

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

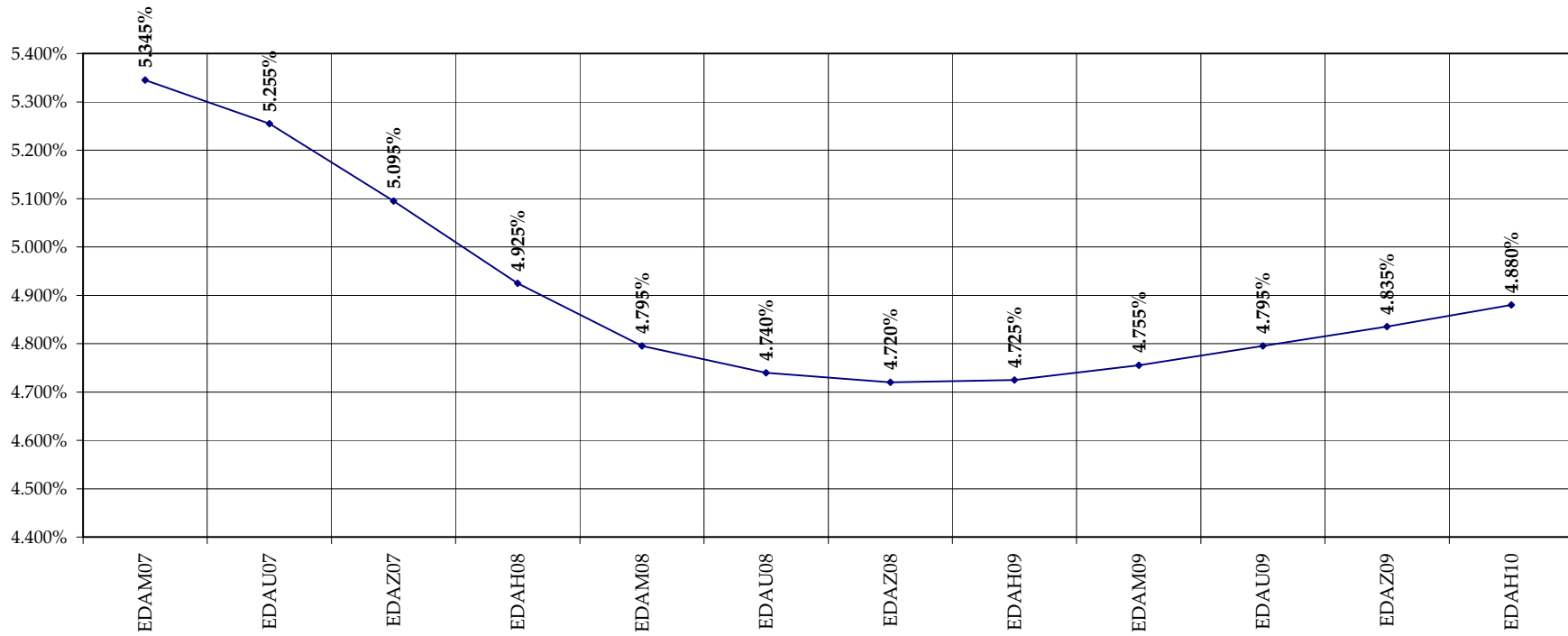
Note: Serial Contracts are not included in color scheme.

(Excluding Serial)

	Last	High	Low	Open	Month	Net	Exp Date	Implied		
EDAM07	94.655	94.665	94.655	94.665	JUN	-1.0	6/18/2007	5.345%	Whites	1st Year
EDAU07	94.745	94.755	94.740	94.750	SEP	-1.0	9/17/2007	5.255%		
EDAZ07	94.905	94.920	94.900	94.915	DEC	-2.0	12/17/2007	5.095%		
EDAH08	95.075	95.095	95.070	95.090	MAR	-2.0	3/17/2008	4.925%	Reds	1-2 yrs out
EDAM08	95.205	95.225	95.200	95.220	JUN	-2.5	6/16/2008	4.795%		
EDAU08	95.260	95.280	95.255	95.280	SEP	-2.5	9/15/2008	4.740%		
EDAZ08	95.280	95.300	95.275	95.295	DEC	-2.0	12/15/2008	4.720%		
EDAH09	95.275	95.295	95.270	95.290	MAR	-2.0	3/16/2009	4.725%		
EDAM09	95.245	95.245	95.240	95.245	JUN	-1.0	6/15/2009	4.755%	Greens	2-3 yrs out
EDAU09	95.205	95.215	95.200	95.215	SEP	-1.5	9/14/2009	4.795%		
EDAZ09	95.165	95.165	95.150	95.150	DEC	-2.0	12/14/2009	4.835%		
EDAH10	95.120	95.125	95.120	95.125	MAR	-0.5	3/15/2010	4.880%		
EDAM10	#VALUE!	#VALUE!	#VALUE!	#VALUE!	JUN	-7.5	6/14/2010	#VALUE!	Blues	3-4 yrs out
EDAU10	#VALUE!	#VALUE!	#VALUE!	#VALUE!	SEP	-5.0	9/13/2010	#VALUE!		
EDAZ10	95.030	#VALUE!	#VALUE!	#VALUE!	DEC	-10.5	12/13/2010	#VALUE!		
EDAH11	#VALUE!	#VALUE!	#VALUE!	#VALUE!	MAR	4.5	3/14/2011	#VALUE!		
EDAM11	94.960	#VALUE!	#VALUE!	#VALUE!	JUN	-10.5	6/13/2011	5.040%	Golds	4-5 yrs out
EDAU11	94.930	#VALUE!	#VALUE!	#VALUE!	SEP	-11.0	9/19/2011	5.070%		
EDAZ11	#VALUE!	#VALUE!	#VALUE!	#VALUE!	DEC	-11.0	12/19/2011	#VALUE!		
EDAH12	94.875	#VALUE!	#VALUE!	#VALUE!	MAR	#VALUE!	3/19/2012	5.125%		
EDAM12		I do not keep data on purples through the coppers due to the non-liquidity.							Purples	5-6 yrs out
EDAU12										
EDAZ12										
EDZH13										
EDAM13									Oranges	6-7 yrs out
EDAU13										
EDAZ13										
EDAH14										
RDAM14									Pinks	7-8 yrs out
EDAU14										
EDAZ14										
EDAH15										
EDAM15									Grays	8-9 yrs out
EDAU15										
EDAZ15										
EDAH16										
EDAM16									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	
0	0.000	0.000	100.000%	Apr
F.FFAK07	94.755	0.000	5.245%	May
F.FFAM07	94.750	0.000	5.250%	June
F.FFAN07	94.760	-0.500	5.240%	July
F.FFAQ07	94.785	0.000	5.215%	August
F.FFAU07	94.805	0.000	5.195%	September
F.FFAV07	94.835	-0.500	5.165%	October
F.FFAZ07	#VALUE!	-1.500	#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	17%
9/18/2007	5.00%	SEP, 2007	41%
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
5/1/2007

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	#VALUE!
Jun-2007	9.500
Jul-2007	#VALUE!
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	5.2450	May-2007
F.FFAM07	5.2500	Jun-2007
F.FFAN07	5.2400	Jul-2007
F.FFAQ07	5.2150	Aug-2007
F.FFAU07	5.1950	Sep-2007
F.FFAV07	5.1650	Oct-2007
F.FFAX07	#VALUE!	Nov-2007
F.FFAZ07	#VALUE!	Dec-2007

Eurodollars Outright

Contract	Imp Rate	Contract Month
F.EDAJ07	#VALUE!	Apr-2007
F.EDAK07	#VALUE!	May-2007
F.EDAM07	5.345	Jun-2007
F.EDAN07	#VALUE!	Jul-2007
F.EDAU07	5.255	Sep-2007
F.EDAZ07	5.095	Dec-2007

