10/6/2006 5:29

The Morning Email: Treasuries

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Want something added?
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Important Econ Releases Highs & Lows

	5y*	10y*	ZN	ZB	Date
Non-farm High	99.0700	101.0550	107.1400	111.0800	9/1/2006
Non-farm Low	98.3150	100.2700	107.0250	110.2200	9/1/2006
FOMC High	99.0750	101.0975	107.1900	111.1000	9/20/2006
FOMC Low	99.0350	101.0100	107.1000	111.1000	9/20/2006
PPI High	99.0600	101.0350	107.1300	111.0500	9/18/2006
PPI Low	98.2800	100.1900	106.2800	110.1300	9/18/2006
CPI High	99.3500	100.3150	107.1000	111.0200	9/15/2006
CPI Low	98.2750	100.1800	106.2900	110.1300	9/15/2006

*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	102.115	1.20	102.117	102.102	102.107	11,434	2y Futures
FVAZ6	105.225	2.00	105.230	105.205	105.215	19,197	5y Futures
TYAZ6	108.110	3.00	108.115	108.080	108.085	41,097	10y Futures
USAZ6	112.190	0	112.200	112.150	112.150	10,562	30y Futures
	ls	net	high	low	open	Volume	SYM NAME
BUS02P	99.312	1.0	99.315	99.305	99.305	na	2y
BUS05P	99.280	2.5	99.282	99.262	99.262	na	5y
BUS10P	102.070	3.5	102.070	102.030	102.030	na	10y
BUS30P	96.030	6	96.035	95.290	95.290	na	30y
	ls	net	high	low	open	Volume	SYM NAME
BUS02Y	4.628	(2.20)	4.67	4.624	4.67	na	2y Yield
BUS05Y	4.526	(1.80)	4.551	4.523	4.551	na	5y Yield
BUS10Y	4.590	(1.60)	4.611	4.588	4.611	na	10y Yield
BUS30Y	4.747	(1.20)	4.764	4.745	4.764	na	30y Yield

Source: CQG

Overnight

News should be back in the next day or two.

Sources: Reuters, MNI, Dow Jones

Yield Curve Spreads & Flys, DV01s, CFs

M Duration

30y	0.17
10y	0.17
5y	0.21
3y	2.62
2y	2.05
ZB	0.16
ZN	0.17
ZF	#VALUE!
ZT	1.87

DV01s (32nds)

30y	0.05
10y	0.06
5y	0.07
3y	0.84
2y	0.60
ZB	0.06
ZN	0.06
ZF	#VALUE!
ZT	1.22

DV01s ($s)

30y	$16
10y	$18
5y	$21
3y	$264
2y	$187
ZB	$2
ZN	$2
ZF	#VALUE!
ZT	$38

Yield Curve Spreads

2/3	-7.20
3/5	-3.00
2/5	-10.20
5/10	6.40
2/10	-3.80
10/30	15.70
5/30	22.10
2/30	11.90

Fly's

2/3/5	-4.20
2/5/10	-16.60
2/10/30	-19.50
5/10/30	-9.30

CFs

OTR*

ZB	0.7943
ZN	0.9178
ZF	0.9387
ZT	0.9774

*OTR = On the Run

*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	2.900
Bobl (Z)	0.530	0.940	1.400	1.500
Shatz (Z)	0.230	0.410	0.620	0.680

Eurex Hedge Ratio's source: Bloomberg

Number of contracts LONG

US Financial Futures Hedge Ratios

	ZB	ZN	ZF	ZT
ZB		0.991	#VALUE!	0.049
ZN	1.009		#VALUE!	0.049
ZF	#VALUE!	#VALUE!		#VALUE!
ZT	41.114	40.752	#VALUE!	

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	100.46	142.14	11.50	9.53	8.64
ZN	99.58	140.89	11.40	9.45	8.56
ZF	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!
ZT	4.89	6.91	0.56	0.46	0.42

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)	0.532		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		1.415	0.114	0.095	0.086
3y	0.707		0.081	0.067	0.061
5y	8.735	12.358		0.829	0.751
10y	10.542	14.916	1.207		0.907
30y	11.629	16.453	1.331	1.103	

Commitment of Traders (COT)

Maximum and Minimum Positions*

	Small Spec				Large Spec				Commercials			
	Max	Date	Min	Date	Max	Date	Min	Date	Max	Date	Min	Date
ZF	19,937	9/26/2006	(179,890)	10/25/2005	45,278	38,909	(284,813)	8/9/2005	459,733	38,573	(55,462)	9/26/2006
ZN	(27,856)	8/29/2006	(274,045)	3/21/2006	518,157	38,979	(117,947)	10/25/2005	292,853	38,650	(437,197)	9/19/2006
ZB	(8,617)	9/19/2006	(92,110)	4/25/2006	44,491	38,587	(172,009)	5/2/2006	255,085	38,839	(6,409)	8/30/2005

Current Positions

	Small Spec			Large Spec			Commercials (Hedgers)			
	Long	Short	Net	Long	Short	Net	Long	Short	Net	
ZF	309,600	289,663	(7,760)	204,712	169,187	(9,490)	932,604	988,066	17,250	ZF
ZN	309,600	442,546	(80,959)	746,856	280,606	518,157	1,427,465	1,788,701	(437,197)	ZN
ZB	182,182	203,129	(8,617)	144,746	167,572	(32,282)	535,080	491,306	40,898	ZB

WoW Position Change**

	Sml Spec	Lrg Spec	Comm	
	Net	Net	Net	
ZF	27,697	45,015	(72,712)	9/19/2006
ZN	(24,055)	(51,907)	75,961	
ZB	(12,330)	9,456	2,876	

*Minimum and Maximum Positions
go back to 07/05/2005
**WoW = Week over week

Closes2pm

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

	Cpn	Mty	32nds	Yield
2y	4.875	39721	100.0150	4.600
3y	4.875	40040	100.2975	4.523
5y	4.625	40816	100.0075	4.495
10y	4.875	42597	102.140	4.558
30y	4.500	49720	96.17	4.720

	CF Basis*	GHCO Basis
5y	1.18	20.434
10y	2.84	83.085
30y	6.41	213.780

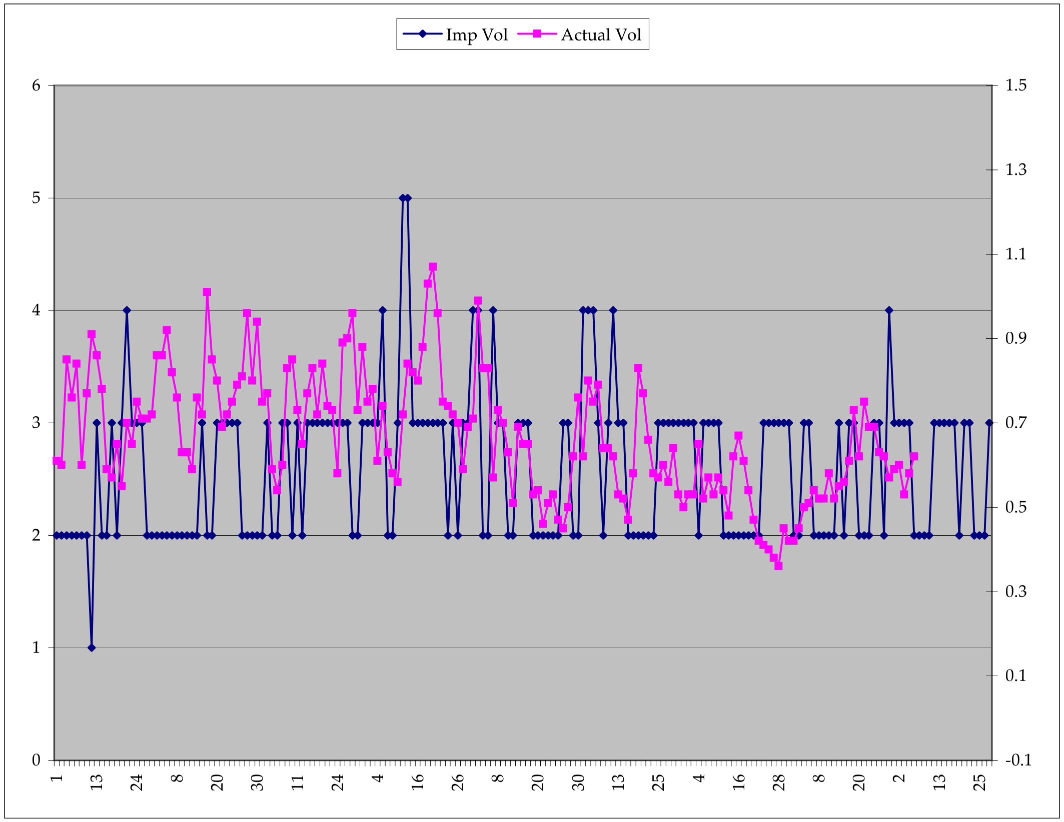
	32nds
ZF	105.2800
ZN	108.1900
ZB	113.00

Curve Spreads bps	
2/3	(0.077)
3/5	(0.028)
2/5	(0.105)
5/10	0.063
2/10	(0.042)
10/30	0.162
5/30	0.225
2/30	0.120

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	10/5/2007	10/6/2007	1/0/1900
1900-2200	0000-0300	2000-2300	2	1	0
2200-0100	0300-0600	2300-0200	1	1	0
0100-0400	0600-0900	0200-0500	2	1	0
0400-0700	0900-1200	0500-0800	1	1	0
0700-1000	1200-1500	0800-1100	1	1	0
1000-1300	1500-1800	1100-1400	1	0	0
1300-1600	1800-2100	1400-1700	1	0	0
1600-1900	2100-0000	1700-2000	1	1	0

Shaded boxes denote market hours 4am to 4pm CDT

Scale is 1-9
1,2 = very slow
3 = moderate
4,5 = volatile
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