

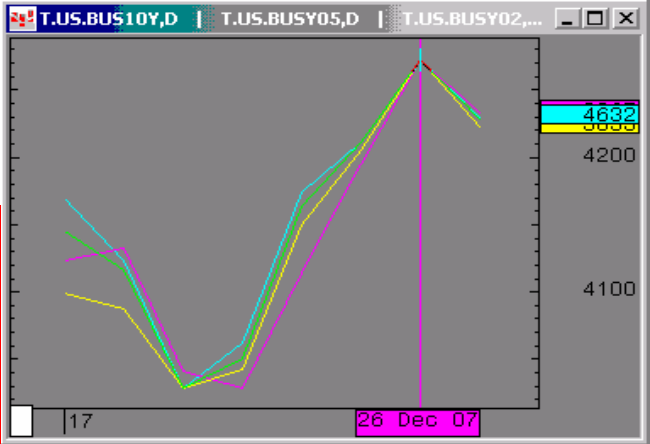


The Morning Email: Treasuries

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Daily Yield Curve



Source: CQG, Inc. © 2007 Thu Dec 27 2007 05:44:33

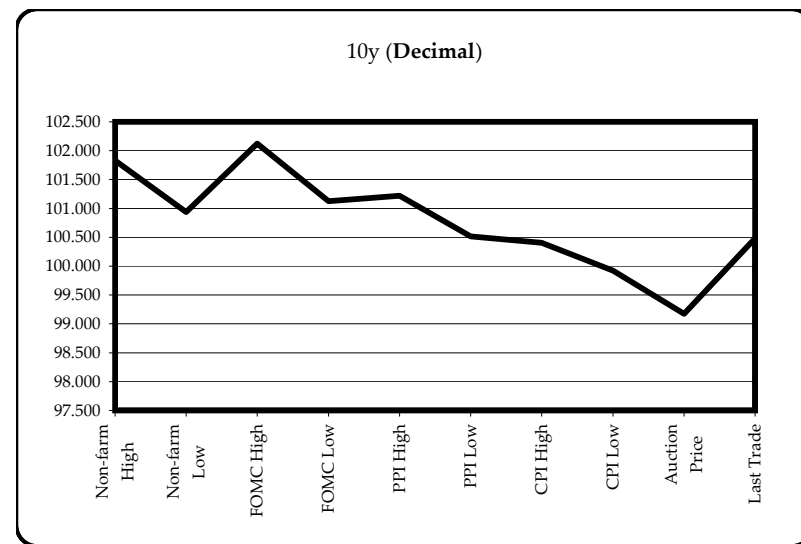
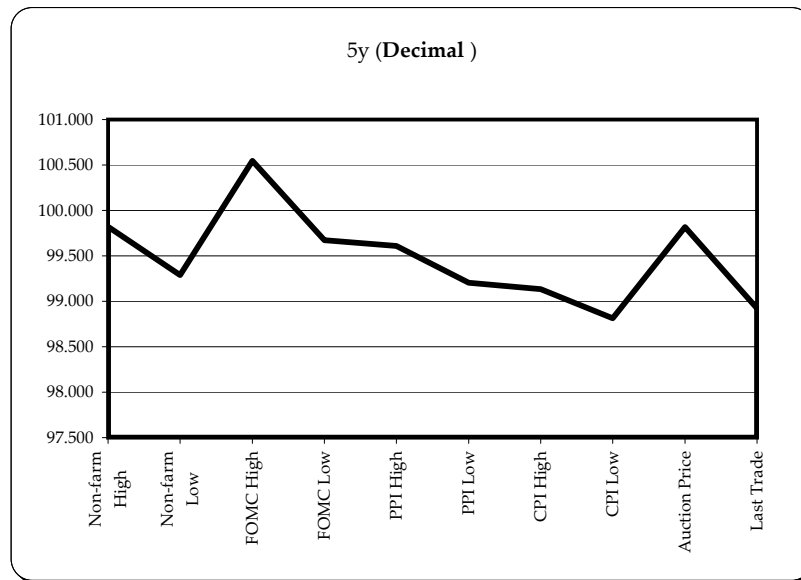


ALL NEWS HAS BEEN MOVED TO A NEW EMAIL CALLED "NEWS RECAP"

Want something added? Let me know: jgoulding@ghco.com
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Economic Releases - 32nds					
	5y	10y	ZNH8	ZBH8	Date
Non-farm High	99.2625	101.265	113.090	116.17	12/7/2007
Non-farm Low	99.0925	100.300	112.120	115.00	12/7/2007
FOMC High	100.1750	102.040	113.200	116.16	12/11/2007
FOMC Low	99.2150	101.040	112.185	115.03	12/11/2007
PPI High	99.1950	101.070	112.240	115.13	12/13/2007
PPI Low	99.0650	100.165	112.085	114.08	12/13/2007
CPI High	99.0425	100.130	112.075	114.07	12/14/2007
CPI Low	98.2600	99.295	111.240	113.19	12/14/2007
Auction Price	99.2616	99.056			
Last Trade	98.2950	100.155	112.055	114.20	12/27/2007 5:48

Auctions - 32nds				
	2 y	5y	10y	30y
Auction Price	99.299	99.262	99.056	105.103
Auction Yield Stop	3.159	3.415	4.353	4.666
Actual Auction Date	11/28/2007	11/29/2007	11/7/2007	11/8/2007



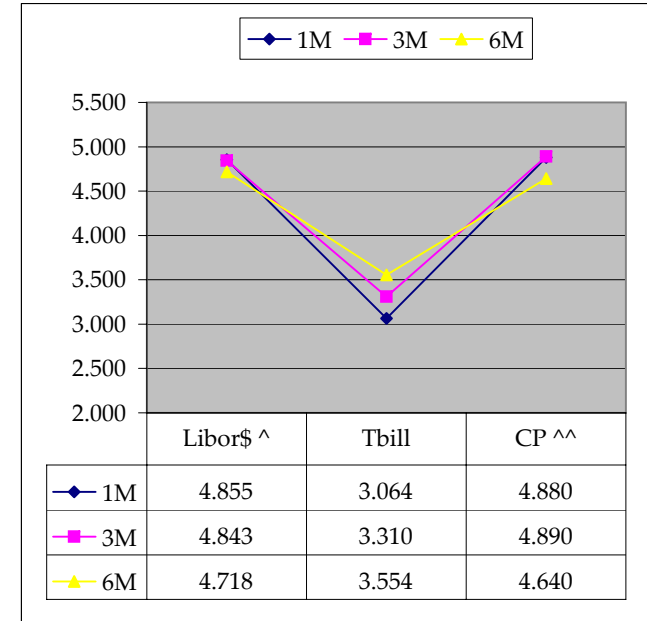
Notes: Cash and futures are adjusted for roll.
 Release times are from release to 2pm cdt
 {Dec07 to Mch08 Futures roll: ZF = (-12); ZN = (-25); ZB = (+1) [tics]}
 r = reopen

	Last	Net	32 nds			Volume	SYM NAME
			High	Low	Open		
TUAH8	104.245	(0.0)	104.265	104.227	104.257	26,423	2y Fut
FVAH8	109.130	(0.0)	109.185	109.095	109.170	54,682	5y Fut
TYAH8	112.055	(0.1)	112.145	112.005	112.145	83,980	10y Fut
USAH8	114.200	(0)	114.300	114.090	114.250	28,437	30y Fut
	Last	Net	High	Low	Open	Volume	SYM NAME
BUS02P	99.260	(2.0)	99.295	99.247	99.295	na	2y Cash
BUS05P	#VALUE!	(5.5)	99.037	98.265	99.000	na	5y Cash
BUS10P	100.135	(7.5)	100.225	100.065	100.180	na	10y Cash
BUS30P	106.125	(7)	106.250	105.315	106.200	na	30y Cash
	Last	Net	High	Low	Open	Volume	SYM NAME
BUS02Y	3.222	5.90	3.255	3.159	3.218	na	2y Yield
BUS05Y	3.616	4.30	3.64	3.568	3.593	na	5y Yield
BUS10Y	4.185	2.10	4.228	4.158	4.174	na	10y Yield
BUS30Y	4.595	1.40	4.63	4.506	4.58	na	30y Yield

	Libor\$ ^	Tbill	CP ^^
1M	4.855	3.064	4.880
3M	4.843	3.310	4.890
6M	4.718	3.554	4.640

	Libor\$ ^	Repos
0/N	4.391	4.100
1week	5.088	3.650
2week	5.018	3.550

	TSY	Swap	ED Pks ^^
2y		77.25	3.965
5y	3.656	77.00	
10y	4.230	65.25	



Notes

^Quoted in US Dollars
 ^^CP = Commercial Paper
 ^^ED Pks are colored for pack identifications. Example, the red pack is a 2-yr proxy and is colored red.
 Lastly, SYM = Symbol

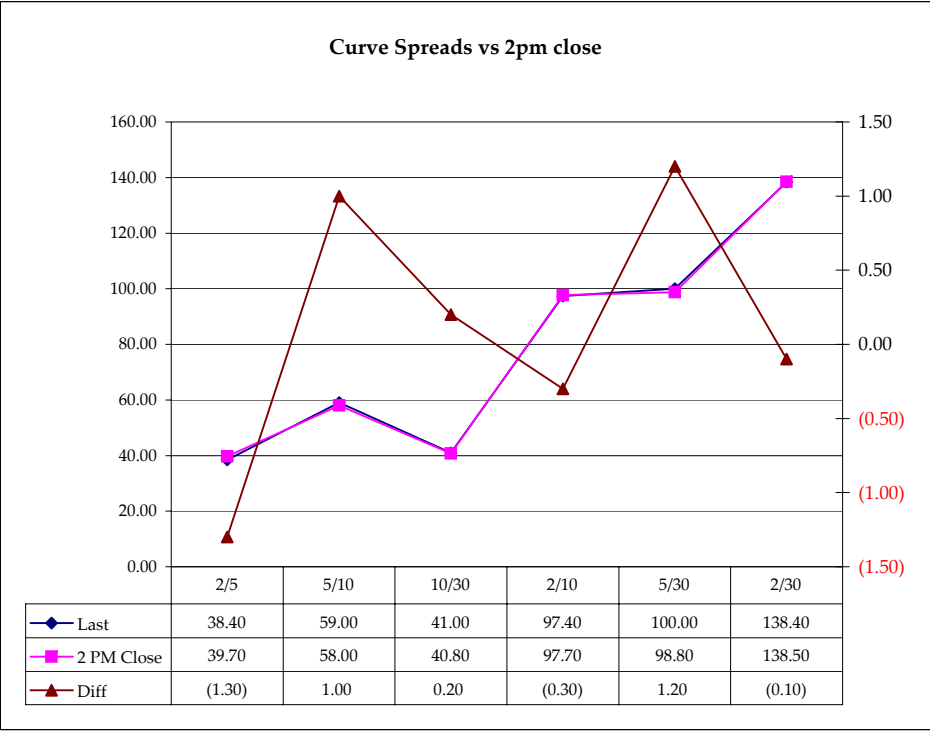
	M Duration	DV01 32	DV01 \$	DV01 Box	CF
30y	15.51	5.34	\$1,670	10.69	n/a
10y	7.96	2.57	\$802	5.13	n/a
5y	4.48	1.42	\$445	5.69	n/a
2y	1.85	0.61	\$190	2.43	n/a
ZB	10.23	3.83	\$120	3.83	0.8633
ZN	5.90	2.13	\$67	4.27	0.8747
ZF	3.97	1.40	\$44	2.79	0.9159
ZT	1.88	0.63	\$20	2.53	0.9486

Yield Curve Spreads			
	Last	2pm close	Diff
2/5	39.40	39.70	(0.30)
5/10	56.90	58.00	(1.10)
10/30	41.00	40.80	0.20
2/10	96.30	97.70	(1.40)
5/30	97.90	98.80	(0.90)
2/30	137.30	138.50	(1.20)

DV01 32, said differently, is "how many TICS are in a basis point?".

Example, If ZN moves 1~basis point, then, it's moved 2.08 tics (Today, 10/25/07, the value in the box is 2.08).

Since ZN trades in half tics, then, 4.17 boxes = 1 basis point in ZN. (Again, today, 10/25/07, the value in the box is 4.17). Of course the values will be different as you look at this. But, they won't be that much different. So, I think you can get the idea I'm trying to get across.



Notes

CF = Conversion Factor

MDuration = Modified Macaulay Duration

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

DV01 Box = Dollar Value of 1 basis point move per Box

US Financial Futures / Eurex Bond

	ZB	ZN	ZF	ZT
Bund (H)	0.980	1.700	2.700	2.900
Bobl (H)	0.530	0.960	1.500	1.570
Shatz (H)	0.210	0.380	0.580	0.630

US Treasuries v US Financial Futures

	2y	5y	10y	30y
ZB	1.59	3.72	6.70	13.95
ZN	2.85	6.67	12.03	25.06
ZF	4.35	10.20	18.38	38.30
ZT	4.80	11.25	20.27	42.23

US Financial Futures

	ZB	ZN	ZF	ZT
ZB		1.796	2.744	3.026
ZN	0.557		1.528	1.685
ZF	0.364	0.654		1.103
ZT	0.330	0.593	0.907	

US Treasuries v Eurex Bonds

	2y	5y	10y	30y
Bund (H)	1.7	3.9	7.1	14.3
Bobl (H)	3.1	7.1	12.8	25.8
Shatz (H)	7.8	15.9	28.8	58.1

Eurex Bonds

	Bund (H)	Bobl (H)	Shatz (H)
Bund (H)	1.0	1.7	3.4
Bobl (H)	0.6	1.0	2.0
Shatz (H)	0.3	0.5	1.0

US Treasuries

	2y	5y	10y	30y
2y		2.344	4.224	8.798
5y	0.427		1.802	3.754
10y	0.237	0.555		2.083
30y	0.114	0.266	0.480	

Note: Any ratio with the Bund, Bobl, or Shatz is from Bloomberg. So, the Bloomberg hedge ratios, in this spreadsheet, are static. Meaning, I only update them once in a while but always on rolls. My hedge ratio's are live, meaning, they're updated in real-time.

	Cpn	Mty	Close 32	Close	Last	Diff	Basis		Roll		Close 32	Last
							Close	Last				
2y	3.125	11/30/09	99.2825	3.187	3.222	0.035				FVAH8	109.180	109.130
5y	3.375	11/30/12	99.0200	3.584	3.616	0.032	-41.15	-41.07		TYAH8	112.140	112.055
10y	4.250	11/17/17	100.220	4.164	4.185	0.021	74.83	75.76		USAH8	115.00	114.200
30y	5.000	5/15/37	106.28	4.572	4.595	0.023	243.06	241.42				

Curve Spreads		
	Close bps	Last bps
2/5	39.7	39.4
5/10	58.0	56.9
10/30	40.8	41.0
2/10	97.7	96.3
5/30	98.8	97.9
2/30	138.5	137.3

	TUAR1	0.2
	FVAR1	11.0
Expired	TYAR1	27.2
Expired	USAR1	21.7

These are the 1/4 tic spreads. They are quoted in tics.
 .2 = 1/4
 .5 = 1/2
 .7 = 3/4

Notes:
 Basis = (Cash Decimal - (Futures Decimal * CF))*32
 MDuration for Curve Spreads:
 Longer duration minus shorter duration
 32 = price is quoted in 32nds



Cash Duration Matrix

Cash Duration Matrix				
	2	5	10	30
2	100%			
5	41%	100%		
10	23%	56%	100%	
30	12%	29%	51%	135%
Cash Matrix [DV01 x Duration]				
	2	5	10	30
2	\$190			
5	\$183	\$445		
10	\$186	\$451	\$802	
30	\$199	\$482	\$857	\$1,670
Cash Matrix [DV01 over / (under) valued]				
	2	5	10	30
2				
5	\$6			
10	\$4	(\$6)		
30	(\$9)	(\$38)	(\$56)	
Cash Matrix [DV01 over / (under) as %]				
	2	5	10	30
2				
5	3.50%			
10	2.07%	-1.38%		
30	-4.56%	-7.79%	-6.49%	

What is this? (1):
 2yr cash has X% duration of 5yr cash .

What is this? (2):
 -2yr cash has DV01 of \$202
 -Multiply the 2yr DV01 by the percent duration to come up with what the 2yrs DV01 SHOULD be compared to the 5yr.

What is this? (3):
 -Now you can see the over/under value, based on the DV01, from contract to contract. In this example we are looking at the 2yr compared to the 5yr.

 Or you can look at the over/under value as a percentage instead of dollar terms.

Tic for Tic Matrix				
	2y	5y	10y	30y
ZT	0.96	2.25	4.05	8.45
ZF	0.44	1.02	1.84	3.83
ZN	0.28	0.67	1.20	2.51
ZB	0.16	0.37	0.67	1.40

Box for Box Matrix				
	2y	5y	10y	30y
ZT	0.96	2.25	8.11	16.89
ZF	0.44	2.04	3.68	7.66
ZN	0.57	1.33	1.20	2.51
ZB	0.63	1.49	1.34	2.79

	2y	5y	10y	30y
2y	1.00	2.34	4.22	8.80
5y	0.43	1.00	1.80	3.75
10y	0.24	0.55	1.00	2.08
30y	0.11	0.27	0.48	1.00

	2y	5y	10y	30y
2y		2.34	2.11	4.40
5y	0.43		0.45	1.88
10y	0.47	2.22		2.08
30y	0.23	0.53	0.48	

	ZT	ZF	ZN	ZB
ZT	1.00	2.21	3.37	6.05
ZF	0.45	1.00	1.53	2.74
ZN	0.30	0.65	1.00	1.80
ZB	0.17	0.36	0.56	1.00

	2y	5y	10y	30y
ZT		2.21	6.74	24.21
ZF	0.45		1.53	5.49
ZN	0.15	0.65		3.59
ZB	0.04	0.18	0.28	