

## The Morning Email: Eurodollars & Fed Funds

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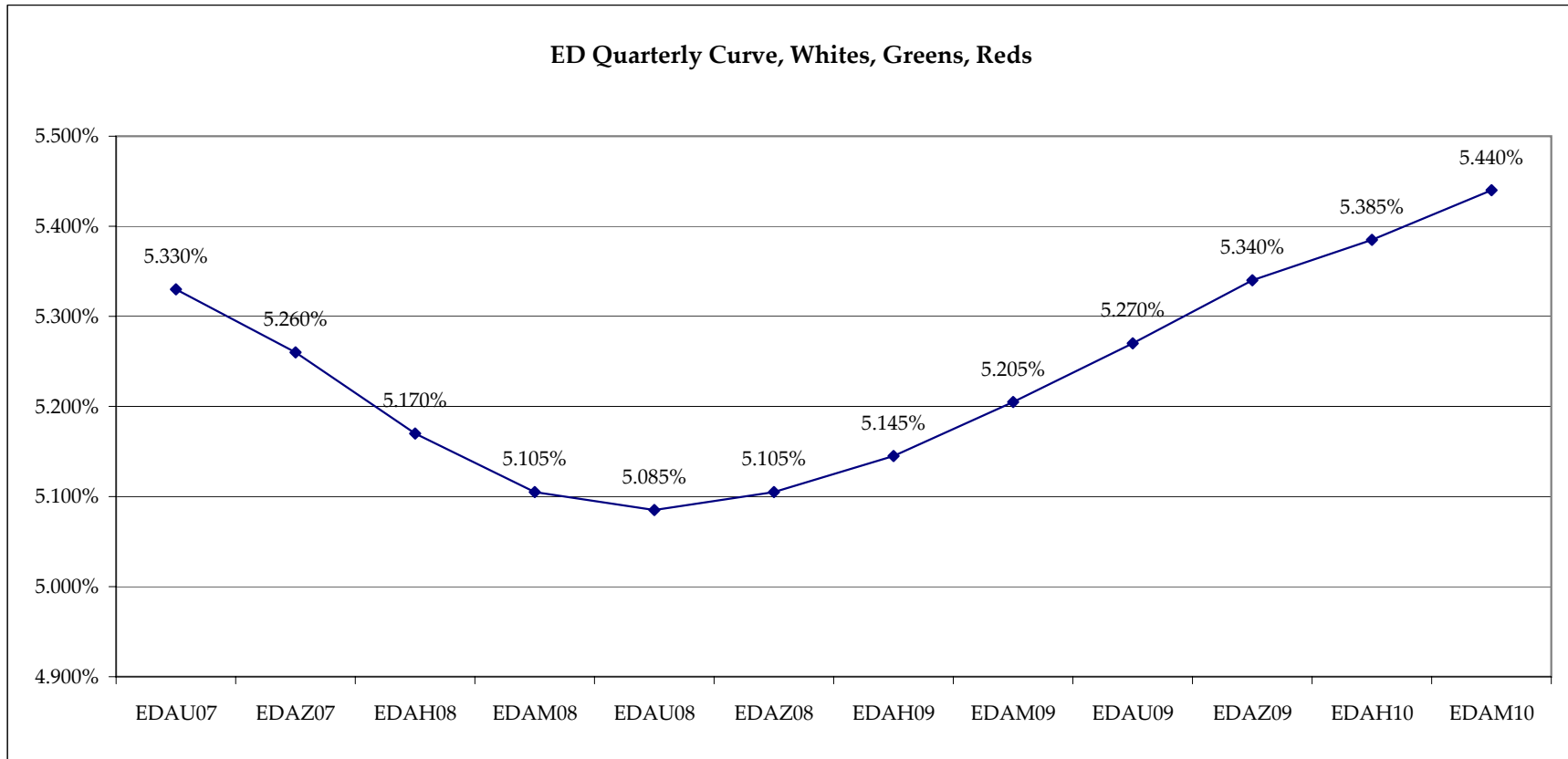
Want something added? Let me know: [jgoulding@ghco.com](mailto:jgoulding@ghco.com)

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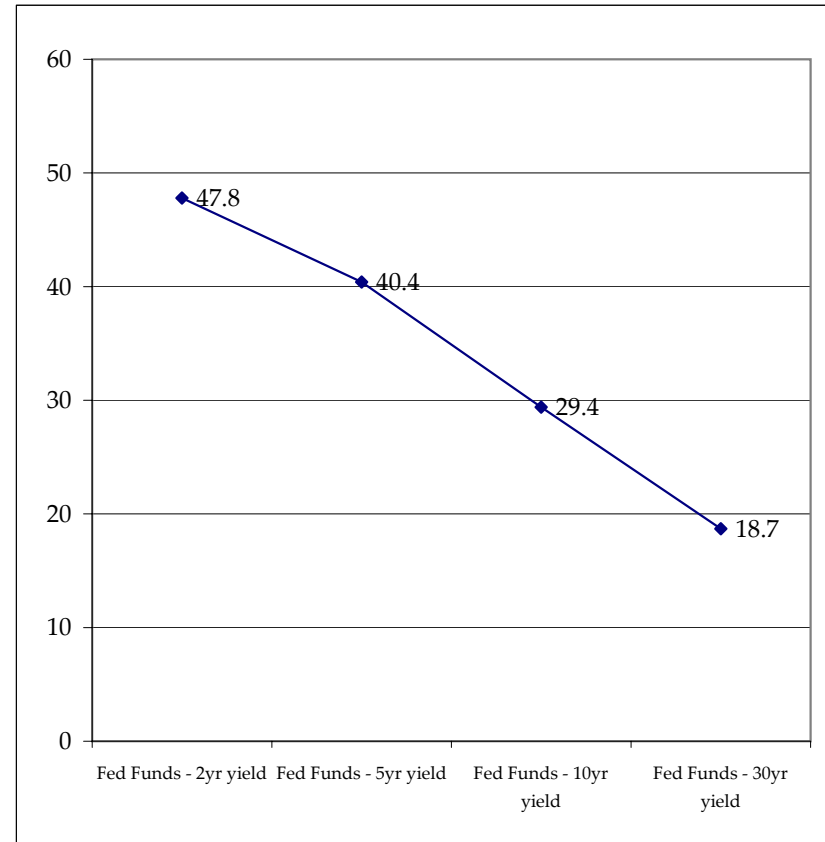
	Last	High	Low	Open	Month	Net	Exp Date	Implied		
EDAU07	94.670	94.680	94.655	94.655	SEP	1.0	9/17/2007	5.330%	Whites	1st Year
EDAZ07	94.740	94.750	94.695	94.705	DEC	3.5	12/17/2007	5.260%		
EDAH08	94.830	94.850	94.765	94.775	MAR	6.0	3/17/2008	5.170%		
EDAM08	94.895	94.925	94.815	94.830	JUN	7.0	6/16/2008	5.105%		
EDAU08	94.915	94.950	94.835	94.840	SEP	6.5	9/15/2008	5.085%	Reds	1-2 yrs out
EDAZ08	94.895	94.940	94.825	94.830	DEC	6.5	12/15/2008	5.105%		
EDAH09	94.855	94.900	94.785	94.790	MAR	6.5	3/16/2009	5.145%		
EDAM09	94.795	94.840	94.725	94.730	JUN	6.0	6/15/2009	5.205%		
EDAU09	94.730	94.770	94.670	94.670	SEP	6.0	9/14/2009	5.270%	Greens	2-3 yrs out
EDAZ09	94.660	94.700	94.600	94.600	DEC	6.5	12/14/2009	5.340%		
EDAH10	94.615	94.650	94.550	94.550	MAR	6.5	3/15/2010	5.385%		
EDAM10	94.560	94.595	94.535	94.540	JUN	5.5	6/14/2010	5.440%		
EDAU10	94.520	94.545	94.490	94.500	SEP	6.5	9/13/2010	5.480%	Blues	3-4 yrs out
EDAZ10	94.475	94.510	94.440	94.455	DEC	6.0	12/13/2010	5.525%		
EDAH11	94.450	94.480	94.415	94.430	MAR	6.5	3/14/2011	5.550%		
EDAM11	94.415	94.440	94.390	94.400	JUN	5.0	6/13/2011	5.585%		
EDAU11	94.390	94.390	94.365	94.365	SEP	4.5	9/19/2011	5.610%	Golds	4-5 yrs out
EDAZ11	94.325	94.355	94.325	94.330	DEC	4.0	12/19/2011	5.675%		
EDAH12	94.345	94.345	94.300	94.300	MAR	7.5	3/19/2012	5.655%		
EDAM12	94.325	94.325	94.280	94.280	JUN	7.0	6/18/2012	5.675%		
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. Also, matrix excludes serial contracts. Serials can be found on the ED and FF spread page.



Month	Fed Funds (FF)			Eurodollars (ED)	ED - FF
	Last	Net	Implied	Implied	bps
Aug-07	94.755	0.000	5.245	5.348	10.2
Sep-07	94.760	0.050	5.240	5.330	9.0
Oct-07	94.780	0.100	5.220		
Nov-07	94.795	0.150	5.205		
Dec-07	94.825	0.300	5.175	5.260	8.5
Jan-08	94.840	0.300	5.160		
Feb-08	94.885	0.450	5.115		
Mar-08	94.900	0.500	5.100	5.170	7.0
Apr-08	94.925	0.500	5.075		
May-08	94.960	0.550	5.040		
Jun-08	94.970	0.600	5.030	5.105	7.5
Jul-08	94.995	0.550	5.005		
Aug-08	95.015	0.750	4.985		
Sep-08	95.020	0.800	4.980	5.085	10.5

Fed Funds minus Treasury Yields		
Spread Name	Diff bps	Net Chng
Fed Funds - 2yr yield	47.8	5.8
Fed Funds - 5yr yield	40.4	6.0
Fed Funds - 10yr yield	29.4	5.2
Fed Funds - 30yr yield	18.7	3.3



Fed Meeting Dates					
<b>August/07/2007</b>		<b>September/18/2007</b>		<b>October/31/2007</b>	
Target Rate	Probabiltiy	Target Rate	Probabiltiy	Target Rate	Probabiltiy
4.50	4.6	4.50	0.0	4.50	1.0
4.75	-8.4	4.75	3.0	4.75	1.8
5.00	6.3	5.00	2.5	5.00	7.5
5.25	97.8	5.25	94.6	5.25	87.5
5.50	-1.8	5.50	-1.1	5.50	2.5
5.75	1.5	5.75	1.0	5.75	-0.3

<b>August/07/2007</b>	
Target Rate	Probabiltiy
4.50	4.6
4.75	-8.4
5.00	6.3
5.25	97.8
5.50	-1.8
5.75	1.5

<b>September/18/2007</b>	
Target Rate	Probabiltiy
4.50	0.0
4.75	3.0
5.00	2.5
5.25	94.6
5.50	-1.1
5.75	1.0

<b>October/31/2007</b>	
Target Rate	Probabiltiy
4.50	1.0
4.75	1.8
5.00	7.5
5.25	87.5
5.50	2.5
5.75	-0.3

as of 07/19/07

## Notes:

All probabilities are taken from The Cleveland Federal Reserve



Current Positions								
Small Spec			Large Spec			Commercials		
Long	Short	Net	Long	Short	Net	Long	Short	Net
1,202,108	1,525,042	(322,934)	1,220,651	899,099	321,552	10,449,775	10,448,393	1,382

As of	Week over Week Change		
	Sm Spec	Lg Spec	Commrcl
7/10/2007	26,758	(86,802)	60,070