

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.

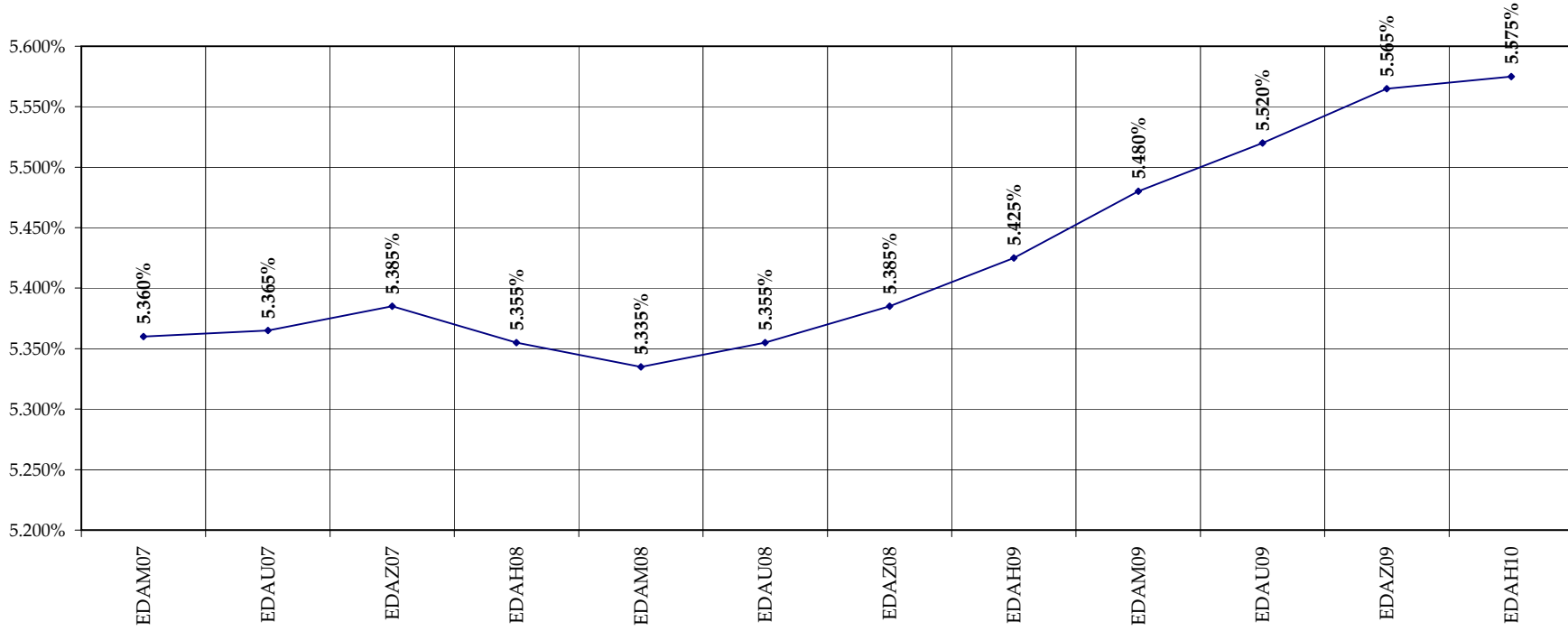
Want something added? Let me know: jgoulding@ghco.com
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(Excluding Serial)

	Last	High	Low	Open	Month	Net	Exp Date	Implied		
EDAM07	94.640	94.640	94.638	94.640	JUN	0.0	6/18/2007	5.360%	Whites	1st Year
EDAU07	94.635	94.645	94.635	94.645	SEP	-1.0	9/17/2007	5.365%		
EDAZ07	94.615	94.640	94.615	94.635	DEC	-3.0	12/17/2007	5.385%		
EDAH08	94.645	94.675	94.640	94.670	MAR	-3.5	3/17/2008	5.355%		
EDAM08	94.665	94.695	94.655	94.690	JUN	-4.5	6/16/2008	5.335%	Reds	1-2 yrs out
EDAU08	94.645	94.685	94.640	94.680	SEP	-5.5	9/15/2008	5.355%		
EDAZ08	94.615	94.660	94.615	94.650	DEC	-6.0	12/15/2008	5.385%		
EDAH09	94.575	94.620	94.575	94.610	MAR	-6.5	3/16/2009	5.425%		
EDAM09	94.520	94.565	94.520	94.555	JUN	-7.0	6/15/2009	5.480%	Greens	2-3 yrs out
EDAU09	94.480	94.505	94.480	94.505	SEP	-6.5	9/14/2009	5.520%		
EDAZ09	94.435	94.470	94.435	94.470	DEC	-7.5	12/14/2009	5.565%		
EDAH10	94.425	94.445	94.425	94.445	MAR	-7.0	3/15/2010	5.575%		
EDAM10	94.415	#VALUE!	#VALUE!	#VALUE!	JUN	-6.0	6/14/2010	5.585%	Blues	3-4 yrs out
EDAU10	94.385	#VALUE!	#VALUE!	#VALUE!	SEP	-6.0	9/13/2010	5.615%		
EDAZ10	94.340	#VALUE!	#VALUE!	#VALUE!	DEC	-5.5	12/13/2010			
EDAH11	94.320	#VALUE!	#VALUE!	#VALUE!	MAR	#VALUE!	3/14/2011	5.680%		
EDAM11	94.290	#VALUE!	#VALUE!	#VALUE!	JUN	#VALUE!	6/13/2011	5.710%	Golds	4-5 yrs out
EDAU11	94.265	#VALUE!	#VALUE!	#VALUE!	SEP	#VALUE!	9/19/2011	5.735%		
EDAZ11	94.220	#VALUE!	#VALUE!	#VALUE!	DEC	#VALUE!	12/19/2011	5.780%		
EDAH12	94.205	#VALUE!	#VALUE!	#VALUE!	MAR	#VALUE!	3/19/2012	5.795%		
EDAM12		I do not keep data on purples through the coppers due to the non-liquidity.							Purples	5-6 yrs out
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

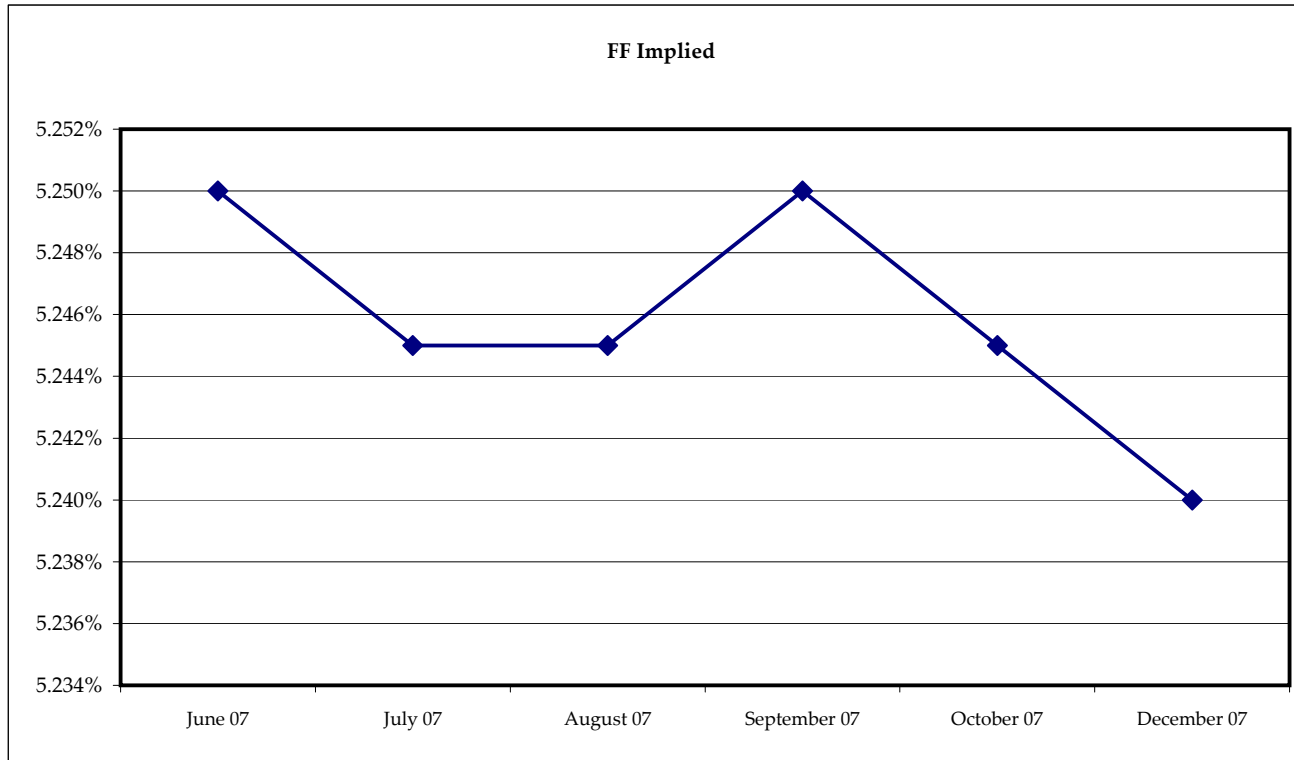
ED Curve (Whites, Greens, Reds)



Fed Funds

	ls	net	Implied	
F.FFAM07	94.750	-0.500	5.250%	June 07
F.FFAN07	94.755	0.500	5.245%	July 07
F.FFAQ07	94.755	-0.500	5.245%	August 07
F.FFAU07	94.750	0.000	5.250%	September 07
F.FFAV07	94.755	-1.500	5.245%	October 07
F.FFAZ07	94.760	-1.000	5.240%	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	0%
8/7/2007	5.00%	AUG, 2007	3%
9/18/2007	5.00%	SEP, 2007	0%
10/31/2007	5.00%	OCT, 2007	100%
12/11/2007	5.00%	DEC, 2007	6%

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		Long	Large Spec		Long	Commercials	
	Short	Net		Short	Net		Short	Net
1,311,795	1,597,707	(285,912)	1,309,732	1,296,550	13,182	11,324,345	11,051,614	272,731

As of
6/5/2007

Week over Week Change		
Sm Spec	Lg Spec	Commrcl
58,061	(115,457)	57,398

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

JUN, 2007	11.000
JUL, 2007	11.500
SEP, 2007	11.500
DEC, 2007	14.500
MCH, 2008	

^ 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	5.2500	JUN, 2007
F.FFAN07	5.2450	JUL, 2007
F.FFAQ07	5.2450	AUG, 2007
F.FFAU07	5.2500	SEP, 2007
F.FFAV07	5.2450	OCT, 2007
F.FFAX07	5.2500	NOV, 2007
F.FFAZ07	5.2400	DEC, 2007
F.FFAF08	5.2300	JAN, 2008
F.FFAG08	5.2300	FEB, 2008
F.FFAH08	#VALUE!	MCH, 2008
F.FFAJ08	#VALUE!	APR, 2008

Eurodollars Outright

Contract	Imp Rate	Contract Month
F.EDAM07	5.360	JUN, 2007
F.EDAN07	5.360	JUL, 2007
F.EDAU07	5.365	SEP, 2007
F.EDAZ07	5.385	DEC, 2007
F.EDAH08	5.355	MCH, 2008

