

## The Morning Email: Eurodollars & Fed Funds

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Want something added? Let me know: [jgoulding@ghco.com](mailto:jgoulding@ghco.com)

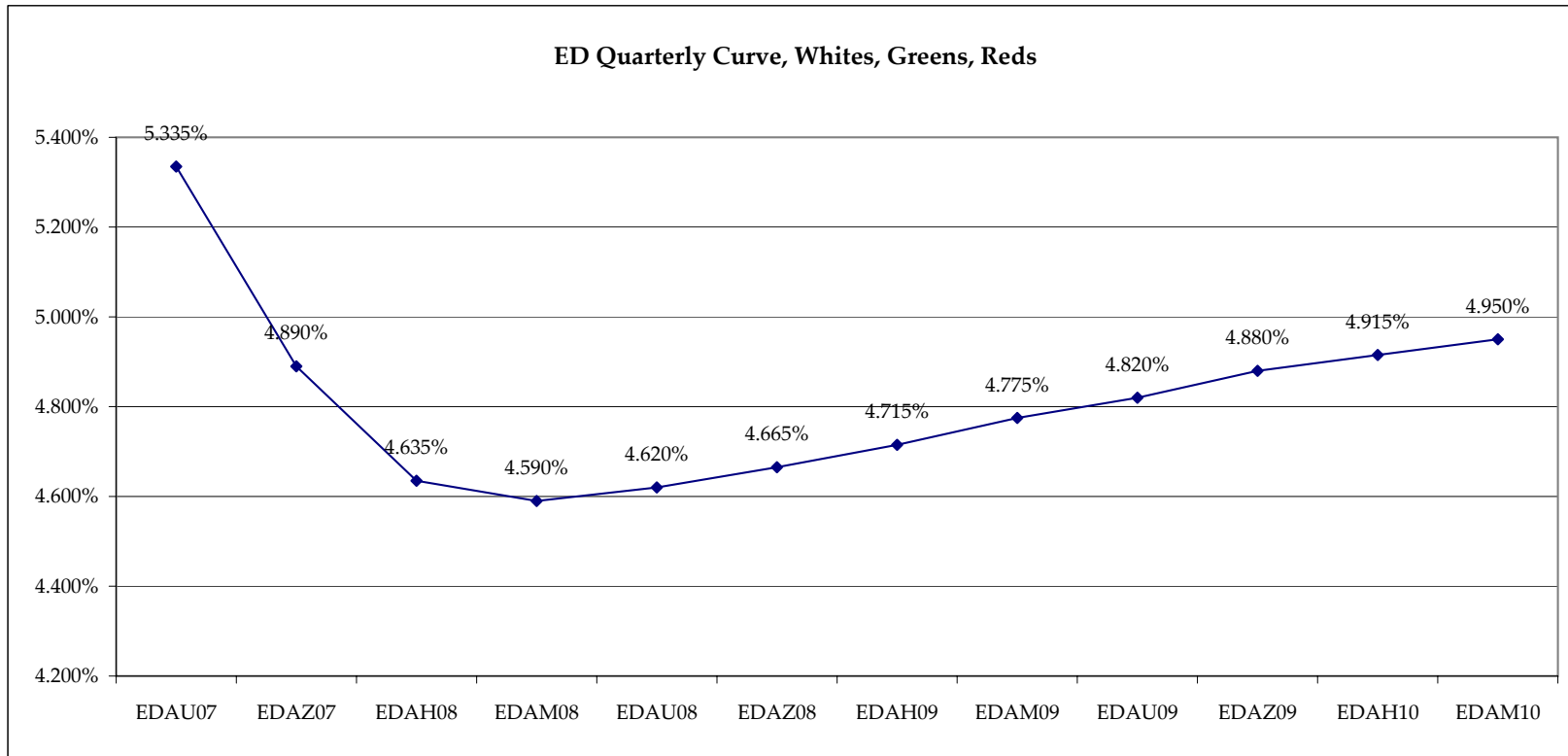
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	Last	High	Low	Open	Month	Net	Exp Date	Implied		
EDAU07	94.665	94.688	94.663	94.688	SEP	-1.0	9/17/2007	5.335%	Whites	1st Year
EDAZ07	95.110	95.120	95.085	95.115	DEC	2.5	12/17/2007	4.890%		
EDAH08	95.365	95.385	95.350	95.385	MAR	3.0	3/17/2008	4.635%		
EDAM08	95.410	95.435	95.395	95.435	JUN	3.0	6/16/2008	4.590%		
EDAU08	95.380	95.405	95.365	95.400	SEP	3.0	9/15/2008	4.620%	Reds	1-2 yrs out
EDAZ08	95.335	95.355	95.320	95.345	DEC	4.0	12/15/2008	4.665%		
EDAH09	95.285	95.300	95.270	95.300	MAR	3.5	3/16/2009	4.715%		
EDAM09	95.225	95.240	95.215	95.240	JUN	3.5	6/15/2009	4.775%		
EDAU09	95.180	95.190	95.170	95.190	SEP	2.5	9/14/2009	4.820%	Greens	2-3 yrs out
EDAZ09	95.120	95.125	95.110	95.110	DEC	3.0	12/14/2009	4.880%		
EDAH10	95.085	95.085	95.075	95.075	MAR	2.0	3/15/2010	4.915%		
EDAM10	95.050	95.055	95.040	95.040	JUN	2.0	6/14/2010	4.950%		
EDAU10	94.995	94.995	94.995	94.995	SEP	-2.0	9/13/2010	5.005%	Blues	3-4 yrs out
EDAZ10	94.935	94.935	94.935	94.935	DEC	-2.5	12/13/2010	5.065%		
EDAH11	94.900	94.900	94.900	94.900	MAR	2.5	3/14/2011	5.100%		
EDAM11	94.855	94.855	94.855	94.855	JUN	-7.0	6/13/2011	5.145%		
EDAU11	94.810	94.810	94.810	94.810	SEP	2.5	9/19/2011	5.190%	Golds	4-5 yrs out
EDAZ11	94.760	94.760	94.760	94.760	DEC	2.5	12/19/2011	5.240%		
EDAH12	94.725	94.725	94.725	94.725	MAR	2.5	3/19/2012	5.275%		
EDAM12	94.680	94.680	94.680	94.680	JUN	2.5	6/18/2012	5.320%		
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.

The Morning Email, ED&FF

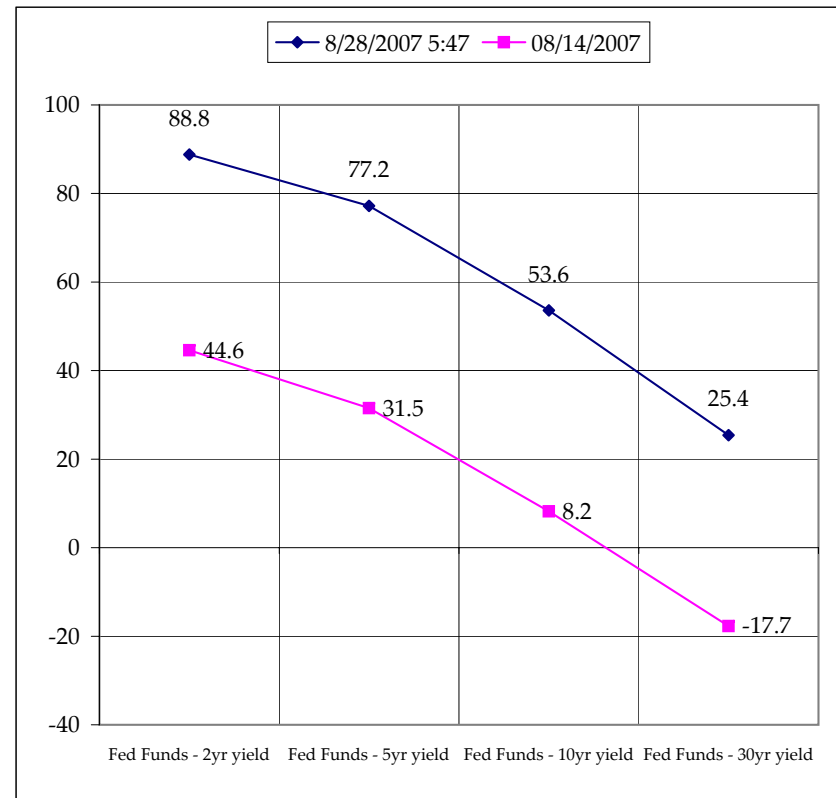
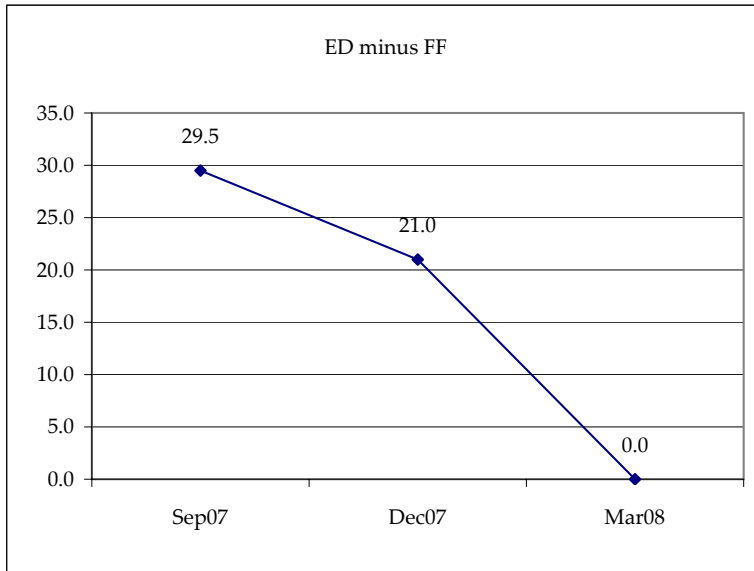


Month	Fed Funds (FF)			Eurodollars (ED)	ED - FF
	Last	Net	Implied	Implied	bps
Sep-07	94.960	-0.250	5.040	5.335	29.5
Oct-07	95.055	-0.150	4.945		
Nov-07	95.230	0.100	4.770		
Dec-07	95.320	0.000	4.680	4.890	21.0
Jan-08	#VALUE!	#VALUE!	#VALUE!		
Feb-08	#VALUE!	#VALUE!	#VALUE!		
Mar-08	#VALUE!	#VALUE!	#VALUE!	4.635	#VALUE!
Apr-08	#VALUE!	#VALUE!	#VALUE!		
May-08	#VALUE!	#VALUE!	#VALUE!		
Jun-08	#VALUE!	#VALUE!	#VALUE!	4.590	#VALUE!
Jul-08	#VALUE!	#VALUE!	#VALUE!		
Aug-08	#VALUE!	#VALUE!	#VALUE!		
Sep-08	#VALUE!	#VALUE!	#VALUE!	4.620	#VALUE!

Fed Funds Daily Effective Rate Minus US Treasury Yields			
Spread Name	Diff bps	Net Chng	08/14/2007
Fed Funds - 2yr yield	88.8	-0.8	44.6
Fed Funds - 5yr yield	77.2	-0.9	31.5
Fed Funds - 10yr yield	53.6	-0.9	8.2
Fed Funds - 30yr yield	25.4	-0.1	-17.7
GFER	5.25	#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.



#VALUE!

<b>Sept</b>	<b>450</b>	<b>475</b>	<b>500</b>	<b>525</b>	<b>550</b>
8/23/2007	18.4%	30.3%	28.5%	22.8%	0.0%
8/24/2007	24.4%	22.9%	24.3%	28.4%	0.0%

<b>October</b>	<b>450</b>	<b>475</b>	<b>500</b>	<b>525</b>	<b>550</b>	<b>575</b>
8/23/2007	63.1%	0.0%	13.8%	19.6%	3.5%	0.0%
8/24/2007	53.0%	4.7%	19.3%	19.7%	3.3%	0.0%

<b>December</b>	<b>375</b>	<b>400</b>	<b>425</b>	<b>450</b>	<b>475</b>	<b>500</b>	<b>525</b>	<b>550</b>	<b>575</b>
8/23/2007	17.1%	16.5%	0.0%	7.2%	22.3%	18.3%	18.0%	0.0%	0.6%
8/24/2007	23.3%	0.1%	0.0%	7.8%	26.1%	19.4%	20.1%	2.9%	0.2%

This page shows the month of the FOMC meeting and the probabilities that they will ease/tighten to a certain Fed Funds Target Rate.

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
1,416,138	1,441,503	(25,365)	1,494,327	621,751	872,576	11,250,455	12,097,666	(847,211)

As of  
8/21/2007

Week over Week Change		
Sm Spec	Lg Spec	Commrc
12,182	(70,952)	58,771