

The Morning Email: Treasuries

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Want something added?

Let me know: jgoulding@ghco.com

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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	100.3075	100.2900	109.0200	113.0300	3/22/2007
FOMC Low	100.1600	100.0850	108.1000	112.0600	3/22/2007
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	(0.5)	102.155	102.135	102.145	17,175	2y Futures
FVAM7	105.270	(2.0)	105.305	105.265	105.290	33,774	5y Futures
TYAM7	108.090	(3.5)	108.140	108.085	108.115	77,146	10y Futures
USAM7	111.210	(6)	111.290	111.210	111.260	16,917	30y Futures
	ls	net	high	low	open	Volume	SYM NAME
BUS02P	100.077	(0.5)	100.092	100.080	100.085	na	2y
BUS05P	100.142	(1.5)	100.177	100.145	100.167	na	5y
BUS10P	100.005	(1.5)	100.055	100.005	100.035	na	10y
BUS30P	99.005	(5)	99.095	99.010	99.070	na	30y
	ls	net	high	low	open	Volume	SYM NAME
BUS02Y	4.612	0.80	4.625	4.582	4.625	na	2y Yield
BUS05Y	4.521	1.20	4.525	4.494	4.519	na	5y Yield
BUS10Y	4.620	0.70	4.626	4.599	4.618	na	10y Yield
BUS30Y	4.811	1.20	4.813	4.792	4.805	na	30y Yield

Source: CQG

News Recaps from

Yesterday

TREASURYS: U.S. Treasury prices were lower early Friday afternoon on the heels of stronger-than-expected home sales data, which disappointed investors looking for further weakness in the housing sector. Prices, up a touch at the start of New York trade Friday, slipped as the National Association of Realtors released its update on existing homes sales. While overall the economy is "looking softer," said Scott Gewirtz, head of Treasury trading at Lehman Brothers in New York, "everything that makes the economy look better makes it seem that it will take longer for the Fed to ease." At 1:45 p.m. EDT (1745 GMT), the 10-year Treasury note stood at 100 3/32, down 5/32 to yield 4.61%.

Source: dowjones icap report

Overnight

03/26 05:22 USTs: Treasuries are trading modestly higher in London Monday, helped by light dip-buying and safe haven flows as tensions continue to heighten in the mid-East. Traders said the U.N. Security Council's vote to invoke sanctions against Iran, along with the continued holding of 15 U.K. military personnel by the Islamic state. Prices were higher from the start in Tokyo, as regional real money investors were seen as buyers across the curve, taking advantage of the sell-off in New York on Friday. But volumes were modest, with flows seen concentrated at the front of the curve. Demand slowed into the London session, with buying largely drying up ahead of the New York open. Trading ranges were tight, with flows largely interdealer book-squaring. Bunds were trading modestly higher against Treasuries on overnight levels. The Bund was up 0.5 bps against the 10-year at 66 bps

Today*Econ Releases & Speakers from MNI*

Date	ET	Data thru		Prior Report	Forecast
26-Mar	0800	Feb-07	Building Permits Revision	---	---
26-Mar	0930	23-Mar	MNI Capital Goods Index	56.1	---
26-Mar	1000	Feb-07	New Home Sales	937,000	---
26-Mar	1030	24-Mar	MNI Retail Trade Index	48.9	---
26-Mar	1030	Mar-07	Dallas Fed Mfg Outlook Survey	26.0	---

DATE	GMT/EST	EVENT
26-Mar	1400/1000	President Bush to meet U.S. automotive CEOs at the White House.

Yield Curve Spreads & Flies, DV01s, CFs

M Duration	
30y	15.72
10y	7.83
5y	4.35
3y	2.66
2y	1.82
ZB	9.89
ZN	5.91
ZF	3.95
ZT	1.88

DV01s (32nds)	
30y	5.01
10y	2.52
5y	1.40
3y	0.86
2y	0.59
ZB	3.56
ZN	2.05
ZF	1.34
ZT	1.23

DV01s (\$s)	
30y	\$1,565
10y	\$787
5y	\$438
3y	\$268
2y	\$183
ZB	\$111
ZN	\$64
ZF	\$42
ZT	\$38

Yield Curve Spreads

2/3	-7.60
3/5	-1.50
2/5	-9.10
5/10	9.90
2/10	0.80
10/30	19.10
5/30	29.00
2/30	19.90

Fly's

2/3/5	-6.10
2/5/10	-19.00
2/10/30	-18.30
5/10/30	-9.20

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
Schatz (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		1.738	2.658	2.895
ZN	0.576		1.530	1.666
ZF	0.376	0.654		0.918
ZT	0.337	0.585	0.895	

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	1.65	2.40	3.94	7.06	14.05
ZN	2.86	4.17	6.84	12.27	24.41
ZF	4.38	6.39	10.46	18.78	37.35
ZT	4.77	6.95	11.39	20.45	40.68

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
Schatz (H)	0.0	0.0	0.0	0.0	0.0

Eurex Hedge Ratio's source: Bloomberg

Eurex Hedge Ratios

	Bund (H)	Bobl (H)	Schatz (H)
Bund (H)		0.000	0.000
Bobl (H)	0.000		0.000
Schatz (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		1.459	2.391	4.292	8.537
3y	0.685		1.639	2.941	5.849
5y	0.418	0.610		1.795	3.570
10y	0.233	0.340	0.557		1.989
30y	0.117	0.171	0.280	0.503	

Commitment of Traders (COT)

Current Positions										
	Small Spec			Large Spec			Commercials (Hedgers)			
	Long	Short	Net	Long	Short	Net	Long	Short	Net	
ZF	278,457	259,613	18,844	182,974	273,685	(90,711)	1,032,190	960,323	71,867	ZF
ZN	350,396	396,171	(45,775)	637,895	245,266	392,629	1,589,240	1,936,094	(346,854)	ZN
ZB	162,722	183,292	(20,570)	131,997	184,760	(52,763)	663,217	589,884	73,333	ZB

WoW** Position Change				As of
	Sml Spec	Lrg Spec	Comm	
	Net	Net	Net	
ZF	(4,203)	(79,303)	83,505	3/13/2007
ZN	39,127	44,380	(83,837)	
ZB	3,844	16,675	(20,519)	

**WoW = Week over week

	Cpn	Mty	32nds	Yield
2y	4.750	2/28/09	100.0825	4.608
3y	4.750	2/15/10	100.1900	4.527
5y	4.625	2/29/12	100.1600	4.510
10y	4.625	2/15/17	100.035	4.611
30y	4.750	2/15/37	99.07	4.799

	CF Basis*	GHCO Basis		32nds
5y	0.77	17.462	ZF	105.2900
10y	2.61	45.886	ZN	108.1200
30y	7.03	327.548	ZB	111.27

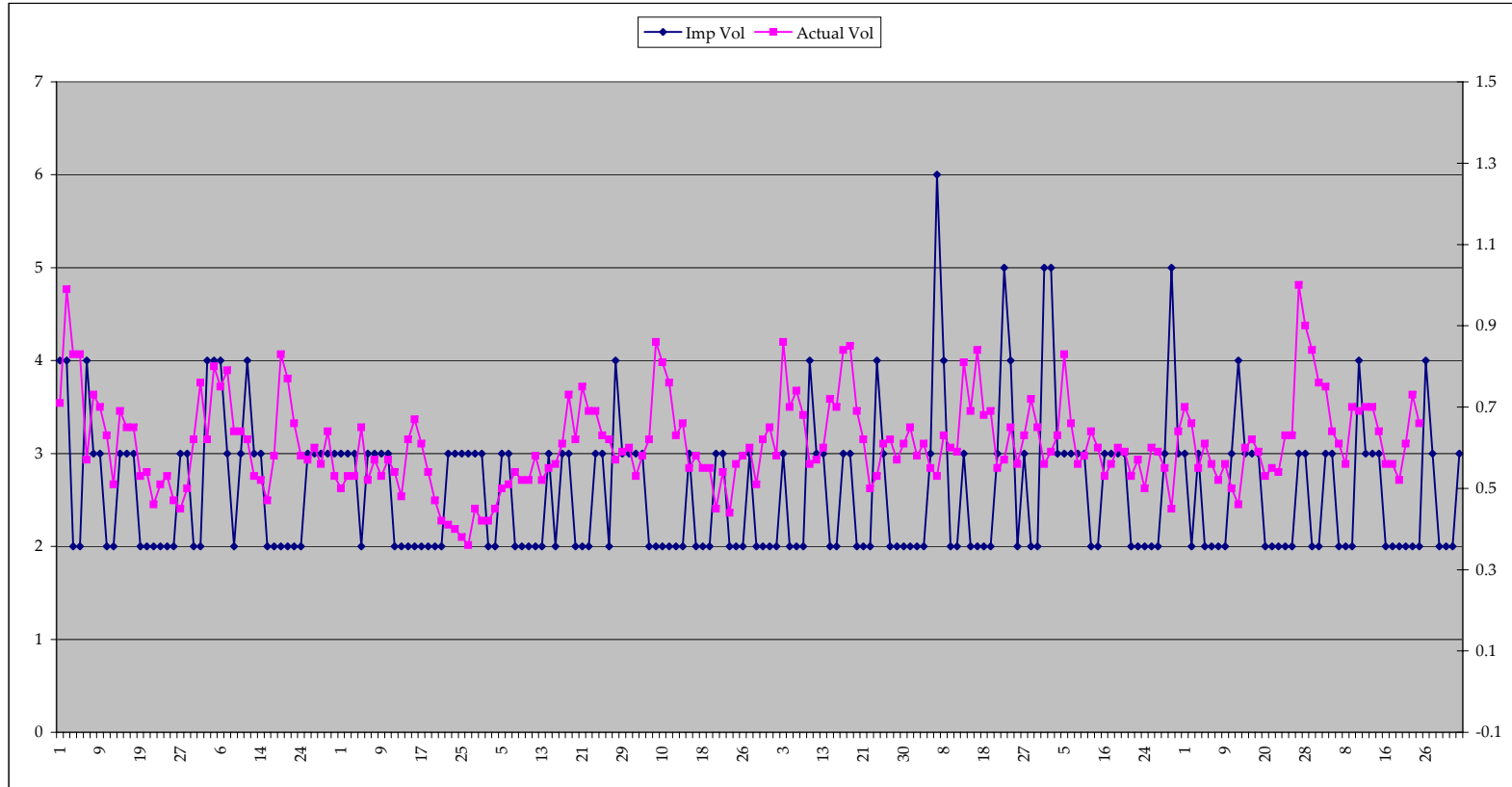
Curve Spreads bps

2/3	(0.081)
3/5	(0.017)
2/5	(0.098)
5/10	0.101
2/10	0.003
10/30	0.188
5/30	0.289
2/30	0.191

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	3/26/2007	3/27/2007	3/28/2007
1900-2200	0000-0300	2000-2300	3	4	2
2200-0100	0300-0600	2300-0200	3	3	2
0100-0400	0600-0900	0200-0500	3	3	2
0400-0700	0900-1200	0500-0800	2	2	2
0700-1000	1200-1500	0800-1100	2	2	2
1000-1300	1500-1800	1100-1400	2	2	2
1300-1600	1800-2100	1400-1700	2	2	2
1600-1900	2100-0000	1700-2000	1	2	2

Shaded boxes denote market hours 4am to 4pm CDT

Scale is 1-9
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