

The Morning Email: Treasuries

Table of Contents

Pg A Important Econ Releases, Highs & Lows

Pg 1 Quotes

Pg 2 News: United States

Pg 3 Econ Releases & Speakers for the United States

Pg 4 Speakers & Events: Europe

NEW

Pg 5 Econ Releases: Europe & Japan

NEW

Pg 6 Duration, DV01s, Curve, Flats, CFs

Pg 7,8,9 Hedge Ratios: US Treasury Cash, US Futures, Germany

Pg10 Commitment of Traders (COT)

Pg 11 2 PM CDT Closes: US Treasuries, US Financial Futures, YC Spreads, Basis

Want something added?

Let me know: jgoulding@ghco.com

Disclaimer:

All information within this newsletter is meant for internal use at GH Trader's LLC, only.

All information has been recorded to the best of my ability. This material is based upon information that I consider reliable, but I do not represent that it is accurate or complete.

Jim Goulding, GHCO, Treas-Arb, Chicago, jgoulding@ghco.com

Important Econ Releases, Highs & Lows

	Economic Releases				Date
	5y*	10y*	ZNM7**	ZBM7**	
Non-farm High	100.0550	99.1900	107.3000	111.0100	4/6/2007
Non-farm Low	99.2350	98.3100	107.1100	110.0000	4/6/2007
FOMC High	100.1350	100.2900	109.0200	113.0300	3/22/2007
FOMC Low	99.3050	100.0850	108.1000	112.0600	3/22/2007
PPI High	100.0800	99.0750	107.1950	110.2300	4/13/2007
PPI Low	100.0350	98.2850	107.0800	110.0200	4/13/2007
CPI High	100.0650	99.1750	107.2650	111.0600	4/17/2007
CPI Low	99.3150	99.0600	107.1350	110.1700	4/17/2007

*Adjusted for New Issue

**Adjusted for Futures Roll

Prices are recorded from econ release to 2pm CDT

ZBH/ZBM Rolled at -2 tics

ZNH/ZNM Rolled at +.5 tics

	Auctions			
	2 y	5y	10y	30y
Auction Price	99.311	99.270	100.257	99.007
Auction Yield Stop	4.514	4.535	4.523	4.812
Auction Date	3/28/2007	3/29/2007	03/13/2007 re	2/8/2007

All prices are in 32nds

re = reopen

Quotes

	32 nds						
	ls	net	high	low	open	Volume	SYM NAME
TUAM7	102.102	0.0	102.107	102.095	102.095	10,821	2y Futures
FVAM7	105.210	1.0	105.220	105.185	105.190	23,281	5y Futures
TYAM7	108.010	1.5	108.030	107.305	107.310	82,784	10y Futures
USAM7	111.120	2	111.140	111.060	111.070	19,853	30y Futures
	ls	net	high	low	open	Volume	SYM NAME
BUS02P	99.232	0.0	99.237	99.225	99.230	na	2y
BUS05P	99.230	0.7	99.240	99.212	99.217	na	5y
BUS10P	99.225	2.0	99.235	99.185	99.190	na	10y
BUS30P	98.205	5	98.230	98.155	98.155	na	30y
	ls	net	high	low	open	Volume	SYM NAME
BUS02Y	4.644	0.00	4.67	4.632	4.67	na	2y Yield
BUS05Y	4.562	(0.60)	4.578	4.553	4.578	na	5y Yield
BUS10Y	4.660	(0.80)	4.68	4.654	4.678	na	10y Yield
BUS30Y	4.834	(1.10)	4.851	4.829	4.85	na	30y Yield

Source: CQG

News Recap for the United States *from*

Yesterday

"Treasures finished flat to lower on Friday, with the curve bowed. There were good gains for the week, but the quiet calendar Friday left Treasures eyeing stocks looking for a cue... The market was steady, mixed and little changed in early morning trading in the U.S. With nothing on the day's calendar in the U.S. except for Fed Governor Mishkin's speech early in the afternoon, market participants continued to keep an eye on stocks. As the cash equity market opened with a solid pop higher, Treasures crumbled to new lows across the curve through mid-morning.

"Stocks found no followthrough to the repricing at the open and have eased softly from the highs into the early afternoon, although remaining solidly higher on the day, leaving Treasures stuck at the lows ahead of Mishkin's speech. Activity was light, which wasn't very surprising based on the quiet calendar." --Source: Stone McCarthy

Overnight

03:08 04/23 **BONDS**: EGBs are opening higher on Monday but likely to reverse lower following strong gains in China's benchmark stock index, the Shanghai Composite Index -- closing up at record highs at 3690.55 (+2.97%). Last week, the Dow closed at record high at 12,961 and now eyeing a break above the key 13,000 psychological level, while the S&P 500 and Nasdaq both ended at more than 6-year highs at 1,481 and 2,526. Attention turns to US consumer confidence, new and existing home sales, the Fed's beige book report on the economy and Q1 GDP data this week. In the eurozone, German Ifo, French business confidence, German state CPI and Gfk consumer confidence survey take centre stage. Also eyed is corporate earnings data, where 35% of S&P 500 are due to report this week, where Amazon, Apple, Boeing, Exxon Mobil, Ford Motors and Microsoft are amongst the biggest names. **Overnight, Yen is trading firmer after Standard & Poor's upgraded Japan's long-term sovereign debt rating from AA- to AA -- first upgrade by S&P since 1975.**

04:53 04/23 **BUNDS**: June Bunds are still maintaining opening gains despite the Bank of Greece now denying reported comments by its governor, Nicholas Garganas, that a stronger euro weakens the case for more interest rate hikes by the European Central Bank. "He did not make the remarks attributed to him," said George Tavlas, the director-advisor of the Bank of Greece's economic research department, who said he briefs Garganas in preparation for media interviews. Greek daily To Vima had quoted Garganas as saying that the rise of the euro on foreign exchange markets lessens the need for the ECB to continue tightening monetary policy. According to the Bank of Greece's Tavlas, the interview with To Vima did take place but Garganas did not make the reported comments. Traders say that the market was caught short on the back of the larger than expected Euro month-end extensions, where early estimate for the iBoxx Euro sovereign index is at +0.09 years. This is a large extension and also higher than average for this time of the year, say strategists.

Today- United States, economic releases & speakers from




		Data			
Date	ET	thru		Prior Report	Forecast
23-Apr	0930	21-Apr	MNI Capital Goods Index	54.0	---
23-Apr	1030	22-Apr	MNI Retail Trade Index	52.7	---

DATE	GMT/EST	EVENT
23-Apr	1415/1015	President Bush to host Peruvian President Alan Garcia at the White House.
23-Apr	1700/1300	WTO Director-General Pascal Lamy to address the U.S. Chamber of Commerce, in Washington.
23-Apr	1915/1515	Treasury Secretary Henry Paulson to hold news conference on the release of the annual Social Security and Medicare Trustees report, in Washington.

Today - Europe, speakers & events *from*



DATE	GMT/EST	EVENT
23-Apr	NA	Germany Feb BBK construction orders
23-Apr	0830/0430	UK Mar provisional M4 money supply, lending
23-Apr data	0830/0430	UK Mar CML, BBA & BSA mortgage lending
23-Apr	1000/0600	Germany's Bundesbank publishes monthly report.
23-Apr ECB	1700/1300	ECB Vice President Lucas Papademos presents annual report to EU Parliament, in Strasbourg.
23-Apr	1730/1330	ECB publishes its annual report for 2006.

Today - Europe & Japan, economic releases *from*

Japan

8:50 Loan Officers Survey	DUE Vs Prev's 14	
---------------------------	------------------	--

SE Asia

Korea GDP (YoY)	DUE Vs Prev's 4.0%	
13:00 Singapore CPI (YoY)	Mar DUE Vs Prev's 0.6%	
16:15 Hong Kong Composite CPI (YoY)	Mar DUE Vs Prev's 0.8%	

Euroland

18:00 ECB's Papademos presents ECB Annual Report to EU Parliament, in Strasbourg.		
---	--	--

Germany

BBK Construction Orders s.a. (%mom/yoy)	Feb DUE Vs Prev's n.a. Cons: n.a.	
---	---	--

UK

09:30 CML, BBA & BSA Mortgage Lending Data	Mar DUE Vs Prev's n.a. Cons: n.a.	
09:30 Provisional M4 Lending (stg bln)	Mar DUE Vs Prev's 20.5f Cons: 18.0	
09:30 Provisional M4 Money Supply (%mom/yoy)	Mar DUE Vs Prev's 0.9/12.7f Cons: 0.8/12.5	

Duration, DV01s, Curve, Flys, CFs

M Duration	
30y	15.62
10y	7.75
5y	4.37
3y	2.58
2y	1.83
ZB	9.80
ZN	5.83
ZF	3.88
ZT	1.83

DV01s (32nds)	
30y	4.98
10y	2.49
5y	1.40
3y	0.83
2y	0.58
ZB	3.54
ZN	2.03
ZF	1.32
ZT	1.20

DV01s (\$s)	
30y	\$1,555
10y	\$779
5y	\$437
3y	\$260
2y	\$183
ZB	\$110
ZN	\$64
ZF	\$41
ZT	\$37

Yield Curve Spreads

2/3	-7.20
3/5	-1.00
2/5	-8.20
5/10	9.80
2/10	1.60
10/30	17.40
5/30	27.20
2/30	19.00

Fly's	
2/3/5	-6.20
2/5/10	-18.00
2/10/30	-15.80
5/10/30	-7.60

CFs	
ZB	0.8281
ZN	0.9015
ZF	0.9387
ZT	0.9753

Notes

- 1) CF = Conversion Factor
- 2) MDuration = Modified Macaulay Duration
- 3) MDuration & DV01s for Futures are based on proxy issue (CTD)

US Financial Futures / Eurex Bond Hedge Ratios
Short Number of Contracts

	ZB	ZN	ZF	ZT
Bund (H)	1.000	1.800	2.700	2.600
Bobl (H)	0.530	0.930	1.400	1.300
Shatz (H)	0.210	0.400	0.550	0.530

Eurex Hedge Ratio's source: Bloomberg

US Financial Futures Hedge Ratios

	ZB	ZN	ZF	ZT
ZB		1.740	2.680	2.948
ZN	0.575		1.541	1.695
ZF	0.373	0.649		0.909
ZT	0.339	0.590	0.909	

Month Codes:

H=Mch M=Jun

U=Sep Z=Dec

US Treasuries v US Financial Futures Hedge Ratios

	2y	3y	5y	10y	30y
ZB	1.65	2.35	3.95	7.05	14.07
ZN	2.88	4.09	6.88	12.27	24.49
ZF	4.43	6.30	10.60	18.90	37.72
ZT	4.88	6.93	11.65	20.79	41.49

US Treasuries v Eurex Bonds Hedge Ratios

	2y	3y	5y	10y	30y
Bund (H)	1.6	2.4	3.9	6.9	13.8
Bobl (H)	3.0	4.4	7.2	12.9	25.7
Shatz (H)	7.1	10.5	17.2	30.8	61.3

Eurex Hedge Ratio's source: Bloomberg

Eurex Hedge Ratios

	Bund (H)	Bobl (H)	Shatz (H)
Bund (H)		0.000	0.000
Bobl (H)	0.000		0.000
Shatz (H)	0.000	0.000	

Eurex Hedge Ratio's source: Bloomberg

Month Codes:

H=Mch M=Jun

U=Sep Z=Dec

Hedge Ratios: US Treasury Cash ,US Futures, Germany

US Treasuries v US Treasuries					
	2y	3y	5y	10y	30y
2y		1.421	2.363	4.263	8.509
3y	0.704		1.663	3.000	5.988
5y	0.418	0.595		1.784	3.560
10y	0.235	0.333	0.554		1.996
30y	0.118	0.167	0.278	0.501	

Commitment of Traders (COT)

Current Positions										
	Small Spec			Large Spec			Commercials (Hedgers)			
	Long	Short	Net	Long	Short	Net	Long	Short	Net	
ZF	247,482	281,494	(34,012)	183,835	330,934	(147,099)	1,187,345	1,006,234	181,111	ZF
ZN	281,032	431,903	(150,871)	753,233	341,455	411,778	1,718,590	1,979,497	(260,907)	ZN
ZB	124,651	198,415	(73,764)	143,188	192,823	(49,635)	687,412	564,013	123,399	ZB

WoW* Position Change				As of
	Sml Spec	Lrg Spec	Comm	
	Net	Net	Net	
ZF	(37,275)	1,730	35,544	4/10/2007
ZN	(54,681)	(42,971)	97,652	
ZB	(27,290)	30,242	(2,952)	

**WoW = Week over week

	Cpn	Mty	32nds	Yield
2y	4.500	3/31/09	99.2375	4.639
3y	4.750	2/15/10	100.1475	4.572
5y	4.500	3/31/12	99.2225	4.569
10y	4.625	2/15/17	99.210	4.668
30y	4.750	2/15/37	99.21	4.836

	CF Basis*	GHCO Basis		32nds
5y	0.45	0.206	ZF	105.2000
10y	2.52	42.767	ZN	107.3150
30y	7.12	321.777	ZB	111.11

Curve Spreads bps

2/3	(0.067)
3/5	(0.003)
2/5	(0.070)
5/10	0.099
2/10	0.029
10/30	0.168
5/30	0.267
2/30	0.197

CF = Conversion Factor

Cash - (Futures * CF)