

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.

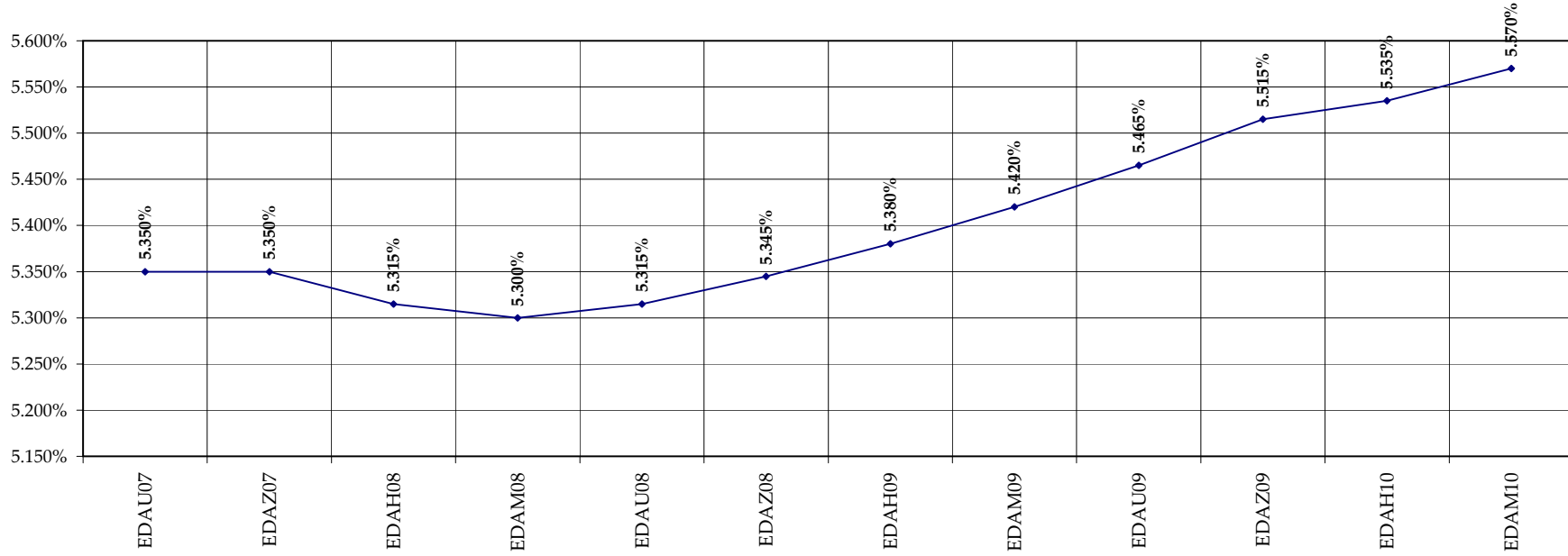
(Excluding Serial)

	Last	High	Low	Open	Month	Net	Exp Date	Implied		
EDAU07	94.650	94.660	94.645	94.650	SEP	0.5	9/17/2007	5.350%	Whites	1st Year
EDAZ07	94.650	94.665	94.645	94.655	DEC	-0.5	12/17/2007	5.350%		
EDAH08	94.685	94.695	94.665	94.680	MAR	-1.0	3/17/2008	5.315%		
EDAM08	94.700	94.715	94.675	94.705	JUN	-1.0	6/16/2008	5.300%	Reds	1-2 yrs out
EDAU08	94.685	94.710	94.660	94.700	SEP	-3.0	9/15/2008	5.315%		
EDAZ08	94.655	94.680	94.630	94.680	DEC	-3.5	12/15/2008	5.345%		
EDAH09	94.620	94.650	94.600	94.650	MAR	-4.5	3/16/2009	5.380%		
EDAM09	94.580	94.610	94.560	94.605	JUN	-4.5	6/15/2009	5.420%	Greens	2-3 yrs out
EDAU09	94.535	94.555	94.525	94.555	SEP	-4.5	9/14/2009	5.465%		
EDAZ09	94.485	94.515	94.470	94.505	DEC	-5.0	12/14/2009	5.515%		
EDAH10	94.465	94.490	94.450	94.490	MAR	-5.0	3/15/2010	5.535%		
EDAM10	94.430	94.445	94.395	94.395	JUN	-3.5	6/14/2010	5.570%	Blues	3-4 yrs out
EDAU10	94.415	#VALUE!	#VALUE!	#VALUE!	SEP	-5.5	9/13/2010	5.585%		
EDAZ10	94.370	#VALUE!	#VALUE!	#VALUE!	DEC	-6.0	12/13/2010			
EDAH11	94.350	#VALUE!	#VALUE!	#VALUE!	MAR	-5.5	3/14/2011	5.650%		
EDAM11	94.320	#VALUE!	#VALUE!	#VALUE!	JUN	-6.0	6/13/2011	5.680%	Golds	4-5 yrs out
EDAU11	94.300	#VALUE!	#VALUE!	#VALUE!	SEP	3.0	9/19/2011	5.700%		
EDAZ11	94.265	#VALUE!	#VALUE!	#VALUE!	DEC	-11.0	12/19/2011	5.735%		
EDAH12	94.245	#VALUE!	#VALUE!	#VALUE!	MAR	-113.5	3/19/2012	5.755%		
EDAM12	94.210	#VALUE!	#VALUE!	#VALUE!	JUN	-113.5	6/18/2012	5.790%	Purples	5-6 yrs out
EDAU12										
EDAZ12										
EDH13										
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										
EDAM17										

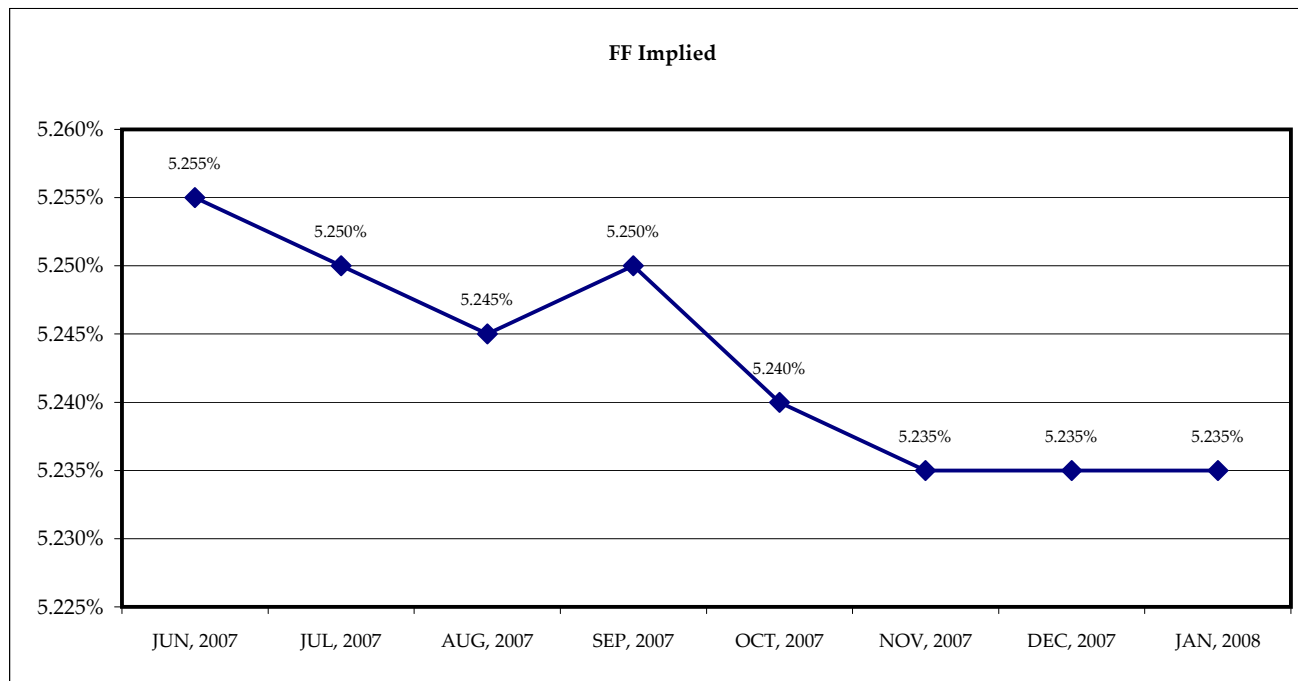
Red pack/Gold packsread, is a 2/10 proxy

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

ED Curve (Whites, Greens, Reds)



Fed Funds			
	Is	net	Implied
F.FFAM07	94.745	(0.500)	5.255%
F.FFAN07	94.750	(0.500)	5.250%
F.FFAQ07	94.755	0.500	5.245%
F.FFAU07	94.750	0.500	5.250%
F.FFAV07	94.760	0.500	5.240%
F.FFAX07	94.765	0.500	5.235%
F.FFAZ07	94.765	(0.500)	5.235%
F.FFAF08	94.765	#VALUE!	5.235%
F.FFAG08	94.770	#VALUE!	5.230%
F.FFAH08	94.715	#VALUE!	5.285%



Actual FF Rate

5.25%

FOMC Meeting Date	FF Rate		% Chance of Change
	Projected on X date*	FF Futures Month	
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	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 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 Short	Net	Long	Large Spec Short	Net	Long	Commercials 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
6/12/2007

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

Implied Eurodollar Rate minus Implied Fed Funds Rate

Spread[^] Price (bps)[^]

JUL, 2007	11.000
AUG, 2007	10.500
SEP, 2007	10.000
DEC, 2007	11.500
MCH, 2008	3.000

[^] Example: 12.250 = 12 1/4 basis points

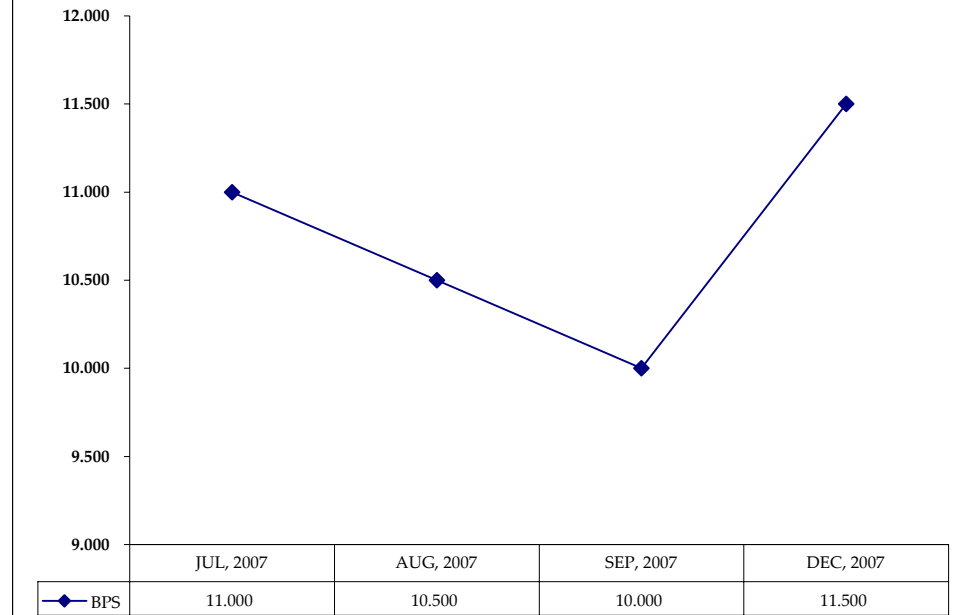
Fed Funds Outright

Contract	Imp Rate	Month
F.FFAM07	0.0526	JUN, 2007
F.FFAN07	5.2500	JUL, 2007
F.FFAQ07	5.2450	AUG, 2007
F.FFAU07	5.2500	SEP, 2007
F.FFAV07	5.2400	OCT, 2007
F.FFAX07	5.2350	NOV, 2007
F.FFAZ07	5.2350	DEC, 2007
F.FFAF08	5.2350	JAN, 2008
F.FFAG08	5.2300	FEB, 2008
F.FFAH08	5.2850	MCH, 2008
F.FFAJ08	#VALUE!	APR, 2008

Eurodollars Outright

Contract	Imp Rate	Month	Q/S
F.EDAN07	5.360	JUL, 2007	S
F.EDAQ07	5.350	AUG, 2007	S
F.EDAU07	5.350	SEP, 2007	Q
F.EDAZ07	5.350	DEC, 2007	Q
F.EDAH08	5.315	MCH, 2008	Q

Implied Eurodollar Rate minus Implied Fed Funds Rate



Notes:

Q/S = Quarterly or Serial contract

#Value = No quote being given by exchange

