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.

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Eurodollars - Electronic Outright Contracts

5/2/2007 5:24

(Excluding Serial)

	Last	High	Low	Open	Month	Net	Exp Date	Implied		
F.EDAM07	94.665	94.670	94.665	94.665	JUN	0.0	6/18/2007	5.335%	Whites	1st Year
F.EDAU07	94.760	94.775	94.760	94.775	SEP	-0.5	9/17/2007	5.240%		
F.EDAZ07	94.935	94.955	94.925	94.950	DEC	-1.0	12/17/2007	5.065%		
F.EDAH08	95.120	95.150	95.115	95.140	MAR	-2.0	3/17/2008	4.880%		
F.EDAM08	95.250	95.285	95.245	95.280	JUN	-2.5	6/16/2008	4.750%	Reds	1-2 yrs out
F.EDAU08	95.305	95.340	95.300	95.335	SEP	-2.0	9/15/2008	4.695%		
F.EDAZ08	95.315	95.345	95.310	95.345	DEC	-2.5	12/15/2008	4.685%		
F.EDAH09	95.300	95.335	95.300	95.335	MAR	-1.5	3/16/2009	4.700%		
F.EDAM09	95.255	95.275	95.255	95.275	JUN	-1.5	6/15/2009	4.745%	Greens	2-3 yrs out
F.EDAU09	95.210	95.215	95.210	95.215	SEP	-2.5	9/14/2009	4.790%		
F.EDAZ09	95.150	95.175	95.150	95.175	DEC	-2.0	12/14/2009	4.850%		
F.EDAH10	95.125	95.135	95.125	95.135	MAR	-2.0	3/15/2010	4.875%		
F.EDAM10	95.095	#VALUE!	#VALUE!	#VALUE!	JUN	-3.0	6/14/2010	4.905%	Blues	3-4 yrs out
F.EDAU10	95.060	#VALUE!	#VALUE!	#VALUE!	SEP	0.5	9/13/2010	4.940%		
F.EDAZ10	95.015	#VALUE!	#VALUE!	#VALUE!	DEC	-7.5	12/13/2010			
F.EDAH11	94.990	#VALUE!	#VALUE!	#VALUE!	MAR	-7.5	3/14/2011	5.010%		
F.EDAM11	94.940	#VALUE!	#VALUE!	#VALUE!	JUN	-8.0	6/13/2011	5.060%	Golds	4-5 yrs out
F.EDAU11	94.915	#VALUE!	#VALUE!	#VALUE!	SEP	-8.0	9/19/2011	5.085%		
F.EDAZ11	94.870	#VALUE!	#VALUE!	#VALUE!	DEC	#VALUE!	12/19/2011	5.130%		
F.EDAH12	94.845	#VALUE!	#VALUE!	#VALUE!	MAR	-8.0	3/19/2012	5.155%		
@GE12M									Purples	5-6 yrs out
@GE12U										
@GE12Z										
@GE13H										
@GE13M									Oranges	6-7 yrs out
@GE13U										
@GE13Z										
@GE14H										
@GE14M									Pinks	7-8 yrs out
@GE14U										
@GE14Z										
@GE15H										
@GE15M									Grays	8-9 yrs out
@GE15U										
@GE15Z										
@GE16H										
@GE16M									Coppers	8-10 yrs out
@GE16U										
@GE16Z										
@GE17H										

I do not keep data on purples through the coppers due to the non-liquidity.

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

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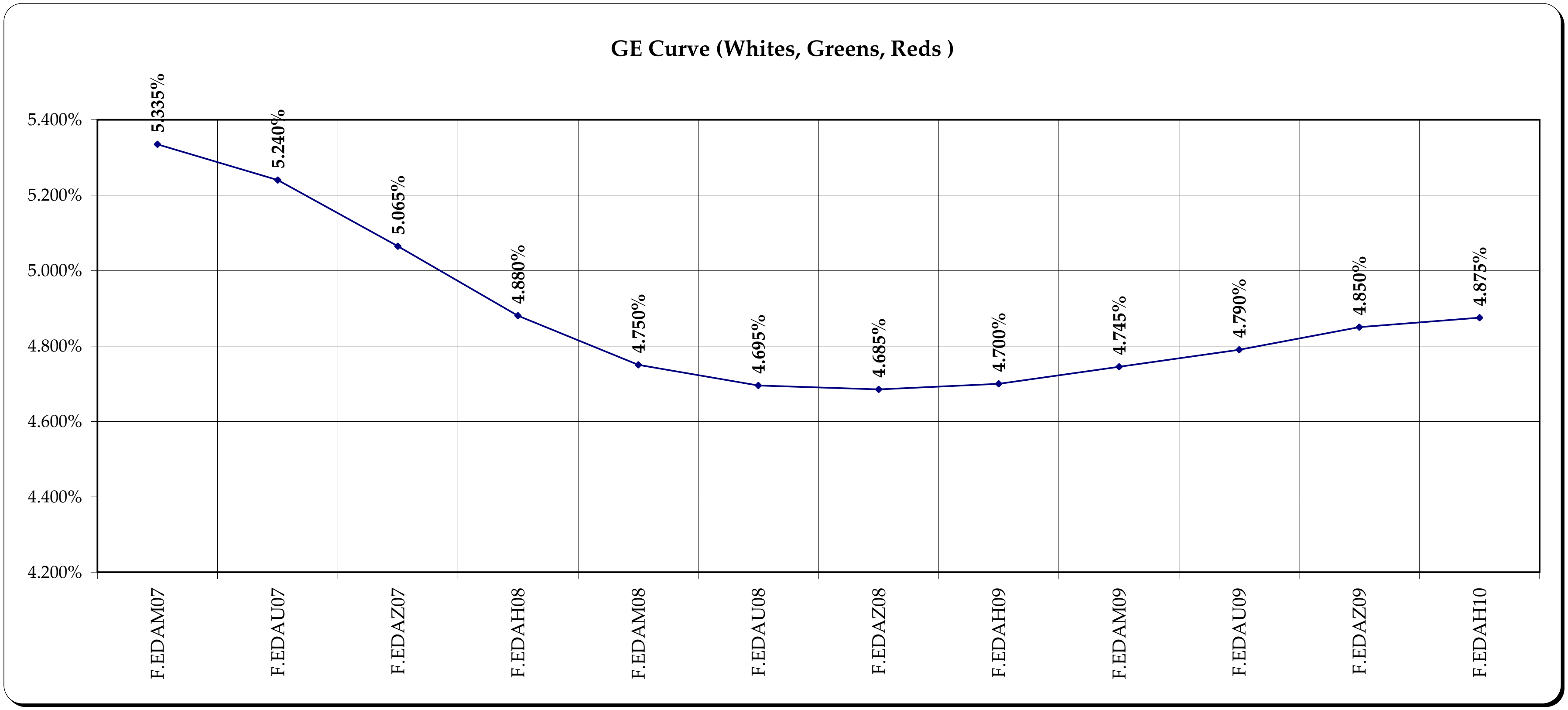
Eurodollar - Charted Quarterly Curve



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Fed Funds - Outright (Electronically Traded Contracts)

	Fed Funds			
	ls	net	Implied	
F.FFAJ07	#VALUE!	#VALUE!	#VALUE!	Apr
F.FFAK07	94.750	0.000	5.250%	May
F.FFAM07	94.750	0.000	5.250%	June
F.FFAN07	94.765	0.000	5.235%	July
F.FFAQ07	94.795	0.000	5.205%	August
F.FFAU07	94.820	0.000	5.180%	September
F.FFAV07	94.845	-1.000	5.155%	October
F.FFAZ07	94.985	0.000	5.015%	December

[Note: Table linked to FF % chance]

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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	**0%**
6/28/2007	**5.00%**	JUN, 2007	**0%**
8/7/2007	**5.00%**	AUG, 2007	**22%**
9/18/2007	**5.00%**	SEP, 2007	**49%**
10/31/2007	**5.00%**	OCT, 2007	**100%**
12/11/2007	**4.75%**	DEC, 2007	**58%**

***FF Rate Projected X date** is provided by me. Meaning, I'm asking the quesiton, "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

Current Positions								
Small Spec			Large Spec			Commercials		
Long	Short	Net	Long	Short	Net	Long	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	Commrcl
39,323	**76,898**	**(116,220)**

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Eurodollars and Fed Fund Spreads

Implied Eurodollar Rate minus Implied Fed Funds Rate

Spread	Price (bps)*
Apr-2007	#VALUE!
May-2007	10.000
Jun-2007	8.500
Jul-2007	7.500
Sep-2007	6.000

* 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	#VALUE!	Apr-2007
F.FFAK07	5.2500	May-2007
F.FFAM07	5.2500	Jun-2007
F.FFAN07	5.2350	Jul-2007
F.FFAQ07	5.2050	Aug-2007
F.FFAU07	5.1800	Sep-2007
F.FFAV07	5.1550	Oct-2007
F.FFAX07	5.0900	Nov-2007
F.FFAZ07	5.0150	Dec-2007

Eurodollars Outright

Contract	Imp Rate	Contract Month
F.EDAJ07	#VALUE!	Apr-2007
F.EDAK07	5.350	May-2007
F.EDAM07	5.335	Jun-2007
F.EDAN07	5.310	Jul-2007
F.EDAU07	5.240	Sep-2007
F.EDAZ07	5.065	Dec-2007

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