

The Morning Email: Eurodollars & Fed Funds

Table of Contents

- Pg 1 Eurodollars - Electronic Outright Contracts
- Pg 2 ED, Quarterly Curve, Charted
- Pg 3 Fed Fund vs Eurodollars and Treasuries
- Pg 4 Fed Funds Probability of Tightening or Easing
- Pg 5 Eurodollar COT Data

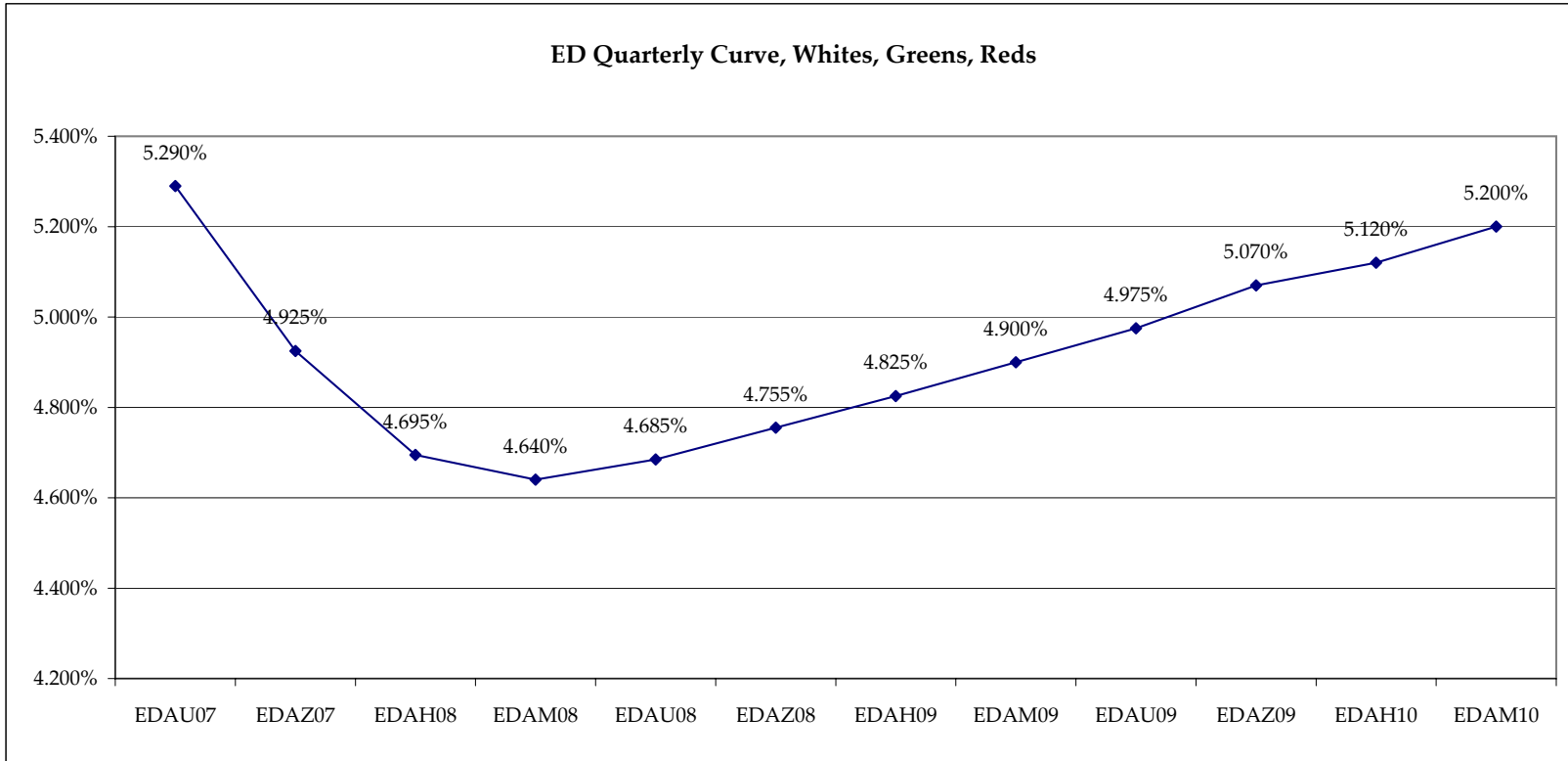
Want something added? Let me know: jgoulding@ghco.com

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Jim Goulding, jgoulding@ghco.com

	Last	High	Low	Open	Month	Net	Exp Date	Implied		
EDAU07	94.710	94.743	94.703	94.725	SEP	-1.5	9/17/2007	5.290%	Whites	1st Year
EDAZ07	95.075	95.090	95.055	95.070	DEC	1.0	12/17/2007	4.925%		
EDAH08	95.305	95.330	95.285	95.285	MAR	1.5	3/17/2008	4.695%		
EDAM08	95.360	95.385	95.330	95.330	JUN	3.0	6/16/2008	4.640%		
EDAU08	95.315	95.340	95.285	95.285	SEP	3.0	9/15/2008	4.685%	Reds	1-2 yrs out
EDAZ08	95.245	95.265	95.225	95.225	DEC	3.0	12/15/2008	4.755%		
EDAH09	95.175	95.190	95.155	95.160	MAR	2.5	3/16/2009	4.825%		
EDAM09	95.100	95.120	95.080	95.080	JUN	3.0	6/15/2009	4.900%		
EDAU09	95.025	95.030	95.005	95.005	SEP	3.0	9/14/2009	4.975%	Greens	2-3 yrs out
EDAZ09	94.930	94.955	94.925	94.930	DEC	3.5	12/14/2009	5.070%		
EDAH10	94.880	94.885	94.870	94.885	MAR	3.5	3/15/2010	5.120%		
EDAM10	94.800	94.810	94.800	94.810	JUN	3.5	6/14/2010	5.200%		
EDAU10	94.735	#VALUE!	#VALUE!	#VALUE!	SEP	3.5	9/13/2010	5.265%	Blues	3-4 yrs out
EDAZ10	94.680	#VALUE!	#VALUE!	#VALUE!	DEC	5.5	12/13/2010	5.320%		
EDAH11	94.630	#VALUE!	#VALUE!	#VALUE!	MAR	12.5	3/14/2011	5.370%		
EDAM11	94.575	#VALUE!	#VALUE!	#VALUE!	JUN	#VALUE!	6/13/2011	5.425%		
EDAU11	94.530	#VALUE!	#VALUE!	#VALUE!	SEP	#VALUE!	9/19/2011	5.470%	Golds	4-5 yrs out
EDAZ11	94.505	#VALUE!	#VALUE!	#VALUE!	DEC	#VALUE!	12/19/2011	5.495%		
EDAH12	94.475	#VALUE!	#VALUE!	#VALUE!	MAR	#VALUE!	3/19/2012	5.525%		
EDAM12	94.405	#VALUE!	#VALUE!	#VALUE!	JUN	#VALUE!	6/18/2012	5.595%		
EDAU12									Purples	5-6 yrs out
EDAZ12										
EDZH13										
EDAM13										
EDAU13									Oranges	6-7 yrs out
EDAZ13										
EDAH14										
EDAM14										
EDAU14									Pinks	7-8 yrs out
EDAZ14										
EDAH15										
EDAM15										
EDAU15									Grays	8-9 yrs out
EDAZ15										
EDAH16										
EDAM16										
EDAU16									Coppers	8-10 yrs out
EDAZ16										
EDAH17										
EDAM17										

I do not keep stats on purples through coppers due to lack of volume. Also, matrix excludes serial contracts. Serials can be found on the ED and FF spread page.



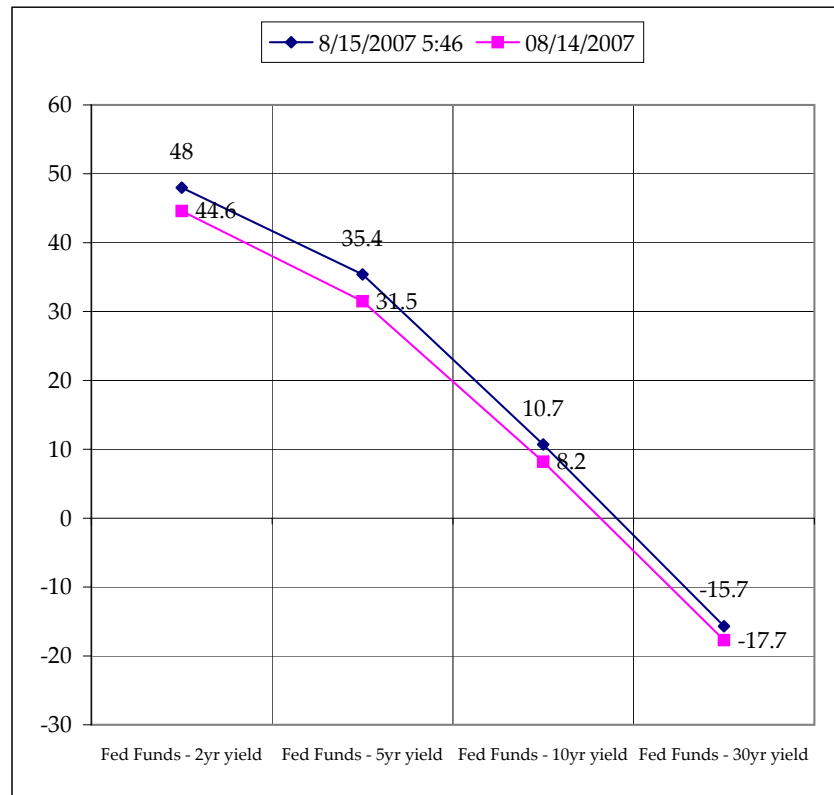
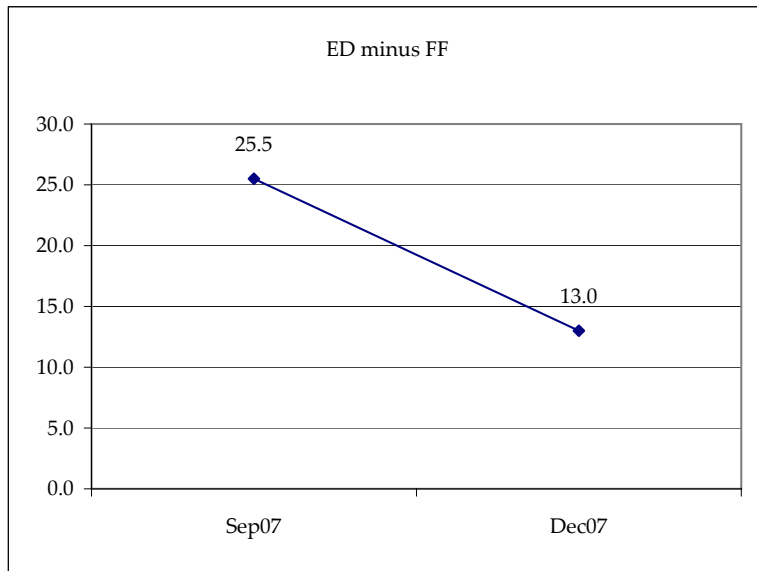
Month	Fed Funds (FF)			Eurodollars (ED)	ED - FF
	Last	Net	Implied	Implied	bps
Sep-07	94.965	0.400	5.035	5.290	25.5
Oct-07	95.015	0.450	4.985		
Nov-07	95.120	0.200	4.880		
Dec-07	95.205	0.250	4.795	4.925	13.0
Jan-08	95.270	0.300	4.730		
Feb-08	#VALUE!	#VALUE!	#VALUE!		
Mar-08	#VALUE!	#VALUE!	#VALUE!	4.695	#VALUE!
Apr-08	#VALUE!	#VALUE!	#VALUE!		
May-08	#VALUE!	#VALUE!	#VALUE!		
Jun-08	#VALUE!	#VALUE!	#VALUE!	4.640	#VALUE!
Jul-08	#VALUE!	#VALUE!	#VALUE!		
Aug-08	#VALUE!	#VALUE!	#VALUE!		
Sep-08	#VALUE!	#VALUE!	#VALUE!	4.685	#VALUE!

Fed Funds Daily Effective Rate Minus US Treasury Yields			
Spread Name	Diff bps	Net Chng	08/14/2007
Fed Funds - 2yr yield	48	1.7	44.6
Fed Funds - 5yr yield	35.4	2.5	31.5
Fed Funds - 10yr yield	10.7	1.3	8.2
Fed Funds - 30yr yield	-15.7	1.4	-17.7
GFER	4.81	#VALUE!	

GFER = Fed Funds Daily Effective Rate

Why 8/14/2007?

Pre-CPI & Post PPI is a good benchmark when the FED is focused on inflation.



CQGPC|GFER!LastQuoteToday*0.001
CQGPC|GFER!NetLastQuoteToday*0.1

The Morning Email, ED&FF

Fed Meeting Dates

September/18/2007		October/31/2007		December/11/2007	
Target Rate	Probability	Target Rate	Probability	Target Rate	Probability
4.75	40.1	4.75	66.3	4.25	18.2
5.00	1.1	5.00	0.0	4.50	18.4
5.25	58.6	5.25	27.2	4.75	16.1
5.50	0.0	5.50	6.3	5.00	14.8
				5.25	26.2
				5.50	5.7
				5.75	0.0

as of 08/13/07

These probabilities take options into account and are much better at forecasting the FOMC intentions than the 'day-count' equation most analysts on the street use.

Notes:

All probabilities are taken from The Cleveland Federal Reserve

Current Positions								
Small Spec			Large Spec			Commercials		
Long	Short	Net	Long	Short	Net	Long	Short	Net
1,209,319	1,337,362	(128,043)	1,932,516	866,473	1,066,043	11,278,737	12,216,737	(938,000)

As of	Week over Week Change		
	Sm Spec	Lg Spec	Commrc
8/7/2007	42,818	71,355	(114,173)