

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

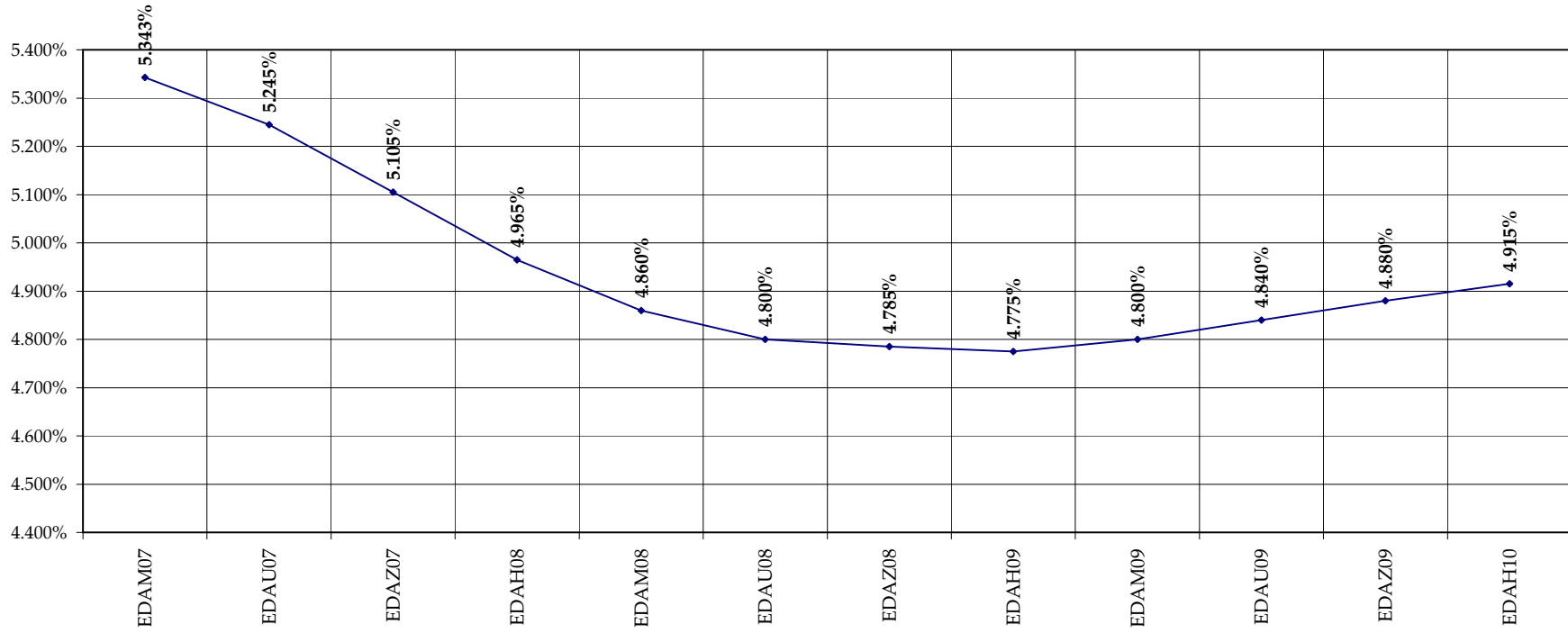
Note: Serial Contracts are not included in color scheme.

(Excluding Serial)

	Last	High	Low	Open	Month	Net	Exp Date	Implied		
EDAM07	94.658	94.660	94.653	94.653	JUN	0.2	6/18/2007	5.343%	Whites	1st Year
EDAU07	94.755	94.760	94.735	94.735	SEP	2.0	9/17/2007	5.245%		
EDAZ07	94.895	94.895	94.860	94.865	DEC	3.5	12/17/2007	5.105%		
EDAH08	95.035	95.040	95.000	95.010	MAR	4.0	3/17/2008	4.965%	Reds	1-2 yrs out
EDAM08	95.140	95.145	95.105	95.105	JUN	4.0	6/16/2008	4.860%		
EDAU08	95.200	95.200	95.165	95.165	SEP	3.5	9/15/2008	4.800%		
EDAZ08	95.215	95.220	95.195	95.195	DEC	3.5	12/15/2008	4.785%		
EDAH09	95.225	95.225	95.200	95.205	MAR	3.5	3/16/2009	4.775%	Greens	2-3 yrs out
EDAM09	95.200	95.200	95.180	95.180	JUN	3.0	6/15/2009	4.800%		
EDAU09	95.160	95.165	95.150	95.150	SEP	3.0	9/14/2009	4.840%		
EDAZ09	95.120	95.120	95.110	95.110	DEC	3.5	12/14/2009	4.880%		
EDAH10	95.085	95.090	95.085	95.090	MAR	3.0	3/15/2010	4.915%	Blues	3-4 yrs out
EDAM10	95.040	#VALUE!	#VALUE!	#VALUE!	JUN	3.5	6/14/2010	4.960%		
EDAU10	94.995	#VALUE!	#VALUE!	#VALUE!	SEP	2.5	9/13/2010	5.005%		
EDAZ10	94.945	#VALUE!	#VALUE!	#VALUE!	DEC	4.5	12/13/2010			
EDAH11	94.925	#VALUE!	#VALUE!	#VALUE!	MAR	4.5	3/14/2011	5.075%	Golds	4-5 yrs out
EDAM11	94.895	#VALUE!	#VALUE!	#VALUE!	JUN	-2.5	6/13/2011	5.105%		
EDAU11	94.855	#VALUE!	#VALUE!	#VALUE!	SEP	#VALUE!	9/19/2011	5.145%		
EDAZ11	94.815	#VALUE!	#VALUE!	#VALUE!	DEC	#VALUE!	12/19/2011	5.185%		
EDAH12	94.795	#VALUE!	#VALUE!	#VALUE!	MAR	#VALUE!	3/19/2012	5.205%	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	
F.FFAK07	94.750	-0.500	5.250%	May
F.FFAM07	94.745	-0.500	5.255%	June
F.FFAN07	94.760	0.000	5.240%	July
F.FFAQ07	94.780	0.500	5.220%	August
F.FFAU07	94.800	0.500	5.200%	September
F.FFAV07	94.840	1.000	5.160%	October
F.FFAZ07	94.930	2.000	5.070%	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	15%
9/18/2007	5.00%	SEP, 2007	38%
10/30/2007	5.00%	OCT, 2007	95%
12/11/2007	4.75%	DEC, 2007	47%

*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
1,391,317	1,713,577	(322,260)	991,249	881,013	110,236	10,675,152	10,463,128	212,024

As of
5/8/2007

Week over Week Change		
Sm Spec	Lg Spec	Commrc
3,949	(90,799)	86,850

Eurodollars and Fed Fund Spreads

Implied Eurodollar Rate minus Implied Fed Funds Rate

Spread Price (bps)*

Apr-2007	#VALUE!
May-2007	#VALUE!
Jun-2007	8.750
Jul-2007	8.500
Sep-2007	4.500

* 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	5.2500	May-2007
F.FFAM07	5.2550	Jun-2007
F.FFAN07	5.2400	Jul-2007
F.FFAQ07	5.2200	Aug-2007
F.FFAU07	5.2000	Sep-2007
F.FFAV07	5.1600	Oct-2007
F.FFAX07	5.1250	Nov-2007
F.FFAZ07	5.0700	Dec-2007

Eurodollars Outright

Contract	Imp Rate	Contract Month
F.EDAJ07	#VALUE!	Apr-2007
F.EDAK07	#VALUE!	May-2007
F.EDAM07	5.343	Jun-2007
F.EDAN07	5.325	Jul-2007
F.EDAU07	5.245	Sep-2007
F.EDAZ07	5.105	Dec-2007

