

**News Recap for the United States****Today**

15:10 07/09 US TSYS/RECAP: Tsys firmed Mon underpinned by today's: 1) Pension buying out the curve as 30-year bond had hovered near 5.25% level; pension-type long-liability types also did buying as some trades need to be hedged. 2) Subprime jitters spur asset allocation from riskier types of US bonds, into Tsys. Some had underweighted Tsys and now need to move to beef up their holdings of Tsys. 3) Foreign central banks bought US intermediates with European action cited, others too. 4) There also was fast money buying in 10s too. 5) Some also have unwound yield-curve steepening trades also today. 2/10Y, 2Y/30Y curves are flattening for the first day since July 2, 2007. 6) Had been brisk T-bill demand today in cash and in repo market. 7) Fast money accounts also have sold intermediates but most action today, other than corp rate-lock selling, involved Tsys buying, then rangebound trade. 8) Big demand for T-bills in Aug. 2 1M bills, repo, bills under 3Ms; followed huge buys Thu from asset mgrs. Tsy will sell US\$11B 4wk bills Tue for US\$3B new cash.

15:08 07/09 US SWAPS: By the bell, spds push to steady/mixed levels, out from earlier tights. Sources reported light paying-tied flows in front-end Eurodlrs, followed by light receiving in intermediate to long end Tsys. Latter action likely an unwind of late Fri's swaps paying. Prices receded slightly around midmorning as Tsy sources reported deal related selling as real money accounts sold 10-year Treasury futures.

According to GovPX:

Time (ET)	2Y Swap/Mid	5Y Swap/Mid	10Y Swap/Mid	30Y Swap/Mid
Mon 3:05	-0.25/48.25	+0.00/55.50	-0.25/64.00	+0.25/70.75
1:15	-0.25/48.25	-0.25/55.25	-0.50/63.75	+0.00/70.50
11:10	-0.25/48.25	-0.50/55.00	-0.75/63.50	-0.25/70.25
9:00	+0.00/48.50	-0.50/55.00	-0.50/63.75	-0.50/70.00
Mon Open	+0.00/48.50	-0.25/55.25	-0.50/63.75	-0.25/70.25
Fri 3:05	+0.75/48.50	+0.50/55.50	+1.00/64.25	+1.25/70.25

15:13 07/09 EURODLR FUTURES: Eurodlr futures finished higher across the board, off session highs as mkt/curve unwound some of Fri's post jobs movement. The Red/Gold pack spd (Sep08-Jun09) vs (Sep11-Jun12) a 2s/10s proxy, flattened 0.625 bps to 47.375. The Fronts (Sep07-Jun08), settled steady to 2.0 bps higher, the Sep07 steady at 94-65 on combined Globex and pit volume of 72,000, the Dec07 steady at 94-64 on volume of 243,000, the Mar08 up 1.0 bps at 94-67 on volume of 219,000, while the Jun08 was 2.0 bps higher at 94-69.5 on volume of 257,000. The Red pack (Sep08-Jun09) a 2yr proxy, settled 2.5 to 3.0 bps higher across the pack with 572,000 contracts traded.

News Recap for the United States**Overnight**