

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

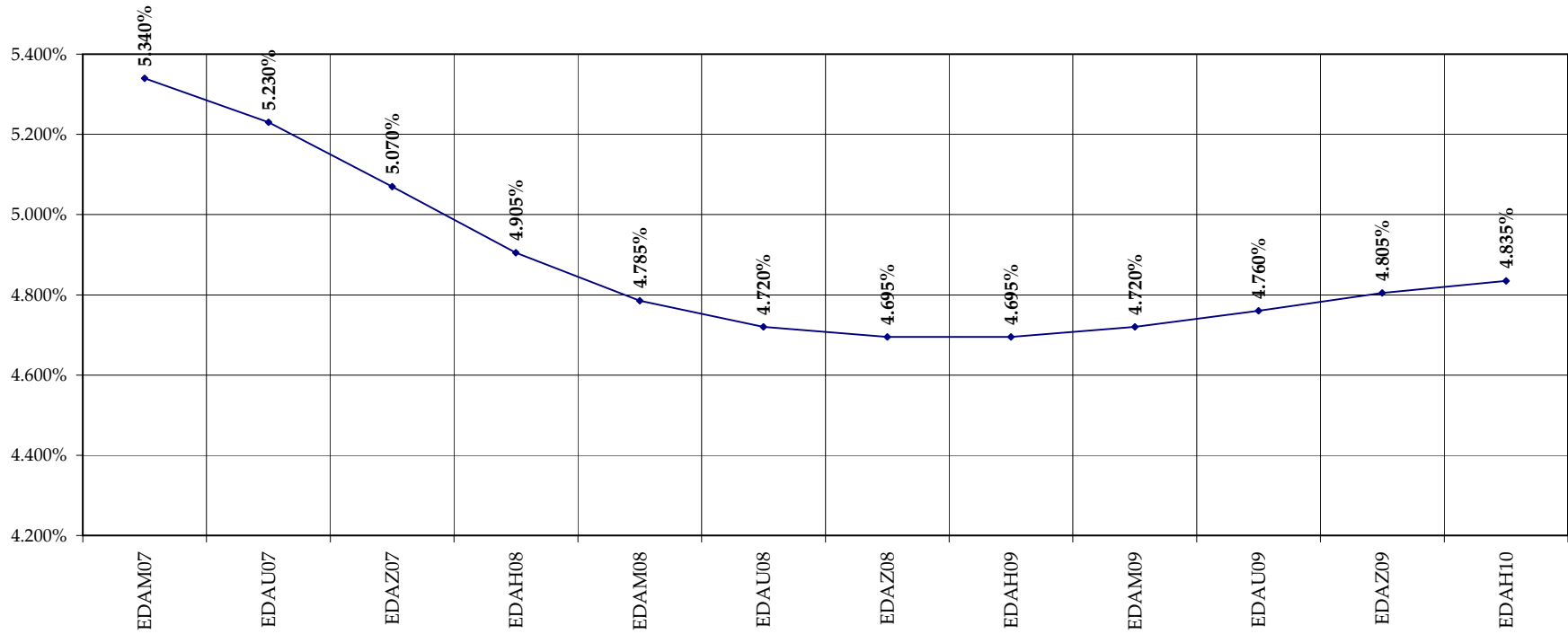
Note: Serial Contracts are not included in color scheme.

(Excluding Serial)

	Last	High	Low	Open	Month	Net	Exp Date	Implied		
EDAM07	94.660	94.665	94.655	94.660	JUN	1.0	6/18/2007	5.340%	Whites	1st Year
EDAU07	94.770	94.775	94.755	94.755	SEP	2.0	9/17/2007	5.230%		
EDAZ07	94.930	94.935	94.905	94.905	DEC	3.5	12/17/2007	5.070%		
EDAH08	95.095	95.105	95.060	95.065	MAR	3.5	3/17/2008	4.905%	Reds	1-2 yrs out
EDAM08	95.215	95.225	95.180	95.185	JUN	3.0	6/16/2008	4.785%		
EDAU08	95.280	95.295	95.250	95.250	SEP	4.0	9/15/2008	4.720%		
EDAZ08	95.305	95.320	95.280	95.280	DEC	3.5	12/15/2008	4.695%		
EDAH09	95.305	95.320	95.280	95.280	MAR	3.0	3/16/2009	4.695%	Greens	2-3 yrs out
EDAM09	95.280	95.290	95.255	95.255	JUN	2.5	6/15/2009	4.720%		
EDAU09	95.240	95.245	95.220	95.220	SEP	2.0	9/14/2009	4.760%		
EDAZ09	95.195	95.200	95.175	95.175	DEC	3.0	12/14/2009	4.805%		
EDAH10	95.165	95.165	95.155	95.155	MAR	1.5	3/15/2010	4.835%	Blues	3-4 yrs out
EDAM10	95.100	#VALUE!	#VALUE!	#VALUE!	JUN	3.0	6/14/2010	4.900%		
EDAU10	95.075	#VALUE!	#VALUE!	#VALUE!	SEP	4.0	9/13/2010	4.925%		
EDAZ10	95.025	#VALUE!	#VALUE!	#VALUE!	DEC	3.5	12/13/2010			
EDAH11	95.020	95.020	95.010	95.010	MAR	5.5	3/14/2011	4.980%	Golds	4-5 yrs out
EDAM11	94.980	94.980	94.980	94.980	JUN	-11.0	6/13/2011	5.020%		
EDAU11	94.935	#VALUE!	#VALUE!	#VALUE!	SEP	-11.0	9/19/2011	5.065%		
EDAZ11	94.895	#VALUE!	#VALUE!	#VALUE!	DEC	-11.0	12/19/2011	5.105%		
EDAH12	94.870	#VALUE!	#VALUE!	#VALUE!	MAR	#VALUE!	3/19/2012	5.130%	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									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	-0.500	5.245%	May
F.FFAM07	94.750	0.500	5.250%	June
F.FFAN07	94.765	0.500	5.235%	July
F.FFAQ07	94.790	0.500	5.210%	August
F.FFAU07	94.810	1.000	5.190%	September
F.FFAV07	94.845	1.000	5.155%	October
F.FFAZ07	94.925	1.000	5.075%	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	20%
9/18/2007	5.00%	SEP, 2007	44%
10/30/2007	5.00%	OCT, 2007	95%
12/11/2007	4.75%	DEC, 2007	45%

*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	11.500
Jun-2007	9.000
Jul-2007	6.500
Sep-2007	4.000

* 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	5.2350	Jul-2007
F.FFAQ07	5.2100	Aug-2007
F.FFAU07	5.1900	Sep-2007
F.FFAV07	5.1550	Oct-2007
F.FFAX07	5.1000	Nov-2007
F.FFAZ07	5.0750	Dec-2007

Eurodollars Outright

Contract	Imp Rate	Contract Month
F.EDAJ07	#VALUE!	Apr-2007
F.EDAK07	5.360	May-2007
F.EDAM07	5.340	Jun-2007
F.EDAN07	5.300	Jul-2007
F.EDAU07	5.230	Sep-2007
F.EDAZ07	5.070	Dec-2007

