

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

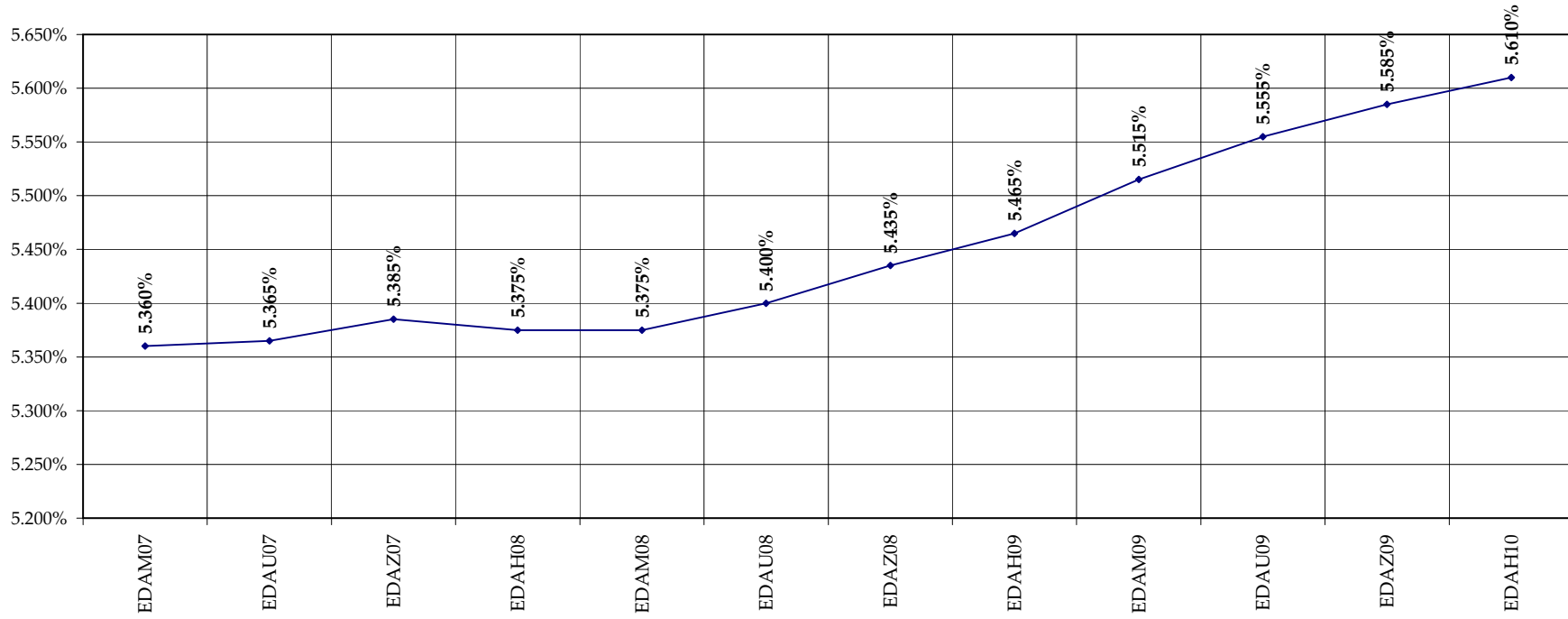
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(Excluding Serial)

	Last	High	Low	Open	Month	Net	Exp Date	Implied		
EDAM07	94.640	94.640	94.638	94.638	JUN	0.2	6/18/2007	5.360%	Whites	1st Year
EDAU07	94.635	94.635	94.620	94.625	SEP	0.0	9/17/2007	5.365%		
EDAZ07	94.615	94.615	94.585	94.595	DEC	1.5	12/17/2007	5.385%		
EDAH08	94.625	94.625	94.595	94.610	MAR	1.0	3/17/2008	5.375%	Reds	1-2 yrs out
EDAM08	94.625	94.630	94.595	94.615	JUN	0.5	6/16/2008	5.375%		
EDAU08	94.600	94.605	94.570	94.585	SEP	0.5	9/15/2008	5.400%		
EDAZ08	94.565	94.565	94.530	94.545	DEC	0.5	12/15/2008	5.435%		
EDAH09	94.535	94.535	94.500	94.515	MAR	0.5	3/16/2009	5.465%	Greens	2-3 yrs out
EDAM09	94.485	94.490	94.465	94.475	JUN	0.5	6/15/2009	5.515%		
EDAU09	94.445	94.455	94.430	94.450	SEP	1.5	9/14/2009	5.555%		
EDAZ09	94.415	94.420	94.395	94.415	DEC	1.0	12/14/2009	5.585%		
EDAH10	94.390	94.395	94.375	94.395	MAR	2.0	3/15/2010	5.610%	Blues	3-4 yrs out
EDAM10	94.350	94.350	94.350	94.350	JUN	0.5	6/14/2010	5.650%		
EDAU10	94.320	94.320	94.320	94.320	SEP	-0.5	9/13/2010	5.680%		
EDAZ10	94.270	94.270	94.270	94.270	DEC	-0.5	12/13/2010			
EDAH11	94.270	#VALUE!	#VALUE!	#VALUE!	MAR	0.0	3/14/2011	5.730%	Golds	4-5 yrs out
EDAM11	94.245	#VALUE!	#VALUE!	#VALUE!	JUN	0.0	6/13/2011	5.755%		
EDAU11	94.220	#VALUE!	#VALUE!	#VALUE!	SEP	-0.5	9/19/2011	5.780%		
EDAZ11	94.185	#VALUE!	#VALUE!	#VALUE!	DEC	-0.5	12/19/2011	5.815%		
EDAH12	94.170	#VALUE!	#VALUE!	#VALUE!	MAR	1.5	3/19/2012	5.830%	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										

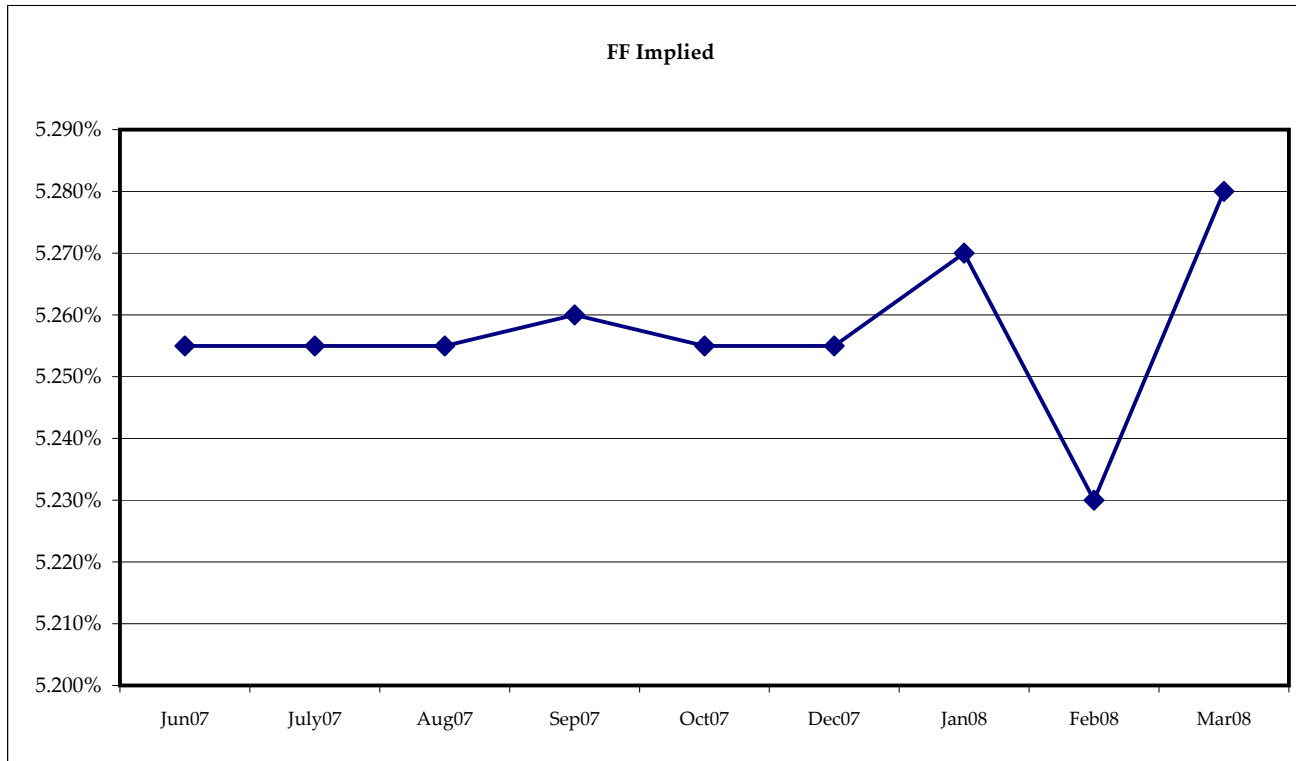
Red pack/Gold pack spread, is a 2/10 proxy

ED Curve (Whites, Greens, Reds)



Fed Funds			
	ls	net	Implied
F.FFAM07	94.745	0.000	5.255%
F.FFAN07	94.745	-0.500	5.255%
F.FFAQ07	94.745	-0.500	5.255%
F.FFAU07	94.740	-0.500	5.260%
F.FFAV07	94.745	0.000	5.255%
F.FFAZ07	94.745	0.000	5.255%
F.FFAF08	94.730	0.000	5.270%
F.FFAG08	94.770	-1.000	5.230%
F.FFAH08	94.720	#VALUE!	5.280%

[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	-42%
8/7/2007	5.00%	AUG, 2007	-3%
9/18/2007	5.00%	SEP, 2007	-11%
10/31/2007	5.00%	OCT, 2007	100%
12/11/2007	5.00%	DEC, 2007	-3%
1/30/2008		JAN, 2008	

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
1,311,795	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	10.500
JUL, 2007	11.000
SEP, 2007	10.500
DEC, 2007	13.000
MCH, 2008	9.500

^ Example: 12.250 = 12 1/4 basis points
 #Value = No quote being provided by exchange

Fed Funds Outright

Contract	Imp Rate	Month
F.FFAM07	5.2550	JUN, 2007
F.FFAN07	5.2550	JUL, 2007
F.FFAQ07	5.2550	AUG, 2007
F.FFAU07	5.2600	SEP, 2007
F.FFAV07	5.2550	OCT, 2007
F.FFAX07	5.2550	NOV, 2007
F.FFAZ07	5.2550	DEC, 2007
F.FFAF08	5.2700	JAN, 2008
F.FFAG08	5.2300	FEB, 2008
F.FFAH08	5.2800	MCH, 2008
F.FFAJ08	5.2650	APR, 2008

#Value = No quote being provided by exchange

Eurodollars Outright

Contract	Imp Rate	Month
F.EDAM07	5.360	JUN, 2007
F.EDAN07	5.365	JUL, 2007
F.EDAU07	5.365	SEP, 2007
F.EDAZ07	5.385	DEC, 2007
F.EDAH08	5.375	MCH, 2008

