

The Morning Email: Eurodollars & Fed Funds

Table of Contents

Pg 1	Eurodollars - Electronic Outright Contracts
Pg 2	Eurodollar - Charted Quarterly Curve
Pg 3	Fed Funds - Outright (Electronically Traded Contracts)
Pg 4	Fed Funds % Chance of Tightening, Easing
Pg 5	Eurodollar COT Data
Pg 6	Eurodollars and Fed Fund Spreads

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

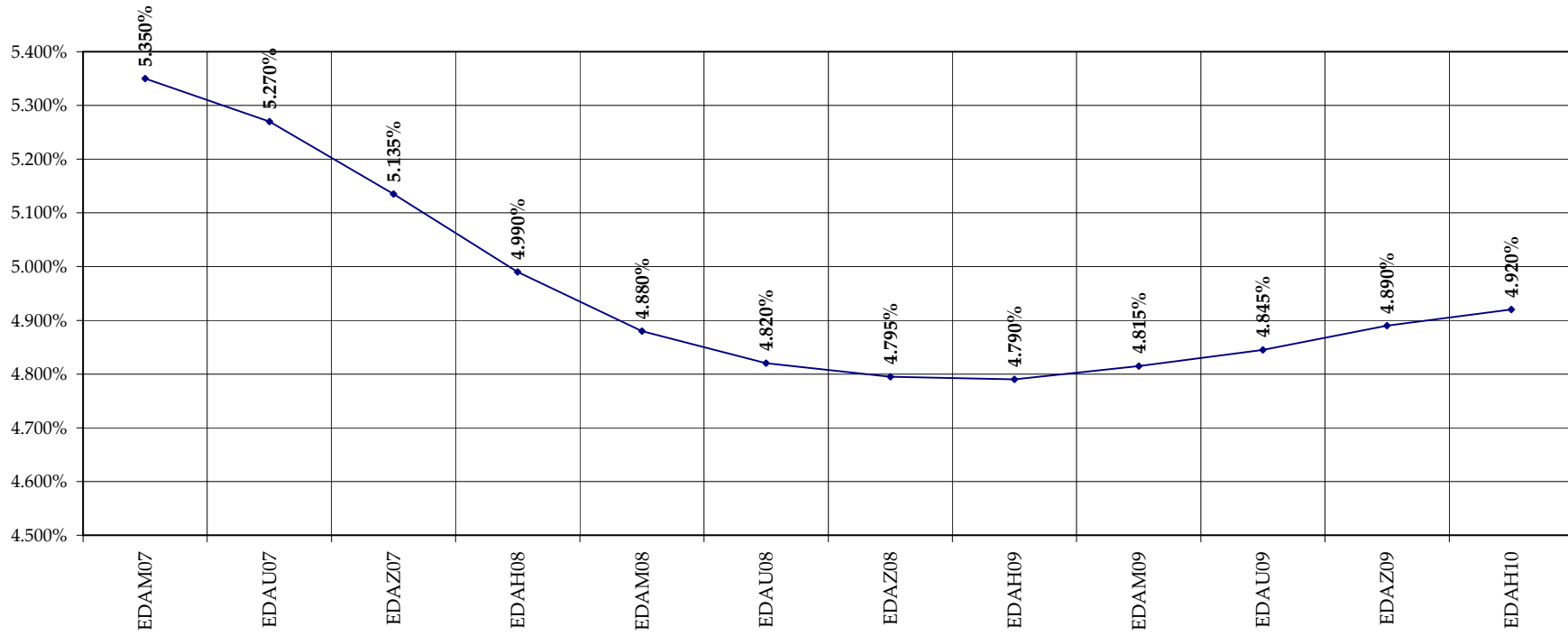
Note: Serial Contracts are not included in color scheme.

(Excluding Serial)

	Last	High	Low	Open	Month	Net	Exp Date	Implied		
EDAM07	94.650	94.653	94.650	94.653	JUN	-0.2	6/18/2007	5.350%	Whites	1st Year
EDAU07	94.730	94.740	94.730	94.735	SEP	-0.5	9/17/2007	5.270%		
EDAZ07	94.865	94.880	94.860	94.865	DEC	0.0	12/17/2007	5.135%		
EDAH08	95.010	95.030	95.005	95.010	MAR	0.0	3/17/2008	4.990%	Reds	1-2 yrs out
EDAM08	95.120	95.140	95.115	95.115	JUN	-0.5	6/16/2008	4.880%		
EDAU08	95.180	95.200	95.175	95.175	SEP	-1.0	9/15/2008	4.820%		
EDAZ08	95.205	95.225	95.200	95.205	DEC	-1.0	12/15/2008	4.795%		
EDAH09	95.210	95.230	95.205	95.220	MAR	-0.5	3/16/2009	4.790%	Greens	2-3 yrs out
EDAM09	95.185	95.200	95.185	95.190	JUN	-0.5	6/15/2009	4.815%		
EDAU09	95.155	95.165	95.150	95.165	SEP	0.0	9/14/2009	4.845%		
EDAZ09	95.110	95.115	95.110	95.115	DEC	0.0	12/14/2009	4.890%		
EDAH10	95.080	95.100	95.080	95.100	MAR	0.0	3/15/2010	4.920%	Blues	3-4 yrs out
EDAM10	95.040	#VALUE!	#VALUE!	#VALUE!	JUN	0.5	6/14/2010	4.960%		
EDAU10	95.010	#VALUE!	#VALUE!	#VALUE!	SEP	0.5	9/13/2010	4.990%		
EDAZ10	94.965	#VALUE!	#VALUE!	#VALUE!	DEC	1.0	12/13/2010			
EDAH11	94.960	#VALUE!	#VALUE!	#VALUE!	MAR	0.5	3/14/2011	5.040%	Golds	4-5 yrs out
EDAM11	94.905	#VALUE!	#VALUE!	#VALUE!	JUN	-1.5	6/13/2011	5.095%		
EDAU11	94.900	#VALUE!	#VALUE!	#VALUE!	SEP	2.5	9/19/2011	5.100%		
EDAZ11	94.860	#VALUE!	#VALUE!	#VALUE!	DEC	-5.0	12/19/2011	5.140%		
EDAH12	94.825	#VALUE!	#VALUE!	#VALUE!	MAR	-6.0	3/19/2012	5.175%	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

	ls	net	Implied	
0	0.000	0.000	100.000%	Apr
F.FFAK07	94.755	0.000	5.245%	May
F.FFAM07	94.745	0.000	5.255%	June
F.FFAN07	94.755	0.000	5.245%	July
F.FFAQ07	94.775	-0.500	5.225%	August
F.FFAU07	94.795	-0.500	5.205%	September
F.FFAV07	94.825	0.000	5.175%	October
F.FFAZ07	94.925	0.500	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
6/28/2007	5.00%	JUN, 2007	-42%
8/7/2007	5.00%	AUG, 2007	13%
9/18/2007	5.00%	SEP, 2007	35%
10/30/2007	5.00%	OCT, 2007	93%
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

Jim Goulding, GH Traders LLC, Treas-Arb, Chicago, jgoulding@ghco.com

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	#VALUE!
Jun-2007	9.500
Jul-2007	8.500
Sep-2007	6.500

* 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	5.2550	Jun-2007
F.FFAN07	5.2450	Jul-2007
F.FFAQ07	5.2250	Aug-2007
F.FFAU07	5.2050	Sep-2007
F.FFAV07	5.1750	Oct-2007
F.FFAX07	5.1350	Nov-2007
F.FFAZ07	5.0750	Dec-2007

Eurodollars Outright

Contract	Imp Rate	Contract Month
F.EDAJ07	#VALUE!	Apr-2007
F.EDAK07	#VALUE!	May-2007
F.EDAM07	5.350	Jun-2007
F.EDAN07	5.330	Jul-2007
F.EDAU07	5.270	Sep-2007
F.EDAZ07	5.135	Dec-2007

