

The Morning Email: Treasuries

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**Where are the economic releases and the speakers & events?
They're in a new morning email called "Econ&Events"**

Want something added?

Let me know: jgoulding@ghco.com

Disclaimer:

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All information has been recorded to the best of my ability. This material is based upon information that I consider reliable, but I do not represent that it is accurate or complete.

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	Economic Releases - 32nds				Date
	5y*	10y*	ZNM7**	ZBM7**	
Non-farm High	99.200	99.190	107.300	111.01	4/6/2007
Non-farm Low	99.085	98.310	107.110	110.00	4/6/2007
FOMC High	101.000	100.290	109.020	113.03	3/22/2007
FOMC Low	100.170	100.085	108.100	112.06	3/22/2007
PPI High	99.135	99.075	107.195	110.23	4/13/2007
PPI Low	99.065	98.285	107.080	110.02	4/13/2007
CPI High	99.185	99.175	107.265	111.06	4/17/2007
CPI Low	99.085	99.060	107.135	110.17	4/17/2007
Auction Price	99.208	100.257			
Last Trade	99.257	99.270	108.060	111.23	5/3/2007 5:28

*Adjusted for New Issue

**Adjusted for Futures Roll

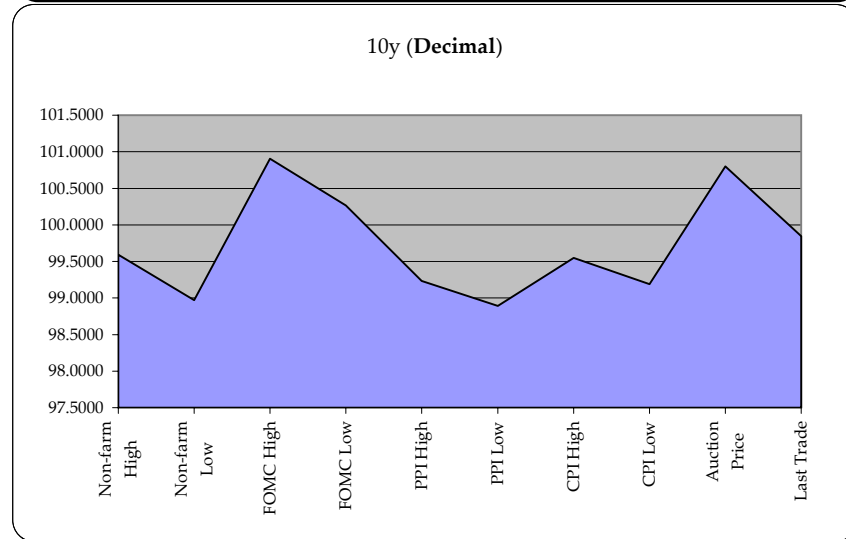
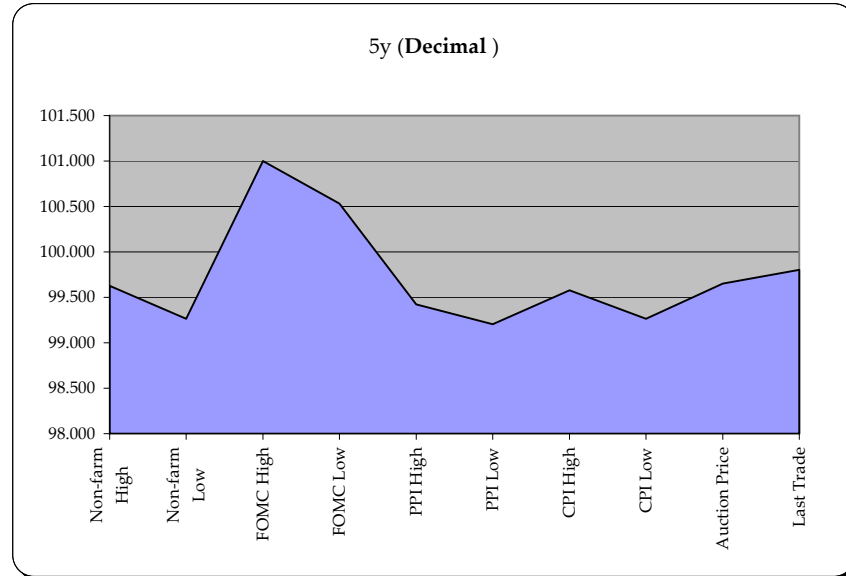
Prices are recorded from econ release to 2pm CDT

ZBH/ZBM Rolled at -2 tics

ZNH/ZNM Rolled at +5 tics

	Auctions - 32nds			
	2 y	5y	10y	30y
Auction Price	99.256	99.208	100.257	99.007
Auction Yield Stop	4.606	4.579	4.523	4.812
Actual Auction Date	4/25/2007	4/26/2007	03/13/2007 re	2/8/2007

re = reopen



Quotes

		32 nds						
	ls	net	high	low	open	Volume	SYM NAME	
TUAM7	102.092	0.0	102.097	102.087	102.090	6,097	2y Futures	
FVAM7	105.225	1.0	105.230	105.205	105.215	27,684	5y Futures	
TYAM7	108.060	0.5	108.070	108.045	108.060	79,827	10y Futures	
USAM7	111.230	0	111.240	111.200	111.240	11,409	30y Futures	
	ls	net	high	low	open	Volume	SYM NAME	
BUS02P	99.237	0.7	99.240	99.235	99.235	na	2y	
BUS05P	99.255	0.5	99.262	99.247	99.247	na	5y	
BUS10P	99.265	0.0	99.275	99.260	99.260	na	10y	
BUS30P	98.285	(1)	98.300	98.275	98.290	na	30y	
	ls	net	high	low	open	Volume	SYM NAME	
BUS02Y	4.633	(0.90)	4.65	4.625	4.642	na	2y Yield	
BUS05Y	4.543	0.00	4.555	4.539	4.548	na	5y Yield	
BUS10Y	4.644	0.00	4.652	4.64	4.646	na	10y Yield	
BUS30Y	4.818	0.30	4.824	4.813	4.813	na	30y Yield	

Source: CQG

News Recap for the United States *from*

Yesterday

15:11 05/02 US **TSYS/RECAP**: Tsys ended off after short-covering on weak 64,000 ADP private payrolls then declined after 3.1% March factory orders. Tsy to do US\$32B refunding (US\$14B 3Y Mon, US\$13B 10Y Tues, \$5B 30Y reopen Thu; 3y to be cut after May). 2-way a.m. flow had Street 5Y selling but Japanese buy-and-hold bid in 10s, Asian buy-and-hold accts, lvrgrd accts have 2Y bid, with buy-and-hold 5Y bid tho some fast money sold. 2-way flow from foreign central bks with talk of 2Y buying (some central banks Tues sold 2Ys then some bought out curve Tue; also was Asia buying in NY Tue.) Fast money did mixed action Wed: earlier selling 5s, buying 10s, later profit-taking in belly. Bunds heavy after switches from Bunds/Tsys buys; one acct bought 12k Sept. Bund 110 puts for 5. One acct did up to 16,000 Sept. 30Y 107 puts bought at 10/64 vs. selling 11,000 Sep 30yr 118 call at 5- to 6/64. Late good size seller of 10Y proxies (Eurodlrs), while dealer sold 3k 1y bundles vs 12k Dec08 futures, steady Fed trade. Was late MBS-tied buying by real money accts in Jun 10Ys, Jun 2Y notes.

15:08 05/02 US **Eurodlr/Swaps**: Spds finished session marginally tighter across the curve, disconnected from higher Tsy ylds and late payers in 3- and 10yr proxies. Sources had reported two-way flow in the fronts to intermediates followed by flattener interest in 3s to 5s and 3s to 10s.

Overnight

05:03 05/03 TSYS: (correct tag) With no clear lead from the Asian markets, with Tokyo closed for Constitution Day, cash Tsys opened little changed Thurs, with prices, if anything, very modestly lower in light volumes. Prices edged higher in early trade, with a light bid seen in the belly of the curve. However, a lack of follow-through interest saw prices slip from the opening levels. Traders said both cash and futures volumes were very light and largely interdealer. By mid-morning, a modest 50,000 lots had traded in the 10-year futures contract and just 7,200 30-year lots had changed hands. Bunds are trading lower against U.S. 10-year T-notes, down 1.5 bps from Wednesday at 48 bps - back below the key 50 bps level. Ahead of the U.S. session, the 2-yr note was unchanged, trading at 99 23/32 to yield 4.64%, while the 5-yr note was unchanged at 99 25/32 (4.55%). The 10-year note was 1/64 lower at 99 26/32 (4.64%), with the Bond 1+/32 lower at 98 29/32 (4.82%).

Duration, DV01s, Curve, Flys, CFs

M Duration

30y	#VALUE!
10y	7.72
5y	4.42
3y	2.56
2y	1.88
ZB	9.78
ZN	5.81
ZF	3.85
ZT	1.80

DV01s (32nds)

30y	#VALUE!
10y	2.49
5y	1.41
3y	0.82
2y	0.60
ZB	3.54
ZN	2.03
ZF	1.31
ZT	1.18

DV01s (\$s)

30y	#VALUE!
10y	\$778
5y	\$441
3y	\$257
2y	\$188
ZB	\$111
ZN	\$63
ZF	\$41
ZT	\$37

Yield Curve Spreads

2/3	-6.60
3/5	-2.40
2/5	-9.00
5/10	10.10
2/10	1.10
10/30	17.40
5/30	27.50
2/30	18.50

Fly's

2/3/5	-4.20
2/5/10	-19.10
2/10/30	-16.30
5/10/30	-7.30

CFs

ZB	0.8281
ZN	0.9015
ZF	0.9378
ZT	0.9742

Notes

- 1) CF = Conversion Factor
- 2) MDuration = Modified Macaulay Duration
- 3) MDuration & DV01s for Futures are based on proxy issue (CTD)

US Financial Futures / Eurex Bond

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

US Financial Futures

	ZB	ZN	ZF	ZT
ZB		1.748	2.698	2.996
ZN	0.572		1.543	1.713
ZF	0.371	0.648		1.000
ZT	0.334	0.584	0.900	

US Treasuries v US Financial Futures

	2y	3y	5y	10y	30y
ZB	1.69	2.32	3.99	7.03	#VALUE!
ZN	2.96	4.06	6.97	12.29	#VALUE!
ZF	4.57	6.26	10.76	18.97	#VALUE!
ZT	5.08	6.95	11.95	21.06	#VALUE!

US Treasuries v Eurex Bonds

	2y	3y	5y	10y	30y
Bund (M)	1.6	2.4	3.9	6.9	13.8
Bobl (M)	3.0	4.4	7.2	12.9	25.7
Shatz (M)	7.1	10.5	17.2	30.8	61.3

US Treasuries

	2y	3y	5y	10y	30y
2y		1.426	2.450	4.319	#VALUE!
3y	0.730		1.718	3.029	#VALUE!
5y	0.425	0.582		1.763	#VALUE!
10y	0.241	0.330	0.567		#VALUE!
30y	#####	#VALUE!	#VALUE!	#VALUE!	

Note:

Eurex Ratio's from Bloomberg.

All other Ratio's from GH Trader's LLC

Commitment of Traders (COT)

Current Positions										
	Small Spec			Large Spec			Commercials (Hedgers)			
	Long	Short	Net	Long	Short	Net	Long	Short	Net	
ZF	270,946	253,232	17,714	235,601	385,822	(150,221)	1,206,459	1,073,953	132,506	ZF
ZN	309,473	448,395	(138,922)	728,973	307,055	421,918	1,709,948	1,992,943	(282,995)	ZN
ZB	146,098	190,274	(44,176)	122,668	178,870	(56,202)	656,358	555,981	100,377	ZB

WoW* Position Change				As of
	Sml Spec	Lrg Spec	Comm	
	Net	Net	Net	
ZF	29,361	(14,867)	(14,496)	4/24/2007
ZN	29,020	21,944	(50,963)	
ZB	28,049	42,798	(70,848)	

**WoW = Week over week

	Cpn	Mty	32nds	Yield
2y	4.500	3/31/09	99.2400	4.633
3y	4.750	2/15/10	100.1550	4.561
5y	4.500	4/30/12	99.2650	4.539
10y	4.625	2/15/17	99.275	4.642
30y	4.750	2/15/37	98.31	4.815

	CF Basis* (decimal)	GHCO Basis		32nds
5y	0.58	1.625	ZF	105.2300
10y	1.85	42.439	ZN	108.0700
30y	6.20	322.730	ZB	111.23

Curve Spreads bps

2/3	(0.072)
3/5	(0.022)
2/5	(0.094)
5/10	0.103
2/10	0.009
10/30	0.173
5/30	0.276
2/30	0.182

CF = Conversion Factor

Cash - (Futures * CF)

