

## The Morning Email: Eurodollars & Fed Funds

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### Eurodollar Color Codes for Individual Year Strips:

Color	Year	Contracts
White	One	1 – 4
Red	Two	5 – 8
Green	Three	9 – 12
Blue	Four	13 – 16
Gold	Five	17 – 20
Purple	Six	21 – 24
Orange	Seven	25 – 28
Pink	Eight	29 – 32
Silver	Nine	33 – 36
Copper	Ten	37 – 40

Note: Serial Contracts are not included in color scheme.

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

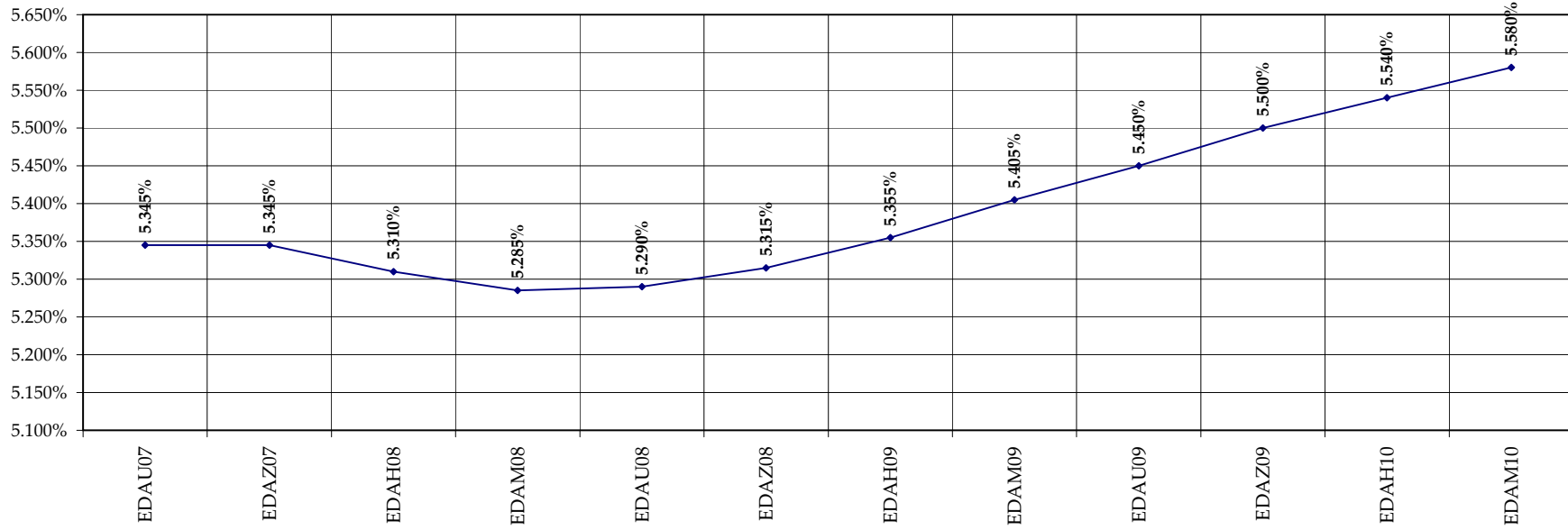
**Disclaimer:**All information within this newsletter is meant for internal use at GH Trader's LLC, only. All information has been recorded to the best of my ability. This material is based upon information that I consider reliable, but I do not represent that it is accurate or complete.

(Excluding Serial)

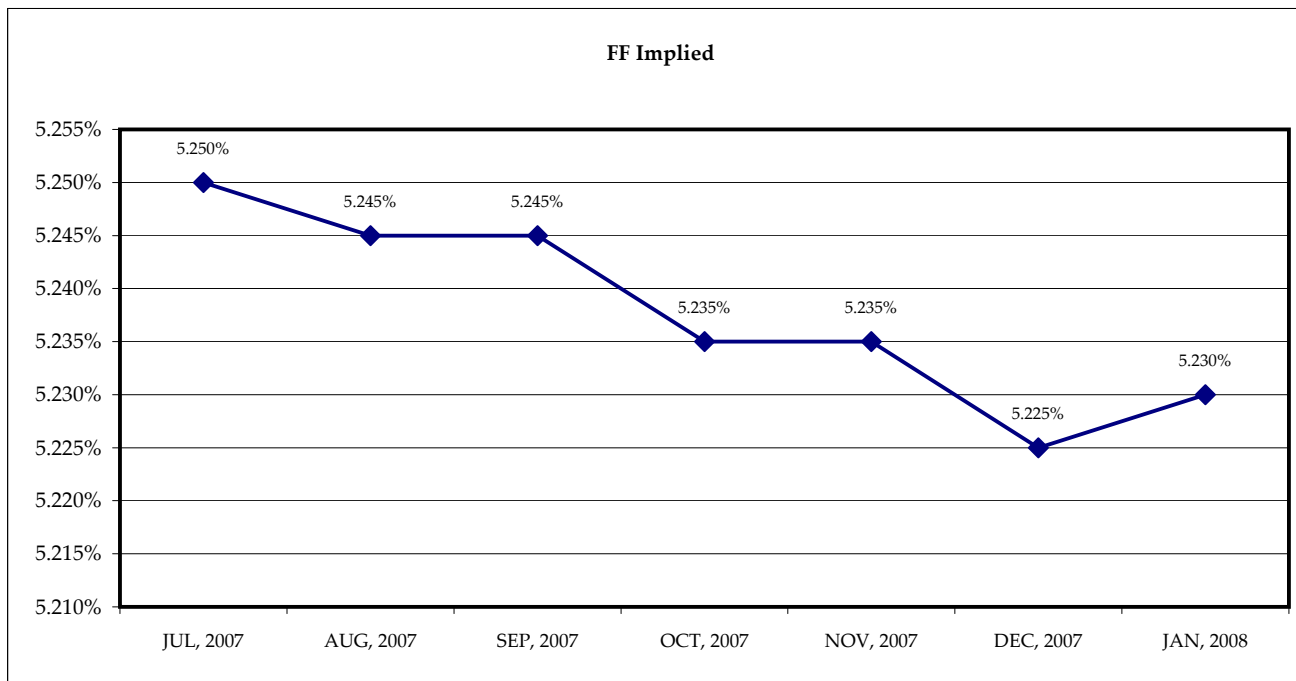
	Last	High	Low	Open	Month	Net	Exp Date	Implied		
EDAU07	94.655	94.655	94.650	94.650	SEP	-0.5	9/17/2007	5.345%	Whites	1st Year
EDAZ07	94.655	94.665	94.645	94.650	DEC	0.5	12/17/2007	5.345%		
EDAH08	94.690	94.705	94.675	94.680	MAR	1.5	3/17/2008	5.310%		
EDAM08	94.715	94.730	94.700	94.705	JUN	1.0	6/16/2008	5.285%		
EDAU08	94.710	94.730	94.695	94.700	SEP	1.0	9/15/2008	5.290%	Reds	1-2 yrs out
EDAZ08	94.685	94.700	94.670	94.675	DEC	1.0	12/15/2008	5.315%		
EDAH09	94.645	94.665	94.640	94.640	MAR	1.0	3/16/2009	5.355%		
EDAM09	94.595	94.610	94.585	94.585	JUN	1.0	6/15/2009	5.405%		
EDAU09	94.550	94.555	94.535	94.535	SEP	1.0	9/14/2009	5.450%	Greens	2-3 yrs out
EDAZ09	94.500	94.510	94.495	94.495	DEC	1.0	12/14/2009	5.500%		
EDAH10	94.460	94.470	94.460	94.460	MAR	1.0	3/15/2010	5.540%		
EDAM10	94.420	94.420	94.420	94.420	JUN	1.5	6/14/2010	5.580%		
EDAU10	94.370	#VALUE!	#VALUE!	#VALUE!	SEP	1.0	9/13/2010	5.630%	Blues	3-4 yrs out
EDAZ10	94.325	#VALUE!	#VALUE!	#VALUE!	DEC	1.0	12/13/2010			
EDAH11	94.300	#VALUE!	#VALUE!	#VALUE!	MAR	1.5	3/14/2011	5.700%		
EDAM11	94.265	#VALUE!	#VALUE!	#VALUE!	JUN	1.5	6/13/2011	5.735%		
EDAU11	94.235	#VALUE!	#VALUE!	#VALUE!	SEP	1.0	9/19/2011	5.765%	Golds	4-5 yrs out
EDAZ11	94.200	#VALUE!	#VALUE!	#VALUE!	DEC	#VALUE!	12/19/2011	5.800%		
EDAH12	94.175	#VALUE!	#VALUE!	#VALUE!	MAR	#VALUE!	3/19/2012	5.825%		
EDAM12	94.150	#VALUE!	#VALUE!	#VALUE!	JUN	#VALUE!	6/18/2012	5.850%		
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

ED Curve (Whites, Greens, Reds )



Fed Funds				
	Is	net	Implied	
F.FFAN07	94.750	0.000	5.250%	JUL, 2007
F.FFAQ07	94.755	(0.500)	5.245%	AUG, 2007
F.FFAU07	94.755	0.500	5.245%	SEP, 2007
F.FFAV07	94.765	(0.500)	5.235%	OCT, 2007
F.FFAX07	94.765	(0.500)	5.235%	NOV, 2007
F.FFAZ07	94.775	0.000	5.225%	DEC, 2007
F.FFAF08	94.770	(1.000)	5.230%	JAN, 2008
F.FFAG08	94.770	#VALUE!	5.230%	FEB, 2008
F.FFAH08	#VALUE!	#VALUE!	#VALUE!	MCH, 2008



Actual FF Rate

5.25%

FOMC Meeting Date	FF Rate Projected on X date*	FF Futures Month	% Chance of Change
8/7/2007	5.00%	AUG, 2007	3%
9/18/2007	5.00%	SEP, 2007	5%
10/31/2007	5.00%	OCT, 2007	
12/11/2007	5.00%	DEC, 2007	15%
	5.00%	JAN, 2008	

problem with Oct calc again.

\*FF Rate Projected X date is provided by me. Meaning, I'm asking the question, "what are the odds in the FF Futures that the fed will raise/lower to X percent FF Rate, from the current (Actual) FF Rate?"

Volume is non-existent or too small to evaluate anything past 7 months out. This is why I'm only going out that far.

Table is Day Count Equation

Current Positions									
Long	Small Spec		Net	Long	Large Spec		Commercials		
	Short				Short	Net	Long	Short	Net
1,151,589	1,538,042		(386,453)	1,078,338	1,023,651	54,687	9,943,770	9,612,005	331,765

As of  
1/0/1900

Week over Week Change		
Sm Spec	Lg Spec	Commrci
(75,241)	(107,238)	182,477

**Implied Eurodollar Rate minus Implied Fed Funds Rate**

**Spread<sup>^</sup> Price (bps)<sup>^</sup>**

JUL, 2007	<b>11.000</b>
AUG, 2007	<b>10.500</b>
SEP, 2007	<b>10.000</b>
DEC, 2007	<b>12.000</b>
MCH, 2008	<b>#VALUE!</b>

<sup>^</sup> Example: 12.250 = 12 1/4 basis points

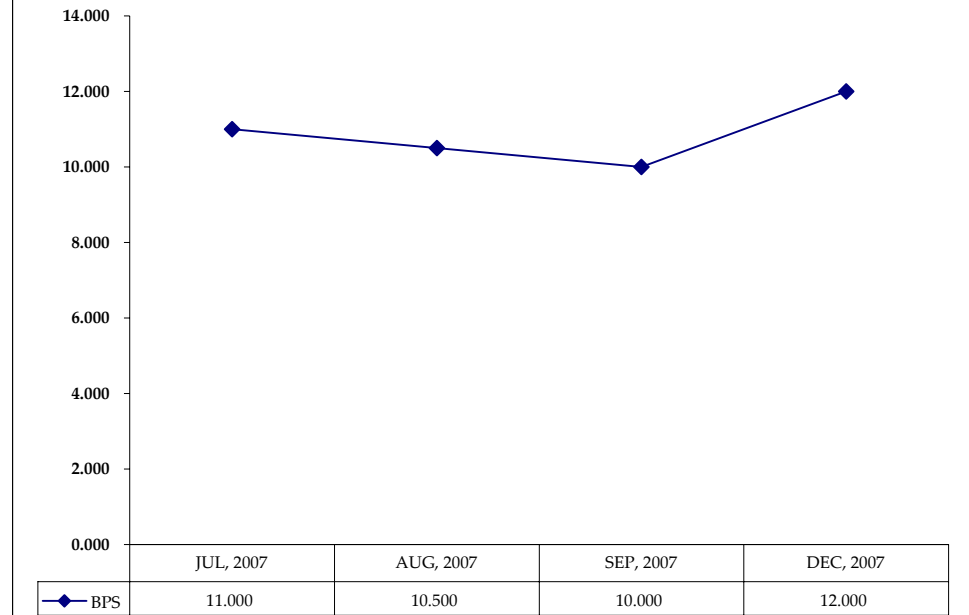
**Fed Funds Outright**

Contract	Imp Rate	Month
F.FFAN07	5.2500	JUL, 2007
F.FFAQ07	5.2450	AUG, 2007
F.FFAU07	5.2450	SEP, 2007
F.FFAV07	5.2350	OCT, 2007
F.FFAX07	5.2350	NOV, 2007
F.FFAZ07	5.2250	DEC, 2007
F.FFAF08	5.2300	JAN, 2008
F.FFAG08	5.2300	FEB, 2008
F.FFAH08	#VALUE!	MCH, 2008
F.FFAJ08	#VALUE!	APR, 2008

**Eurodollars Outright**

Contract	Imp Rate	Month	Q/S
F.EDAN07	5.360	JUL, 2007	S
F.EDAQ07	5.350	AUG, 2007	S
F.EDAU07	5.345	SEP, 2007	Q
F.EDAZ07	5.345	DEC, 2007	Q
F.EDAH08	5.310	MCH, 2008	Q

**Implied Eurodollar Rate minus Implied Fed Funds Rate**



**Notes:**

Q/S = Quarterly or Serial contract

#Value = No quote being given by exchange









