

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

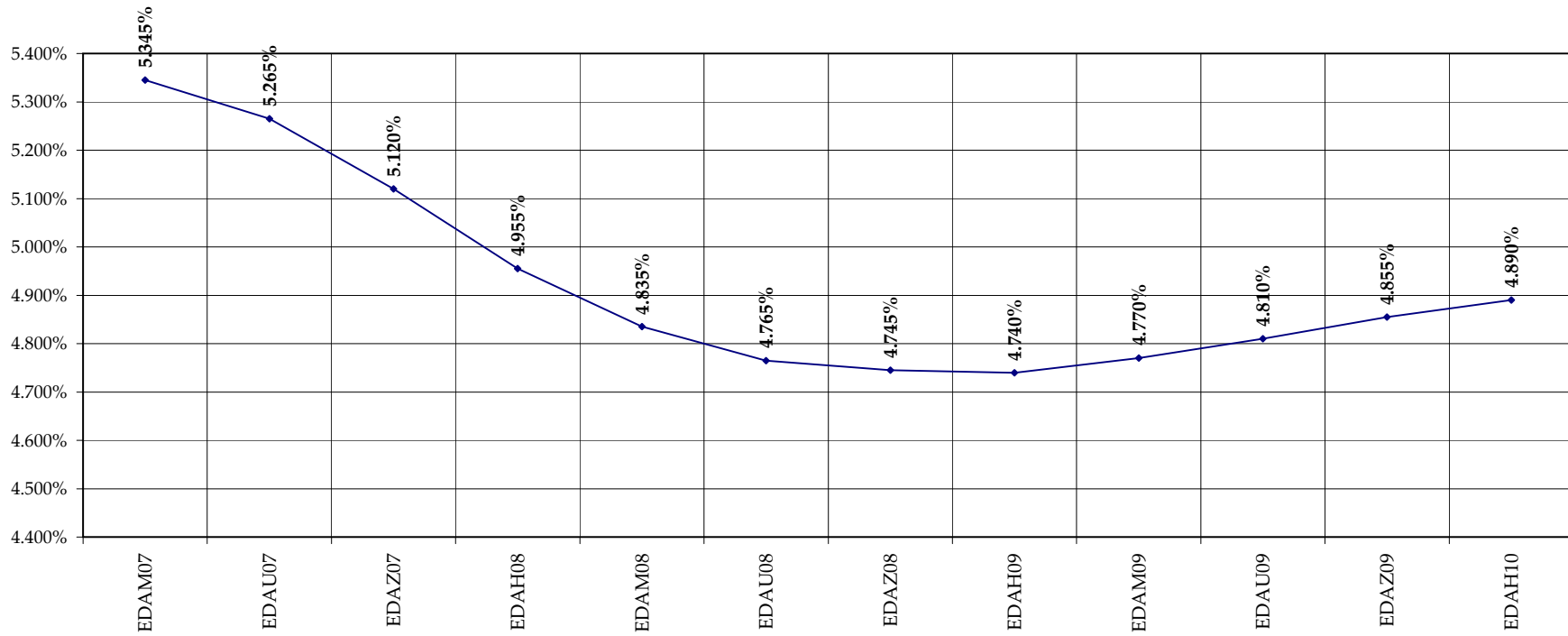
Note: Serial Contracts are not included in color scheme.

(Excluding Serial)

	Last	High	Low	Open	Month	Net	Exp Date	Implied		
EDAM07	94.655	94.665	94.650	94.660	JUN	0.0	6/18/2007	5.345%	Whites	1st Year
EDAU07	94.735	94.770	94.725	94.750	SEP	-1.5	9/17/2007	5.265%		
EDAZ07	94.880	94.935	94.865	94.910	DEC	-3.0	12/17/2007	5.120%		
EDAH08	95.045	95.110	95.030	95.085	MAR	-3.5	3/17/2008	4.955%	Reds	1-2 yrs out
EDAM08	95.165	95.235	95.155	95.210	JUN	-4.5	6/16/2008	4.835%		
EDAU08	95.235	95.295	95.225	95.275	SEP	-4.0	9/15/2008	4.765%		
EDAZ08	95.255	95.315	95.245	95.290	DEC	-4.5	12/15/2008	4.745%		
EDAH09	95.260	95.310	95.245	95.290	MAR	-4.0	3/16/2009	4.740%	Greens	2-3 yrs out
EDAM09	95.230	95.275	95.215	95.260	JUN	-4.0	6/15/2009	4.770%		
EDAU09	95.190	95.235	95.175	95.215	SEP	-3.0	9/14/2009	4.810%		
EDAZ09	95.145	95.185	95.100	95.170	DEC	-3.5	12/14/2009	4.855%		
EDAH10	95.110	95.155	95.110	95.145	MAR	-4.5	3/15/2010	4.890%	Blues	3-4 yrs out
EDAM10	95.110	95.115	95.110	95.115	JUN	-2.5	6/14/2010	4.890%		
EDAU10	95.085	95.085	95.065	95.075	SEP	-0.5	9/13/2010	4.915%		
EDAZ10	95.040	95.040	95.030	95.040	DEC	-2.5	12/13/2010			
EDAH11	95.015	95.015	95.005	95.015	MAR	0.0	3/14/2011	4.985%	Golds	4-5 yrs out
EDAM11	94.970	94.970	94.970	94.970	JUN	-11.5	6/13/2011	5.030%		
EDAU11	94.940	94.955	94.925	94.950	SEP	-12.0	9/19/2011	5.060%		
EDAZ11	94.900	94.900	94.900	94.900	DEC	-12.5	12/19/2011	5.100%		
EDAH12	94.885	#VALUE!	#VALUE!	#VALUE!	MAR	-12.0	3/19/2012	5.115%	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	
0	0.000	0.000	100.000%	Apr
F.FFAK07	94.750	-0.500	5.250%	May
F.FFAM07	94.750	-1.000	5.250%	June
F.FFAN07	94.755	0.000	5.245%	July
F.FFAQ07	94.780	-1.000	5.220%	August
F.FFAU07	94.795	-0.500	5.205%	September
F.FFAV07	94.825	-1.000	5.175%	October
F.FFAZ07	94.960	-1.500	5.040%	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	0%
6/28/2007	5.00%	JUN, 2007	0%
8/7/2007	5.00%	AUG, 2007	15%
9/18/2007	5.00%	SEP, 2007	35%
10/30/2007	5.00%	OCT, 2007	93%
12/11/2007	4.75%	DEC, 2007	53%

*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
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	10.500
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	5.2500	May-2007
F.FFAM07	5.2500	Jun-2007
F.FFAN07	5.2450	Jul-2007
F.FFAQ07	5.2200	Aug-2007
F.FFAU07	5.2050	Sep-2007
F.FFAV07	5.1750	Oct-2007
F.FFAX07	5.0950	Nov-2007
F.FFAZ07	5.0400	Dec-2007

Eurodollars Outright

Contract	Imp Rate	Contract Month
F.EDAJ07	#VALUE!	Apr-2007
F.EDAK07	5.355	May-2007
F.EDAM07	5.345	Jun-2007
F.EDAN07	#VALUE!	Jul-2007
F.EDAU07	5.265	Sep-2007
F.EDAZ07	5.120	Dec-2007

