

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

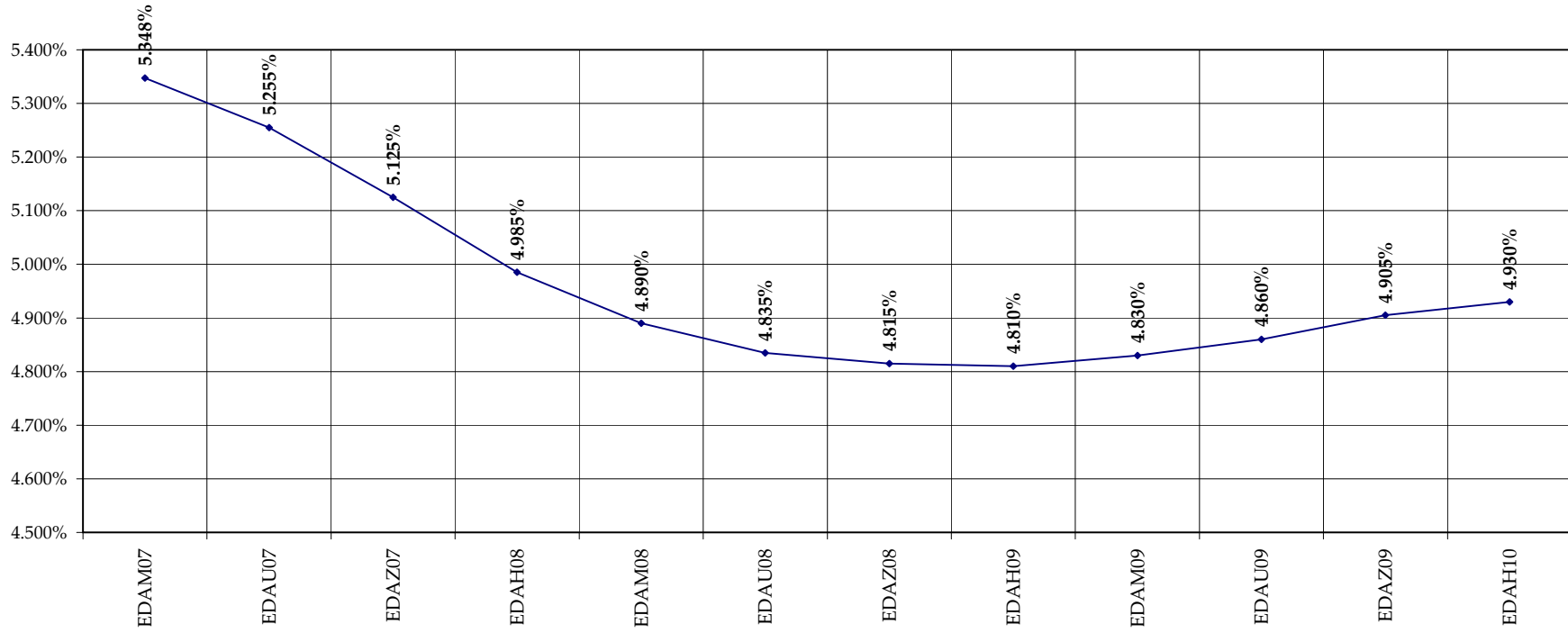
Note: Serial Contracts are not included in color scheme.

(Excluding Serial)

	Last	High	Low	Open	Month	Net	Exp Date	Implied		
EDAM07	94.653	94.655	94.650	94.655	JUN	0.2	6/18/2007	5.348%	Whites	1st Year
EDAU07	94.745	94.750	94.735	94.740	SEP	0.5	9/17/2007	5.255%		
EDAZ07	94.875	94.880	94.865	94.870	DEC	-0.5	12/17/2007	5.125%		
EDAH08	95.015	95.025	95.005	95.010	MAR	-0.5	3/17/2008	4.985%	Reds	1-2 yrs out
EDAM08	95.110	95.120	95.105	95.105	JUN	0.5	6/16/2008	4.890%		
EDAU08	95.165	95.175	95.150	95.155	SEP	0.0	9/15/2008	4.835%		
EDAZ08	95.185	95.195	95.175	95.175	DEC	0.0	12/15/2008	4.815%		
EDAH09	95.190	95.200	95.180	95.180	MAR	0.5	3/16/2009	4.810%	Greens	2-3 yrs out
EDAM09	95.170	95.175	95.170	95.175	JUN	1.0	6/15/2009	4.830%		
EDAU09	95.140	95.150	95.140	95.145	SEP	0.5	9/14/2009	4.860%		
EDAZ09	95.095	95.105	95.090	95.090	DEC	0.5	12/14/2009	4.905%		
EDAH10	95.070	95.075	95.060	95.060	MAR	1.0	3/15/2010	4.930%	Blues	3-4 yrs out
EDAM10	95.035	95.035	95.035	95.035	JUN	0.5	6/14/2010	4.965%		
EDAU10	94.985	#VALUE!	#VALUE!	#VALUE!	SEP	0.0	9/13/2010	5.015%		
EDAZ10	94.945	#VALUE!	#VALUE!	#VALUE!	DEC	0.0	12/13/2010			
EDAH11	94.915	#VALUE!	#VALUE!	#VALUE!	MAR	0.0	3/14/2011	5.085%	Golds	4-5 yrs out
EDAM11	94.885	#VALUE!	#VALUE!	#VALUE!	JUN	1.5	6/13/2011	5.115%		
EDAU11	94.855	#VALUE!	#VALUE!	#VALUE!	SEP	3.5	9/19/2011	5.145%		
EDAZ11	94.815	#VALUE!	#VALUE!	#VALUE!	DEC	-3.0	12/19/2011	5.185%		
EDAH12	94.790	#VALUE!	#VALUE!	#VALUE!	MAR	-3.0	3/19/2012	5.210%	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	94.755	-0.500	5.245%	May
F.FFAM07	94.750	-0.500	5.250%	June
F.FFAN07	94.755	0.000	5.245%	July
F.FFAQ07	94.780	0.500	5.220%	August
F.FFAU07	94.800	0.000	5.200%	September
F.FFAV07	94.840	1.000	5.160%	October
F.FFAZ07	#VALUE!	1.000	#VALUE!	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	0%
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	#VALUE!
1/31/2008	4.75%	JAN, 2008	100%

*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	9.750
Jul-2007	8.000
Sep-2007	5.500

* 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	5.2500	Jun-2007
F.FFAN07	5.2450	Jul-2007
F.FFAQ07	5.2200	Aug-2007
F.FFAU07	5.2000	Sep-2007
F.FFAV07	5.1600	Oct-2007
F.FFAX07	5.1200	Nov-2007
F.FFAZ07	#VALUE!	Dec-2007

Eurodollars Outright

Contract	Imp Rate	Contract Month
F.EDAJ07	#VALUE!	Apr-2007
F.EDAK07	#VALUE!	May-2007
F.EDAM07	5.348	Jun-2007
F.EDAN07	5.325	Jul-2007
F.EDAU07	5.255	Sep-2007
F.EDAZ07	5.125	Dec-2007

