

The Morning Email: Eurodollars & Fed Funds

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Want something added? Let me know: jgoulding@ghco.com
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	Last	High	Low	Open	Month	Net	Exp Date	Implied		
EDAZ07	95.120	95.135	95.100	95.120	DEC	-0.5	12/17/2007	4.880%	Whites	1st Year
EDAH08	95.425	95.435	95.380	95.420	MAR	-0.5	3/17/2008	4.575%		
EDAM08	95.590	95.600	95.550	95.585	JUN	0.5	6/16/2008	4.410%		
EDAU08	95.670	95.680	95.620	95.655	SEP	1.0	9/15/2008	4.330%		
EDAZ08	95.670	95.680	95.620	95.650	DEC	2.0	12/15/2008	4.330%	Reds	1-2 yrs out
EDAH09	95.610	95.620	95.555	95.590	MAR	1.5	3/16/2009	4.390%		
EDAM09	95.510	95.515	95.455	95.490	JUN	2.5	6/15/2009	4.490%		
EDAU09	95.410	95.415	95.360	95.390	SEP	2.5	9/14/2009	4.590%		
EDAZ09	95.315	95.320	95.265	95.295	DEC	2.5	12/14/2009	4.685%	Greens	2-3 yrs out
EDAH10	95.245	95.245	95.195	95.225	MAR	1.5	3/15/2010	4.755%		
EDAM10	95.175	95.175	95.135	95.135	JUN	2.5	6/14/2010	4.825%		
EDAU10	95.100	95.100	95.060	95.080	SEP	1.5	9/13/2010	4.900%		
EDAZ10	95.030	#VALUE!	#VALUE!	#VALUE!	DEC	0.0	12/13/2010	4.970%	Blues	3-4 yrs out
EDAH11	94.970	#VALUE!	#VALUE!	#VALUE!	MAR	-1.0	3/14/2011	5.030%		
EDAM11	94.915	#VALUE!	#VALUE!	#VALUE!	JUN	#VALUE!	6/13/2011	5.085%		
EDAU11	94.835	#VALUE!	#VALUE!	#VALUE!	SEP	-2.5	9/19/2011	5.165%		
EDAZ11	94.810	#VALUE!	#VALUE!	#VALUE!	DEC	#VALUE!	12/19/2011	5.190%	Golds	4-5 yrs out
EDAH12	94.745	#VALUE!	#VALUE!	#VALUE!	MAR	#VALUE!	3/19/2012	5.255%		
EDAM12	94.710	#VALUE!	#VALUE!	#VALUE!	JUN	#VALUE!	6/18/2012	5.290%		
EDAU12	94.670	#VALUE!	#VALUE!	#VALUE!	SEP	#VALUE!	9/17/2012	5.330%		
EDAZ12									Purples	5-6 yrs out
EDZH13										
EDAM13										
EDAU13										
EDAZ13									Oranges	6-7 yrs out
EDAH14										
EDAM14										
EDAU14										
EDAZ14									Pinks	7-8 yrs out
EDAH15										
EDAM15										
EDAU15										
EDAZ15									Grays	8-9 yrs out
EDAH16										
EDAM16										
EDAU16										
EDAZ16									Coppers	8-10 yrs out
EDAH17										
EDAM17										
EDAU17										

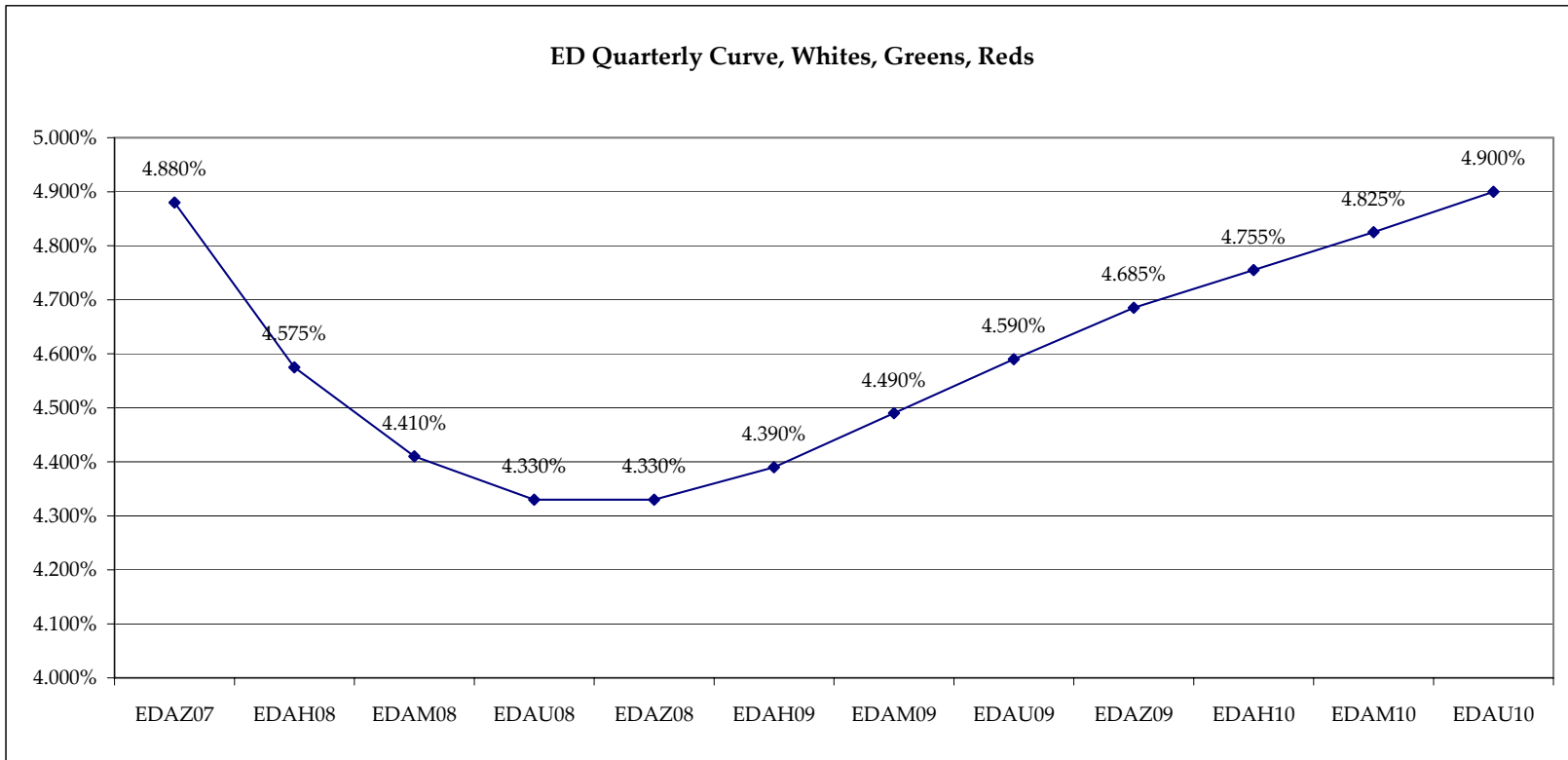
Red Pack is a 2 YR Proxy.
See 'TED' email for pack pricing.

Red/Gold pack is 2/10 Spread Proxy

Gold Pack is a 10 YR Proxy

Red pack is a 2yr proxy
Gold pack is a 10yr proxy
Red /Gold is a 2/10 proxy
Blue pack is a 5yr proxy
Blue/Gold is a 5/10 proxy

I do not keep stats on purples through coppers due to lack of volume.
Also, matrix excludes serial contracts.
Serials can be found on the ED and FF spread page.

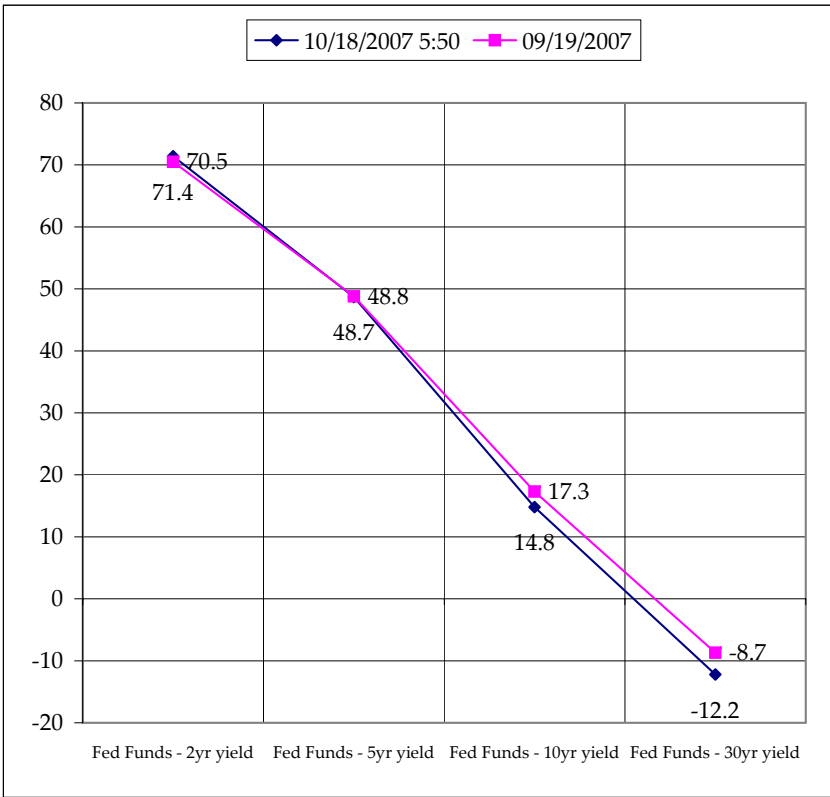
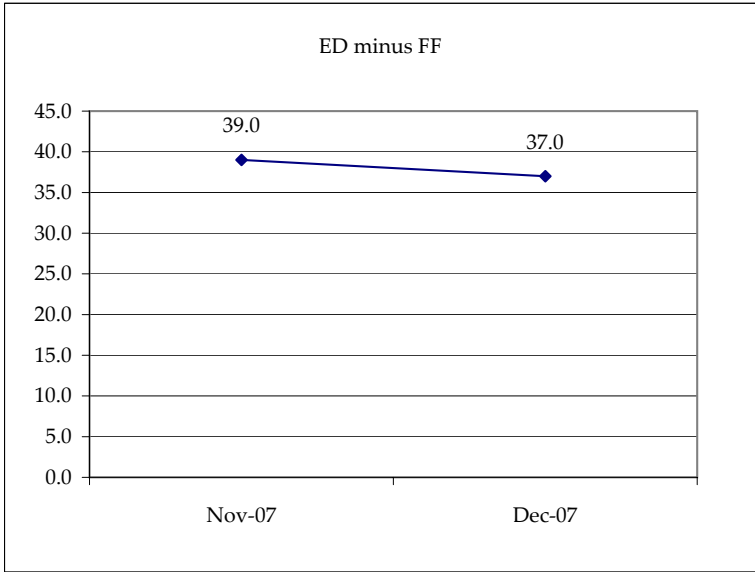


Month	Fed Funds (FF)			ED	ED - FF
	Last	Net	Implied	Implied	bps
Oct-07	95.260	0.000	4.740		
Nov-07	95.385	0.000	4.615	5.005	39.0
Dec-07	95.490	0.000	4.510	4.880	37.0
Jan-08	95.550	-0.050	4.450		
Feb-08	#VALUE!	#VALUE!	#VALUE!		
Mar-08	95.665	-0.050	4.335	4.575	24.0
Apr-08	95.685	-0.150	4.315		
May-08	#VALUE!	#VALUE!	#VALUE!		
Jun-08	#VALUE!	#VALUE!	#VALUE!	4.410	#VALUE!
Jul-08	#VALUE!	#VALUE!	#VALUE!		
Aug-08	#VALUE!	#VALUE!	#VALUE!		
Sep-08	#VALUE!	#VALUE!	#VALUE!	4.330	#VALUE!

Fed Funds Daily Effective Rate Minus US Treasury Yields			
Spread Name	Diff bps	Net Chng	09/19/2007
Fed Funds - 2yr yield	71.4	1.3	70.5
Fed Funds - 5yr yield	48.7	1.8	48.8
Fed Funds - 10yr yield	14.8	2.0	17.3
Fed Funds - 30yr yield	-12.2	2.0	-8.7
GFER	4.68	#VALUE!	

GFER = Fed Funds Daily Effective Rate

Why 10/17/2007?
 The morning of the CPI release is a good benchmark. I marked them at 5:30am CT, which was 2 hours before the CPI release.



October	avg target	400	425	450	475	500	525		
10/15/2007	4.667%	0.0%	3.1%	27.2%	69.6%	0.0%	0.1%		
10/16/2007	4.652%	0.2%	4.5%	29.8%	65.4%	0.0%	0.1%		
December	avg target	375	400	425	450	475	500	525	
10/15/2007	4.569%	0.4%	2.7%	14.2%	36.6%	44.2%	1.6%	0.3%	
10/16/2007	4.532%	0.0%	4.6%	21.7%	32.3%	39.7%	1.1%	0.6%	

This page shows the month of the FOMC meeting and the probabilities that they will ease/tighten to a certain Fed Funds Target Rate.

These probabilities take options into account and are much better at forecasting the FOMC intentions than the 'day-count' equation most analysts on the street use.

Notes:

All probabilities are taken from The Cleveland Federal Reserve

10/18/2007 5:50

Eurodollar COT Data

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Current Positions								
Small Spec			Large Spec			Commercials		
Long	Short	Net	Long	Short	Net	Long	Short	Net
1,289,455	1,321,823	(32,368)	1,256,555	305,695	950,860	8,886,914	9,805,402	(918,488)

As of
10/9/2007

Week over Week Change		
Sm Spec	Lg Spec	Commrc
(19,948)	(154,481)	174,433

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The Morning Email, ED&FF