

## 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

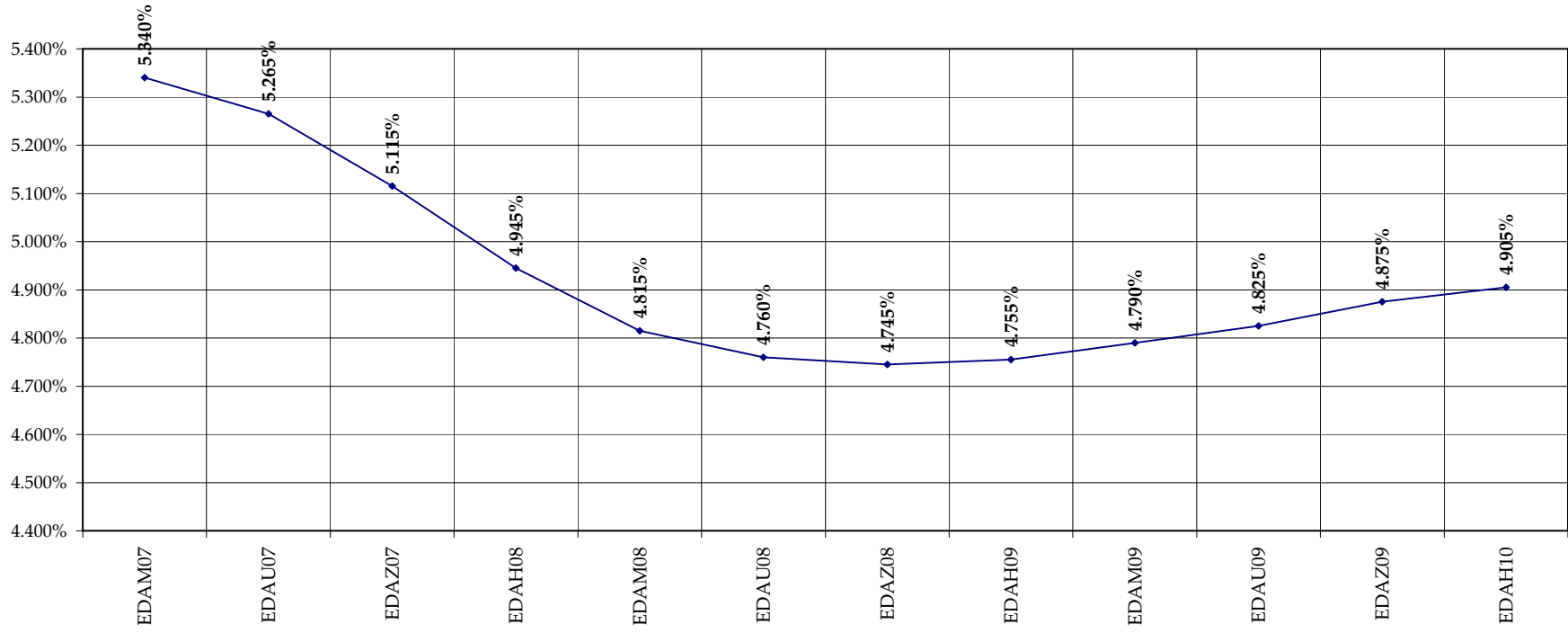
Note: Serial Contracts are not included in color scheme.

(Excluding Serial)

	Last	High	Low	Open	Month	Net	Exp Date	Implied		
EDAM07	94.660	94.675	94.655	94.675	JUN	-0.5	6/18/2007	5.340%	Whites	1st Year
EDAU07	94.735	94.780	94.730	94.770	SEP	-4.0	9/17/2007	5.265%		
EDAZ07	94.885	94.970	94.885	94.935	DEC	-5.0	12/17/2007	5.115%		
EDAH08	95.055	95.160	95.055	95.125	MAR	-7.0	3/17/2008	4.945%	Reds	1-2 yrs out
EDAM08	95.185	95.295	95.180	95.260	JUN	-7.5	6/16/2008	4.815%		
EDAU08	95.240	95.355	95.235	95.315	SEP	-7.0	9/15/2008	4.760%		
EDAZ08	95.255	95.360	95.245	95.320	DEC	-7.5	12/15/2008	4.745%		
EDAH09	95.245	95.345	95.240	95.310	MAR	-6.5	3/16/2009	4.755%	Greens	2-3 yrs out
EDAM09	95.210	95.305	95.200	95.270	JUN	-6.0	6/15/2009	4.790%		
EDAU09	95.175	95.260	95.165	95.220	SEP	-5.0	9/14/2009	4.825%		
EDAZ09	95.125	95.205	95.120	95.170	DEC	-4.5	12/14/2009	4.875%		
EDAH10	95.095	95.200	95.090	95.130	MAR	-4.0	3/15/2010	4.905%	Blues	3-4 yrs out
EDAM10	95.055	95.125	95.055	95.125	JUN	-4.0	6/14/2010	4.945%		
EDAU10	95.025	95.055	95.025	95.055	SEP	-3.0	9/13/2010	4.975%		
EDAZ10	94.980	95.075	94.980	95.015	DEC	-3.0	12/13/2010			
EDAH11	94.970	95.000	94.970	95.000	MAR	-2.0	3/14/2011	5.030%	Golds	4-5 yrs out
EDAM11	94.940	94.950	94.940	94.950	JUN	-2.0	6/13/2011	5.060%		
EDAU11	94.885	94.945	94.885	94.945	SEP	-2.0	9/19/2011	5.115%		
EDAZ11	94.865	94.865	94.865	94.865	DEC	-1.5	12/19/2011	5.135%		
EDAH12	94.840	94.875	94.840	94.875	MAR	-1.5	3/19/2012	5.160%	Purples	5-6 yrs out
EDAM12		I do not keep data on purples through the coppers due to the non-liquidity.								
EDAU12										
EDAZ12										
EDZH13										
EDAM13		I do not keep data on purples through the coppers due to the non-liquidity.							Oranges	6-7 yrs out
EDAU13										
EDAZ13										
EDAH14										
RDAM14		I do not keep data on purples through the coppers due to the non-liquidity.							Pinks	7-8 yrs out
EDAU14										
EDAZ14										
EDAH15										
EDAM15		I do not keep data on purples through the coppers due to the non-liquidity.							Grays	8-9 yrs out
EDAU15										
EDAZ15										
EDAH16										
EDAM16		I do not keep data on purples through the coppers due to the non-liquidity.							Coppers	8-10 yrs out
EDAU16										
EDAZ16										
EDAH17										

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	0.000	5.245%	May
F.FFAM07	94.750	0.000	5.250%	June
F.FFAN07	94.765	-0.500	5.235%	July
F.FFAQ07	94.780	-1.500	5.220%	August
F.FFAU07	94.800	-2.500	5.200%	September
F.FFAV07	94.820	-2.500	5.180%	October
F.FFAZ07	94.930	-4.000	5.070%	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	15%
9/18/2007	5.00%	SEP, 2007	38%
10/31/2007	5.00%	OCT, 2007	100%
12/11/2007	4.75%	DEC, 2007	47%

\*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

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## 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	11.000
Jun-2007	9.000
Jul-2007	8.500
Sep-2007	6.500

\* 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	5.2350	Jul-2007
F.FFAQ07	5.2200	Aug-2007
F.FFAU07	5.2000	Sep-2007
F.FFAV07	5.1800	Oct-2007
F.FFAX07	5.1300	Nov-2007
F.FFAZ07	5.0700	Dec-2007

### Eurodollars Outright

Contract	Imp Rate	Contract Month
F.EDAJ07	#VALUE!	Apr-2007
F.EDAK07	5.355	May-2007
F.EDAM07	5.340	Jun-2007
F.EDAN07	5.320	Jul-2007
F.EDAU07	5.265	Sep-2007
F.EDAZ07	5.115	Dec-2007









