

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

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All information within this newsletter is meant for internal use
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All information has been recorded to the best of my
ability. This material is based upon information that I consider
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Jim Goulding, GH Traders LLC, Treas-Arb, Chicago, jgoulding@ghco.com

	Economic Releases - 32nds				Date
	5y*	10y*	ZNM7**	ZBM7**	
Non-farm High	99.283	0.000	108.090	111.30	5/4/2007
Non-farm Low	99.133	0.000	107.180	110.15	5/4/2007
FOMC High	101.000	0.000	109.020	113.03	3/22/2007
FOMC Low	100.170	0.000	108.100	112.06	3/22/2007
PPI High	99.135	0.000	107.195	110.23	4/13/2007
PPI Low	99.065	0.000	107.080	110.02	4/13/2007
CPI High	99.185	0.000	107.265	111.06	4/17/2007
CPI Low	99.085	0.000	107.135	110.17	4/17/2007
Auction Price	99.208	99.035			
Last Trade	99.262	98.315	108.080	111.26	5/9/2007 5:30

*Adjusted for New Issue

**Adjusted for Futures Roll

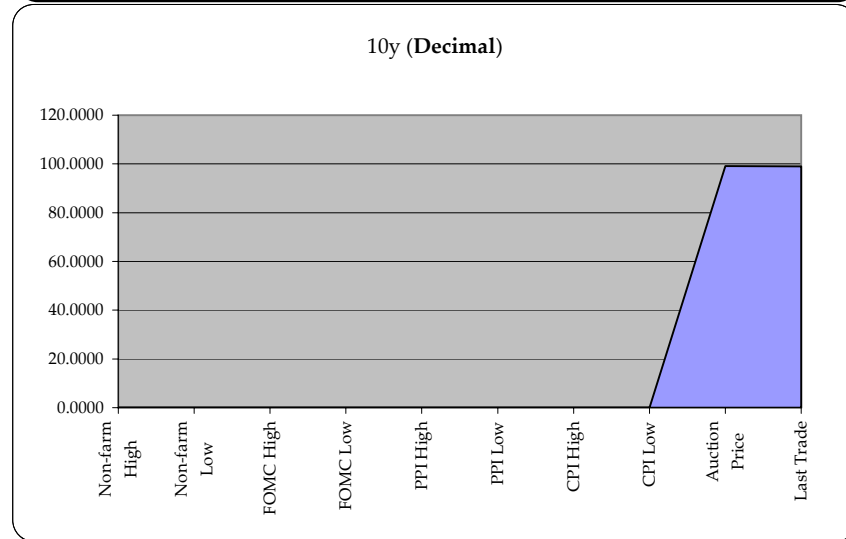
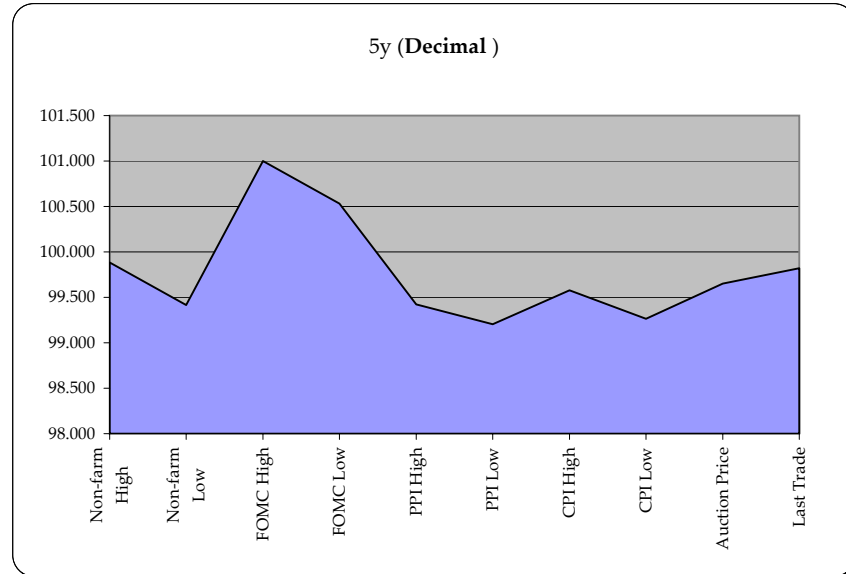
Prices are recorded from econ release to 2pm CDT

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	99.035	99.007
Auction Yield Stop	4.606	4.579	4.612	4.812
Actual Auction Date	4/25/2007	4/26/2007	5/8/2007	2/8/2007

re = reopen



Quotes

		32 nds						
	ls	net	high	low	open	Volume	SYM NAME	
TUAM7	102.075	0.2	102.077	102.070	102.075	5,599	2y Futures	
FVAM7	105.215	0.0	105.220	105.205	105.210	34,811	5y Futures	
TYAM7	108.080	(1.0)	108.085	108.060	108.080	70,808	10y Futures	
USAM7	111.260	(2)	111.270	111.220	111.260	23,655	30y Futures	
	ls	net	high	low	open	Volume	SYM NAME	
BUS02P	99.217	0.2	99.217	99.215	99.217	na	2y	
BUS05P	99.260	0.0	99.262	99.255	99.257	na	5y	
BUS10P	98.310	(30.0)	98.315	98.295	98.310	na	10y	
BUS30P	99.040	(1)	99.045	99.020	99.035	na	30y	
	ls	net	high	low	open	Volume	SYM NAME	
BUS02Y	4.668	0.50	4.693	4.651	4.693	na	2y Yield	
BUS05Y	4.539	(0.20)	4.551	4.534	4.55	na	5y Yield	
BUS10Y	4.626	(0.60)	4.64	4.622	4.638	na	10y Yield	
BUS30Y	4.804	0.10	4.811	4.8	4.806	na	30y Yield	

Source: CQG

News Recap for the United States from



Yesterday



15:24 05/08 **US TSYS/RECAP:** Tsys ended mixed, 10Y, 30Y weaker, other issues higher on day, and WI 10Y at loss despite strong US\$13B 10Y sale (44.3% indirects, 55.2% dealer bid, 0.5% direct 4.612% high yield). Traders cited afternoon combo of some real money, fast money selling right after 10Y results as unsettling mkt amid quiet volume; also was some dealer redistribution of auction supply, though some hedge funds and retail accounts bought. Some cited pre-Fed jitters as unsettling mkt with FOMC Wed, BOE and ECB mtgs Thu. There were light dealer buyers of Red Eurodlrs, 3Y Bundles. Earlier, Tsys were higher amid 2-way flow, pre-auction short-setting, buy-and-hold bid in 10s, Street buying in front end, financial institutions buying intermediates, Tsys steepener unwinds, real money swaps steepeners. German debt aided by a big trade in Europe: buying 2Y German Debt (June Schatz) vs. selling of US June 2Y Tsys futures. European bid futures bid on talk new German Gov forecasts for tax receipts this wk. FOMC Wed (ends around 2:15pm), US\$5B 30Y Thu.

15:07 05/08 **US Eurodlr/Swaps:** Spds finished session steady to mixed, tighter in the intermediate to long end in a directional move with lower Tsy ylds as steepeners were executed by real money accts followed by light receiver interest in Front end Eurodlrs. Front end spds, on the other hand widened marginally in the second half despite some light receiver interest while Tsy ylds came off lows.

15:15 05/08 **Eurodlr Futures:** Eurodlr futures settled firmer, the curve off flatter levels amid some late front end support and cross current curve play on light volume. The Red/Gold pack spd (Jun08-Mar09) vs (Jun11-Mar12) a 2s/10s proxy, settled steady at 34.25. The Fronts (Jun07-Mar08), settled steady to mixed, the Jun07 in 0.5 bps at 94-66 on combined Globex and pit volume of 78,000, the Sep07 steady at 94-75 on volume of 156,000, the Dec07 steady at 94-91 on volume of 237,000, while the Mar08 closed 0.5 bps higher at 95-08.5 on volume of 240,000. The Red pack (Jun08-Mar09) a 2yr proxy, settled 1.00 to 1.5 bps higher across the pack with 452,000 contracts traded.

Overnight

04:56 05/09 **TSYS:** Treasuries are trading unchanged to modestly lower in London trade Wednesday, as the market awaits the Fed's FOMC interest rate decision. Treasuries were little changed in Asian trade, with many players sidelined ahead of the FOMC's meeting and rate decision. Prices opened very modestly lower but dip-buying saw the market end the Tokyo session flat. In London, traders noted modest selling of the two-year note, although demand from Asian central banks underpinned the downside. The ten-year saw modest two-way flows, largely seen as book-squaring after the \$13 billion auction overnight. Bunds are trading modestly lower against U.S. 10-year T-notes, down 1 bps from Tuesday at 47 bps. Ahead of the U.S. session, the 2-yr note was unchanged, trading at 99 22/32 to yield 4.67%. The 10-year note was unchanged at 99 31/32 (4.63%), with the Bond 2/32 lower at 99 3/32 (4.81%).

Duration, DV01s, Curve, Flys, CFs

	M Duration	DV01 32	DV01 \$	
30y	15.61	5.01	\$1,565	
10y	7.71	2.49	\$778	OLD TEN YR
5y	4.41	1.41	\$440	
2y	1.86	0.60	\$186	
ZB	9.78	3.55	\$111	
ZN	5.79	2.02	\$63	
ZF	3.83	1.31	\$41	
ZT	1.78	1.17	\$37	

Yield Curve Spreads

2/5	-12.90
5/10	8.70
2/10	-4.20
10/30	17.80
5/30	26.50
2/30	13.60

Fly's

2/5/10	-21.60
2/10/30	-22.00
5/10/30	-9.10

CF

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	3.000
Bobl (M)	0.540	0.950	1.500	1.600
Shatz (M)	0.220	0.390	0.600	0.660

US Financial Futures

	ZB	ZN	ZF	ZT
ZB		1.754	2.716	3.029
ZN	0.570		1.548	1.727
ZF	0.368	0.646		1.000
ZT	0.330	0.579	0.896	

5/9/2007

OLD TEN YR is USED FOR RATIO'S.
BLOOMBERG HASN'T PUBLISHED CF YET.

US Treasuries v US Financial Futures

	2y	5y	10y	30y
ZB	1.68	3.97	7.01	14.10
ZN	2.94	6.96	12.30	24.73
ZF	4.55	10.77	19.04	38.30
ZT	5.08	12.02	21.24	42.72

US Treasuries v Eurex Bonds

	2y	5y	10y	30y
Bund (M)	1.7	3.9	6.9	13.9
Bobl (M)	3.1	7.3	13.0	26.1
Shatz (M)	7.6	18.0	31.9	64.2

US Treasuries

	2y	5y	10y	30y
2y		2.464	4.356	8.760
5y	0.423		1.768	3.555
10y	0.239	0.566		2.011
30y	0.119	0.281	0.497	

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	266,207	260,064	6,143	270,934	385,888	(114,954)	1,244,772	1,135,960	108,812	ZF
ZN	321,669	442,994	(121,325)	730,310	323,105	407,205	1,769,246	2,055,126	(285,880)	ZN
ZB	145,537	196,113	(50,576)	114,093	205,640	(91,547)	690,650	548,527	142,123	ZB

WoW* Position Change				
	Sml Spec	Lrg Spec	Comm	
	Net	Net	Net	
ZF	(11,571)	35,267	(23,694)	As of
ZN	17,597	(14,713)	(2,885)	5/1/2007
ZB	(6,400)	(35,345)	41,746	

**WoW = Week over week

	Cpn	Mty	32nds	Yield
2y	4.500	3/31/09	99.2175	4.671
5y	4.500	4/30/12	99.2650	4.539
10y	4.625	5/15/17	99.300	4.632
30y	4.750	2/15/37	99.06	4.801

	CF Basis* (decimal)	GHCO Basis		32nds
5y	0.59	3.043	ZF	105.2150
10y	1.86	0.000	ZN	108.0850
30y	6.92	326.548	ZB	111.27

Curve Spreads bps

2/5	(0.132)
5/10	0.093
2/10	(0.039)
10/30	0.169
5/30	0.262
2/30	0.130

New 10 Yr

Cpn	Mty	32nds	Yield
4.500	5/15/17	99.010	4.622

CF = Conversion Factor
 Cash - (Futures * CF)

