



### News Recap for the United States Yesterday

15:11 07/06 **US TSYS/RECAP:** Tsys end Fri lower after 1) morning slide on June jobs report (+132K June jobs gain, 0.346% AHE, May Apr jobs revised upward), but had 2) later bounce off lows amid big two-way flows today, some buying in 5s, and "very heavy buying in 2s," some cited US\$2B-\$3B buying in 2Ys by foreign central banks. Tsys also 3) drew some support off the lows as German Bunds also firmed up. Earlier, 4) buy-and-hold accounts bought intermediates, Street bought lows after initial selling by hedge funds, buy-and-hold accts after June jobs. There was 5) financial institution buying in front end Tsys, 6) and later, fast money covered shorts. 7) FOB curve trades: local shop sold 7,000 Sep 5Y futures at 103 14/32 vs. 2,800 Sep 30Y futures at 106 3/32. 8) Swap spreads pushed wider this pm, esp. in long end as futures curves steepened; was early paying in front end to intermediates, paying out to 30Y swaps, some on anticipation of corporate supply pickup next wk.9)\$7B in 2 CMBS next wk.10) MBS:2-way flows: retail buying, originatn selling.

15:06 07/06 **US SWAPS:** By the bell, spds continued to push wider, especially in the long end as futures curves steepen. In addition to early paying in the fronts to intermediates, some sources reporting paying out to 30s, some tied to anticipation of pick up in corporate supply next week. Swap yield sprds pushed to new recent wides as well. According to GovPX:

Time (ET)	2Y Swap/Mid	5Y Swap/Mid	10Y Swap/Mid	30Y Swap/Mid
Fri 3:05	+0.75/48.50	+0.50/55.50	+0.75/64.00	+1.00/70.25
12:50	+0.75/48.50	+0.50/55.50	+0.75/64.00	+1.25/70.50
11:25	+0.75/48.50	+0.25/55.25	+0.25/63.50	+0.50/69.75
10:15	+0.50/48.25	+0.25/55.25	+0.25/63.50	+0.50/69.75
9:30	+0.50/48.25	+0.00/55.00	+0.00/63.25	+0.25/69.50
Fri Open	+0.25/48.00	+0.25/55.25	+0.00/63.25	+0.25/69.50
Thu 3:05	-0.75/47.75	+0.25/55.00	+0.75/63.25	+1.25/69.25

15:15 07/06 **EURODLR FUTURES:** Eurodlr futures finished off session lows, the curve bear steepening post jobs. The Red/Gold pack spd (Sep08-Jun09) vs (Sep11-Jun12) a 2s/10s proxy, pushed out 3.375 bps to 48.0. The Fronts (Sep07-Jun08), settled 0.5 to 3.0 bps lower, the Sep07 in 0.5 bps at 94-65 on combined Globex and pit volume of 155,000, the Dec07 lower 1.0 bps at 94-64 on volume of 477,000, the Mar08 in 2.0 bps at 94-66 on volume of 436,000, while the Jun08 was 3.0 bps lower at 94-67.5 on volume of 453,000. The Red pack (Sep08-Jun09) a 2yr proxy, settled 3.0 to 5.5 bps lower across the pack with 914,000 contracts traded.

### News Recap for the United States Overnight