

The Morning Email: Eurodollars & Fed Funds

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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
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(Excluding Serial)

	Last	High	Low	Open	Month	Net	Exp Date	Implied		
EDAM07	94.638	94.640	94.638	94.640	JUN	0.0	6/18/2007	5.363%	Whites	1st Year
EDAU07	94.645	94.650	94.640	94.640	SEP	-1.0	9/17/2007	5.355%		
EDAZ07	94.640	94.650	94.630	94.645	DEC	0.0	12/17/2007	5.360%		
EDAH08	94.675	94.690	94.660	94.690	MAR	-0.5	3/17/2008	5.325%	Reds	1-2 yrs out
EDAM08	94.695	94.715	94.680	94.710	JUN	-0.5	6/16/2008	5.305%		
EDAU08	94.690	94.700	94.670	94.700	SEP	0.5	9/15/2008	5.310%		
EDAZ08	94.670	94.675	94.645	94.660	DEC	0.5	12/15/2008	5.330%		
EDAH09	94.640	94.645	94.610	94.630	MAR	0.5	3/16/2009	5.360%	Greens	2-3 yrs out
EDAM09	94.595	94.595	94.570	94.570	JUN	0.0	6/15/2009	5.405%		
EDAU09	94.550	94.550	94.525	94.545	SEP	1.0	9/14/2009	5.450%		
EDAZ09	94.505	94.510	94.470	94.470	DEC	0.0	12/14/2009	5.495%		
EDAH10	94.485	94.485	94.485	94.485	MAR	0.0	3/15/2010	5.515%	Blues	3-4 yrs out
EDAM10	94.445	94.450	94.445	94.450	JUN	1.0	6/14/2010	5.555%		
EDAU10	#VALUE!	#VALUE!	#VALUE!	#VALUE!	SEP	0.5	9/13/2010	#VALUE!		
EDAZ10	#VALUE!	#VALUE!	#VALUE!	#VALUE!	DEC	0.5	12/13/2010	#VALUE!		
EDAH11	#VALUE!	#VALUE!	#VALUE!	#VALUE!	MAR	2.0	3/14/2011	#VALUE!	Golds	4-5 yrs out
EDAM11	94.345	#VALUE!	#VALUE!	#VALUE!	JUN	#VALUE!	6/13/2011	5.655%		
EDAU11	94.295	#VALUE!	#VALUE!	#VALUE!	SEP	#VALUE!	9/19/2011	5.705%		
EDAZ11	94.260	#VALUE!	#VALUE!	#VALUE!	DEC	#VALUE!	12/19/2011	5.740%		
EDAH12	94.240	#VALUE!	#VALUE!	#VALUE!	MAR	#VALUE!	3/19/2012	5.760%	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

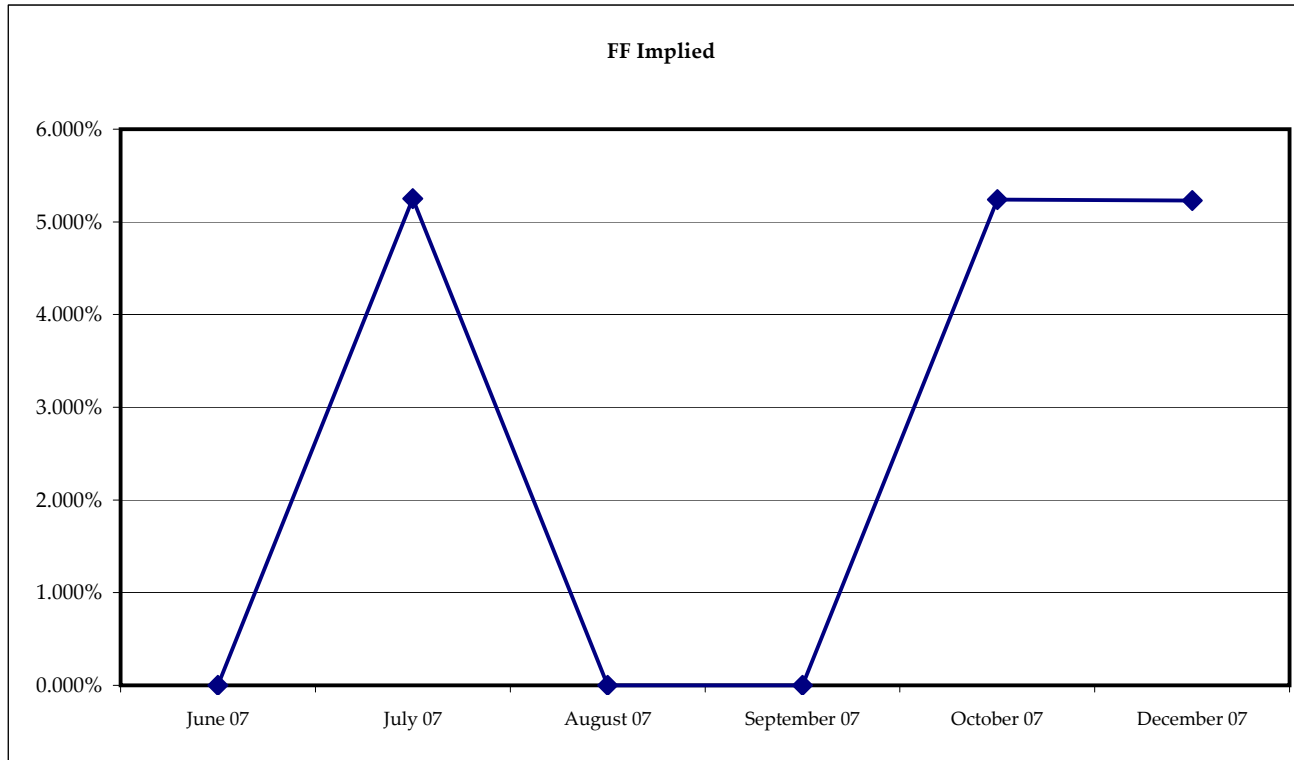
ED Curve (Whites, Greens, Reds)



Fed Funds

	ls	net	Implied	
F.FFAM07	#VALUE!	0.000	#VALUE!	June 07
F.FFAN07	94.750	0.000	5.250%	July 07
F.FFAQ07	#VALUE!	0.000	#VALUE!	August 07
F.FFAU07	#VALUE!	-0.500	#VALUE!	September 07
F.FFAV07	94.760	0.000	5.240%	October 07
F.FFAZ07	94.770	0.000	5.230%	December 07

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



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	#VALUE!
8/7/2007	5.00%	AUG, 2007	#VALUE!
9/18/2007	5.00%	SEP, 2007	#VALUE!
10/31/2007	5.00%	OCT, 2007	100%
12/11/2007	5.00%	DEC, 2007	12%

The Oct equation is not working.
I'm working on getting it fixed.

*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

Current Positions									
Long	Small Spec		Net	Large Spec			Commercials		
	Short			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
5/29/2007

Week over Week Change		
Sm Spec	Lg Spec	Commrcl
(22,078)	(140,899)	162,977

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

Jun-2007	#VALUE!
Jul-2007	#VALUE!
Sep-2007	#VALUE!
Dec-2007	13.000

^ 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	#VALUE!	Jun-2007
F.FFAN07	5.2500	Jul-2007
F.FFAQ07	#VALUE!	Aug-2007
F.FFAU07	#VALUE!	Sep-2007
F.FFAV07	5.2400	Oct-2007
F.FFAX07	5.2400	Nov-2007
F.FFAZ07	5.2300	Dec-2007

Eurodollars Outright

Contract	Imp Rate	Contract Month
F.EDAM07	5.363	Jun-2007
F.EDAN07	#VALUE!	Jul-2007
F.EDAU07	5.355	Sep-2007
F.EDAZ07	5.360	Dec-2007

