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The Morning Email: Treasuries

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Want something added?
Let me know: jgoulding@ghco.com

Jim Goulding, GHCO, Treas-Arb, Chicago, jgoulding@ghco.com

Important Econ Releases, Highs & Lows

	5y*	10y*	ZNM7**	ZBM7**	Date
Non-farm High	100.2300	100.2600	108.2550	113.0500	3/9/2007
Non-farm Low	100.0900	100.0600	108.0700	112.0700	3/9/2007
FOMC High	99.0600	98.1650	106.2550	110.0300	1/31/2007
FOMC Low	99.0100	98.0750	106.1750	109.2100	1/31/2007
PPI High	99.3100	99.2300	107.2650	111.2500	2/16/2007
PPI Low	99.2400	99.1200	107.1650	111.0900	2/16/2007
CPI High	99.2800	99.2050	107.2300	111.1900	2/21/2007
CPI Low	99.2100	99.0850	107.1300	111.0200	2/21/2007

*Adjusted for New Issue

**Adjusted for Roll

Prices are recorded from econ release to 2pm CDT

ZBH/ZBM Rolled at -2 tics

ZNH/ZNM Rolled at +.5 tics

Quotes

	32 nds						
	ls	net	high	low	open	Volume	SYM NAME
TUAM7	102.140	(1.7)	102.165	102.135	102.160	9,646	2y Futures
FVAM7	#VALUE!	(3.0)	106.050	105.300	106.035	32,500	5y Futures
TYAM7	108.200	(4.0)	108.275	108.180	108.255	104,489	10y Futures
USAM7	112.200	(7)	112.300	112.160	112.260	22,807	30y Futures
	ls	net	high	low	open	Volume	SYM NAME
BUS02P	100.075	(1.7)	100.100	100.072	100.100	na	2y
BUS05P	100.187	(3.0)	100.235	100.177	100.235	na	5y
BUS10P	100.155	(4.5)	100.240	100.140	100.240	na	10y
BUS30P	100.195	(6)	100.295	100.160	100.295	na	30y
	ls	net	high	low	open	Volume	SYM NAME
BUS02Y	4.618	3.00	4.635	4.558	4.614	na	2y Yield
BUS05Y	4.490	2.30	4.502	4.445	4.475	na	5y Yield
BUS10Y	4.561	1.70	4.573	4.526	4.549	na	10y Yield
BUS30Y	4.709	1.50	4.719	4.679	4.697	na	30y Yield

Source: CQG

News Recaps from Market News International

Yesterday

Overnight

03/19 06:41 USTs: Treasuries are trading lower across the board in London Monday, as a weekend rate hike by the Chinese central bank and a rally in Asian stocks weighed on prices. The PBOC announced Saturday that it will raise lending and deposit rates by 27 basis points effective March 18, taking one-year deposit rates to 2.79% and one-year lending rates to 6.39%. Prices were lower from the getgo in Tokyo trade, as the China hike and the stock rally weighed. Light selling was seen across the curve from real money names and dealers marked prices lower in a defensive move.The selling accelerated modestly into London trade as European stocks opened higher. But once again, traders noted only light selling with prices marked lower. With little data later in the session, futures were seen leading the way lower in thin trade. Bunds were trading modestly higher against Treasuries on overnight levels. The Bund was up 0.5 bps against the 10-year at 70 bps.

Today

Econ Releases & Speakers from MNI MarketNews international

Date	ET	Data thru		Prior Report	Forecast
19-Mar	0930	16-Mar	MNI Capital Goods Index	61.2	---
19-Mar	1030	17-Mar	MNI Retail Trade Index	52.1	---
19-Mar	1300	Mar-07	Housing Market Index (NAHB)	40	---

DATE	GMT/EST	EVENT
19-Mar	0800/0400	Treasury Deputy Secretary Robert Kimmitt to speak about globalization at a conference, in Berlin.
19-20-Mar	n/a	Treasury Secretary Henry Paulson attends the Inter-American Development Bank conference in Guatemala City.

Yield Curve Spreads & Flys, DV01s, CFs

M Duration

30y	15.86
10y	7.85
5y	4.37
3y	2.68
2y	1.84
ZB	9.93
ZN	5.93
ZF	3.97
ZT	1.84

DV01s (32nds)

30y	5.13
10y	2.54
5y	1.41
3y	0.86
2y	0.59
ZB	3.60
ZN	2.07
ZF	1.35
ZT	1.21

DV01s ($s)

30y	$1,604
10y	$792
5y	$441
3y	$270
2y	$185
ZB	$113
ZN	$65
ZF	$42
ZT	$38

Yield Curve Spreads

2/3	-9.20
3/5	-3.60
2/5	-12.80
5/10	7.10
2/10	-5.70
10/30	14.80
5/30	21.90
2/30	9.10

Fly's

2/3/5	-5.60
2/5/10	-19.90
2/10/30	-20.50
5/10/30	-7.70

CFs for June 07 Delivery

ZB	0.8281
ZN	0.9015
ZF	0.9447
ZT	0.9776

*CF OTR Basis = Conversion Factor On-the-Run Basis
(Cash price - (Futures price* OTR CF))= CF OTR Basis

MDuration & DV01s for Futures are based on
proxy issue (CTD)

MDuration = Modified Macaulay Duration

Hedge Ratios: US Financial Futures / Eurex Bund, Bobl, Schatz,

US Financial Futures / Eurex Bond Hedge Ratios
Short Number of Contracts

	ZB	ZN	ZF	ZT
Bund (H)	1.000	1.800	2.700	2.600
Bobl (H)	0.530	0.930	1.400	1.300
Shatz (H)	0.210	0.400	0.550	0.530

Eurex Hedge Ratio's source: Bloomberg

US Financial Futures Hedge Ratios

	ZB	ZN	ZF	ZT
ZB		1.744	2.672	2.972
ZN	0.574		1.532	1.705
ZF	0.374	0.653		0.899
ZT	0.336	0.587	0.899	

Month Codes:

H=Mch	M=Jun
U=Sep	Z=Dec

Hedge Ratios: US Financial Futures / Eurex Bund, Bobl, Schatz,

US Treasuries v US Financial Futures Hedge Ratios

	2y	3y	5y	10y	30y
ZB	1.64	2.39	3.91	7.04	14.24
ZN	2.87	4.18	6.82	12.27	24.83
ZF	4.39	6.40	10.46	18.80	38.05
ZT	4.61	6.71	10.97	19.73	39.92

US Treasuries v Eurex Bonds Hedge Ratios

	2y	3y	5y	10y	30y
Bund (H)	0.0	0.0	0.0	0.0	0.0
Bobl (H)	0.0	0.0	0.0	0.0	0.0
Shatz (H)	0.0	0.0	0.0	0.0	0.0

Eurex Hedge Ratio's source: Bloomberg

Eurex Hedge Ratios

	Bund (H)	Bobl (H)	Shatz (H)
Bund (H)		0.000	0.000
Bobl (H)	0.000		0.000
Shatz (H)	0.000	0.000	

Eurex Hedge Ratio's source: Bloomberg

Month Codes:

H=Mch M=Jun

U=Sep Z=Dec

Hedge Ratios: US Treasury Cash

US Treasuries v US Treasuries

	2y	3y	5y	10y	30y
2y		1.456	2.380	4.280	8.661
3y	0.687		1.634	2.939	5.947
5y	0.420	0.612		1.798	3.639
10y	0.234	0.340	0.556		2.024
30y	0.115	0.168	0.275	0.494	

Commitment of Traders (COT)

	Current Positions									
	Small Spec			Large Spec			Commercials (Hedgers)			
	Long	Short	Net	Long	Short	Net	Long	Short	Net	
ZF	264,437	241,390	23,047	246,639	258,047	(11,408)	942,926	954,564	(11,638)	ZF
ZN	326,366	411,268	(84,902)	595,812	247,563	348,249	1,529,479	1,792,496	(263,017)	ZN
ZB	160,256	184,670	(24,414)	116,684	186,122	(69,438)	695,714	601,862	93,852	ZB

	WoW** Position Change			
	Sml Spec	Lrg Spec	Comm	
	Net	Net	Net	As of
ZF	61,405	5,916	(67,320)	3/6/2007
ZN	13,206	52,224	(62,100)	
ZB	15,048	(16,321)	1,274	

**WoW = Week over week

Closes2pm

	Cpn	Mty	32nds	Yield
2y	4.750	2/28/09	100.1025	4.576
3y	4.750	2/15/10	100.2200	4.495
5y	4.625	2/29/12	100.2350	4.458
10y	4.625	2/15/17	100.225	4.536
30y	4.750	2/15/37	100.29	4.693

	CF Basis*	GHCO Basis
5y	(0.08)	18.355
10y	2.63	51.684
30y	7.27	355.293

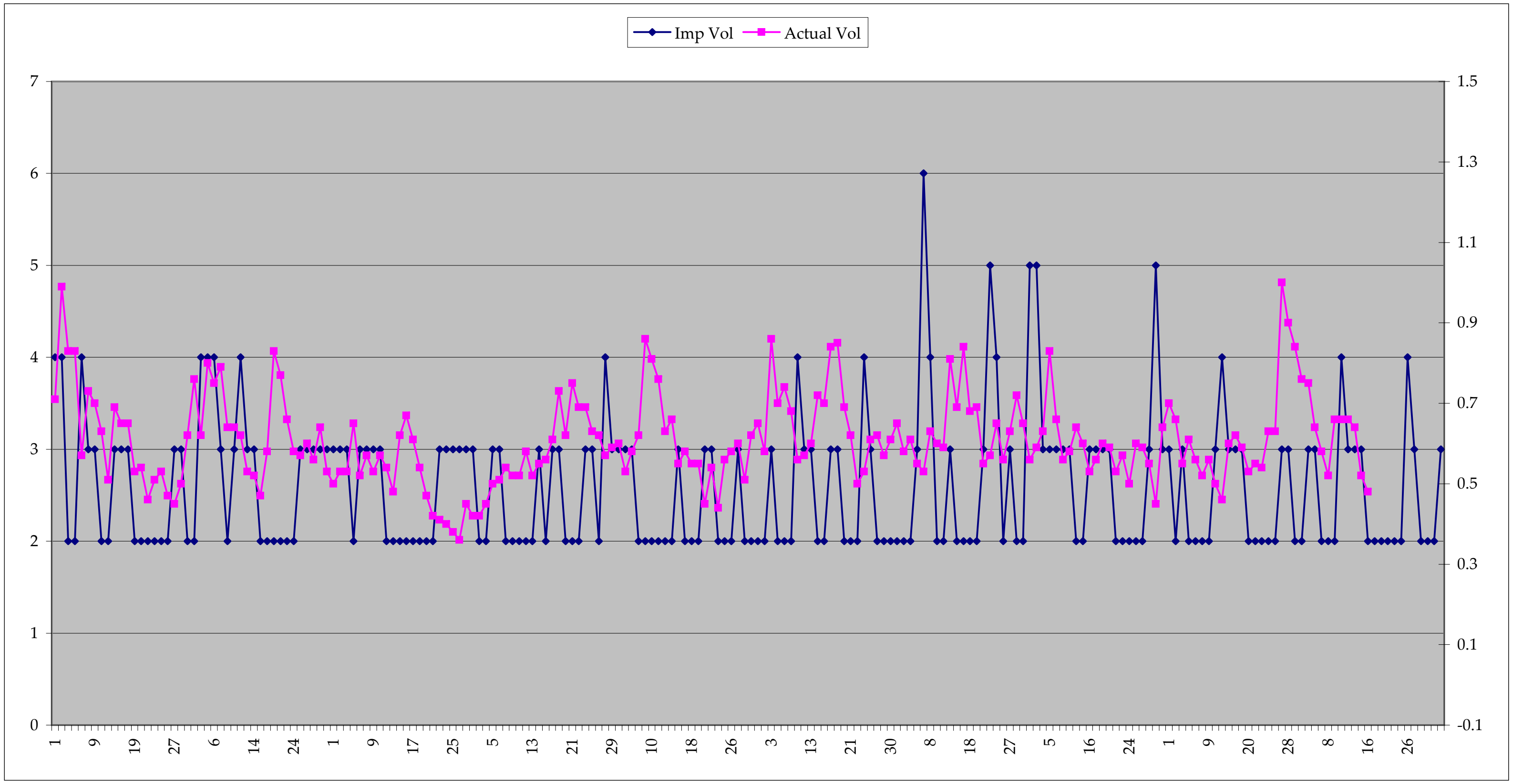
	32nds
ZF	106.0400
ZN	108.2650
ZB	112.28

Curve Spreads bps	
2/3	(0.081)
3/5	(0.037)
2/5	(0.118)
5/10	0.078
2/10	(0.040)
10/30	0.157
5/30	0.235
2/30	0.117

CF = Conversion Factor

Cash - (Futures * CF)

Implied Volatility (Daily)



Begins Jun 1, 2006. No weekends

Scale is 1-9 (left axis)
1,2 = very slow
3 = moderate
4,5 = volatile
6-9 = very volatile

Implied Volatility on left axis.
Actual Volatility on right axis.
Actual Vol based on 3 day MA
of the 30yr T-Bond Futures.

Implied Volatility (3-Hour)

NO VOL UPDATES until next week; March 19th

CDT Time	UT Time	EDT Time	3/19/2007	3/20/2007	3/21/2007
1900-2200	0000-0300	2000-2300	2	2	2
2200-0100	0300-0600	2300-0200	2	2	2
0100-0400	0600-0900	0200-0500	2	2	2
0400-0700	0900-1200	0500-0800	1	1	1
0700-1000	1200-1500	0800-1100	1	1	1
1000-1300	1500-1800	1100-1400	1	1	1
1300-1600	1800-2100	1400-1700	1	1	1
1600-1900	2100-0000	1700-2000	2	2	2

Shaded boxes denote market hours 4am to 4pm CDT

Scale is 1-9
1,2 = very slow
3 = moderate
4,5 = volatile
6-9 = very volatile