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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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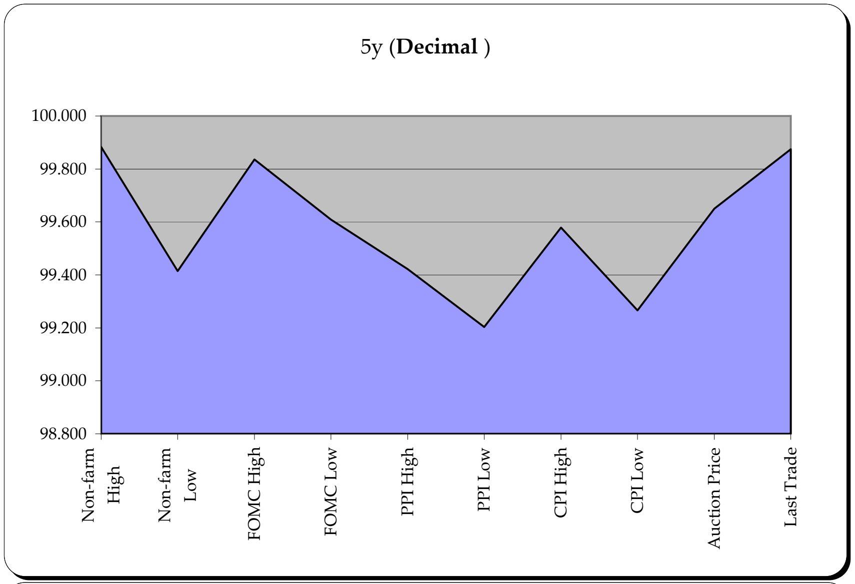
Important Econ Releases, Highs & Lows

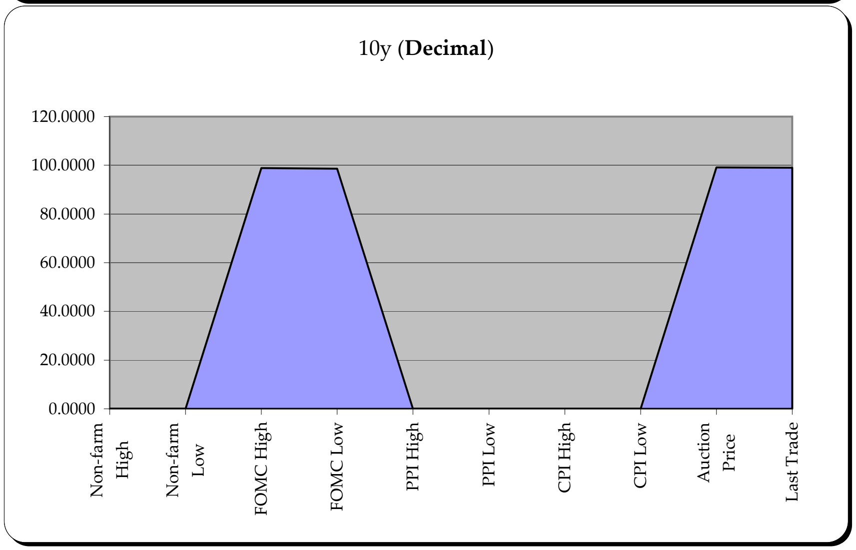
Economic Releases - 32nds	5y*	10y*	ZNM7**	ZBM7**	Date
Non-farm High	99.283	0.000	108.090	111.30	5/4/2007
Non-farm Low	99.133	0.000	107.180	110.15	5/4/2007
FOMC High	99.268	98.290	108.075	111.24	5/9/2007
FOMC Low	99.195	98.210	107.305	111.08	5/9/2007
PPI High	99.135	0.000	107.195	110.23	4/13/2007
PPI 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	99.280	99.015	108.100	111.28	5/11/2007 5:22

*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	98.194
Auction Yield Stop	4.606	4.579	4.612	4.838
Actual Auction Date	4/25/2007	4/26/2007	5/8/2007	5/11/2007

re = reopen





Quotes

32 nds

	ls	net	high	low	open	Volume	SYM NAME
TUAM7	102.077	1.5	102.082	102.067	102.067	24,726	2y Futures
FVAM7	105.230	4.0	105.240	105.195	105.200	43,428	5y Futures
TYAM7	108.100	5.5	108.120	108.050	108.055	114,693	10y Futures
USAM7	111.280	11	111.310	111.190	111.190	34,432	30y Futures
	ls	**net**	**high**	**low**	**open**	**Volume**	**SYM NAME**
BUS02P	99.222	1.5	99.227	99.212	99.212	na	2y
BUS05P	99.277	2.5	99.287	99.250	99.250	na	5y
BUS10P	99.015	5.5	99.030	98.285	98.285	na	10y
BUS30P	99.045	9	99.080	98.300	98.310	na	30y
	ls	**net**	**high**	**low**	**open**	**Volume**	**SYM NAME**
BUS02Y	4.660	(2.00)	4.711	4.647	4.702	na	2y Yield
BUS05Y	4.527	(1.90)	4.557	4.519	4.557	na	5y Yield
BUS10Y	4.616	(2.20)	4.646	4.612	4.646	na	10y Yield
BUS30Y	4.802	(1.70)	4.827	4.795	4.827	na	30y Yield

Source: CQG

News Recap for the United States *from* MarketNews international / Stone & McCarthy RESEARCH ASSOCIATES

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 **Eurodlr Futures**: Eurodlr 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 Eurodlr/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 11 - Treasuries are trading modestly higher across the board in London Friday, helped by modest dollar strength and weaker global stocks. Despite renewed demand from Japanese investors, however, volumes were largely muted ahead of the U.S. open.

Tokyo saw prices edge higher on follow-through demand from U.S. names and buying in both 5- and 10-year paper from Japanese life funds.

London saw prices continue to trade higher, with further early demand from Japanese names. London-based real money funds were buyers of 2- and 5-year paper, while leveraged players were seen selling into 10-year strength.

Bunds are trading modestly higher against U.S. 10-year T-notes, up 0.5 bps from Wednesday at 51 bps.

Duration, DV01s, Curve, Flys, CFs

	M Duration	DV01 32	DV01 $
30y	15.60	5.01	$1,565
10y	7.79	2.47	$773
5y	4.39	1.41	$440
2y	1.85	0.59	$185
ZB	9.76	3.55	$111
ZN	5.78	2.02	$63
ZF	3.82	1.31	$41
ZT	1.77	1.17	$36

Yield Curve Spreads

2/5	-13.30
5/10	8.90
2/10	-4.40
10/30	18.60
5/30	27.50
2/30	14.20

Fly's

2/5/10	-22.20
2/10/30	-23.00
5/10/30	-9.70

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)

Hedge Ratio's

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	2.715	3.040
ZN	0.570		1.548	1.734
ZF	0.368	0.646		1.000
ZT	0.329	0.577	0.893	

US Treasuries v US Financial Futures

	2y	5y	10y	30y
ZB	1.67	3.97	6.97	14.12
ZN	2.93	6.96	12.23	24.77
ZF	4.54	10.77	18.93	38.35
ZT	5.08	12.06	21.20	42.94

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		2.474	4.348	8.806
5y	0.421		1.757	3.560
10y	0.240	0.569		2.026
30y	0.118	0.281	0.494	

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	As of
ZF	(11,571)	35,267	(23,694)	5/1/2007
ZN	17,597	(14,713)	(2,885)	
ZB	(6,400)	(35,345)	41,746	

**WoW = Week over week

Closes2pm

	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
5y	0.59	2.175
10y	2.67	11.723
30y	6.18	320.777

	32nds
ZF	105.1500
ZN	107.3100
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)