

as of 8/10
 If long basis, then, you'll lose 3.7/32nds if held to **DLV**

<HELP> for explanation.

PP110 Comdty **MDLV**

Deliverability Monitor	Fut Price	Set	8/11/05	Div	9/30/05	50 Days Act/	360		
US 10YR NOTE FUT Sep05	110-03+	12:53			Implied	Net	Gross		
Act repo 3.45	Source Mid	Price	Time	Yield	Repo	Basis	Basis	Factor	
T 4 ³ / ₈ 08/15/12	BGN	100-16+	13:01	4.289	2.627	3.7	7.3	.9108	
T 4 11/15/12	BGN	98-01+	13:04	4.315	1.190	10.0	12.2	.8870	
T 3 ⁷ / ₈ 02/15/13	BGN	97-01+	13:04	4.340	-.065	15.2	17.2	.8765	
T 3 ⁵ / ₈ 05/15/13	BGN	95-11+	13:04	4.335	-2.776	26.6	27.6	.8582	
T 4 ¹ / ₄ 08/15/13	BGN	99-08+	13:01	4.360	-2.845	27.8	31.1	.8927	
T 4 ¹ / ₄ 11/15/13	BGN	99-03	13:00	4.381	-3.653	31.6	34.7	.8901	
T 4 02/15/14	BGN	97-08	13:01	4.391	-5.676	39.5	42.0	.8713	
T 4 ³ / ₄ 05/15/14	BGN	102-17+	13:01	4.396	-5.931	43.2	48.0	.9177	
T 4 ¹ / ₄ 08/15/14	BGN	98-28	13:01	4.403	-8.504	52.6	55.9	.8821	
T 4 ¹ / ₄ 11/15/14	BGN	98-25+	13:01	4.409	-9.783	58.7	61.9	.8797	
T 4 02/15/15	BGN	96-25+	13:01	4.416	-11.989	66.5	69.1	.8595	
T 4 ¹ / ₈ 05/15/15	BGN	97-25	13:02	4.406	-13.844	75.9	78.7	.8657	

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Comdty MDLV

HELP FOR **CHEAPEST-TO-DELIVER MONITOR**

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MDLV monitors the cheapest to deliver bonds, their prices, implied repo rate, net basis, and gross basis for a selected conversion factor bond futures contract. MDLV sorts the deliverables in order of implied repo rate and displays data for the futures contract and up to twenty bonds. The deliverable bonds that do not appear on the screen are still monitored, so the cheapest twenty bonds always appear on the screen.

- 1) Instructions
- 2) Description of Display
- 3) Color Coding

TO ACCESS: 4) MDLV <Go>

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INSTRUCTIONS

Enter {ticker symbol} <CMDTY> MDLV <Go>. For example, enter USA <CMDTY> MDLV <Go>.

DESCRIPTION OF DISPLAY

MDLV sorts the deliverables by implied repo rate, with the highest implied repo being the cheapest issue and the top bond on the screen.

Set: The settlement date, which is the valuation date for the deliverability analysis.

Div: The first day that a security underlying the futures contract can be delivered.

The number of days between the settlement and delivery dates and the day type method appear to the right of the Div field. For a list of day type choices, move your cursor to the highlighted field. NOTE: Day type is the method used to determine how accrued interest is calculated and how coupon periods are determined.

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A description of the contract, the exchange code, the expiration month and year, the current price, and the time or date of the last price update appear below the heading.

Act repo: The actual repo rate for the time from settlement to delivery. The actual repo is used in calculating the net basis.

Source: The pricing source for bond prices. NOTE: Only certain sources are monitorable for bond prices.

{X} Price: The bond's price. For a list of pricing type choices, move your cursor to the highlighted field.

Time: The time the bond was last priced.

Yield: Appears only for U.S. government bonds and Japanese bonds whose pricing source is set to a contributor that provides yield quotes. The bond's yield. For additional information on setting your pricing source, see FMPS <HELP>.

Implied Repo: The effective rate earned by purchasing a cash bond and selling the future, with the intention of delivering that particular bond into the future.

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BNOG
Net Basis: The gross basis adjusted for net carry. It is also called basis over carry or basis adjusted for carry. Net carry is the actual coupon income and reinvestment less borrowing expense, which is at the security's actual repo rate.

Net basis is the true economic basis. A positive value represents a loss or net cost to the long cash/short futures position. Net basis is the expected profit for the short cash/long futures position (where actual repo is the reverse repo rate and vice versa for negative net basis values). For example, with a Gross basis = 5.0 32nds and Net basis = 2.0 32nds, the P&L for long cash/short futures is a loss of 2.0 32nds.

Gross Basis: The bond price minus the delivery price, expressed in decimal format. For conversion factor futures, the delivery price equals the futures price times the conversion factor. For yield-based futures, the delivery price equals the issue's price on the delivery date using the future's yield.

Factor: The conversion factor as specified by the exchange.

Australia 61 2 9777 8600 Brazil 5511 3048 4500 Europe 44 20 7330 7500 Germany 49 69 920410
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COLOR CODING
When a futures tick comes in, the futures price and time flash. Red indicates a decrease, blue indicates an increase, and white indicates no change in the future's price. MDLV also recalculates the repo and basis and repaints the bonds, flashing them gray.

When a bond tick comes in, the price, time, and (for U.S. government bonds only) yield flash in color for that bond only. All the other bond information flashes gray.

If the bond's rank changes, it appears in its newly sorted order and other bonds shift up or down accordingly. If a bond on the screen ticks such that its new implied repo is no longer one of the 20 highest, the 20th cheapest bond appears on the bottom line and flashes in magenta.

For a full discussion of how implied repo and net basis are calculated, see DLV <HELP>.

<HELP> for personal assistance, <MENU> to return.