

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

Disclaimer: All information within this newsletter is meant for internal use at GH Trader's LLC, only. All information has been recorded to the best of my ability. This material is based upon information that I consider reliable, but I do not represent that it is accurate or complete.

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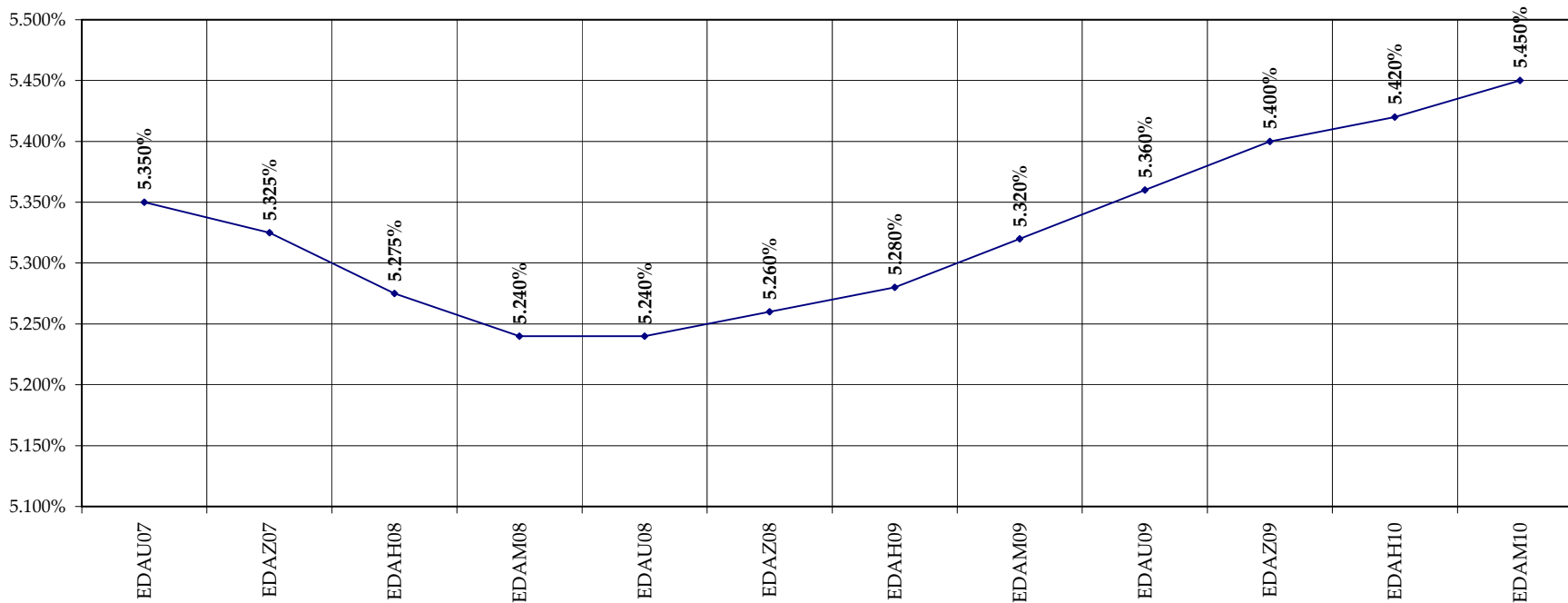
(Excluding Serial)

	Last	High	Low	Open	Month	Net	Exp Date	Implied		
EDAU07	94.650	94.660	94.645	94.655	SEP	0.5	9/17/2007	5.350%	Whites	1st Year
EDAZ07	94.675	94.690	94.665	94.680	DEC	0.5	12/17/2007	5.325%		
EDAH08	94.725	94.745	94.715	94.725	MAR	0.5	3/17/2008	5.275%		
EDAM08	94.760	94.785	94.745	94.765	JUN	0.0	6/16/2008	5.240%		
EDAU08	94.760	94.790	94.745	94.760	SEP	0.0	9/15/2008	5.240%	Reds	1-2 yrs out
EDAZ08	94.740	94.765	94.730	94.740	DEC	0.5	12/15/2008	5.260%		
EDAH09	94.720	94.740	94.705	94.725	MAR	0.0	3/16/2009	5.280%		
EDAM09	94.680	94.705	94.670	94.675	JUN	0.5	6/15/2009	5.320%		
EDAU09	94.640	94.665	94.630	94.630	SEP	-0.5	9/14/2009	5.360%	Greens	2-3 yrs out
EDAZ09	94.600	94.620	94.585	94.605	DEC	0.0	12/14/2009	5.400%		
EDAH10	94.580	94.585	94.560	94.565	MAR	0.0	3/15/2010	5.420%		
EDAM10	94.550	94.550	94.550	94.550	JUN	-0.5	6/14/2010	5.450%		
EDAU10	94.525	#VALUE!	#VALUE!	#VALUE!	SEP	0.5	9/13/2010	5.475%	Blues	3-4 yrs out
EDAZ10	94.480	#VALUE!	#VALUE!	#VALUE!	DEC	-3.0	12/13/2010			
EDAH11	94.455	#VALUE!	#VALUE!	#VALUE!	MAR	2.5	3/14/2011	5.545%		
EDAM11	94.435	#VALUE!	#VALUE!	#VALUE!	JUN	-2.0	6/13/2011	5.565%		
EDAU11	94.395	#VALUE!	#VALUE!	#VALUE!	SEP	2.0	9/19/2011	5.605%	Golds	4-5 yrs out
EDAZ11	94.375	#VALUE!	#VALUE!	#VALUE!	DEC	-5.5	12/19/2011	5.625%		
EDAH12	94.355	#VALUE!	#VALUE!	#VALUE!	MAR	-5.5	3/19/2012	5.645%		
EDAM12	94.330	#VALUE!	#VALUE!	#VALUE!	JUN	0.5	6/18/2012	5.670%		
EDAU12									Purples	5-6 yrs out
EDAZ12										
EDZH13										
EDAM13										
EDAU13									Oranges	6-7 yrs out
EDAZ13										
EDAH14										
EDAM14										
EDAU14									Pinks	7-8 yrs out
EDAZ14										
EDAH15										
EDAM15										
EDAU15									Grays	8-9 yrs out
EDAZ15										
EDAH16										
EDAM16										
EDAU16									Coppers	8-10 yrs out
EDAZ16										
EDAH17										
EDAM17										

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

I do not keep stats on
purples through coppers
due to lack of volume

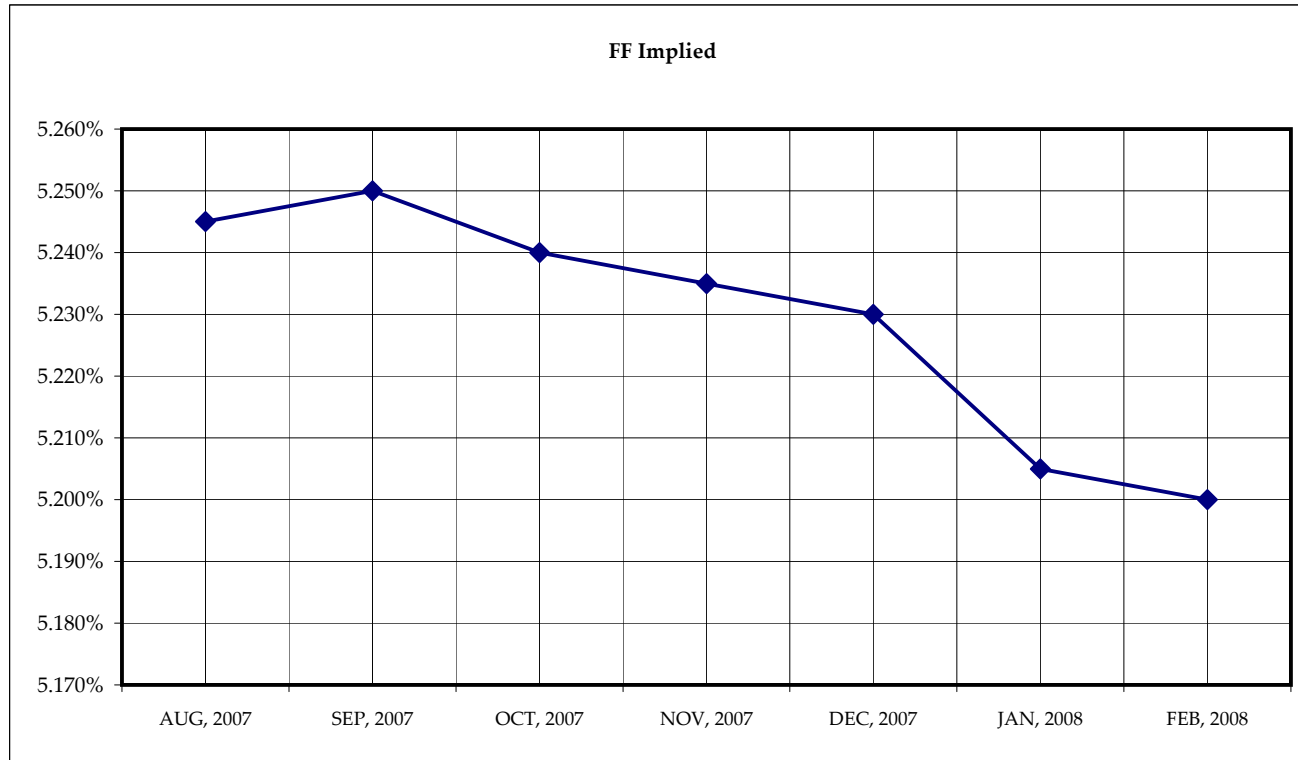
ED Curve (Whites, Greens, Reds)



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Fed Funds			
	ls	net	Implied
F.FFAQ07	94.755	0.500	5.245%

F.FFAU07	94.750	0.500	5.250%	SEP, 2007
F.FFAV07	94.760	0.000	5.240%	OCT, 2007
F.FFAX07	94.765	0.000	5.235%	NOV, 2007
F.FFAZ07	94.770	-0.500	5.230%	DEC, 2007
F.FFAF08	94.795	#VALUE!	5.205%	JAN, 2008
F.FFAG08	94.800	#VALUE!	5.200%	FEB, 2008
F.FFAH08	94.715	#VALUE!	5.285%	MCH, 2008
F.FFAJ08	#VALUE!	#VALUE!	#VALUE!	APR, 2008
F.FFAK08	#VALUE!	#VALUE!	#VALUE!	MAY, 2008



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Fed Funds % Chance of Tightening, Easing

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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	
12/11/2007	5.00%	DEC, 2007	12%
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

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Eurodollar COT Data

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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

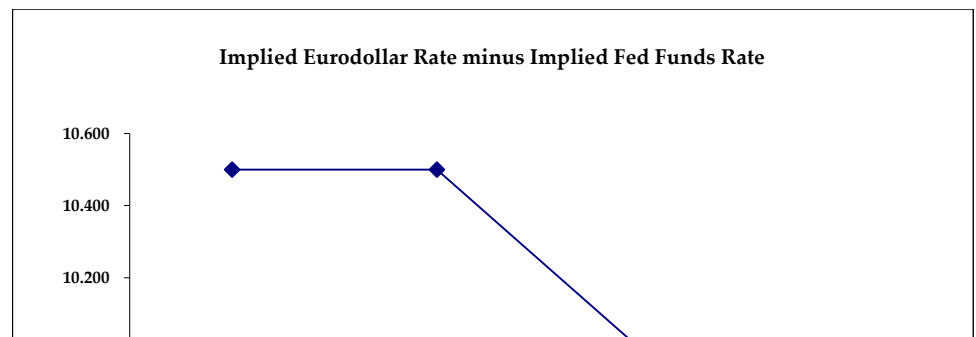
Week over Week Change		
Sm Spec	Lg Spec	Commrc
(25,300)	148,743	(123,443)

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

JUL, 2007	10.500
AUG, 2007	10.500
SEP, 2007	10.000
DEC, 2007	9.500
MCH, 2008	(1.000)

^ Example: 12.250 = 12 1/4 basis points

#Value = No quote being provided by exchange





Fed Funds Outright

Contract	Imp Rate	Month
F.FFAQ07	5.2550	JUN, 2007
F.FFAU07	5.2500	JUL, 2007
F.FFAV07	5.2450	AUG, 2007
F.FFAX07	5.2500	SEP, 2007
F.FFAZ07	5.2400	OCT, 2007
F.FFAF08	5.2350	NOV, 2007
F.FFAG08	5.2300	DEC, 2007
F.FFAH08	5.2050	JAN, 2008
F.FFAJ08	5.2000	FEB, 2008
F.FFAK08	5.2850	MCH, 2008
0	#VALUE!	APR, 2008

Eurodollars Outright

Contract	Imp Rate	Month
F.EDAN07	5.355	JUL, 2007
F.EDAQ07	5.350	AUG, 2007
F.EDAU07	5.350	SEP, 2007
F.EDAZ07	5.325	DEC, 2007
F.EDAH08	5.275	MCH, 2008

#Value = No quote being provided by exchange

Implied Eurodollar Rate minus Implied Fed Funds Rate

