

The Morning Email: Eurodollars & Fed Funds

Table of Contents

Pg 1	Eurodollars - Electronic Outright Contracts
Pg 2	Eurodollar - Charted Quarterly Curve
Pg 3	Fed Funds - Outright (Electronically Traded Contracts)
Pg 4	Fed Funds % Chance of Tightening, Easing
Pg 5	Eurodollar COT Data
Pg 6	Eurodollars and Fed Fund Spreads

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

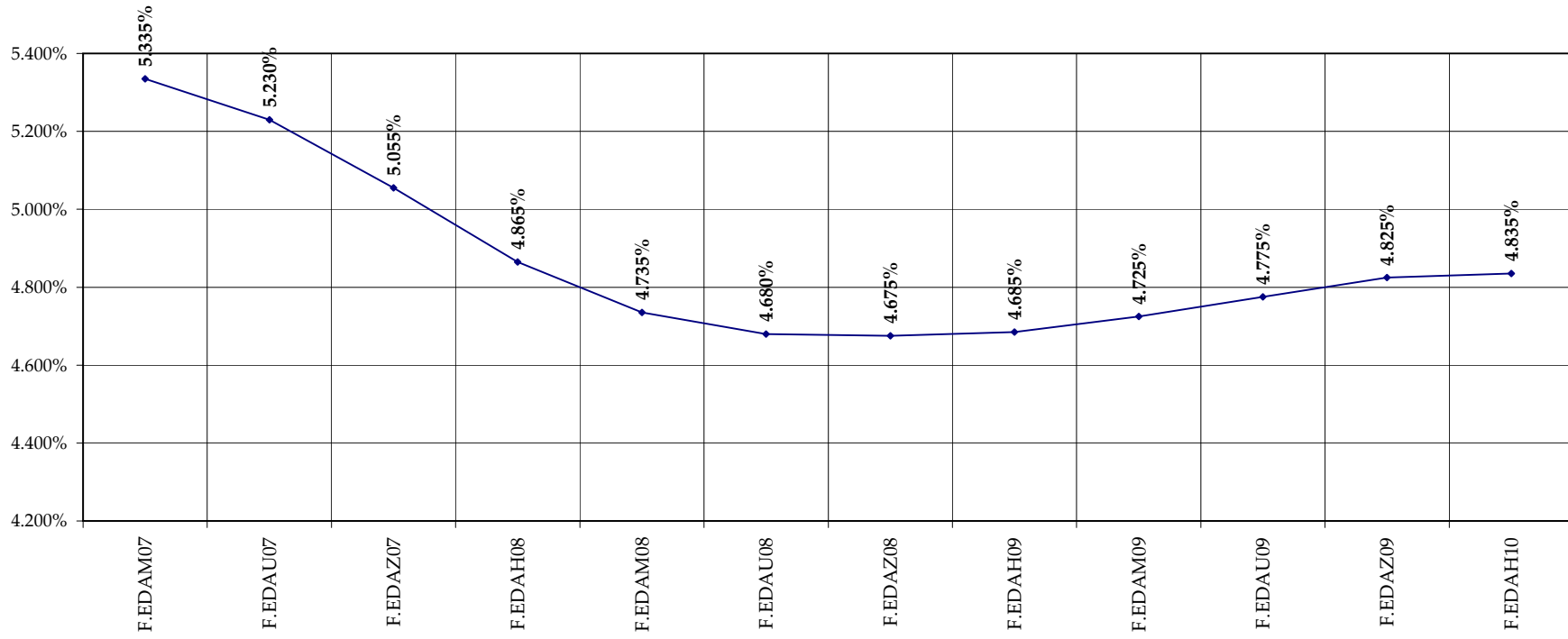
Note: Serial Contracts are not included in color scheme.

(Excluding Serial)

	Last	High	Low	Open	Month	Net	Exp Date	Implied					
F.EDAM07	94.665	94.675	94.665	94.675	JUN	0.0	6/18/2007	5.335%	Whites	1st Year			
F.EDAU07	94.770	94.775	94.765	94.770	SEP	0.5	9/17/2007	5.230%					
F.EDAZ07	94.945	94.950	94.930	94.935	DEC	1.0	12/17/2007	5.055%					
F.EDAH08	95.135	95.140	95.120	95.125	MAR	1.0	3/17/2008	4.865%	Reds	1-2 yrs out			
F.EDAM08	95.265	95.270	95.250	95.260	JUN	1.0	6/16/2008	4.735%					
F.EDAU08	95.320	95.325	95.305	95.315	SEP	0.5	9/15/2008	4.680%					
F.EDAZ08	95.325	95.330	95.320	95.320	DEC	0.0	12/15/2008	4.675%					
F.EDAH09	95.315	95.315	95.305	95.310	MAR	0.5	3/16/2009	4.685%	Greens	2-3 yrs out			
F.EDAM09	95.275	95.275	95.270	95.270	JUN	0.5	6/15/2009	4.725%					
F.EDAU09	95.225	95.225	95.220	95.220	SEP	0.5	9/14/2009	4.775%					
F.EDAZ09	95.175	95.175	95.170	95.170	DEC	0.0	12/14/2009	4.825%	Blues	3-4 yrs out			
F.EDAH10	95.165	95.200	95.130	95.130	MAR	1.0	3/15/2010	4.835%					
F.EDAM10	95.125	95.125	95.125	95.125	JUN	1.0	6/14/2010	4.875%					
F.EDAU10	95.045	#VALUE!	#VALUE!	#VALUE!	SEP	-0.5	9/13/2010	4.955%					
F.EDAZ10	95.075	95.075	95.015	95.015	DEC	-1.0	12/13/2010		Golds	4-5 yrs out			
F.EDAH11	94.970	#VALUE!	#VALUE!	#VALUE!	MAR	-8.0	3/14/2011	5.030%					
F.EDAM11	94.950	94.950	94.950	94.950	JUN	3.0	6/13/2011	5.050%					
F.EDAU11	94.945	94.945	94.945	94.945	SEP	3.0	9/19/2011	5.055%	Purples	5-6 yrs out			
F.EDAZ11	94.870	#VALUE!	#VALUE!	#VALUE!	DEC	3.0	12/19/2011	5.130%					
F.EDAH12	94.875	94.875	94.875	94.875	MAR	3.0	3/19/2012	5.125%					
@GE12M		I do not keep data on purples through the coppers due to the non-liquidity.									Oranges	6-7 yrs out	
@GE12U													
@GE12Z													
@GE13H												Pinks	7-8 yrs out
@GE13M													
@GE13U													
@GE13Z													
@GE14H												Grays	8-9 yrs out
@GE14M													
@GE14U													
@GE14Z												Coppers	8-10 yrs out
@GE15H													
@GE15M													
@GE15U													
@GE15Z													
@GE16H													
@GE16M													
@GE16U													
@GE16Z													
@GE17H													

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

GE Curve (Whites, Greens, Reds)



Fed Funds - Outright (Electronically Traded Contracts)

Fed Funds

	Is	net	Implied	
F.FFAJ07	#VALUE!	#VALUE!	#VALUE!	Apr
F.FFAK07	94.755	-0.500	5.245%	May
F.FFAM07	94.750	-0.500	5.250%	June
F.FFAN07	94.770	0.000	5.230%	July
F.FFAQ07	94.795	0.500	5.205%	August
F.FFAU07	94.825	0.000	5.175%	September
F.FFAV07	94.850	0.000	5.150%	October
F.FFAZ07	#VALUE!	-0.500	#VALUE!	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	0%
8/7/2007	5.00%	AUG, 2007	22%
9/18/2007	5.00%	SEP, 2007	52%
10/31/2007	5.00%	OCT, 2007	100%
12/11/2007	4.75%	DEC, 2007	#VALUE!

*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

Jim Goulding, GH Traders LLC, Treas-Arb, Chicago, jgoulding@ghco.com

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	10.500
Jun-2007	8.500
Jul-2007	8.000
Sep-2007	5.500

* 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	#VALUE!	Apr-2007
F.FFAK07	5.2450	May-2007
F.FFAM07	5.2500	Jun-2007
F.FFAN07	5.2300	Jul-2007
F.FFAQ07	5.2050	Aug-2007
F.FFAU07	5.1750	Sep-2007
F.FFAV07	5.1500	Oct-2007
F.FFAX07	5.0950	Nov-2007
F.FFAZ07	#VALUE!	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	5.230	Sep-2007
F.EDAZ07	5.055	Dec-2007

