

The Morning Email: Treasuries

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Want something added?

Let me know: jgoulding@ghco.com

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	Economic Releases - 32nds				Date
	5y*	10y*	ZNM7**	ZBM7**	
Non-farm High	99.283	99.015	108.090	111.30	5/4/2007
Non-farm Low	99.133	99.140	107.180	110.15	5/4/2007
FOMC High	99.268	100.000	108.075	111.24	5/9/2007
FOMC Low	99.195	99.115	107.305	111.08	5/9/2007
PPI High	99.135	98.105	107.195	110.23	4/13/2007
PPI Low	99.065	97.315	107.080	110.02	4/13/2007
CPI High	99.185	98.205	107.265	111.06	4/17/2007
CPI Low	99.085	98.090	107.135	110.17	4/17/2007
Auction Price	99.208	99.035			
Last Trade	99.165	98.155	107.250	111.02	5/15/2007 5:51

*Adjusted for New Issue

**Adjusted for Futures Roll

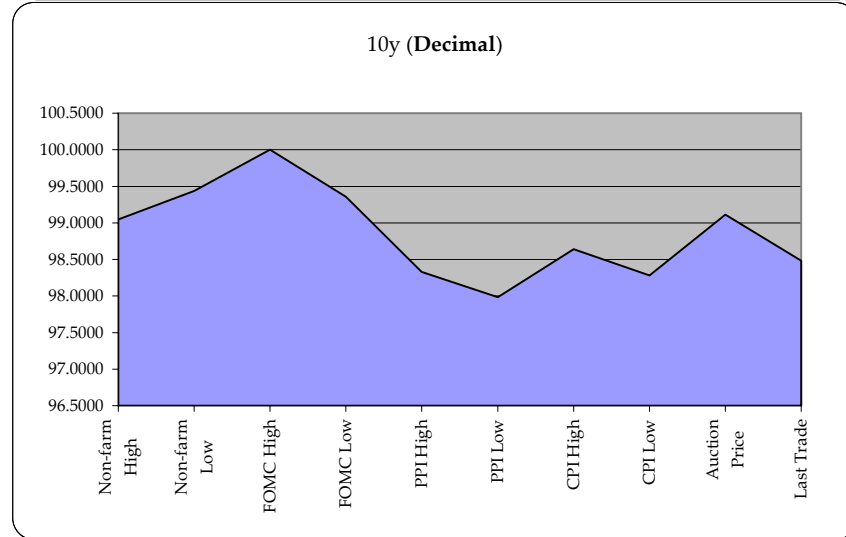
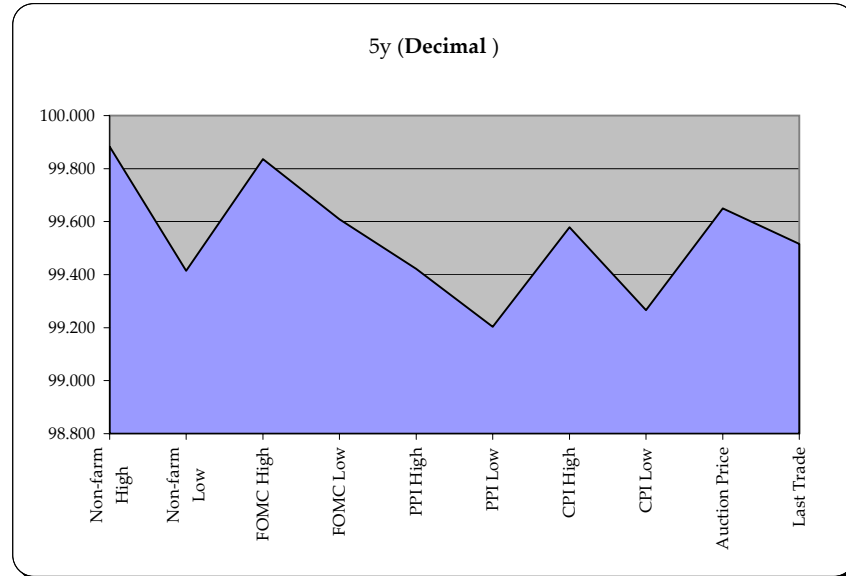
Prices are recorded from econ release to 2pm CDT

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	102.037	0.0	102.047	102.035	102.035	17,295	2y Futures	
FVAM7	105.115	(1.0)	105.140	105.105	105.110	68,680	5y Futures	
TYAM7	107.250	(2.0)	107.290	107.245	107.255	141,505	10y Futures	
USAM7	111.020	(2)	111.080	111.010	111.010	27,719	30y Futures	
	ls	net	high	low	open	Volume	SYM NAME	
BUS02P	99.182	0.2	99.190	99.182	99.182	na	2y	
BUS05P	99.165	0.2	99.187	99.162	99.167	na	5y	
BUS10P	98.155	1.0	98.190	98.145	98.150	na	10y	
BUS30P	98.080	4	98.125	98.065	98.080	na	30y	
	ls	net	high	low	open	Volume	SYM NAME	
BUS02Y	4.728	(0.40)	4.753	4.711	4.753	na	2y Yield	
BUS05Y	4.609	(0.10)	4.617	4.591	4.617	na	5y Yield	
BUS10Y	4.690	(0.20)	4.698	4.674	4.698	na	10y Yield	
BUS30Y	4.858	(0.70)	4.867	4.849	4.867	na	30y Yield	

Source: CQG

News Recap for the United States *from*

Yesterday

15:04 05/14 US TSYS/RECAP: US Tsys market slips lower Monday in a tight pre-CPI range. There were muted two-way flows, such as light real money buying in 10Y, 30Y bonds, mixed morning flows also from foreign central banks (but better selling on balance). Hedge funds did lots of morning rolling in Eurodlr options and the "volunator" - or a dealers vol desk - is selling more 10Y vol today. Cash, futures and swap traders alike cite very low volumes with sources citing caution before Tuesday's CPI as keeping some accounts sidelined. Eurodlr futures drew better dip buyers. 6M T-bills special in repo at 4.15%. In short UK debt, some key option trades before UK event risks this week, with one account buying 10k 94.875/75.625 Dec put ladders for 1.5 ticks, another buying 4k 94.875/75 Dec put spread for 1/2 tick credit. German Bunds weakened Mon. Fannie Mae to price Wed, S\$3B 5Y sale (new) and US\$1B 10Y reopening. MNI economist poll suggests median estimate of 0.5% Apr CPI, 0.2% core CPI. US stocks dipped but not enough to really help Tsys.

Overnight

05:28 05/15 TSYS: Treasuries are trading flat to modestly higher in London trade Tuesday, as the market awaits the U.S. inflation data expected later in the day. With CPI data expected around 1230GMT, and a host of Fed officials expected to speak throughout the session, event risk was keeping many players sidelined ahead of the New York open. Treasuries were modestly higher across the board in Tokyo, aided by weaker stocks and light dip-buying from regional funds. However, with a lack of follow-through buying, volumes were modest, with many Japanese accts on the sidelines. In London, flows were light and two-way, with a lack of stand-out features. There was light real money dip-buying of the five and ten year sector, with 10-year buying also observed from leveraged accounts, largely cross-border traders. Bunds are trading modestly lower against U.S. 10-yr, down 0.5 bps from Friday at 45.5 bps - now trading at levels not seen since Nov '04. The 2-yr was 1/64 higher, trading at 99 19/32 to yield 4.72%. The 10-yr was up 2/23 at 98 17/32 (4.69%).

Duration, DV01s, Curve, Flys, CFs

	M Duration	DV01 32	DV01 \$
30y	15.54	4.94	\$1,545
10y	7.96	2.51	\$784
5y	4.39	1.40	\$437
2y	1.85	0.59	\$184
ZB	9.74	3.51	\$110
ZN	5.77	2.01	\$63
ZF	3.82	1.30	\$41
ZT	1.77	1.16	\$36

Yield Curve Spreads

2/5	-11.90
5/10	8.10
2/10	-3.80
10/30	16.80
5/30	24.90
2/30	13.00

Fly's

2/5/10	-20.00
2/10/30	-20.60
5/10/30	-8.70

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)

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		1.750	2.706	3.026
ZN	0.571		1.546	1.729
ZF	0.370	0.647		1.000
ZT	0.330	0.578	0.894	

US Treasuries v US Financial Futures

	2y	5y	10y	30y
ZB	1.68	3.98	7.14	14.07
ZN	2.94	6.97	12.49	24.63
ZF	4.54	10.78	19.31	38.08
ZT	5.08	12.05	21.59	42.58

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		2.472	4.428	8.732
5y	0.421		1.791	3.532
10y	0.235	0.558		1.972
30y	0.119	0.283	0.507	

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	99.1875	4.723
5y	4.500	4/30/12	99.1725	4.605
10y	4.500	5/15/17	98.165	4.688
30y	4.750	2/15/37	98.09	4.858

	CF Basis* (decimal)	GHCO Basis		32nds
5y	0.59	2.285	ZF	105.1250
10y	2.65	10.365	ZN	107.2700
30y	6.14	315.846	ZB	111.04

Curve Spreads bps

2/5	(0.118)
5/10	0.083
2/10	(0.035)
10/30	0.170
5/30	0.253
2/30	0.135

New 10 Yr

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

CF = Conversion Factor
 Cash - (Futures * CF)

