The Morning Email: Eurodollars & Fed Funds

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You can find a recap of yesterday's Eurodollar trading in the Morning Email 'TREAS'.

Also, did you know that the Fed Funds percent chance of hike/cut is in this email? It's on pg4.

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.

Want something added? Let me know: jgoulding@ghco.com

Disclaimer: All information within this newsletter is meant for internal use at GH Trader's LLC, only. All information has been recorded to the best of my ability. This material is based upon information that I consider reliable, but I do not represent that it is accurate or complete.

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(Excluding Serial)

	Last	High	Low	Open	Month	Net	Exp Date	Implied		
EDAM07	94.640	94.643	94.640	94.640	JUN	0.0	6/18/2007	5.360%	**Whites**	**1st Year**
EDAU07	94.670	94.680	94.670	94.680	SEP	-1.0	9/17/2007	5.330%		
EDAZ07	94.735	94.750	94.735	94.750	DEC	-0.5	12/17/2007	5.265%		
EDAH08	94.825	94.845	94.820	94.840	MAR	-0.5	3/17/2008	5.175%		
EDAM08	94.880	94.900	94.875	94.895	JUN	-1.0	6/16/2008	5.120%	**Reds**	**1-2 yrs out**
EDAU08	94.905	94.925	94.905	94.920	SEP	-1.5	9/15/2008	5.095%		
EDAZ08	94.910	94.930	94.910	94.930	DEC	-1.0	12/15/2008	5.090%		
EDAH09	94.910	94.930	94.910	94.920	MAR	-1.5	3/16/2009	5.090%		
EDAM09	94.895	94.905	94.890	94.890	JUN	-1.5	6/15/2009	5.105%	**Greens**	**2-3 yrs out**
EDAU09	94.860	94.875	94.860	94.875	SEP	-0.5	9/14/2009	5.140%		
EDAZ09	94.825	94.830	94.825	94.825	DEC	-0.5	12/14/2009	5.175%		
EDAH10	94.805	94.810	94.795	94.810	MAR	0.0	3/15/2010	5.195%		
EDAM10	94.775	94.780	94.775	94.780	JUN	0.5	6/14/2010	5.225%	**Blues**	**3-4 yrs out**
EDAU10	94.755	94.755	94.755	94.755	SEP	1.0	9/13/2010	5.245%		
EDAZ10	94.720	94.720	94.720	94.720	DEC	1.0	12/13/2010			
EDAH11	94.690	#VALUE!	#VALUE!	#VALUE!	MAR	2.0	3/14/2011	5.310%		
EDAM11	94.685	#VALUE!	#VALUE!	#VALUE!	JUN	-1.0	6/13/2011	5.315%	**Golds**	**4-5 yrs out**
EDAU11	94.670	#VALUE!	#VALUE!	#VALUE!	SEP	-1.5	9/19/2011	5.330%		
EDAZ11	94.635	#VALUE!	#VALUE!	#VALUE!	DEC	-1.5	12/19/2011	5.365%		
EDAH12	94.595	#VALUE!	#VALUE!	#VALUE!	MAR	-1.5	3/19/2012	5.405%		
EDAM12									**Purples**	**5-6 yrs out**
EDAU12										
EDAZ12										
EDZH13										
EDAM13									**Oranges**	**6-7 yrs out**
EDAU13										
EDAZ13										
EDAH14										
EDAM14									**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										

I do not keep data on purples through the coppers due to the non-liquidity.

Red pack/Gold pack spread, is a 2/10 proxy

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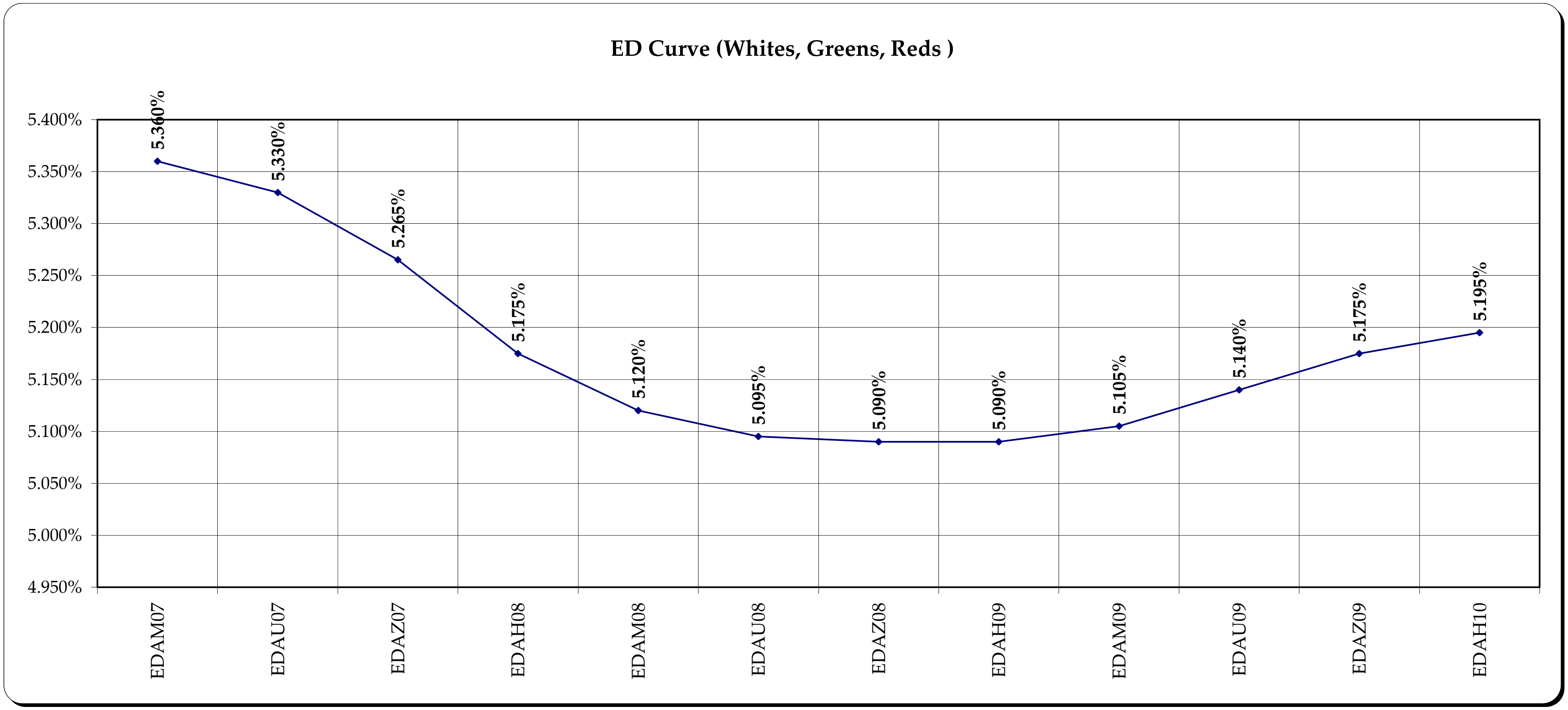

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Fed Funds - Outright (Electronically Traded Contracts)

Fed Funds

	ls	net	Implied	
F.FFAK07	94.750	-0.500	5.250%	May
F.FFAM07	94.745	0.000	5.255%	June
F.FFAN07	94.750	-0.500	5.250%	July
F.FFAQ07	94.755	-0.500	5.245%	August
F.FFAU07	94.765	0.000	5.235%	September
F.FFAV07	94.775	0.000	5.225%	October
F.FFAZ07	94.825	-0.500	5.175%	December

[Jim's note: Table linked to FF % chance]

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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	**3%**

9/18/2007	**5.00%**	SEP, 2007	**14%**
10/30/2007	**5.00%**	OCT, 2007	**78%**
12/11/2007	**4.75%**	DEC, 2007	**21%**

***FF Rate Projected X date** is provided by me. Meaning, I'm asking the quesiton, "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

Eurodollar COT Data

Current Positions								
Small Spec			Large Spec			Commercials		
Long	Short	Net	Long	Short	Net	Long	Short	Net
1,178,180	1,500,075	(321,895)	1,373,729	1,104,191	269,538	10,867,543	10,815,187	52,356

As of

Week over Week Change		
Sm Spec	Lg Spec	Commrcl

5/22/2007	(18,844)	50,683	(31,839)

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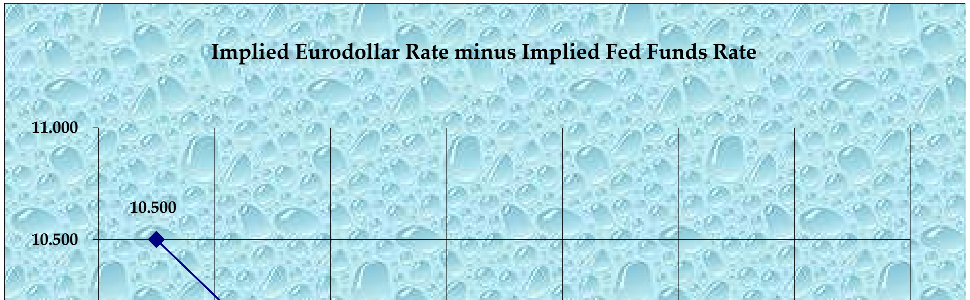
Implied Eurodollar Rate minus Implied Fed Funds Rate

Spread^	Price (bps)^
Jun-2007	**10.500**
Jul-2007	**10.000**
Sep-2007	**9.500**
Dec-2007	**9.000**

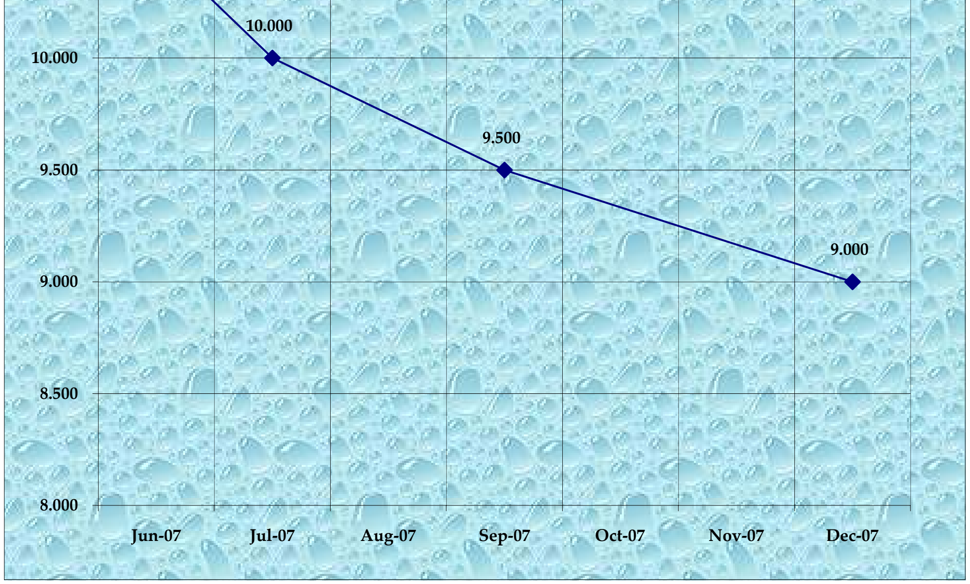
^ Example: 12.250 = 12 1/4 basis points



#Value = No quote being provided by exchange

Fed Funds Outright		
Contract	**Imp Rate**	**Contract Month**
F.FFAM07	5.2550	Jun-2007
F.FFAN07	5.2500	Jul-2007
F.FFAQ07	5.2450	Aug-2007
F.FFAU07	5.2350	Sep-2007
F.FFAV07	5.2250	Oct-2007
F.FFAX07	5.1950	Nov-2007
F.FFAZ07	5.1750	Dec-2007

Eurodollars Outright		
Contract	**Imp Rate**	**Contract Month**
F.EDAM07	5.360	Jun-2007
F.EDAN07	5.350	Jul-2007
F.EDAU07	5.330	Sep-2007
F.EDAZ07	5.265	Dec-2007



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Packs vs Curve

	Last
Red Pack	5.099
Gold Pack	5.380
Gold - Red	0.281

US 2yr	4.892
US 10yr	4.874
10yr - 2yr	-0.018

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UNDER
CONSTRUCTION