

The Morning Email: Eurodollars & Fed Funds

Table of Contents

- Pg 1 Eurodollars - Electronic Outright Contracts
- Pg 2 ED, Quarterly Curve, Charted
- Pg 3 Fed Fund vs Eurodollars and Treasuries
- Pg 4 Fed Funds Probability of Tightening or Easing
- Pg 5 Eurodollar COT Data

Want something added? Let me know: jgoulding@ghco.com
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	Last	High	Low	Open	Month	Net	Exp Date	Implied		
EDAZ07	95.200	95.210	95.185	95.190	DEC	1.5	12/17/2007	4.800%	Whites	1st Year
EDAH08	95.490	95.525	95.465	95.480	MAR	1.5	3/17/2008	4.510%		
EDAM08	95.650	95.690	95.620	95.640	JUN	1.0	6/16/2008	4.350%		
EDAU08	95.725	95.770	95.705	95.720	SEP	1.5	9/15/2008	4.275%		
EDAZ08	95.720	95.765	95.700	95.720	DEC	1.5	12/15/2008	4.280%	Reds	1-2 yrs out
EDAH09	95.655	95.705	95.635	95.655	MAR	2.0	3/16/2009	4.345%		
EDAM09	95.550	95.600	95.530	95.555	JUN	2.0	6/15/2009	4.450%		
EDAU09	95.450	95.505	95.425	95.450	SEP	2.0	9/14/2009	4.550%		
EDAZ09	95.355	95.405	95.340	95.355	DEC	1.0	12/14/2009	4.645%	Greens	2-3 yrs out
EDAH10	95.290	95.330	95.270	95.270	MAR	2.0	3/15/2010	4.710%		
EDAM10	95.215	95.255	95.195	95.200	JUN	1.0	6/14/2010	4.785%		
EDAU10	95.170	95.185	95.125	95.125	SEP	1.0	9/13/2010	4.830%		
EDAZ10	95.085	#VALUE!	#VALUE!	#VALUE!	DEC	0.5	12/13/2010	4.915%	Blues	3-4 yrs out
EDAH11	95.035	#VALUE!	#VALUE!	#VALUE!	MAR	2.5	3/14/2011	4.965%		
EDAM11	94.980	#VALUE!	#VALUE!	#VALUE!	JUN	-3.0	6/13/2011	5.020%		
EDAU11	94.925	#VALUE!	#VALUE!	#VALUE!	SEP	-4.0	9/19/2011	5.075%		
EDAZ11	94.830	#VALUE!	#VALUE!	#VALUE!	DEC	#VALUE!	12/19/2011	5.170%	Golds	4-5 yrs out
EDAH12	94.790	#VALUE!	#VALUE!	#VALUE!	MAR	#VALUE!	3/19/2012	5.210%		
EDAM12	94.755	#VALUE!	#VALUE!	#VALUE!	JUN	#VALUE!	6/18/2012	5.245%		
EDAU12	94.695	#VALUE!	#VALUE!	#VALUE!	SEP	#VALUE!	9/17/2012	5.305%		
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										

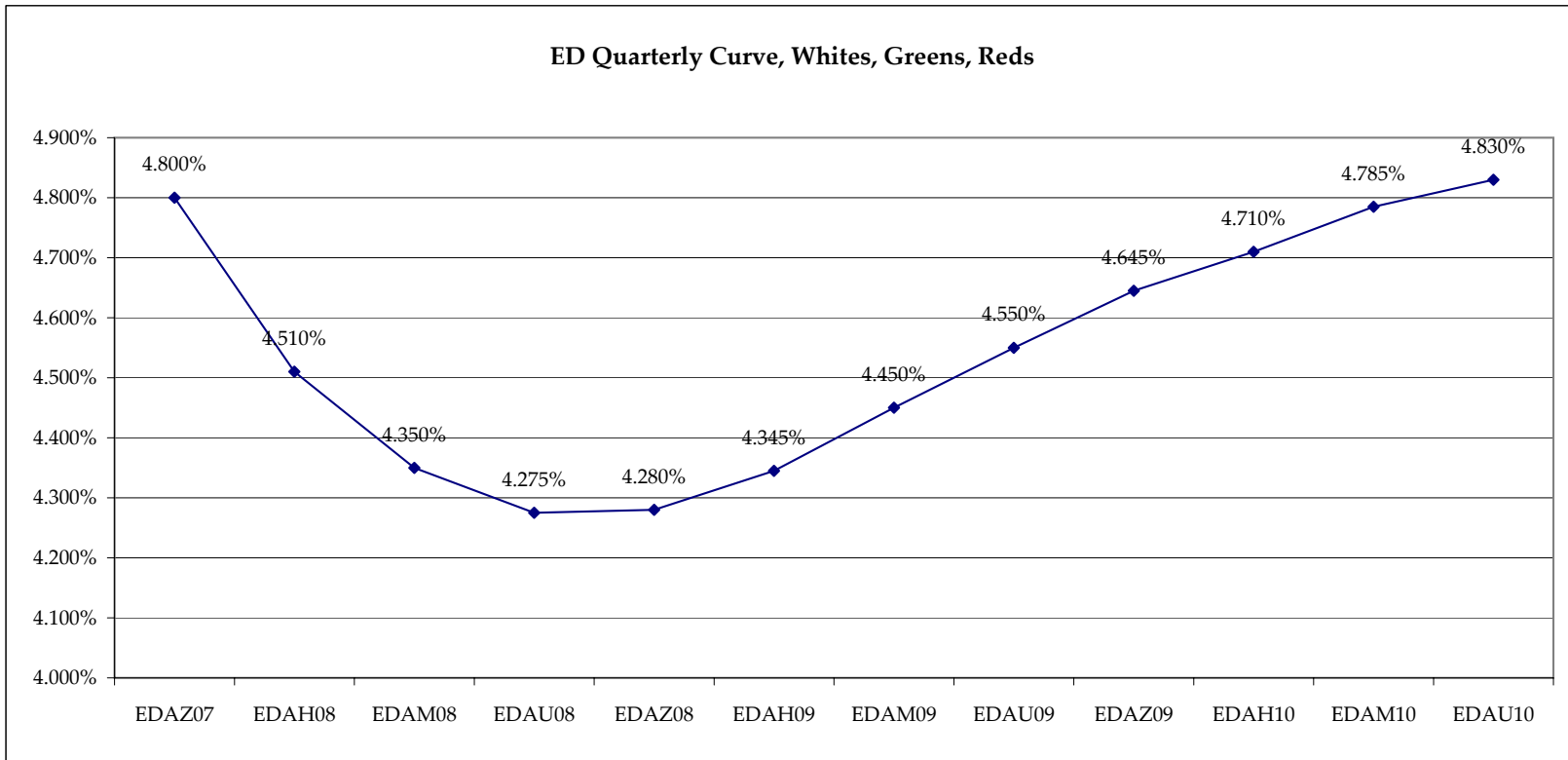
Red Pack is a 2 YR Proxy.
See 'TED' email for pack pricing.

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.

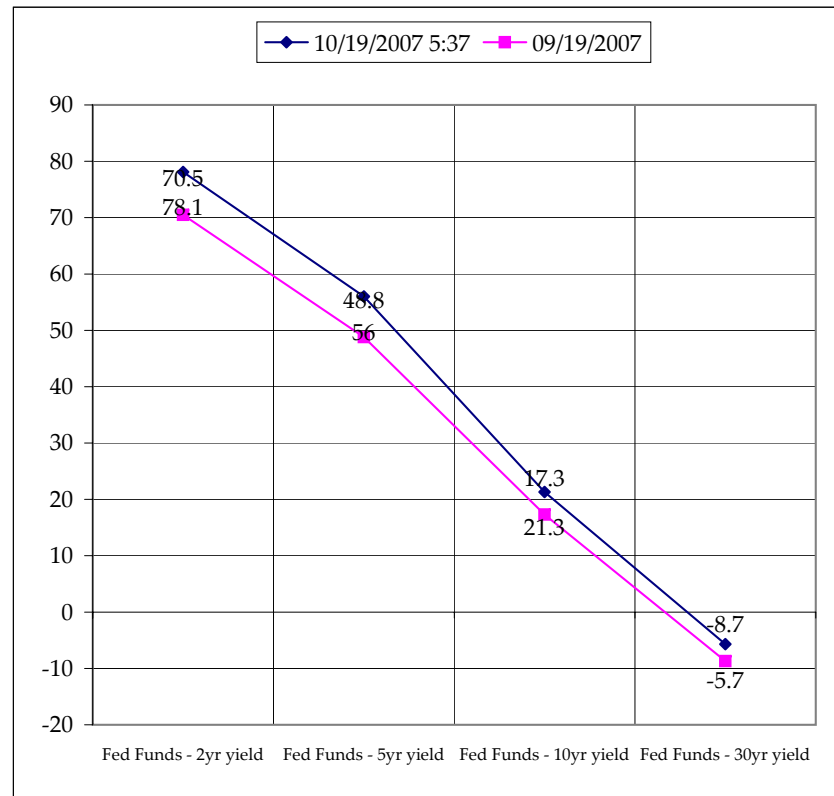
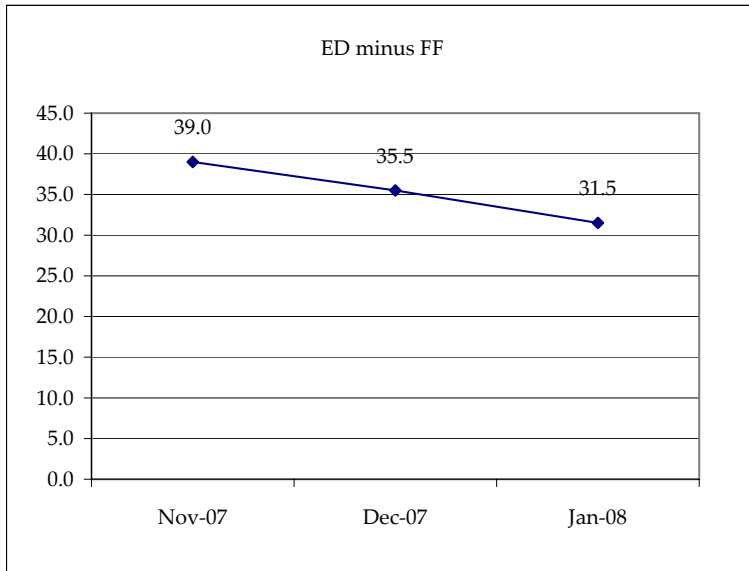


Month	Fed Funds (FF)			ED	ED - FF
	Last	Net	Implied	Implied	bps
Oct-07	95.265	0.050	4.735		
Nov-07	95.430	0.050	4.570	4.960	39.0
Dec-07	95.555	0.100	4.445	4.800	35.5
Jan-08	95.625	0.150	4.375	4.690	31.5
Feb-08	95.730	0.100	4.270		
Mar-08	95.760	0.150	4.240	4.510	27.0
Apr-08	#VALUE!	#VALUE!	#VALUE!		
May-08	#VALUE!	#VALUE!	#VALUE!		
Jun-08	#VALUE!	#VALUE!	#VALUE!	4.350	#VALUE!
Jul-08	#VALUE!	#VALUE!	#VALUE!		
Aug-08	#VALUE!	#VALUE!	#VALUE!		
Sep-08	#VALUE!	#VALUE!	#VALUE!	4.275	#VALUE!

Fed Funds Daily Effective Rate Minus US Treasury Yields			
Spread Name	Diff bps	Net Chng	09/19/2007
Fed Funds - 2yr yield	78.1	-0.7	70.5
Fed Funds - 5yr yield	56	0.6	48.8
Fed Funds - 10yr yield	21.3	0.6	17.3
Fed Funds - 30yr yield	-5.7	1.0	-8.7
GFER	4.70	#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		
10/16/2007	4.652%	0.2%	4.5%	29.8%	65.4%	0.0%	0.1%		
10/17/2007	4.612%	0.4%	8.4%	37.2%	53.9%	0.0%	0.0%		
December	avg target	375	400	425	450	475	500	525	
10/16/2007	4.532%	0.0%	4.6%	21.7%	32.3%	39.7%	1.1%	0.6%	
10/17/2007	4.454%	0.0%	8.7%	34.2%	25.3%	30.8%	0.7%	0.4%	

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

10/19/2007 5:37

Eurodollar COT Data

Page 5

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