# 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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# Eurodollars - Electronic Outright Contracts



(Excluding Serial)

| | Last | High | Low | Open | Month | Net | Exp Date | Implied | | |
|---|---|---|---|---|---|---|---|---|---|---|
| EDAM07 | 94.640 | #VALUE! | #VALUE! | #VALUE! | JUN | #VALUE! | 6/18/2007 | 5.360% | Whites | 1st Year |
| EDAU07 | 94.645 | 94.650 | 94.640 | 94.645 | SEP | 0.5 | 9/17/2007 | 5.355% | | |
| EDAZ07 | 94.645 | 94.645 | 94.630 | 94.645 | DEC | 0.5 | 12/17/2007 | 5.355% | | |
| EDAH08 | 94.675 | 94.680 | 94.660 | 94.680 | MAR | 0.5 | 3/17/2008 | 5.325% | | |
| EDAM08 | 94.700 | 94.705 | 94.675 | 94.700 | JUN | 1.0 | 6/16/2008 | 5.300% | Reds | 1-2 yrs out |
| EDAU08 | 94.690 | 94.695 | 94.665 | 94.690 | SEP | 1.0 | 9/15/2008 | 5.310% | | |
| EDAZ08 | 94.665 | 94.670 | 94.640 | 94.660 | DEC | 1.0 | 12/15/2008 | 5.335% | | |
| EDAH09 | 94.640 | 94.640 | 94.610 | 94.630 | MAR | 0.5 | 3/16/2009 | 5.360% | | |
| EDAM09 | 94.600 | 94.605 | 94.570 | 94.595 | JUN | 0.5 | 6/15/2009 | 5.400% | Greens | 2-3 yrs out |
| EDAU09 | 94.565 | 94.570 | 94.540 | 94.555 | SEP | 0.5 | 9/14/2009 | 5.435% | | |
| EDAZ09 | 94.525 | 94.525 | 94.505 | 94.505 | DEC | 0.5 | 12/14/2009 | 5.475% | | |
| EDAH10 | 94.500 | 94.505 | 94.485 | 94.485 | MAR | 0.5 | 3/15/2010 | 5.500% | | |
| EDAM10 | 94.470 | 94.470 | 94.445 | 94.445 | JUN | 1.0 | 6/14/2010 | 5.530% | Blues | 3-4 yrs out |
| EDAU10 | 94.425 | 94.425 | 94.425 | 94.425 | SEP | 2.5 | 9/13/2010 | 5.575% | | |
| EDAZ10 | 94.405 | 94.405 | 94.385 | 94.385 | DEC | 2.5 | 12/13/2010 | | | |
| EDAH11 | 94.380 | #VALUE! | #VALUE! | #VALUE! | MAR | 0.5 | 3/14/2011 | 5.620% | | |
| EDAM11 | 94.340 | #VALUE! | #VALUE! | #VALUE! | JUN | 3.0 | 6/13/2011 | 5.660% | Golds | 4-5 yrs out |
| EDAU11 | 94.320 | #VALUE! | #VALUE! | #VALUE! | SEP | 3.0 | 9/19/2011 | 5.680% | | |
| EDAZ11 | 94.290 | #VALUE! | #VALUE! | #VALUE! | DEC | 69.0 | 12/19/2011 | 5.710% | | |
| EDAH12 | 94.275 | #VALUE! | #VALUE! | #VALUE! | MAR | 68.5 | 3/19/2012 | 5.725% | | |
| 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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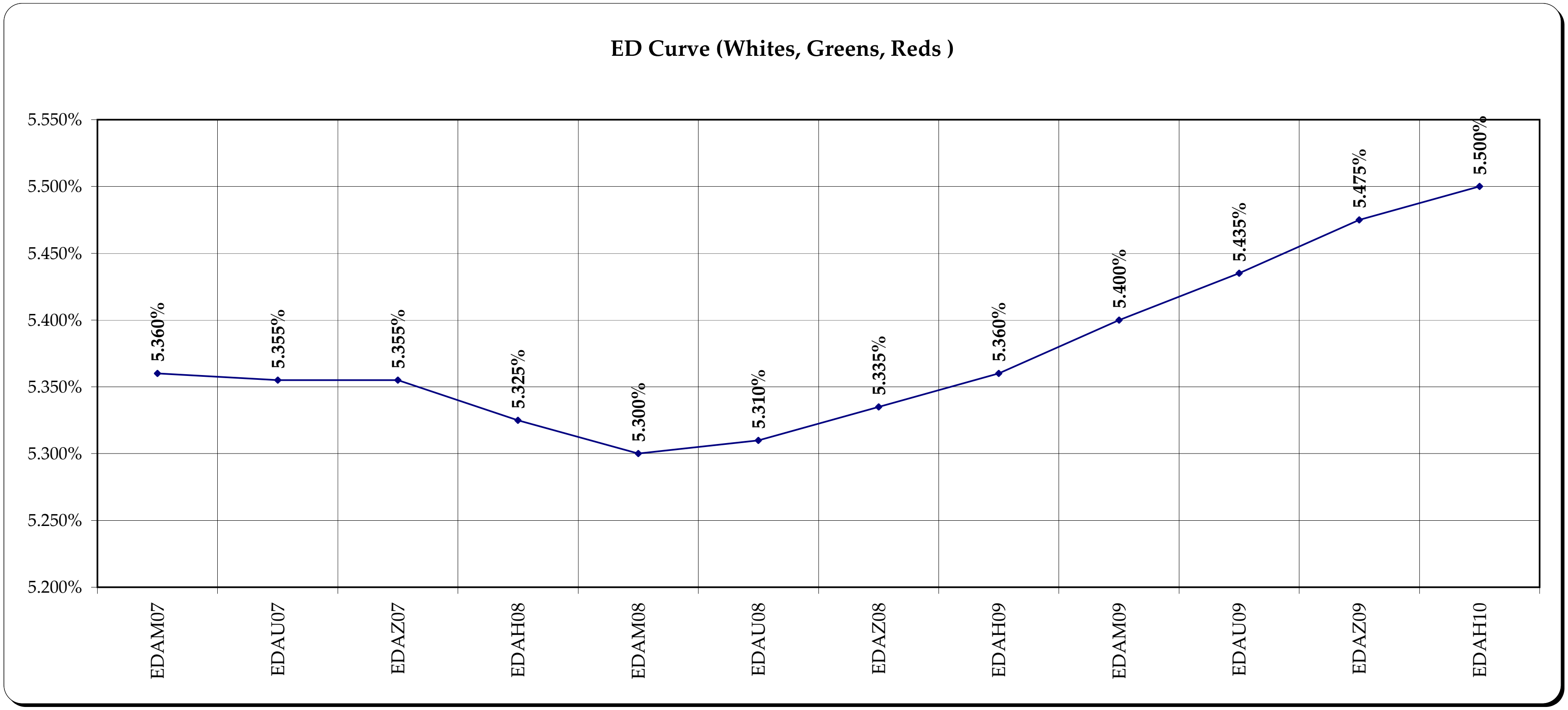


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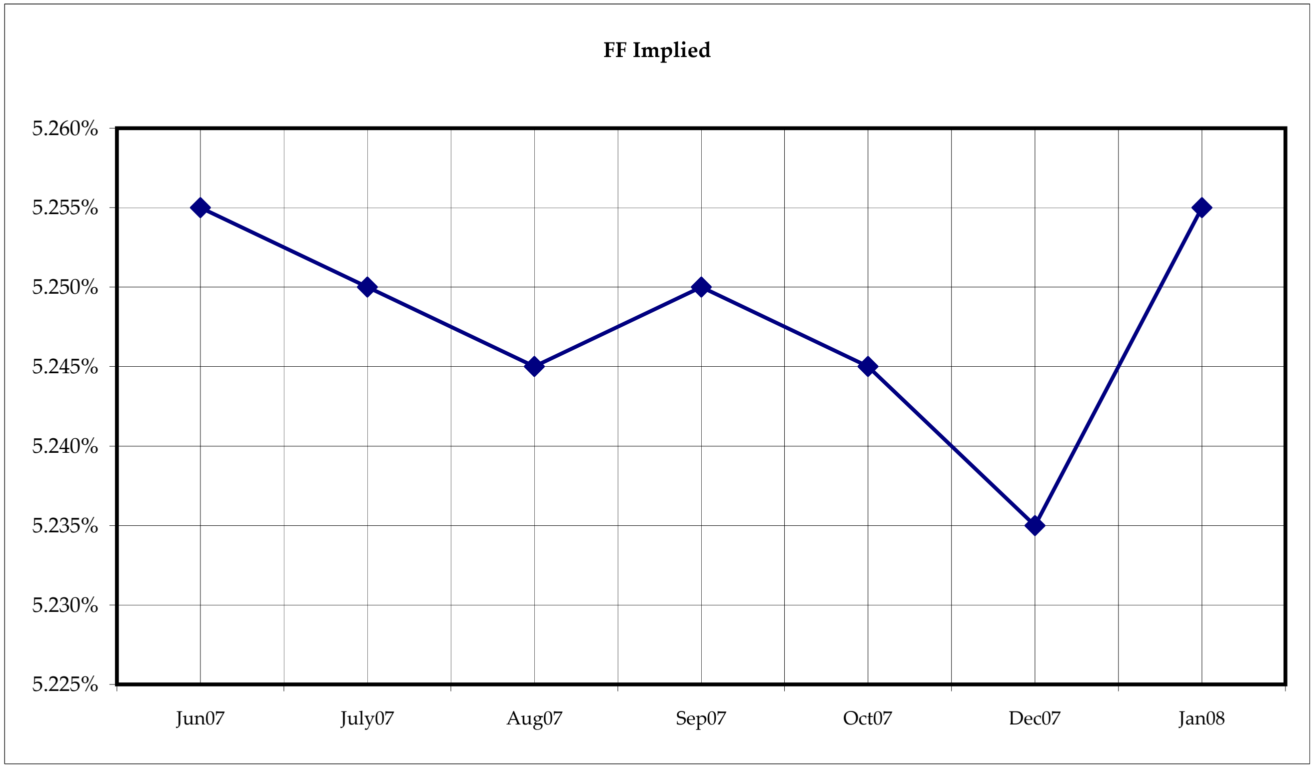
# Fed Funds - Outright (Electronically Traded Contracts)



| | Fed Funds | | | |
|---|---|---|---|---|
| | ls | net | Implied | |
| F.FFAM07 | 94.745 | 0.000 | 5.255% | Jun07 |
| F.FFAN07 | 94.750 | 0.500 | 5.250% | July07 |
| F.FFAQ07 | 94.755 | 0.500 | 5.245% | Aug07 |
| F.FFAU07 | 94.750 | 0.500 | 5.250% | Sep07 |
| F.FFAV07 | 94.755 | 0.500 | 5.245% | Oct07 |
| F.FFAZ07 | 94.765 | 0.500 | 5.235% | Dec07 |
| F.FFAF08 | 94.745 | 0.500 | 5.255% | 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 | **-42%** |
| 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 | **9%** |
| 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 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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**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 | **12.000** |
| MCH, 2008 | **4.000** |

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

**Fed Funds Outright**

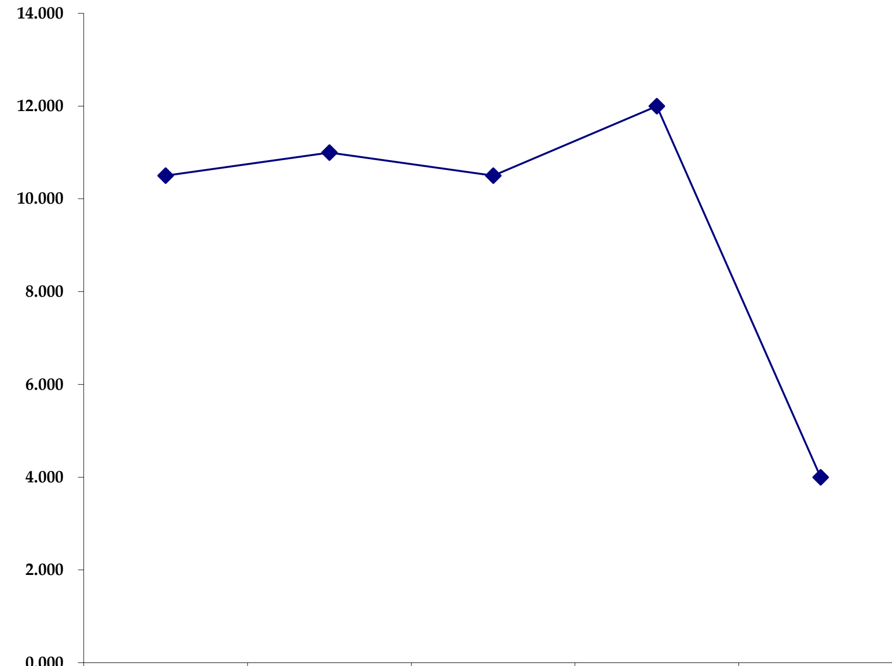
| Contract | Imp Rate | Month |
|---|---|---|
| F.FFAM07 | 5.2550 | JUN, 2007 |
| F.FFAN07 | 5.2500 | JUL, 2007 |
| F.FFAQ07 | 5.2450 | AUG, 2007 |
| F.FFAU07 | 5.2500 | SEP, 2007 |
| F.FFAV07 | 5.2450 | OCT, 2007 |
| F.FFAX07 | 5.2400 | NOV, 2007 |
| F.FFAZ07 | 5.2350 | DEC, 2007 |
| F.FFAF08 | 5.2550 | 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 | 5.355 | SEP, 2007 |
| F.EDAZ07 | 5.355 | DEC, 2007 |
| F.EDAH08 | 5.325 | MCH, 2008 |

**Implied Eurodollar Rate minus Implied Fed Funds Rate**




| | JUN, 2007 | JUL, 2007 | SEP, 2007 | DEC, 2007 | MCH, 2008 |
|---|---|---|---|---|---|
| BPS | 10.500 | 11.000 | 10.500 | 12.000 | 4.000 |

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