The Morning Email: Eurodollars & Fed Funds

Table of Contents

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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Eurodollars - Electronic Outright Contracts

(Excluding Serial)

	Last	High	Low	Open	Month	Net	Exp Date	Implied		
EDAM07	94.640	94.640	94.638	94.640	JUN	0.2	6/18/2007	5.360%	Whites	1st Year
EDAU07	94.635	94.645	94.635	94.640	SEP	0.0	9/17/2007	5.365%		
EDAZ07	94.625	94.635	94.615	94.630	DEC	1.0	12/17/2007	5.375%		
EDAH08	94.645	94.655	94.635	94.650	MAR	1.0	3/17/2008	5.355%		
EDAM08	94.665	94.675	94.650	94.665	JUN	0.5	6/16/2008	5.335%	Reds	1-2 yrs out
EDAU08	94.655	94.665	94.635	94.650	SEP	1.5	9/15/2008	5.345%		
EDAZ08	94.630	94.640	94.610	94.620	DEC	2.0	12/15/2008	5.370%		
EDAH09	94.600	94.610	94.585	94.595	MAR	2.0	3/16/2009	5.400%		
EDAM09	94.565	94.570	94.550	94.555	JUN	1.5	6/15/2009	5.435%	Greens	2-3 yrs out
EDAU09	94.535	94.540	94.515	94.515	SEP	1.5	9/14/2009	5.465%		
EDAZ09	94.495	94.495	94.465	94.465	DEC	1.5	12/14/2009	5.505%		
EDAH10	94.480	94.480	94.455	94.455	MAR	2.0	3/15/2010	5.520%		
EDAM10	#VALUE!	#VALUE!	#VALUE!	#VALUE!	JUN	3.5	6/14/2010	#VALUE!	Blues	3-4 yrs out
EDAU10	#VALUE!	#VALUE!	#VALUE!	#VALUE!	SEP	3.5	9/13/2010	#VALUE!		
EDAZ10	#VALUE!	#VALUE!	#VALUE!	#VALUE!	DEC	3.5	12/13/2010			
EDAH11	#VALUE!	#VALUE!	#VALUE!	#VALUE!	MAR	4.5	3/14/2011	#VALUE!		
EDAM11	#VALUE!	#VALUE!	#VALUE!	#VALUE!	JUN	3.5	6/13/2011	#VALUE!	Golds	4-5 yrs out
EDAU11	#VALUE!	#VALUE!	#VALUE!	#VALUE!	SEP	0.0	9/19/2011	#VALUE!		
EDAZ11	#VALUE!	#VALUE!	#VALUE!	#VALUE!	DEC	0.0	12/19/2011	#VALUE!		
EDAH12	94.225	#VALUE!	#VALUE!	#VALUE!	MAR	-111.0	3/19/2012	5.775%		
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

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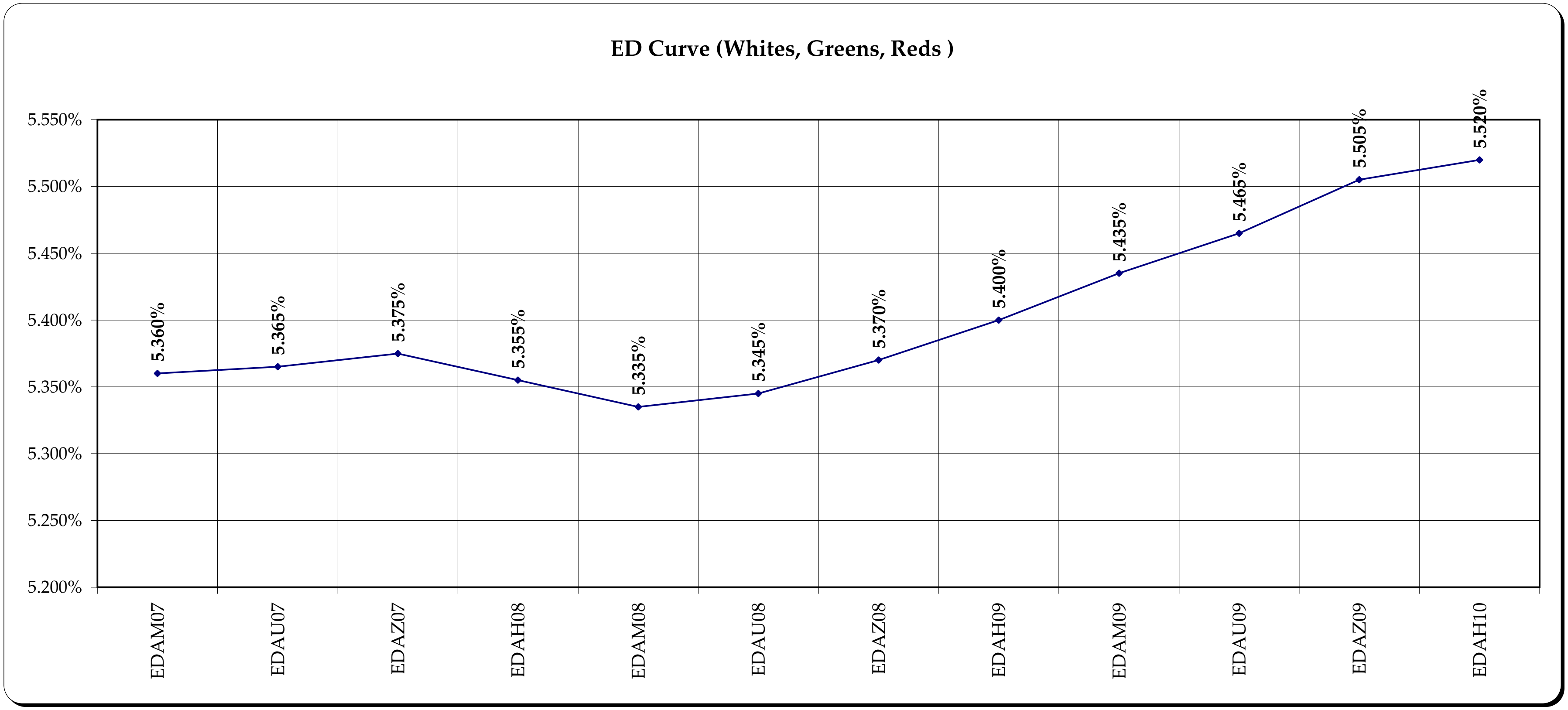
Eurodollar - Charted Quarterly Curve



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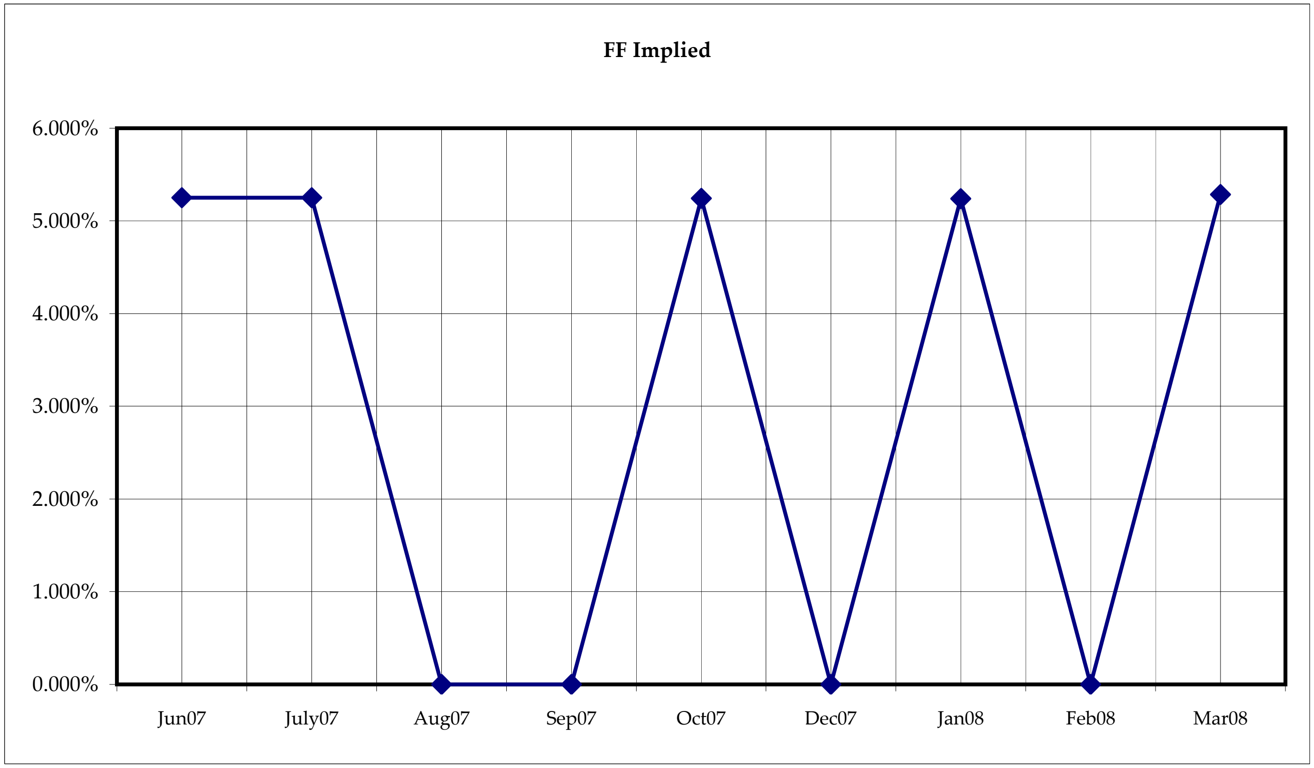
Fed Funds - Outright (Electronically Traded Contracts)

	Fed Funds			
	ls	net	Implied	
F.FFAM07	94.750	-0.500	5.250%	Jun07
F.FFAN07	94.750	0.500	5.250%	July07
F.FFAQ07	#VALUE!	0.500	#VALUE!	Aug07
F.FFAU07	#VALUE!	0.500	#VALUE!	Sep07
F.FFAV07	94.755	0.500	5.245%	Oct07
F.FFAZ07	#VALUE!	1.000	#VALUE!	Dec07
F.FFAF08	94.760	0.500	5.240%	Jan08
F.FFAG08	#VALUE!	#VALUE!	#VALUE!	Feb08
F.FFAH08	94.715	#VALUE!	5.285%	Mar08

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



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Fed Funds % Chance of Tightening, Easing

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	**#VALUE!**	
9/18/2007	**5.00%**	SEP, 2007	**#VALUE!**	
10/31/2007	**5.00%**	OCT, 2007	**100%**	The Oct equation is not working.
12/11/2007	**5.00%**	DEC, 2007	**#VALUE!**	I'm working on getting it fixed.
1/30/2008		JAN, 2008		

***FF Rate Projected X date** is provided by me. Meaning, I'm asking the quesiton, "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

Current Positions								
Small Spec			Large Spec			Commercials		
Long	Short	Net	Long	Short	Net	Long	Short	Net
1,326,256	1,637,468	(311,212)	1,278,273	1,116,348	161,925	11,507,839	11,358,551	149,288

As of 6/5/2007

Week over Week Change		
Sm Spec	Lg Spec	Commrcl
(25,300)	148,743	(123,443)

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Eurodollars and Fed Fund Spreads

Implied Eurodollar Rate minus Implied Fed Funds Rate

Spread^	Price (bps)^
JUN, 2007	**11.000**
JUL, 2007	**11.000**
SEP, 2007	**#VALUE!**
DEC, 2007	**#VALUE!**
MCH, 2008	**7.000**

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

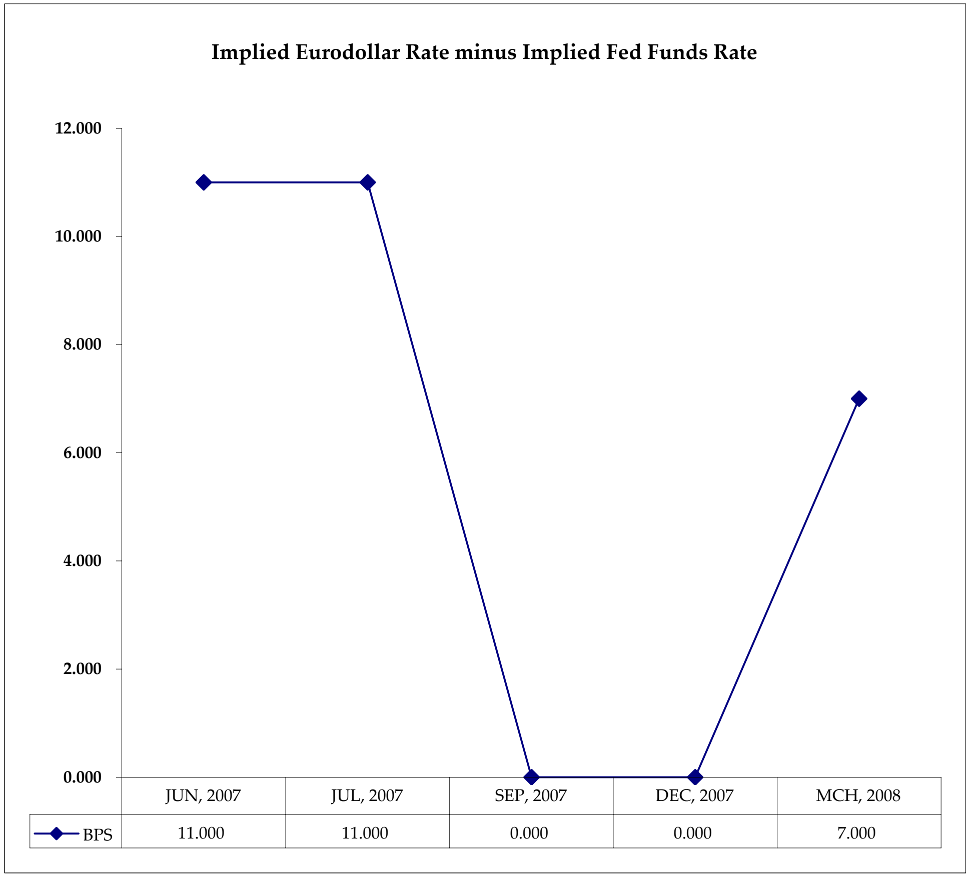
Fed Funds Outright

Contract	Imp Rate	Month
F.FFAM07	5.2500	JUN, 2007
F.FFAN07	5.2500	JUL, 2007
F.FFAQ07	#VALUE!	AUG, 2007
F.FFAU07	#VALUE!	SEP, 2007
F.FFAV07	5.2450	OCT, 2007
F.FFAX07	#VALUE!	NOV, 2007
F.FFAZ07	#VALUE!	DEC, 2007
F.FFAF08	5.2400	JAN, 2008
F.FFAG08	#VALUE!	FEB, 2008
F.FFAH08	5.2850	MCH, 2008
F.FFAJ08	#VALUE!	APR, 2008

#Value = No quote being provided by exchange

Eurodollars Outright

Contract	Imp Rate	Month
F.EDAM07	5.360	JUN, 2007
F.EDAN07	5.360	JUL, 2007
F.EDAU07	5.365	SEP, 2007
F.EDAZ07	5.375	DEC, 2007
F.EDAH08	5.355	MCH, 2008



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