11/24/2006 5:41

The Morning Email: Treasuries

Table of Contents

Rotate Me

Want something added?
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Important Econ Releases Highs & Lows

	5y*	10y*	ZN	ZB	Date
Non-farm High	100.0075	100.0900	108.1600	113.0000	11/3/2006
Non-farm Low	99.2175	99.6500	107.1250	111.1300	11/3/2006
FOMC High	99.1600	98.2950	107.0550	110.2700	10/25/2006
FOMC Low	99.0800	98.1650	106.2550	110.0500	10/25/2006
PPI High	100.1375	99.0600	108.1850	113.1900	11/14/2006
PPI Low	100.0600	98.2350	108.0600	112.3100	11/14/2006
CPI High	100.1050	100.1700	108.1450	113.1200	11/16/2006
CPI Low	99.2425	99.2000	107.2050	112.0300	11/16/2006

*Adjusted for New Issue

Prices are recorded from econ release to 2pm CDT

Quotes

	32 nds						
	ls	net	high	low	open	Volume	SYM NAME
TUAZ6	102.040	1.50	102.045	102.022	102.022	17,622	2y Futures
FVAZ6	105.205	3.00	105.240	105.160	105.170	39,631	5y Futures
TYAZ6	108.185	4.50	108.225	108.115	108.130	115,245	10y Futures
USAZ6	113.190	11	113.270	113.060	113.060	38,601	30y Futures
	ls	net	high	low	open	Volume	SYM NAME
BUS02P	100.085	1.0	100.090	100.070	100.070	na	2y
T.US.B045P1011	100.115	3.2	100.147	100.070	100.075	na	5y
BUS10P	100.210	5.0	100.250	100.140	100.140	na	10y
BUS30P	98.010	13	98.055	97.200	97.240	na	30y
	ls	net	high	low	open	Volume	SYM NAME
BUS02Y	4.723	(1.80)	4.779	4.71	4.753	na	2y Yield
BUS05Y	4.538	(2.20)	4.576	4.519	4.574	na	5y Yield
BUS10Y	4.540	(1.80)	4.629	4.523	4.629	na	10y Yield
BUS30Y	4.621	(2.30)	4.657	4.608	4.657	na	30y Yield

Source: CQG

Yesterday

1:16 pm - Market Inches Higher in Tight Trade: The market made a **push to nick out new highs** into the close, but just did not have it in it. The 10-yr is taking cracks at getting through a pretty contentious level at the 4.555% yield, but it will probably take a string of poor to awful economic reports to make a go of it. **The week ahead, (Fri really does not count) has a good run of data which may make for a wildly swinging trade.** The **2-10-yr yield spread was hanging around -18**
[Source: Yahoo!]

Overnight

Nikkei drops as exporters hurt by yen strength.

TOKYO, Nov 24 (Reuters) - The yield on the 10-year Japanese government bond slipped to a two-month low on Friday, as most maturities were boosted by a 1.38 percent fall in the Nikkei stocks average.

Investors shunned shorter maturities as they waited to see if a Bank of Japan official would shed more light on the timing of a rate rise in a speech later in the day, and analysts said those instruments would remain under selling pressure thanks to the prospect of higher rates.

LONDON, Nov 24 (Reuters) - The dollar plunged against major currencies on Friday, dragging down European stocks as the euro soared and boosting demand for short-tern European bonds.

[Source - Market Watch, Reuters]

Today

No Numbers

[Sources: DailyFX.com]

[Other Sources: FXStreet.com, Briefing.com, MNI, Reuters, Dow Jones, Bloomberg, icap]

Yield Curve Spreads & Flys, DV01s, CFs

M Duration

30y	15.76
10y	7.91
5y	4.35
3y	2.74
2y	1.81
ZB	9.97
ZN	5.71
ZF	3.79
ZT	1.73

DV01s (32nds)

30y	5.01
10y	2.55
5y	1.41
3y	0.88
2y	0.58
ZB	3.68
ZN	2.01
ZF	1.30
ZT	1.13

DV01s ($s)

30y	$1,565
10y	$798
5y	$439
3y	$274
2y	$182
ZB	$115
ZN	$63
ZF	$41
ZT	$35

Yield Curve Spreads

2/3	-11.90
3/5	-6.60
2/5	-18.50
5/10	0.20
2/10	-18.30
10/30	8.10
5/30	8.30
2/30	-10.20

Fly's

2/3/5	-5.30
2/5/10	-18.70
2/10/30	-26.40
5/10/30	-7.90

CFs

ZB	0.795
ZN	0.8995
ZF	0.9430
ZT	0.9528

*CF OTR Basis = Conversion Factor On-the-Run Basis
(Cash price - (Futures price* OTR CF))= CF OTR Basis

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

MDuration = Modified Macaulay Duration

Hedge Ratios: US Financial Futures / Eurex Bund, Bobl, Schatz,

US Financial Futures / Eurex Bond Hedge Ratios

Short Number of Contracts

	ZB	ZN	ZF	ZT
Bund (Z)	1.000	1.800	2.700	3.000
Bobl (Z)	0.530	0.920	1.400	1.500
Shatz (Z)	0.200	0.370	0.570	0.630

Eurex Hedge Ratio's source: Bloomberg

Number of contracts LONG

US Financial Futures Hedge Ratios

	ZB	ZN	ZF	ZT
ZB		1.834	2.838	3.247
ZN	0.545		1.548	1.770
ZF	0.352	0.646		#VALUE!
ZT	0.616	1.130	1.748	

H=Mch
M=Jun
U=Sep
Z=Dec

Hedge Ratios: US Treasury Cash / Eurex Bund, Bobl, Schatz

US Treasuries v US Financial Futures Hedge Ratios

	2y	3y	5y	10y	30y
ZB	1.59	2.38	3.82	6.93	13.61
ZN	2.91	4.37	7.00	12.72	24.95
ZF	4.50	6.76	10.84	19.68	38.61
ZT	4.89	7.73	12.40	22.51	44.18

US Treasuries v Eurex Bonds Hedge Ratios

	2y	3y	5y	10y	30y
Bund (Z)	1.7	2.4	3.9	7.0	13.1
Bobl (Z)	3.1	4.7	7.3	13.5	25.2
Shatz (Z)	7.1	10.4	16.7	30.0	56.1

Eurex Hedge Ratio's source: Bloomberg

Eurex Hedge Ratios

	Bund (Z)	Bobl (Z)	Shatz (Z)
Bund (Z)		1.880	4.800
Bobl (Z)	0.520		2.484
Shatz (Z)	0.214	0.403	

Eurex Hedge Ratio's source: Bloomberg

H=Mch
M=Jun
U=Sep
Z=Dec

Hedge Ratios: US Cash Treasuries / Eurodollar

US Treasuries v US Treasuries

	2y	3y	5y	10y	30y
2y		1.583	2.537	4.607	9.040
3y	0.665		1.603	2.911	5.712
5y	0.415	0.624		1.816	3.564
10y	0.229	0.344	0.551		1.962
30y	0.117	0.175	0.281	0.510	

Commitment of Traders (COT)

	Current Positions									
	Small Spec			Large Spec			Commercials (Hedgers)			
	Long	Short	Net	Long	Short	Net	Long	Short	Net	
0	302,725	302,501	224	191,818	222,999	(31,181)	1,015,976	985,020	30,956	0
0	371,511	430,612	(59,101)	682,120	289,773	392,347	1,575,451	1,908,698	(333,247)	0
0	190,726	183,280	7,446	132,305	163,970	(31,665)	603,344	579,125	24,219	0

	WoW** Position Change			
	Sml Spec	Lrg Spec	Comm	
	Net	Net	Net	As of
0	9,406	18,948	(28,355)	11/14/2006
0	5,322	6,620	(11,942)	
0	9,586	20,378	(29,964)	

**WoW = Week over week

Closes2pm

2 PM CDT Closes: US Treasuries, US Financial Futures, YC Spreads, Basis

	Cpn	Mty	32nds	Yield
2y	4.875	10/30/08	100.0750	4.745
3y	4.625	11/15/09	99.3125	4.633
5y	4.625	10/31/11	100.0800	4.567
10y	4.625	11/15/16	100.150	4.566
30y	4.500	2/15/36	97.20	4.650

	CF Basis*	GHCO Basis
5y	0.90	13.763
10y	2.88	93.735
30y	7.30	243.215

	32nds
ZF	105.1800
ZN	108.1400
ZB	113.07

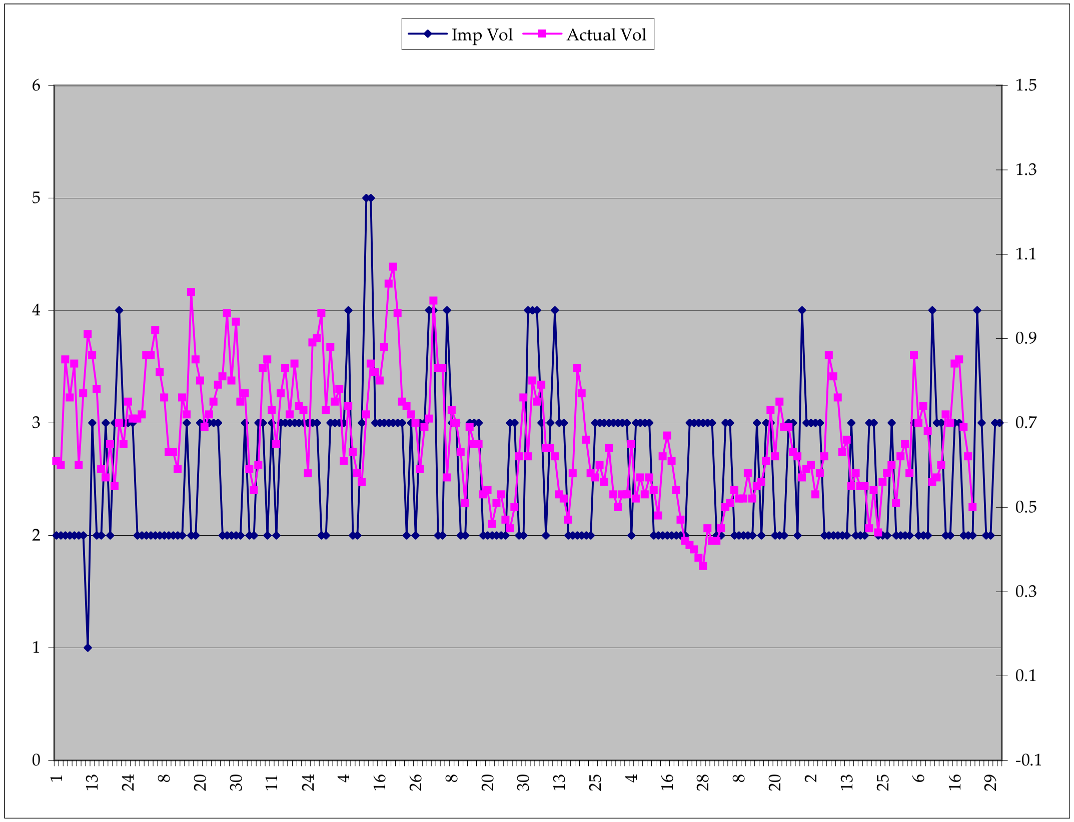
Curve Spreads bps	
2/3	(0.112)
3/5	(0.066)
2/5	(0.178)
5/10	(0.001)
2/10	(0.179)
10/30	0.084
5/30	0.083
2/30	(0.095)

Closes were marked at 12 noon CDT
On Wed, Nov 22

CF = Conversion Factor

Cash - (Futures * CF)

Implied Volatility (Daily)



Begins Feb 1. No weekends

Scale is 1-9 (left axis)
1,2 = very slow
3 = moderate
4,5 = volatile
6-9 = very volatile

Implied Volatility on left axis.
Actual Volatility on right axis.
Actual Vol based on 3 day MA.

Implied Volatility (3-Hour)

CDT Time	UT Time	EDT Time	11/24/2006	11/24/2006	1/0/1900
1900-2200	0000-0300	2000-2300	4	0	0
2200-0100	0300-0600	2300-0200	3	0	0
0100-0400	0600-0900	0200-0500	3	0	0
0400-0700	0900-1200	0500-0800	2	0	0
0700-1000	1200-1500	0800-1100	2	0	0
1000-1300	1500-1800	1100-1400	2	0	0
1300-1600	1800-2100	1400-1700	2	0	0
1600-1900	2100-0000	1700-2000	2	0	0

Shaded boxes denote market hours 4am to 4pm CDT

Scale is 1-9
1,2 = very slow
3 = moderate
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6-9 = very volatile