

The Morning Email: Eurodollars & Fed Funds

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You can find a recap of yesterday's Eurodollar trading in the Morning Email 'TREAS'.

Also, did you know that the Fed Funds percent chance of hike/cut is in this email? It's on pg4.

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

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.

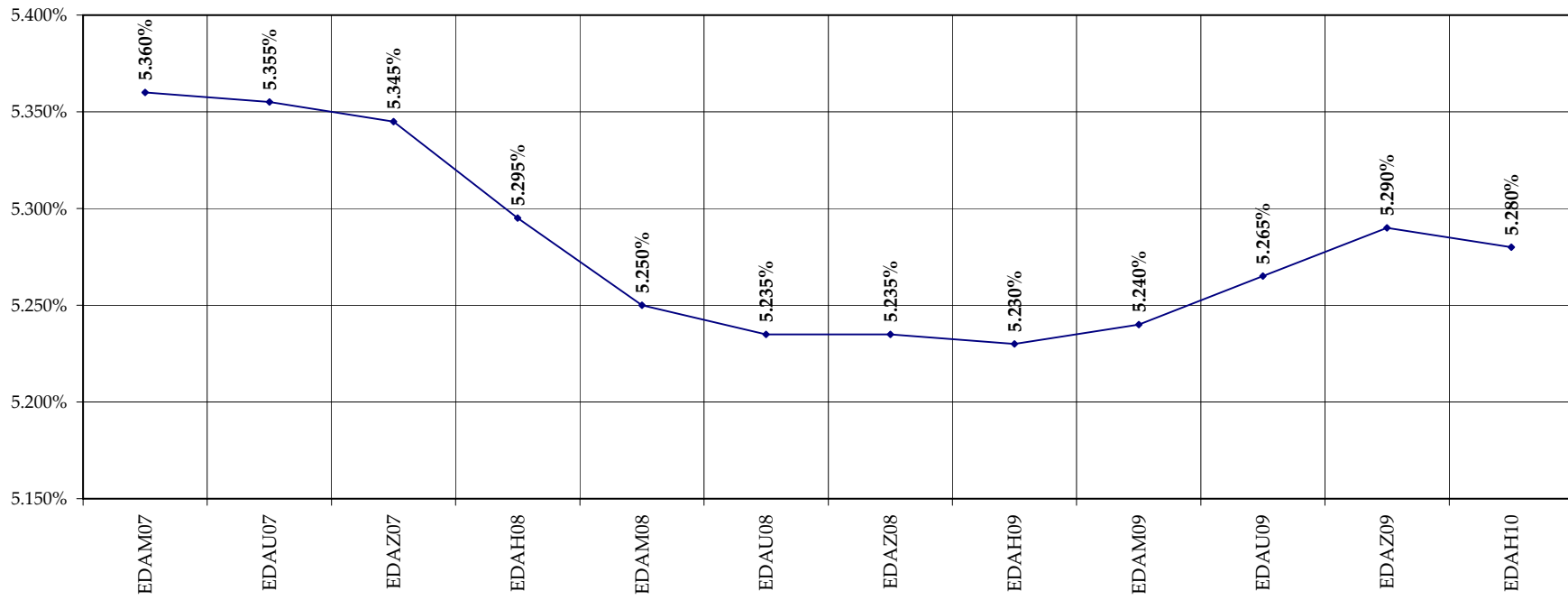
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(Excluding Serial)

	Last	High	Low	Open	Month	Net	Exp Date	Implied		
EDAM07	94.640	94.640	94.638	94.640	JUN	0.0	6/18/2007	5.360%	Whites	1st Year
EDAU07	94.645	94.660	94.645	94.660	SEP	-0.5	9/17/2007	5.355%		
EDAZ07	94.655	94.680	94.650	94.670	DEC	-1.0	12/17/2007	5.345%		
EDAH08	94.705	94.735	94.695	94.720	MAR	-2.0	3/17/2008	5.295%	Reds	1-2 yrs out
EDAM08	94.750	94.780	94.740	94.765	JUN	-2.0	6/16/2008	5.250%		
EDAU08	94.765	94.800	94.760	94.780	SEP	-2.5	9/15/2008	5.235%		
EDAZ08	94.765	94.805	94.760	94.785	DEC	-1.5	12/15/2008	5.235%		
EDAH09	94.770	94.800	94.765	94.785	MAR	-2.5	3/16/2009	5.230%	Greens	2-3 yrs out
EDAM09	94.760	94.785	94.760	94.775	JUN	-2.0	6/15/2009	5.240%		
EDAU09	94.735	94.750	94.735	94.750	SEP	-2.5	9/14/2009	5.265%		
EDAZ09	94.710	94.725	94.705	94.725	DEC	-1.5	12/14/2009	5.290%		
EDAH10	94.720	94.725	94.720	94.725	MAR	-1.5	3/15/2010	5.280%	Blues	3-4 yrs out
EDAM10	94.695	#VALUE!	#VALUE!	#VALUE!	JUN	-1.0	6/14/2010	5.305%		
EDAU10	94.670	#VALUE!	#VALUE!	#VALUE!	SEP	-1.0	9/13/2010	5.330%		
EDAZ10	94.635	#VALUE!	#VALUE!	#VALUE!	DEC	-1.0	12/13/2010			
EDAH11	94.620	#VALUE!	#VALUE!	#VALUE!	MAR	-1.0	3/14/2011	5.380%	Golds	4-5 yrs out
EDAM11	94.580	#VALUE!	#VALUE!	#VALUE!	JUN	-1.0	6/13/2011	5.420%		
EDAU11	94.575	#VALUE!	#VALUE!	#VALUE!	SEP	#VALUE!	9/19/2011	5.425%		
EDAZ11	94.525	#VALUE!	#VALUE!	#VALUE!	DEC	#VALUE!	12/19/2011	5.475%		
EDAH12	94.505	94.505	94.500	94.500	MAR	-2.0	3/19/2012	5.495%	Purples	5-6 yrs out
EDAM12		I do not keep data on purples through the coppers due to the non-liquidity.								
EDAU12										
EDAZ12										
EDZH13										
EDAM13									Oranges	6-7 yrs out
EDAU13										
EDAZ13										
EDAH14										
EDAM14									Pinks	7-8 yrs out
EDAU14										
EDAZ14										
EDAH15										
EDAM15									Grays	8-9 yrs out
EDAU15										
EDAZ15										
EDAH16										
EDAM16									Coppers	8-10 yrs out
EDAU16										
EDAZ16										
EDAH17										

Red pack/Gold pack spread, is a 2/10 proxy

ED Curve (Whites, Greens, Reds)



	Is	net	Implied	
F.FFAK07	#VALUE!	#VALUE!	#VALUE!	May
F.FFAM07	94.745	-0.500	5.255%	June
F.FFAN07	94.750	0.000	5.250%	July
F.FFAQ07	94.755	-0.500	5.245%	August
F.FFAU07	94.755	0.500	5.245%	September
F.FFAV07	94.765	0.000	5.235%	October
F.FFAZ07	94.775	-0.500	5.225%	December

[[Jim's note: Table linked to FF % chance]]

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Fed Funds % Chance of Tightening, Easing

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Actual FF Rate
5.25%

FOMC Meeting Date	FF Rate Projected on X date*	FF Futures Month	% Chance of Change
6/28/2007	5.00%	JUN, 2007	-42%
8/7/2007	5.00%	AUG, 2007	3%

9/18/2007	5.00%	SEP, 2007	5%
10/30/2007	5.00%	OCT, 2007	66%
12/11/2007	4.75%	DEC, 2007	8%

*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

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Eurodollar COT Data

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Current Positions								
Small Spec			Large Spec			Commercials		
Long	Short	Net	Long	Short	Net	Long	Short	Net
1,216,845	1,560,818	(343,973)	1,326,174	1,197,535	128,639	11,146,876	10,931,543	215,333

As of

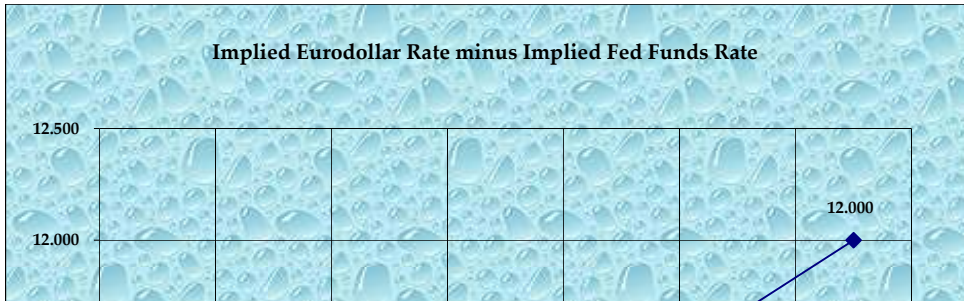
Week over Week Change		
Sm Spec	Lg Spec	Commrcl

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Implied Eurodollar Rate minus Implied Fed Funds Rate Spread^ Price (bps)^

Jun-2007	10.500
Jul-2007	11.000
Sep-2007	11.000
Dec-2007	12.000

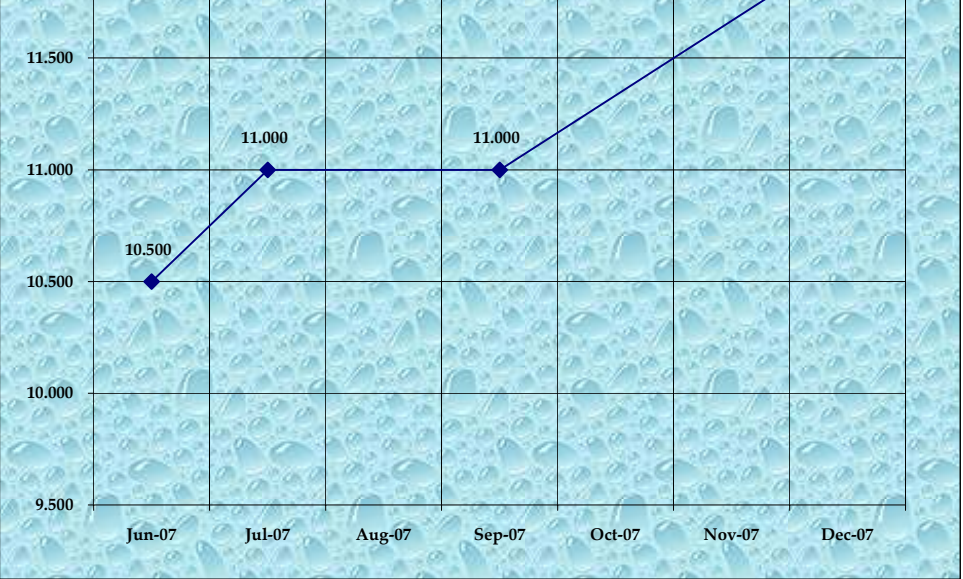
^ Example: 12.250 = 12 1/4 basis points



#Value = No quote being provided by exchange

Fed Funds Outright		
Contract	Imp Rate	Contract Month
F.FFAM07	5.2550	Jun-2007
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	5.2300	Nov-2007
F.FFAZ07	5.2250	Dec-2007

Eurodollars Outright		
Contract	Imp Rate	Contract Month
F.EDAM07	5.360	Jun-2007
F.EDAN07	5.360	Jul-2007
F.EDAU07	5.355	Sep-2007
F.EDAZ07	5.345	Dec-2007



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Packs vs Curve

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	Last
Red Pack	5.238
Gold Pack	5.446
Gold - Red	0.209

US 2yr	4.976
US 10yr	4.948
10yr - 2yr	-0.028

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