



### News Recap for the United States - Today - All times Eastern

15:10 07/11 **US TSYS/RECAP:** Tsys end Wed lower after morning slide amid  
 1) leveraged funds sold Tsys amid FX-tied reasons;  
 2) two rounds of 5Y swaps paying in UK, NY by a W. Coast player;  
 3) later afternoon black-box type selling in 10Y futures cited (vs. buying in stocks). But there also was  
 4) real money MBS-tied morning bid for 2Y futures too;  
 5) also afternoon short-covering too as some who went short early in day covered later.  
 6) 2Y/10Y, 2Y/30Y yield curves steepened as pension funds stopped buying long end for now after 2 days of buying.  
 [7] Some cited Fed's Plosser speech as upbeat, but others noted said severity of hedge funds/ subprime problems "remains to be seen."  
 [8] 2-way flows in central bank action: better Latam, European buyers; Asian central banks mixed in Tsys.  
 [9] Could be some caution before 10am ET Thu Moody's conf call by Moody's on recent review for possible downgrade of \$5B in CDOS bckd by subprime RMBS.  
 [10] US Tsy: June 10Y reopen drew 5.5% foreign buyers;23.8% foreign bid in June 2Y sale; 29.2% foreign bid in 5Y Jun sale.

15:29 07/11 **EURODLR FUTURES:** Eurodlr futures finished moderately lower, in from earlier gains while equities continue to firm into the NY close. The Red/Gold pack spd (Sep08-Jun09) vs (Sep11-Jun12) a 2s/10s proxy, steepened 2.75 bps to 51.875. The Fronts (Sep07-Jun08), settled steady to 2.0 bps lower, the Sep07 unched at 94-66 on combined Globex and pit volume of 166,000, the Dec07 in 2.0 bps at 94-67.5 on volume of 436,000, the Mar08 in 2.5 bps at 94-74 on volume of 487,000, while the Jun08 was 2.0 bps lower at 94-79.5 on volume of 443,000. The Red pack (Sep08-Jun09) a 2yr proxy, settled 1.5 to 3.0 bps lower across the pack with 1,046,000 contracts traded.

### News Recap for the United States - Today

15:04 07/11 **US AGENCIES:** "Like the worst is over?" said a dealer in response to a question about swap and GSE spreads well off the wides of the day. "Maybe. Maybe a dead-cat bounce. It is not advisable to make proclamations rashly these days, you may have noticed. Position decisions too."

15:19 07/11 **US SWAPS:** After see-sawing through the session, spreads turned wider by the bell, off wides from the open. Spds had seen tighter levels around midsession as mkt gave back early gains. After heavy paying across curve in overnight and in early NY session in 5s, sources reported decent receiving in fronts to intermediates. one source reported "decent buying of mortgages this morning that has had dealers receiving."

#### According to GovPX:

Time (ET)	2Y Swap/Mid	5Y Swap/Mid	10Y Swap/Mid	30Y Swap/Mid
Wed 3:05	+0.25/50.75	+0.50/58.75	+0.50/67.25	+0.75/73.75
12:10	-0.50/50.00	-0.25/58.00	-0.25/66.50	+0.00/73.00
10:30	+0.75/51.25	+0.50/58.75	+0.25/67.00	+0.25/73.25
10:00	+0.75/51.25	+0.50/58.75	+0.50/67.25	+0.75/73.75
9:20	+0.50/51.00	+0.25/58.50	+0.25/67.00	+0.50/73.50
Wed Open	+1.00/51.50	+1.00/59.25	+1.00/67.75	+0.75/73.75
Tue 3:05	+2.25/50.50	+2.75/58.25	+2.75/66.75	+2.25/73.00

15:24 07/11 **US Tsy Futures:** After giving back early gains, Tsy futures finished the session lower, Sep T-bonds settled 15/32 lower at 107-06, the Sep 10yr notes in 6.5/32 at 105-13.5, the Sep 5yr note 4/32 lower at 103-31.5, while the Sep 2yr note settled 1.25/32 lower at 101-28.