

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

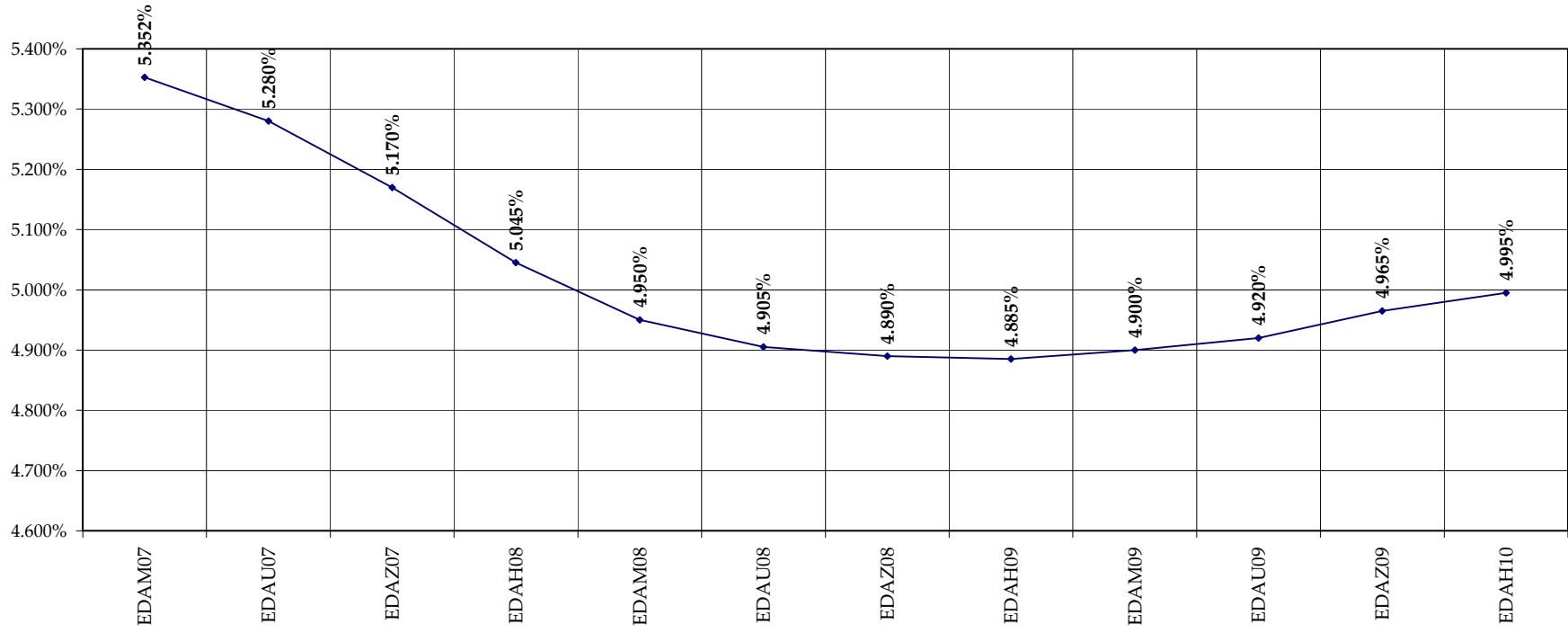
Note: Serial Contracts are not included in color scheme.

(Excluding Serial)

	Last	High	Low	Open	Month	Net	Exp Date	Implied		
EDAM07	94.648	94.650	94.645	94.648	JUN	0.0	6/18/2007	5.352%	Whites	1st Year
EDAU07	94.720	94.725	94.715	94.715	SEP	0.0	9/17/2007	5.280%		
EDAZ07	94.830	94.840	94.820	94.825	DEC	0.0	12/17/2007	5.170%		
EDAH08	94.955	94.970	94.950	94.955	MAR	0.5	3/17/2008	5.045%		
EDAM08	95.050	95.060	95.040	95.045	JUN	0.0	6/16/2008	4.950%	Reds	1-2 yrs out
EDAU08	95.095	95.105	95.090	95.090	SEP	0.0	9/15/2008	4.905%		
EDAZ08	95.110	95.125	95.110	95.110	DEC	0.0	12/15/2008	4.890%		
EDAH09	95.115	95.130	95.115	95.120	MAR	0.5	3/16/2009	4.885%		
EDAM09	95.100	95.110	95.100	95.105	JUN	0.0	6/15/2009	4.900%	Greens	2-3 yrs out
EDAU09	95.080	95.085	95.075	95.085	SEP	0.5	9/14/2009	4.920%		
EDAZ09	95.035	95.040	95.030	95.040	DEC	0.5	12/14/2009	4.965%		
EDAH10	95.005	95.005	95.005	95.005	MAR	0.5	3/15/2010	4.995%		
EDAM10	94.970	94.970	94.970	94.970	JUN	1.0	6/14/2010	5.030%	Blues	3-4 yrs out
EDAU10	94.940	94.940	94.940	94.940	SEP	1.0	9/13/2010	5.060%		
EDAZ10	94.895	94.895	94.895	94.895	DEC	1.0	12/13/2010			
EDAH11	94.870	94.870	94.870	94.870	MAR	0.0	3/14/2011	5.130%		
EDAM11	94.835	94.845	94.835	94.845	JUN	-1.0	6/13/2011	5.165%	Golds	4-5 yrs out
EDAU11	94.800	#VALUE!	#VALUE!	#VALUE!	SEP	-0.5	9/19/2011	5.200%		
EDAZ11	94.765	#VALUE!	#VALUE!	#VALUE!	DEC	-0.5	12/19/2011	5.235%		
EDAH12	94.740	#VALUE!	#VALUE!	#VALUE!	MAR	-1.0	3/19/2012	5.260%		
EDAM12		I do not keep data on purples through the coppers due to the non-liquidity.							Purples	5-6 yrs out
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	
F.FFAK07	94.755	-0.500	5.245%	May
F.FFAM07	94.750	-0.500	5.250%	June
F.FFAN07	94.760	0.000	5.240%	July
F.FFAQ07	94.775	0.000	5.225%	August
F.FFAU07	94.790	-0.500	5.210%	September
F.FFAV07	94.820	-0.500	5.180%	October
F.FFAZ07	94.895	-1.000	5.105%	December

[Jim's 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	13%
9/18/2007	5.00%	SEP, 2007	32%
10/30/2007	5.00%	OCT, 2007	92%
12/11/2007	4.75%	DEC, 2007	39%
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)^

Jun-2007	10.250
Jul-2007	10.000
Sep-2007	7.000
Dec-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.FFAM07	5.2500	Jun-2007
F.FFAN07	5.2400	Jul-2007
F.FFAQ07	5.2250	Aug-2007
F.FFAU07	5.2100	Sep-2007
F.FFAV07	5.1800	Oct-2007
F.FFAX07	5.1400	Nov-2007
F.FFAZ07	5.1050	Dec-2007

Eurodollars Outright

Contract	Imp Rate	Contract Month
F.EDAM07	5.353	Jun-2007
F.EDAN07	5.340	Jul-2007
F.EDAU07	5.280	Sep-2007
F.EDAZ07	5.170	Dec-2007

