0.0)	112.290	112.215	112.280	50,095	5y Fut
TYAH8	116.120	(0.1)	116.230	116.105	116.230	138,432	10y Fut
USAH8	119.220	(0)	120.060	119.200	120.030	31,907	30y Fut
	Last	Net	High	Low	Open	Volume	SYM NAME
BUS02P	101.175	(1.7)	101.195	101.167	101.195	na	2y Cash
BUS05P	103.085	(4.7)	103.137	103.077	103.132	na	5y Cash
BUS10P	104.250	(10.5)	105.050	104.240	105.045	na	10y Cash
BUS30P	111.275	(17)	112.125	111.240	112.125	na	30y Cash
	Last	Net	High	Low	Open	Volume	SYM NAME
BUS02Y	2.425	2.00	2.445	2.38	2.412	na	2y Yield
BUS05Y	2.909	3.20	2.919	2.862	2.875	na	5y Yield
BUS10Y	3.659	3.20	3.671	3.609	3.626	na	10y Yield
BUS30Y	4.283	2.80	4.293	4.25	4.256	na	30y Yield

	Libor\$ ^	Tbill	CP ^^
1M	3.959	3.008	3.960
3M	3.926	2.993	3.840
6M	3.811	2.96	3.660
	TSY	Swap	ED Pks ^^
2y	2.428	66.50	2.994
5y	2.908	67.25	4.156
10y	3.665	60.50	

	Libor\$ ^	Repos
0/N	4.291	3.650
1week	4.293	3.750
2week	4.150	3.700

I think this is a misquote Shoud be a 3 handle ?



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	15.85	5.79	\$1,808	11.57	n/a
10y	7.97	2.69	\$841	5.38	n/a
5y	4.50	1.50	\$469	6.00	n/a
2y	1.87	0.61	\$191	2.44	n/a
ZB	10.31	4.05	\$127	4.05	0.8633
ZN	5.88	2.21	\$69	4.43	0.8747
ZF	3.93	1.43	\$45	2.86	0.8877
ZT	1.87	0.64	\$20	2.55	0.9549

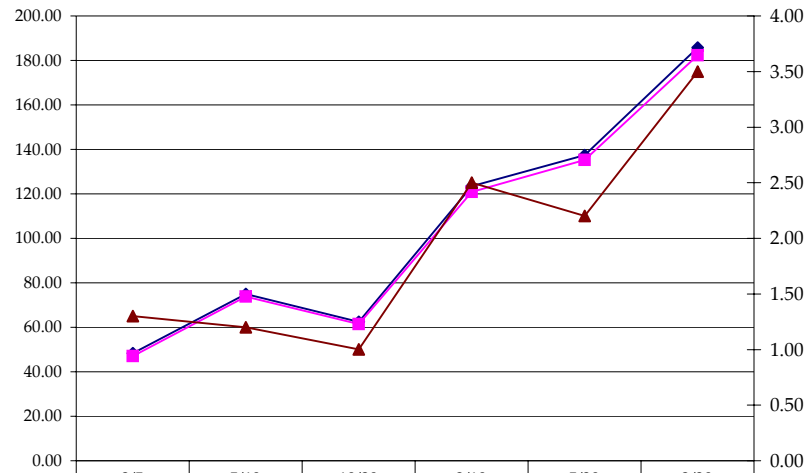
Yield Curve Spreads			
	Last	2pm close	Diff
2/5	48.40	47.10	1.30
5/10	75.00	73.80	1.20
10/30	62.40	61.40	1.00
2/10	123.40	120.90	2.50
5/30	137.40	135.20	2.20
2/30	185.80	182.30	3.50

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.

Curve Spreads vs 2pm close



	2/5	5/10	10/30	2/10	5/30	2/30
◆ Last	48.40	75.00	62.40	123.40	137.40	185.80
■ 2 PM Close	47.10	73.80	61.40	120.90	135.20	182.30
▲ Diff	1.30	1.20	1.00	2.50	2.20	3.50

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	1.800	2.800	3.100
Bobl (H)	0.540	0.996	1.536	1.692
Shatz (H)	0.223	0.405	0.625	0.688

US Treasuries v US Financial Futures

	2y	5y	10y	30y
ZB	1.51	3.70	6.65	14.29
ZN	2.75	6.77	12.16	26.13
ZF	4.27	10.50	18.84	40.50
ZT	4.77	11.74	21.08	45.31

US Financial Futures

	ZB	ZN	ZF	ZT
ZB		1.828	2.834	3.171
ZN	0.547		1.550	1.734
ZF	0.353	0.645		1.119
ZT	0.308	0.564	0.874	

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	1.9	4.6
Bobl (H)	0.5	1.0	2.5
Shatz (H)	0.2	0.4	1.0

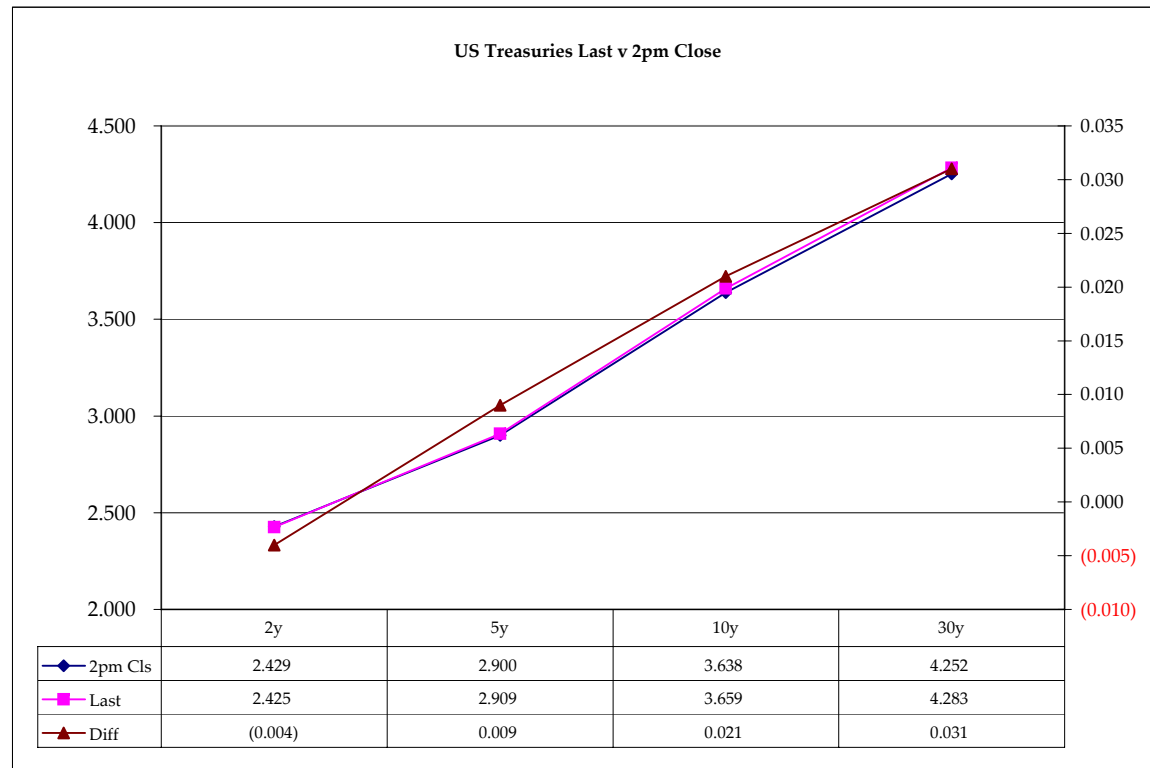
US Treasuries

	2y	5y	10y	30y
2y		2.460	4.416	9.491
5y	0.407		1.795	3.859
10y	0.226	0.557		2.149
30y	0.105	0.259	0.465	

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	101.1775	2.429	2.425	(0.004)				FVAH8	112.245	112.230
5y	3.625	12/31/12	103.1025	2.900	2.909	0.009	102.98	102.57		TYAH8	116.175	116.120
10y	4.250	11/17/17	105.005	3.638	3.659	0.021	98.31	96.12		USAH8	120.03	119.220
30y	5.000	5/15/37	112.15	4.252	4.283	0.031	281.34	274.56				

Curve Spreads		
	Close bps	Last bps
2/5	47.1	48.4
5/10	73.8	75.0
10/30	61.4	62.4
2/10	120.9	123.4
5/30	135.2	137.4
2/30	182.3	185.8



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%	50%	136%
Cash Matrix [DV01 x Duration]				
	2	5	10	30
2	\$191			
5	\$192	\$455		
10	\$198	\$469	\$841	
30	\$214	\$506	\$909	\$1,808
Cash Matrix [DV01 over / (under) valued]				
	2	5	10	30
2				
5	(\$2)			
10	(\$7)	(\$13)		
30	(\$23)	(\$51)	(\$68)	
Cash Matrix [DV01 over / (under) as %]				
	2	5	10	30
2				
5	-0.80%			
10	-3.63%	-2.85%		
30	-10.81%	-10.10%	-7.45%	

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
ZT	0.95	2.28	4.22	9.06
ZF	0.43	1.02	1.88	4.05
ZN	0.28	0.66	1.22	2.61
ZB	0.15	0.36	0.66	1.43

Box for Box Matrix				
	2y	5y	10y	30y
ZT	0.95	2.28	8.43	18.13
ZF	0.43	2.04	3.77	8.10
ZN	0.55	1.32	1.22	2.61
ZB	0.60	1.44	1.33	2.86

	2y	5y	10y	30y
2y	1.00	2.39	4.42	9.49
5y	0.42	1.00	1.85	3.97
10y	0.23	0.54	1.00	2.15
30y	0.11	0.25	0.47	1.00

	2y	5y	10y	30y
2y		2.39	2.21	4.75
5y	0.42		0.46	1.99
10y	0.45	2.16		2.15
30y	0.21	0.50	0.47	

	ZT	ZF	ZN	ZB
ZT	1.00	2.24	3.47	6.34
ZF	0.45	1.00	1.55	2.83
ZN	0.29	0.65	1.00	1.83
ZB	0.16	0.35	0.55	1.00

	2y	5y	10y	30y
ZT		2.24	6.94	25.36
ZF	0.45		1.55	5.67
ZN	0.14	0.65		3.66
ZB	0.04	0.18	0.27	