

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:

All information within this newsletter is meant for internal use at GH Trader's LLC, only.

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	99.283	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	0.000	0.000	0.000	0.00	5/9/2007
FOMC Low	0.000	0.000	0.000	0.00	5/9/2007
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	99.195	98.210	107.305	111.12	5/10/2007 5:53

*Adjusted for New Issue

**Adjusted for Futures Roll

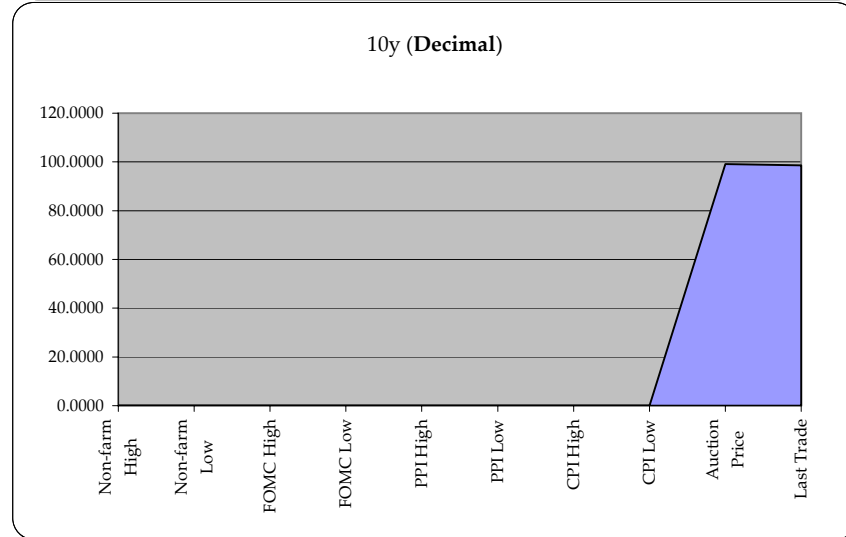
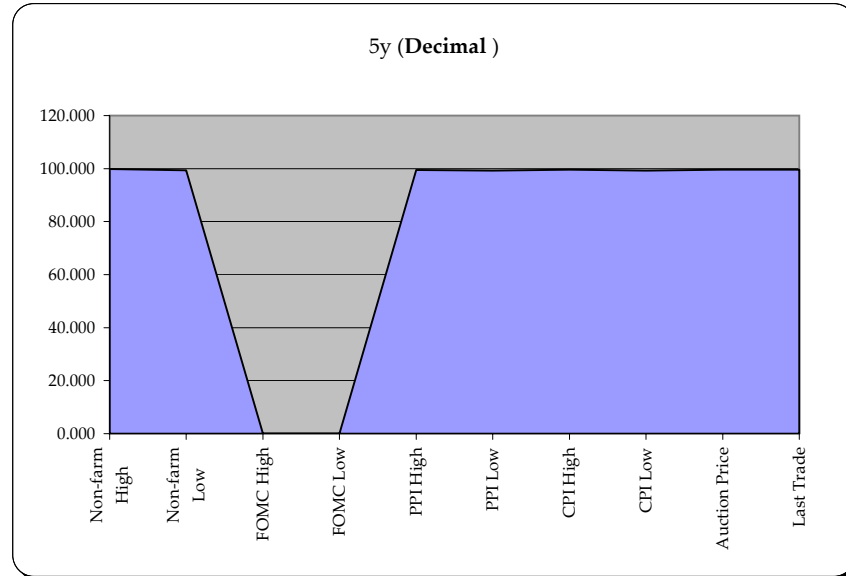
Prices are recorded from econ release to 2pm CDT

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



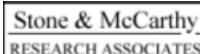
Quotes

		32 nds						
	ls	net	high	low	open	Volume	SYM NAME	
TUAM7	102.040	0.0	102.045	102.035	102.042	16,631	2y Futures	
FVAM7	105.150	0.0	105.155	105.135	105.150	42,644	5y Futures	
TYAM7	107.305	0.5	107.315	107.290	107.310	115,258	10y Futures	
USAM7	111.120	0	111.140	111.090	111.120	24,835	30y Futures	
	ls	net	high	low	open	Volume	SYM NAME	
BUS02P	99.185	0.2	99.187	99.185	99.185	na	2y	
BUS05P	99.195	0.0	99.200	99.185	99.197	na	5y	
BUS10P	98.210	0.5	98.225	98.200	98.215	na	10y	
BUS30P	98.190	1	98.210	98.165	98.200	na	30y	
	ls	net	high	low	open	Volume	SYM NAME	
BUS02Y	4.723	0.50	4.744	4.706	4.744	na	2y Yield	
BUS05Y	4.587	0.20	4.599	4.578	4.594	na	5y Yield	
BUS10Y	4.668	0.00	4.678	4.66	4.67	na	10y Yield	
BUS30Y	4.837	(0.10)	4.847	4.832	4.839	na	30y Yield	

Source: CQG

News Recap for the United States *from*

Yesterday



15:25 05/09 **US TSYS/RECAP:** US Tsys slid after FOMC kept inflation rhetoric roughly same, spurring curve steepener unwinds in Tsys, dealer selling in Tsys too (as most had been long heading into FOMC.) 10Y price is now off 1/4 pt since FOMC, 2Y is off about 3/32 in price; 2Y/10Y and 2Y/30Y flattened amid some dealer selling of Tsys, likely unwinds of widespread curve steepeners too. Leveraged accounts buying US 5Ys, in addition to fast money, buy-and-hold investors buying other intermediates. Some financial institutions sold US 2Ys, while buy-and-hold accts did bargain-hunting there. US stocks, now rise, surprising some Tsys traders, but some cited lower crude oil. TIPS breakevens widened on day. Eurodollars, swaps ended steady to mixed after front end aided by receiver interest around FOMC. MNI's Beckner said in 15:20 MNI Main Wire Story that FOMC underscored commitment to lower inflation. BBG cited Pimco'Gross saying Fed takes hard line on inflation, but has to cut rates to support households, and Gross favors front end Tsys.

15:19 05/09 **Eurodrlr Futures:** Eurodrlr futures settled lower, the curve flattening post FOMC amid heavier sell pressure in the fronts to intermediates. he Red/Gold pack spd (Jun08-Mar09) vs (Jun11-Mar12) a 2s/10s proxy, was 2.25 bps flatter on the bell at 32.375. The Fronts (Jun07-Mar08), settled 0.5 to 6.0 bps lower, the Jun07 in 0.5 bps at 94-65.5 on combined Globex and pit volume of 166,000, the Sep07 in 2.50 bps at 94-72.5 on volume of 255,000, the Dec07 in 4.50 bps at 94-86.5 on volume of 356,000, while the Mar08 closed 6.0 bps lower at 95-02.5 on volume of 358,000. The Red pack (Jun08-Mar09) a 2yr proxy, settled 5.00 to 6.5 bps lower across the pack with 878,000 contracts traded.

15:07 05/09 **US Eurodrlr/Swaps:** Disconnect/higher Tsy ylds, spds finished session steady to mixed, the front end tighter amid some receiver interest around the FOMC. Spds were wider amid ongoing rate locks vs. corporate supply, trumping rate lock unwinds early in the session.

Overnight

LONDON, May 10 - Treasuries are trading flat in London Thursday, as the market takes the overnight rate decision and statement from the Federal Reserve. However, traders said volumes were light, with players sidelined ahead of the interest rate decisions from both the European Central Bank and the Bank of England.

Tokyo saw prices edge lower, as early selling from regional players was noted. However, there was only minimal follow-through, with bids in the belly of the curve offering support. There was some Japanese selling of the 30-year Bond ahead of the \$5 billion auction due later in the day.

London trade saw prices inch higher to stand little changed on the day. Traders said real money flows were few and far between, with just light bids noted at the front of the curve. The long bond remained offered ahead of the auction.

Bunds are trading modestly higher against U.S. 10-year T-notes, up 1 bps from Wednesday at 50 bps.

Duration, DV01s, Curve, Flys, CFs

	M Duration	DV01 32	DV01 \$
30y	15.57	4.97	\$1,553
10y	7.79	2.46	\$769
5y	4.40	1.40	\$439
2y	1.86	0.59	\$186
ZB	9.76	3.53	\$110
ZN	5.79	2.02	\$63
ZF	3.83	1.30	\$41
ZT	1.78	1.17	\$37

Yield Curve Spreads

2/5	-13.60
5/10	8.10
2/10	-5.50
10/30	16.90
5/30	25.00
2/30	11.40

Fly's

2/5/10	-21.70
2/10/30	-22.40
5/10/30	-8.80

CF

ZB	0.8281
ZN	0.8904
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		1.748	2.707	3.018
ZN	0.572		1.549	1.727
ZF	0.369	0.646		1.000
ZT	0.331	0.579	0.897	

US Treasuries v US Financial Futures

	2y	5y	10y	30y
ZB	1.68	3.98	6.98	14.09
ZN	2.94	6.96	12.20	24.62
ZF	4.55	10.78	18.89	38.13
ZT	5.08	12.01	21.06	42.52

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	4.318	8.719
5y	0.423		1.753	3.539
10y	0.241	0.571		2.019
30y	0.119	0.283	0.495	

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	99.1850	4.726
5y	4.500	4/30/12	99.1950	4.588
10y	4.500	5/15/17	98.215	4.668
30y	4.750	2/15/37	98.20	4.838

	CF Basis* (decimal)	GHCO Basis		32nds
5y	0.59	2.175	ZF	105.1500
10y	2.67	11.723	ZN	107.3100
30y	6.18	320.777	ZB	111.11

Curve Spreads bps

2/5	(0.138)
5/10	0.080
2/10	(0.058)
10/30	0.170
5/30	0.250
2/30	0.112

New 10 Yr

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

CF = Conversion Factor
 Cash - (Futures * CF)

