

## 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

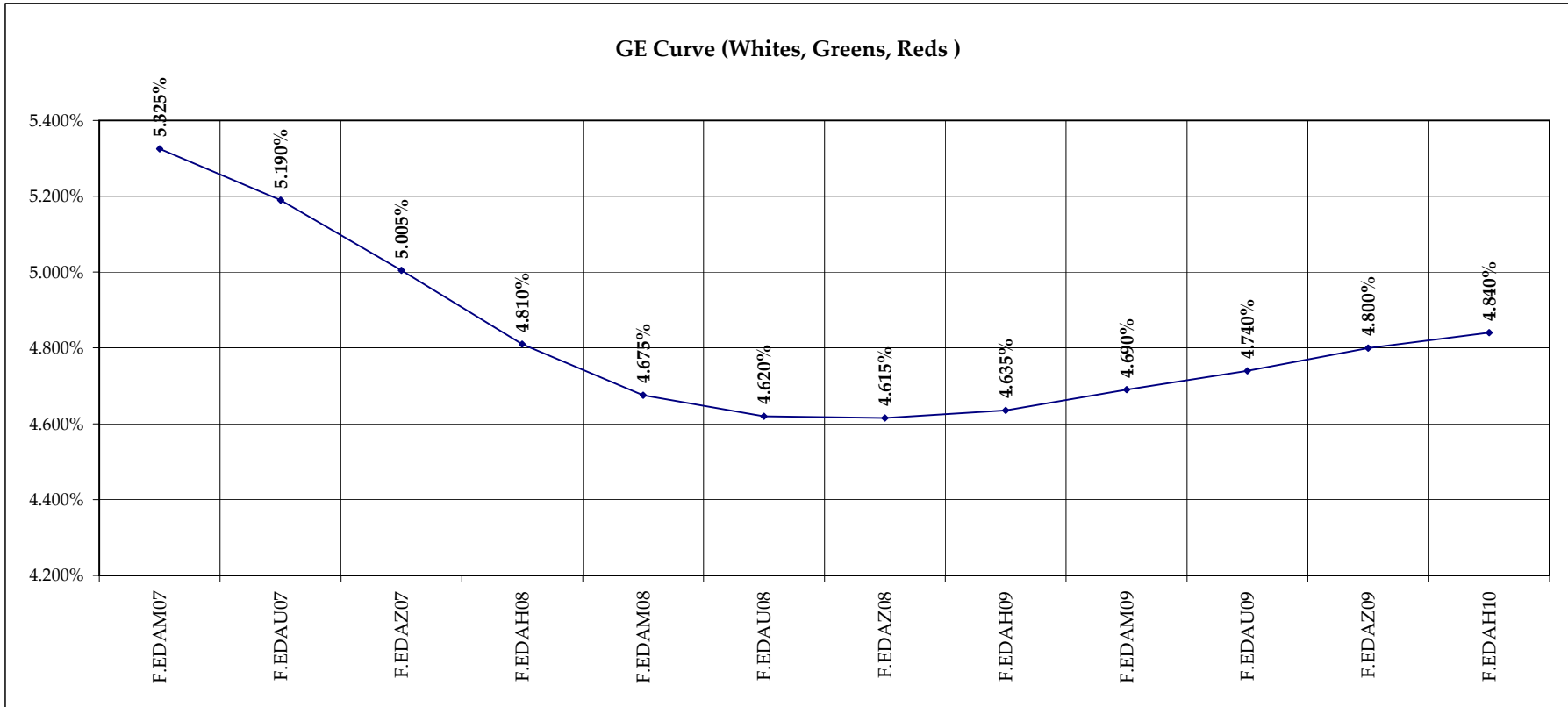
Note: Serial Contracts are not included in color scheme.

(Excluding Serial)

	Last	High	Low	Open	Month	Net	Exp Date	Implied		
F.EDAM07	94.675	94.680	94.675	94.680	JUN	0.0	6/18/2007	5.325%	Whites	1st Year
F.EDAU07	94.810	94.810	94.800	94.805	SEP	0.0	9/17/2007	5.190%		
F.EDAZ07	94.995	95.005	94.995	95.000	DEC	0.5	12/17/2007	5.005%		
F.EDAH08	95.190	95.200	95.185	95.190	MAR	0.0	3/17/2008	4.810%	Reds	1-2 yrs out
F.EDAM08	95.325	95.335	95.320	95.320	JUN	0.0	6/16/2008	4.675%		
F.EDAU08	95.380	95.390	95.375	95.380	SEP	0.0	9/15/2008	4.620%		
F.EDAZ08	95.385	95.390	95.380	95.380	DEC	0.5	12/15/2008	4.615%		
F.EDAH09	95.365	95.370	95.360	95.365	MAR	0.5	3/16/2009	4.635%	Greens	2-3 yrs out
F.EDAM09	95.310	95.320	95.310	95.315	JUN	0.5	6/15/2009	4.690%		
F.EDAU09	95.260	95.270	95.260	95.265	SEP	1.0	9/14/2009	4.740%		
F.EDAZ09	95.200	95.210	95.195	95.200	DEC	0.5	12/14/2009	4.800%		
F.EDAH10	95.160	95.160	95.155	95.155	MAR	0.5	3/15/2010	4.840%	Blues	3-4 yrs out
F.EDAM10	95.095	#VALUE!	#VALUE!	#VALUE!	JUN	-0.5	6/14/2010	4.905%		
F.EDAU10	95.055	#VALUE!	#VALUE!	#VALUE!	SEP	#VALUE!	9/13/2010	4.945%		
F.EDAZ10	94.990	#VALUE!	#VALUE!	#VALUE!	DEC	1.5	12/13/2010			
F.EDAH11	94.960	#VALUE!	#VALUE!	#VALUE!	MAR	3.0	3/14/2011	5.040%	Golds	4-5 yrs out
F.EDAM11	94.945	#VALUE!	#VALUE!	#VALUE!	JUN	3.0	6/13/2011	5.055%		
F.EDAU11	94.900	#VALUE!	#VALUE!	#VALUE!	SEP	3.0	9/19/2011	5.100%		
F.EDAZ11	94.820	#VALUE!	#VALUE!	#VALUE!	DEC	3.0	12/19/2011	5.180%		
F.EDAH12	94.800	#VALUE!	#VALUE!	#VALUE!	MAR	3.0	3/19/2012	5.200%	Purples	5-6 yrs out
@GE12M		I do not keep data on purples through the coppers due to the non-liquidity.								
@GE12U										
@GE12Z										
@GE13H										
@GE13M										
@GE13U										
@GE13Z										
@GE14H										
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@GE15Z										
@GE16H										
@GE16M										
@GE16U										
@GE16Z										
@GE17H										

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

GE Curve (Whites, Greens, Reds )



0.000

### Fed Funds - Outright (Electronically Traded Contracts)

#### Fed Funds

	Is	net	Implied	
F.FFAJ07	94.750	#VALUE!	5.250%	Apr
F.FFAK07	94.755	-0.500	5.245%	May
F.FFAM07	94.755	-0.500	5.245%	June
F.FFAN07	94.775	1.000	5.225%	July
F.FFAQ07	94.810	0.500	5.190%	August
F.FFAU07	94.845	0.500	5.155%	September
F.FFAV07	94.880	1.000	5.120%	October
F.FFAZ07	95.020	1.000	4.980%	December

[Note: Table linked to FF % chance]

## 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
5/9/2007	5.00%	MAY, 2007	3%
6/28/2007	5.00%	JUN, 2007	23%
8/7/2007	5.00%	AUG, 2007	29%
9/18/2007	5.00%	SEP, 2007	61%
10/31/2007	5.00%	OCT, 2007	100%
12/11/2007	4.75%	DEC, 2007	65%

\*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

0

## Eurodollar COT Data

Current Positions								
Long	Small Spec		Long	Large Spec		Long	Commercials	
	Short	Net		Short	Net		Short	Net
1,320,102	1,615,819	(295,717)	1,005,654	711,810	293,844	10,295,311	10,293,437	1,874

As of  
4/24/2007

Week over Week Change		
Sm Spec	Lg Spec	Commrc
39,323	76,898	(116,220)

## Eurodollars and Fed Fund Spreads

Implied Eurodollar Rate minus Implied Fed Funds Rate

Spread Price (bps)\*

Apr-2007	#VALUE!
May-2007	10.250
Jun-2007	8.000
Jul-2007	8.500
Sep-2007	3.500

\* example, 12.250 = 12 1/4 basis points

#Value = No quote being provided by exchange

### Fed Funds Outright

Contract	Imp Rate	Contract Month
F.FFAJ07	5.2500	Apr-2007
F.FFAK07	5.2450	May-2007
F.FFAM07	5.2450	Jun-2007
F.FFAN07	5.2250	Jul-2007
F.FFAQ07	5.1900	Aug-2007
F.FFAU07	5.1550	Sep-2007
F.FFAV07	5.1200	Oct-2007
F.FFAX07	5.0600	Nov-2007
F.FFAZ07	4.9800	Dec-2007

### Eurodollars Outright

Contract	Imp Rate	Contract Month
F.EDAJ07	#VALUE!	Apr-2007
F.EDAK07	5.348	May-2007
F.EDAM07	5.325	Jun-2007
F.EDAN07	5.310	Jul-2007
F.EDAU07	5.190	Sep-2007
F.EDAZ07	5.005	Dec-2007









