

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	95.265	95.285	95.255	95.275	DEC	-2.5	12/17/2007	4.735%	Whites	1st Year
EDAH08	95.525	95.565	95.515	95.540	MAR	-6.0	3/17/2008	4.475%		
EDAM08	95.680	95.715	95.670	95.690	JUN	-5.5	6/16/2008	4.320%		
EDAU08	95.770	95.800	95.755	95.785	SEP	-6.0	9/15/2008	4.230%		
EDAZ08	95.775	95.805	95.760	95.785	DEC	-5.0	12/15/2008	4.225%	Reds	1-2 yrs out
EDAH09	95.720	95.745	95.700	95.720	MAR	-4.0	3/16/2009	4.280%		
EDAM09	95.615	95.640	95.600	95.620	JUN	-4.5	6/15/2009	4.385%		
EDAU09	95.520	95.545	95.505	95.520	SEP	-3.5	9/14/2009	4.480%		
EDAZ09	95.425	95.450	95.415	95.445	DEC	-3.5	12/14/2009	4.575%	Greens	2-3 yrs out
EDAH10	95.355	95.375	95.345	95.375	MAR	-3.5	3/15/2010	4.645%		
EDAM10	95.280	95.300	95.270	95.285	JUN	-3.5	6/14/2010	4.720%		
EDAU10	95.210	95.225	95.195	95.205	SEP	-3.0	9/13/2010	4.790%		
EDAZ10	95.165	#VALUE!	#VALUE!	#VALUE!	DEC	-3.0	12/13/2010	4.835%	Blues	3-4 yrs out
EDAH11	95.100	#VALUE!	#VALUE!	#VALUE!	MAR	-2.5	3/14/2011	4.900%		
EDAM11	95.035	#VALUE!	#VALUE!	#VALUE!	JUN	1.5	6/13/2011	4.965%		
EDAU11	94.975	#VALUE!	#VALUE!	#VALUE!	SEP	3.0	9/19/2011	5.025%		
EDAZ11	94.915	#VALUE!	#VALUE!	#VALUE!	DEC	#VALUE!	12/19/2011	5.085%	Golds	4-5 yrs out
EDAH12	94.890	#VALUE!	#VALUE!	#VALUE!	MAR	#VALUE!	3/19/2012	5.110%		
EDAM12	94.835	#VALUE!	#VALUE!	#VALUE!	JUN	#VALUE!	6/18/2012	5.165%		
EDAU12	94.795	#VALUE!	#VALUE!	#VALUE!	SEP	#VALUE!	9/17/2012	5.205%		
EDAZ12	94.750								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										

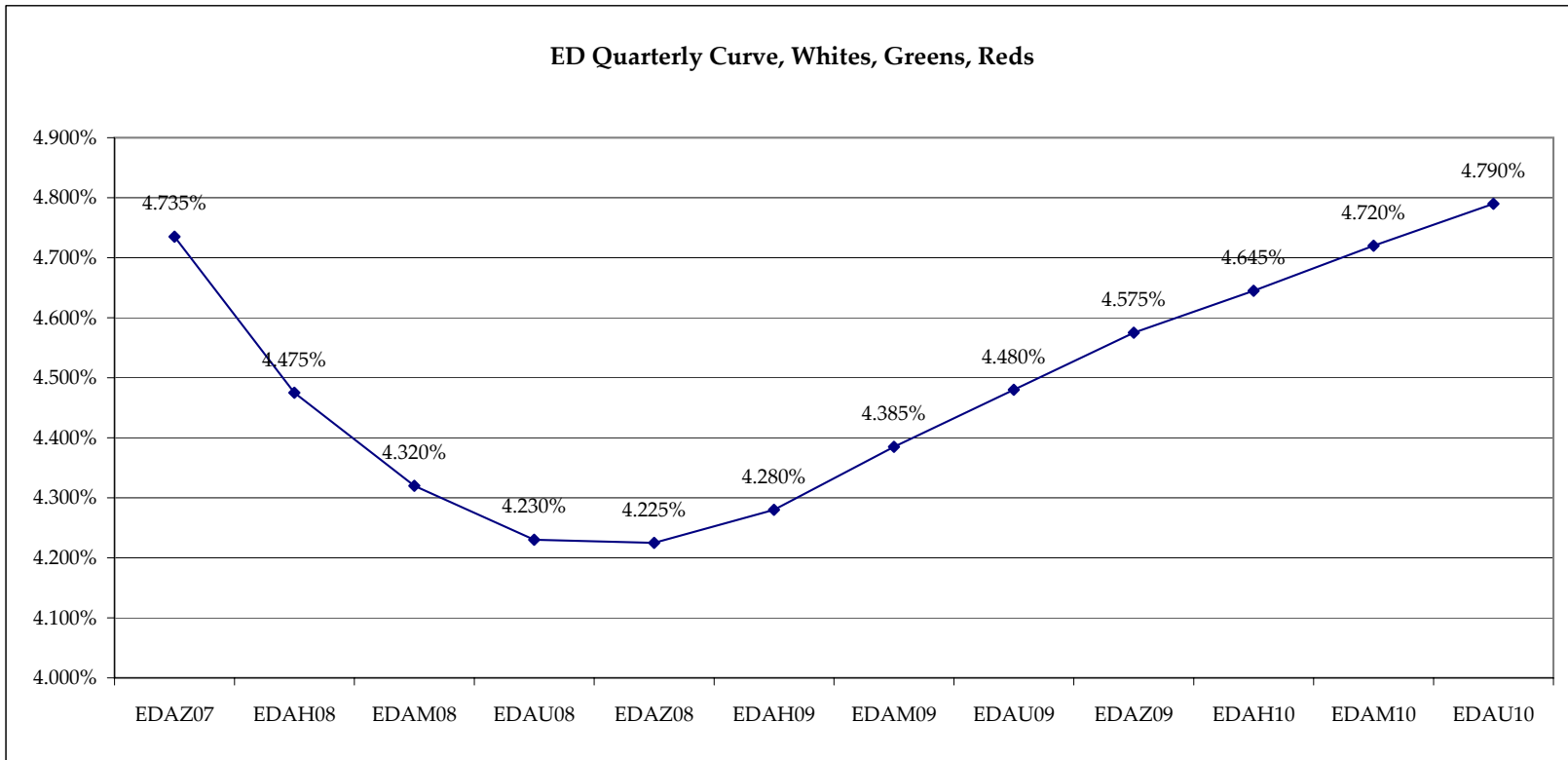
Red Pack is a 2 YR Proxy.
See 'TED' email for pack pricing.

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.

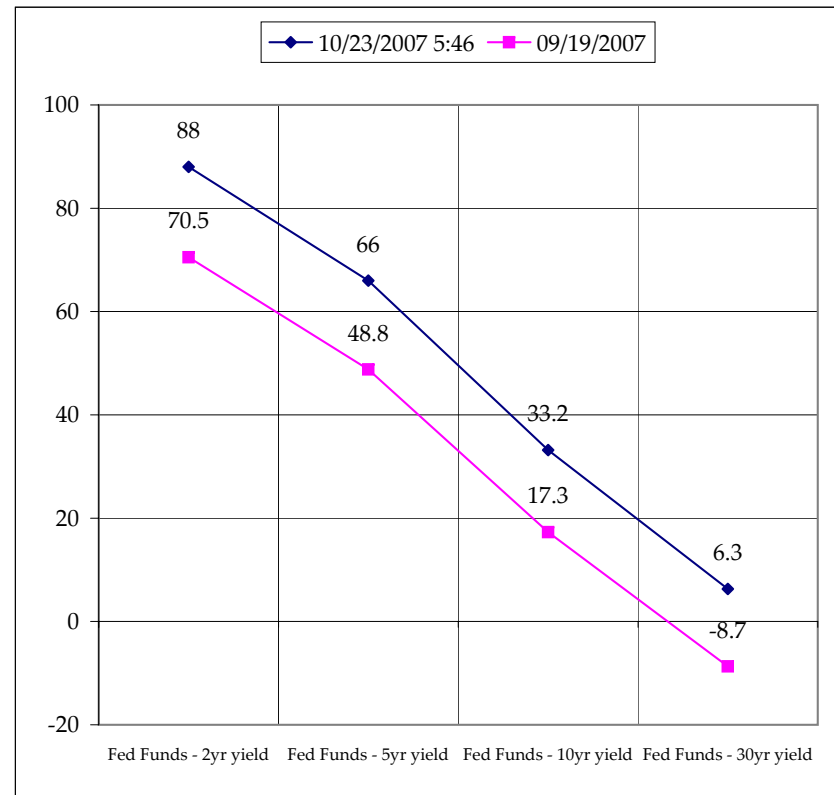
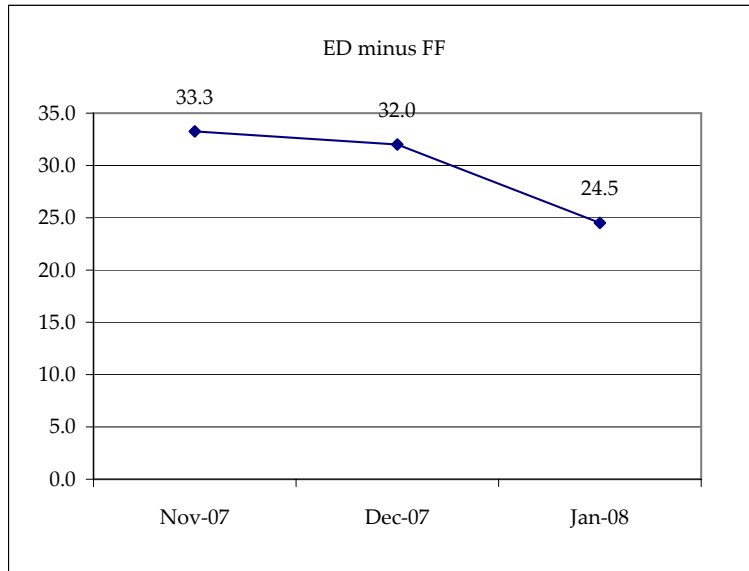


Month	Fed Funds (FF)			ED	ED - FF
	Last	Net	Implied	Implied	bps
Oct-07	95.260	-0.050	4.740		
Nov-07	95.445	-0.200	4.555	4.888	33.3
Dec-07	95.585	-0.150	4.415	4.735	32.0
Jan-08	95.650	-0.200	4.350	4.595	24.5
Feb-08	#VALUE!	#VALUE!	#VALUE!		
Mar-08	#VALUE!	#VALUE!	#VALUE!	4.475	#VALUE!
Apr-08	#VALUE!	#VALUE!	#VALUE!		
May-08	#VALUE!	#VALUE!	#VALUE!		
Jun-08	#VALUE!	#VALUE!	#VALUE!	4.320	#VALUE!
Jul-08	#VALUE!	#VALUE!	#VALUE!		
Aug-08	#VALUE!	#VALUE!	#VALUE!		
Sep-08	#VALUE!	#VALUE!	#VALUE!	4.230	#VALUE!

Fed Funds Daily Effective Rate Minus US Treasury Yields			
Spread Name	Diff bps	Net Chng	09/19/2007
Fed Funds - 2yr yield	88	-3.4	70.5
Fed Funds - 5yr yield	66	-3.1	48.8
Fed Funds - 10yr yield	33.2	-2.9	17.3
Fed Funds - 30yr yield	6.3	-3.1	-8.7
GFER	4.77	#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		
10/19/2007	4.517%	0.8%	16.7%	57.9%	24.3%	0.0%	0.3%		
10/22/2007	4.532%	0.5%	12.2%	61.8%	25.4%	0.0%	0.2%		
December	avg target	375	400	425	450	475	500	525	
10/19/2007	4.329%	2.3%	15.9%	38.1%	36.2%	7.1%	0.0%	0.3%	
10/22/2007	4.329%	3.0%	9.6%	50.0%	28.4%	8.7%	0.0%	0.3%	

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

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Eurodollar COT Data

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Current Positions								
Small Spec			Large Spec			Commercials		
Long	Short	Net	Long	Short	Net	Long	Short	Net
1,323,125	1,341,375	(18,250)	1,137,628	314,553	823,075	8,694,047	9,498,872	(804,825)

As of
10/9/2007

Week over Week Change		
Sm Spec	Lg Spec	Commrc
14,118	(127,785)	113,663

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The Morning Email, ED&FF