



7/20/2009 5:50

The Morning Email: Treasuries

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Want something added? Let me know:
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	32nds					
	2 y	3 y	5y	7y	10y	30y
Auction Price	99.304	99.302	99.208	99.163	97.320	99.033
Auction Yield Stop	1.151	1.519	2.700	3.300	3.365	4.303
Actual Auction Date	6/23/2009	7/7/2009	6/24/2009	6/26/2009	07/08/09 r	7/09/2009 r

		32 nds					
	Last	Net	High	Low	Open	Volume	Sym Name
TUAU9	108.1000	(1.7)	108.1300	108.0920	108.1300	13,533	2y Fut
Z3NU9	111.2570	(4.2)	#VALUE!	#VALUE!	#VALUE!	0	3y Fut
FVAU9	114.3000	(8.5)	115.0670	114.2720	115.0520	29,209	5y Fut
TYAU9	115.3050	(14.00)	116.1350	115.2650	116.1050	74,322	10y Fut
USAU9	115.1850	(22.50)	116.0850	115.1350	116.0400	15,199	30y Fut
	Last	Net	High	Low	Open	Volume	Sym Name
BUS02P	100.0650	(1.70)	100.0800	100.0600	100.0800	na	2y Cash
BUS03P	99.2050	(5.00)	99.2420	99.2000	99.2370	na	3y Cash
BUS05P	100.0850	(9.20)	100.1950	100.0600	100.2100	na	5y Cash
BUS07P	99.2800	(13.50)	100.0300	99.2450	100.0350	na	7y Cash
BUS10P	95.0750	(15.00)	95.2950	95.0350	95.1300	na	10y Cash
BUS30P	94.1450	(29.00)	94.3150	94.1250	94.2250	na	30y Cash
	Last	Net	High	Low	Open	Volume	Sym Name
BUS02Y	1.015	0.290	1.027	0.994	1.020	na	2y Yield
BUS03Y	1.616	0.560	1.629	1.583	1.595	na	3y Yield
BUS05Y	2.566	0.690	2.584	2.493	2.535	na	5y Yield
BUS07Y	3.267	0.710	3.288	3.234	3.227	na	7y Yield
BUS10Y	3.706	0.630	3.720	3.663	3.679	na	10y Yield
BUS30Y	4.589	0.500	4.597	4.559	4.561	na	30y Yield

Notes:

Regarding the futures quotes: .2 .5 & .7
represent 1/4, 1/2, & 3/4s.

	M Duration	DV01 32	DV01 \$	DV01 Box	CF	
30y	16.29	5.29	\$1,652	10.57	n/a	30y
10y	8.29	2.66	\$833	5.33	n/a	10y
7y	6.16	2.08	\$649	4.15	n/a	7y
5y	4.60	1.54	\$482	6.17	n/a	5y
3y	2.90	0.95	\$297	3.80	n/a	3y
2y	1.92	0.63	\$196	2.50	n/a	2y
ZB	9.90	4.05	\$127	4.05	0.7593	ZB
ZN	5.76	2.33	\$73	4.66	0.7941	ZN
ZF	4.14	1.58	\$49	6.32	0.8622	ZF
Z3N	2.76	1.07	\$33	4.27	0.7941	Z3N
ZT	1.86	0.70	\$22	2.81	0.9201	ZT

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

Example, If **ZN** moves 1-basis point, then, it's moved 2.47 tics (Today, 04/28/09, the value in the box is 2.47).

Since ZN trades in half tics, then, 4.95 boxes = 1 basis point in ZN. (Again, today, 04/28/09, the value in the box is 4.95). 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

	ZB	ZN	ZF	Z3N	ZT
ZB		1.74	2.56	1.90	2.88
ZN	0.57		1.47	1.09	1.66
ZF	0.39	0.68		0.74	1.13
Z3N	0.51	0.89	1.31		1.47
ZT	0.35	0.60	0.89	1.32	

US Treasuries vs US Financial Futures

	2y	3y	5y	7y	10y	30y
ZB	1.5	2.3	3.8	5.1	6.57	13.0
ZN	2.7	4.1	6.6	8.9	11.44	22.7
ZF	4.0	6.0	9.8	13.1	16.86	33.4
Z3N	2.9	4.4	7.2	9.7	12.49	24.8
ZT	4.5	6.8	11.0	14.8	18.97	37.6

US Treasuries

	2y	3y	5y	7y	10y	30y
2y		1.52	2.47	3.32	4.26	8.45
3y	0.66		1.63	2.19	2.81	5.57
5y	0.41	0.61		1.35	1.73	3.43
7y	0.30	0.46	0.74		1.28	2.55
10y	0.23	0.36	0.58	0.78		1.98
30y	0.12	0.18	0.29	0.39	0.50	

US Financial Futures vs German Futures

	ZB	ZN	ZF	ZT
Bund (U)	1.00	1.86	2.55	Jan-00
Bobl (U)	0.62	1.00	1.50	Jan-00
Shatz (U)	0.24	0.42	0.60	Jan-00

German Futrues vs German Futures

	Bund (U)	Bobl (U)	Shatz (U)
Bund (U)		1.70	4.21
Bobl (U)	0.59		2.47
Shatz (U)	0.24	0.40	

US Treasuries vs German Futures

	2y	3y	5y	7y	10y	30y
Bund (U)	1.5	2.3	3.6	4.7	Jan-00	12.9
Bobl (U)	2.7	3.9	6.3	8.0	Jan-00	22.3
Shatz (U)	6.8	9.9	16.1	19.7	Jan-00	56.9

Note: If you are looking at a matrix with Eurex products then those ratios are pulled from Bloomberg and are static. Meaning, I only update them once in a while but always on rolls. I calculate the other matrixes, with US products, everyday

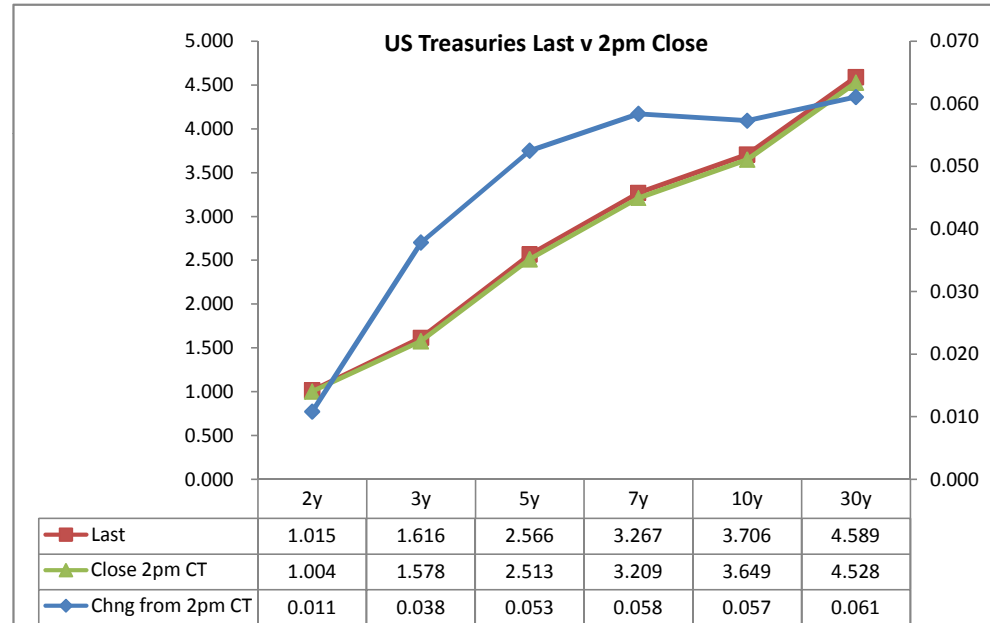
Treasury Closes: 2pm CT vs this Morning

	Cpn	Mty	Close 32	Close	Last	Chng	Basis (CF)			Close 32	Last	
						from 2pm	Close	Last	CF			
2y	1.125	6/30/11	100.0775	1.004	1.015	0.011	17.12	17.43	0.9201	108.1170	108.100	TUAU9
3y	1.500	7/15/12	99.2475	1.578	1.616	0.038	-16.00	-19.98	0.8968	111.2600	111.257	Z3NU9
5y	2.250	5/31/14	100.1650	2.513	2.566	0.053	38.00	37.33	0.8622	115.0650	114.300	FVAU9
7y	3.250	6/30/16	100.0800	3.209	3.267	0.058	na	na	na	na	na	
10y	3.125	5/15/19	95.2250	3.649	3.706	0.057	104.87	100.99	0.7593	116.1250	115.305	TYAU9
30y	4.250	5/15/39	95.1500	4.528	4.589	0.061	230.02	214.23	0.0000	116.085	115.185	USAU9

Curve Spreads^

	Close bps	Last bps	Chng from
			2pm Cls
2/3	57.4	60.1	2.7
2/5	150.9	155.1	4.2
2/7	220.5	225.3	4.8
3/5	93.5	95.0	1.5
3/7	163.1	165.2	2.1
2/10	264.5	269.1	4.6
3/10	207.1	209.0	1.9
5/7	69.6	70.2	0.6
5/10	113.6	114.1	0.5
2/30	352.4	357.4	5.0
3/30	295.0	297.3	2.3
5/30	201.5	202.4	0.9
7/10	44.0	43.9	(0.1)
7/30	131.9	132.2	0.3
10/30	87.9	88.3	0.4

	Last	Chng on Day	Prcnt Chng
Emini SP	944.00	7.00	0.75
Crude Oil	64.72	1.16	1.83
Gold	952.70	15.20	1.62
EURUSD	142.25	1.22	0.87
USDJPY	94.60	0.41	0.44
DX	78.90	(0.45)	-0.57



^matrix is linked to 'Monitor'

Cash Duration Matrix

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

Cash Duration Matrix

	2	5	10	30
2	100%			
5	42%	100%		
10	23%	56%	100%	
30	12%	28%	51%	100%

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.

Cash Matrix [DV01 x Duration]

	2	5	10	30
2	\$196			
5	\$201	\$482		
10	\$193	\$463	\$833	
30	\$194	\$467	\$840	\$1,652

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.

Cash Matrix [DV01 over / (under) valued]

	2	5	10	30
2	\$196			
5	(\$5)	\$482		
10	\$3	\$20	\$833	
30	\$1	\$15	(\$8)	\$1,652

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

Cash Matrix [DV01 over / (under) as %]

	2	5	10	30
2	0.0%			
5	-2.6%	0.0%		
10	1.5%	4.2%	0.0%	
30	0.6%	3.3%	-0.9%	0.0%

Tic for Tic Matrix

	2y	5y	10y	30y
ZT	0.89	2.20	3.79	7.52
ZF	0.40	0.98	1.69	3.34
ZN	0.27	0.66	1.14	2.27
ZB	0.15	0.38	0.66	1.30

	2y	5y	10y	30y
2y		2.47	4.26	8.45
5y	0.41		1.73	3.43
10y	0.23	0.58		1.98
30y	0.12	0.29	0.50	

	ZT	ZF	ZN	ZB
ZT		2.25	3.32	5.77
ZF	0.44		1.47	2.56
ZN	0.30	0.68		1.74
ZB	0.17	0.39	0.57	

Box for Box Matrix

	2y	5y	10y	30y
ZT	0.89	2.20	7.59	15.05
ZF	0.40	0.98	3.37	6.69
ZN	0.54	1.33	1.14	2.27
ZB	0.62	0.76	1.31	1.30

	2y	5y	10y	30y
2y		2.47	2.13	4.22
5y	0.41		0.43	1.71
10y	0.47	2.32		1.98
30y	0.24	0.58	0.50	

	ZT	ZF	ZN	ZB
ZT		2.25	6.63	11.54
ZF	0.44		2.95	5.13
ZN	0.15	0.34		1.74
ZB	0.09	0.20	0.57	

	Libor\$ ¹	Repo Rt ⁶
0/N	0.239	#VALUE!
1week	0.264	#VALUE!
2week	0.276	#VALUE!

	Libor\$ ¹	Tbill	CP ²
1M	0.286	0.144	0.300
3M	0.505	0.187	0.400
6M	0.968	0.266	0.850

	TSY	Swp	Swp Rate ⁵	ED Pks ³	TSY - ED Pk ⁴
2y	1.015	47.75	1.49	2.488	1.473
5y	2.566	51.00	3.08	4.603	2.037
10y		25.50	#VALUE!		#VALUE!

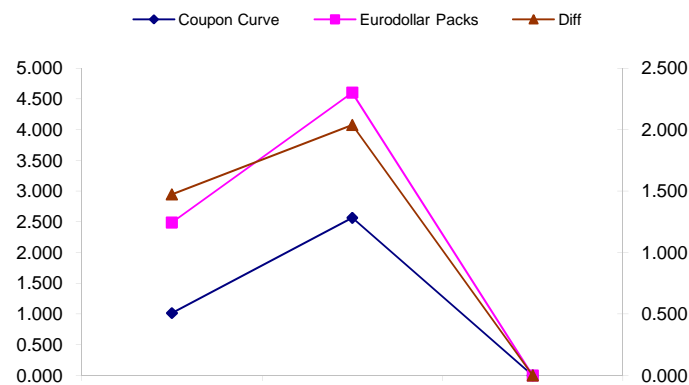
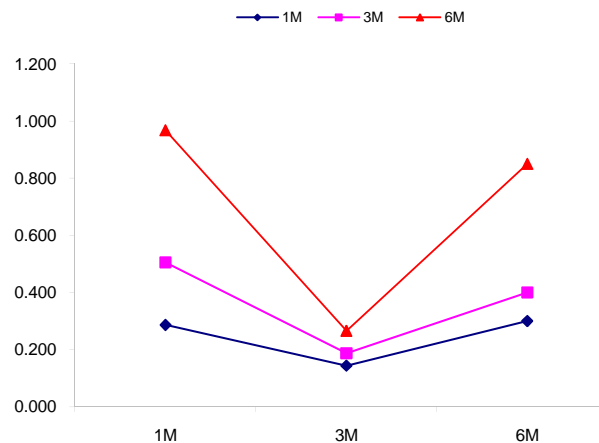
<u>2/5</u>	<u>Rd/Blu Pk</u>	<u>Diff</u>
155.1	211.5	56.4
<u>2/10</u>	<u>Rd/Gld Pk</u>	<u>Diff</u>
#VALUE!	#VALUE!	#VALUE!
<u>5/10</u>	<u>Blu/Gld Pk</u>	<u>Diff</u>
#VALUE!	#VALUE!	#VALUE!

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

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

Notes:

- 1) Quoted in US Dollars
- 2) CP = Commercial Paper
- 3) ED Pks are colored for pack identifications. Example, the red pack is a 2-yr proxy and is colored red.
- 4) TSY yield minus ED Pk yield
- 5) Swap divided by 100 + TSY yield gives swap rate in basis points.
- 6) Repo Rt quotes is for overnight General Collateral



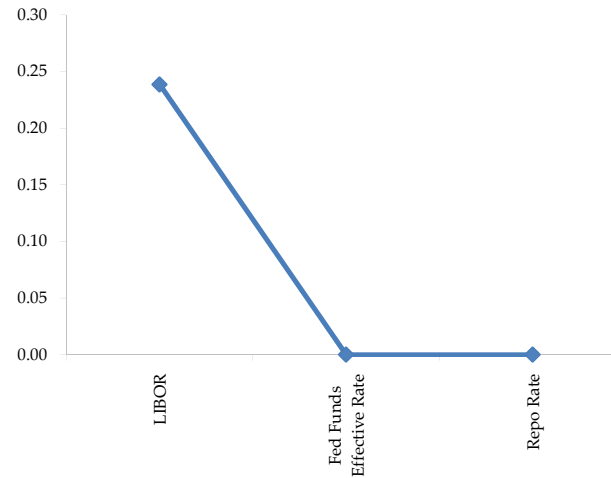
	Last	Chng	Term	Asset Type
USDLIBON	0.239	(0.0013)	Overnight	LIBOR
TUSFFRON	#VALUE!	#VALUE!	Overnight	Fed Funds Effective Rate
TUSRPOON	#VALUE!	#VALUE!	Overnight	Repo Rate
TEONIA01M	0.387	0.0050	1 month	Euribor OIS Rate
TEONIA03M	0.434	0.0010	3 month	Euribor OIS Rate
TSONIA01M	0.422	0.0020	1 month	Sterling OIS Rate
TSONIA03M	0.427	0.0160	3 month	Sterling OIS Rate
TUSOIS01M	0.173	0.0040	1 month	USD OIS Rate
TUSOIS03M	0.190	0.0000	3 month	USD OIS Rate

Example, below

Overnight Rates -EXAMPLE



Overnight Rates



A 'normal' lending curve looks like the chart to the left. That is, the Libor should be a bit higher than Fed Funds Effective rate (FFER), and the FFER should be a bit higher than the Repo Rate.

The best time to view this page is to request that I take a snapshot during the day and send it to you personally.

The Fed Funds effective rate and the repo rate rarely update until after I send the morning email.

