

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

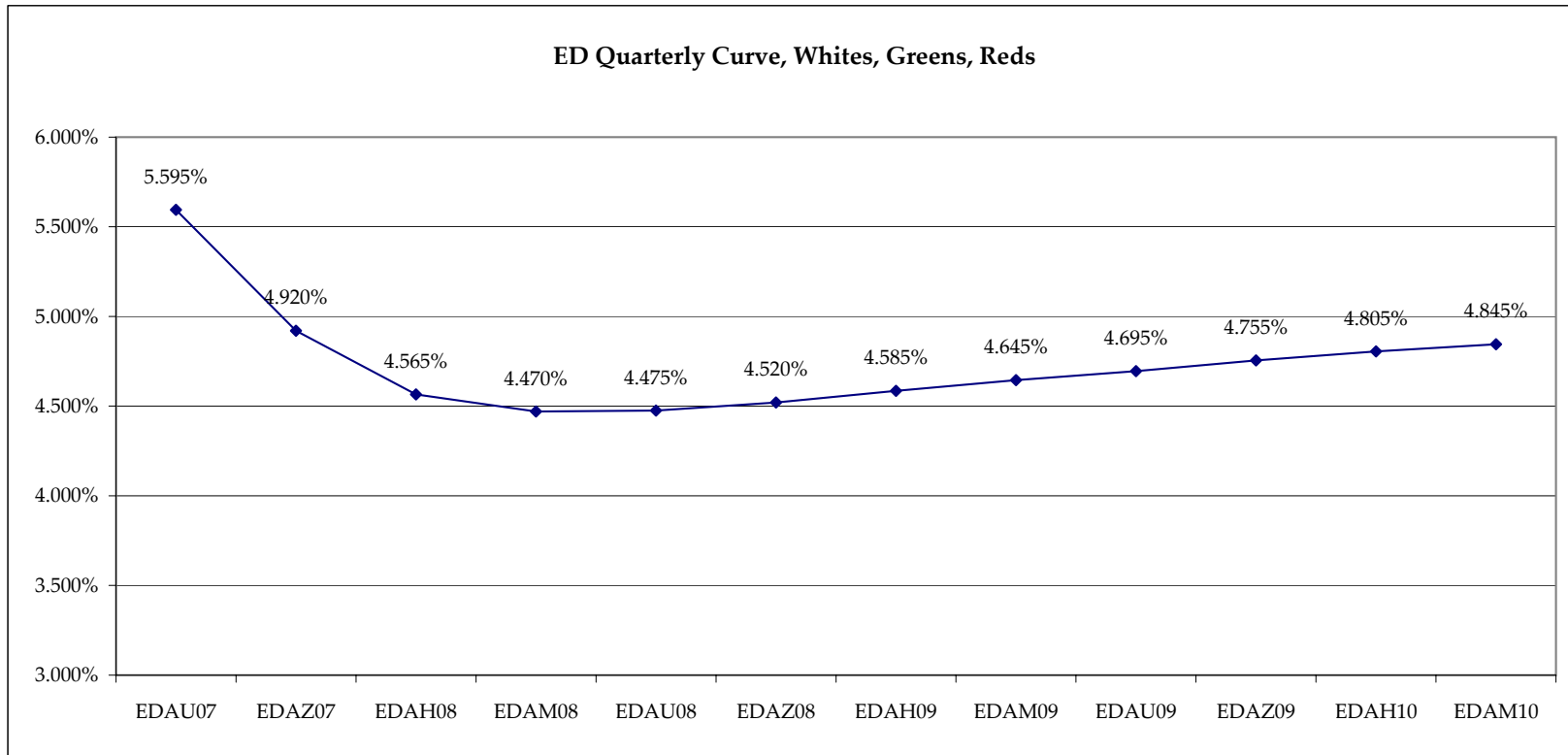
Want something added? Let me know: jgoulding@ghco.com

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.

Jim Goulding, jgoulding@ghco.com

	Last	High	Low	Open	Month	Net	Exp Date	Implied		
EDAU07	94.405	94.485	94.405	94.483	SEP	-8.8	9/17/2007	5.595%	Whites	1st Year
EDAZ07	95.080	95.085	95.025	95.070	DEC	1.5	12/17/2007	4.920%		
EDAH08	95.435	95.440	95.370	95.370	MAR	7.5	3/17/2008	4.565%		
EDAM08	95.530	95.540	95.455	95.455	JUN	8.0	6/16/2008	4.470%		
EDAU08	95.525	95.530	95.455	95.460	SEP	8.0	9/15/2008	4.475%	Reds	1-2 yrs out
EDAZ08	95.480	95.490	95.420	95.425	DEC	7.5	12/15/2008	4.520%		
EDAH09	95.415	95.435	95.365	95.370	MAR	7.5	3/16/2009	4.585%		
EDAM09	95.355	95.375	95.310	95.310	JUN	6.0	6/15/2009	4.645%		
EDAU09	95.305	95.320	95.270	95.295	SEP	5.0	9/14/2009	4.695%	Greens	2-3 yrs out
EDAZ09	95.245	95.260	95.210	95.240	DEC	5.0	12/14/2009	4.755%		
EDAH10	95.195	95.215	95.190	95.190	MAR	4.5	3/15/2010	4.805%		
EDAM10	95.155	95.160	95.120	95.145	JUN	5.5	6/14/2010	4.845%		
EDAU10	95.110	95.110	95.110	95.110	SEP	3.5	9/13/2010	4.890%	Blues	3-4 yrs out
EDAZ10	95.040	95.040	95.040	95.040	DEC	6.5	12/13/2010	4.960%		
EDAH11	95.000	95.000	95.000	95.000	MAR	4.0	3/14/2011	5.000%		
EDAM11	#VALUE!	#VALUE!	#VALUE!	#VALUE!	JUN	3.5	6/13/2011	#VALUE!		
EDAU11	#VALUE!	#VALUE!	#VALUE!	#VALUE!	SEP	#VALUE!	9/19/2011	#VALUE!	Golds	4-5 yrs out
EDAZ11	#VALUE!	#VALUE!	#VALUE!	#VALUE!	DEC	1.0	12/19/2011	#VALUE!		
EDAH12	#VALUE!	#VALUE!	#VALUE!	#VALUE!	MAR	#VALUE!	3/19/2012	#VALUE!		
EDAM12	#VALUE!	#VALUE!	#VALUE!	#VALUE!	JUN	#VALUE!	6/18/2012	#VALUE!		
EDAU12									Purples	5-6 yrs out
EDAZ12										
EDZH13										
EDAM13										
EDAU13									Oranges	6-7 yrs out
EDAZ13										
EDAH14										
EDAM14										
EDAU14									Pinks	7-8 yrs out
EDAZ14										
EDAH15										
EDAM15										
EDAU15									Grays	8-9 yrs out
EDAZ15										
EDAH16										
EDAM16										
EDAU16									Coppers	8-10 yrs out
EDAZ16										
EDAH17										
EDAM17										

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.

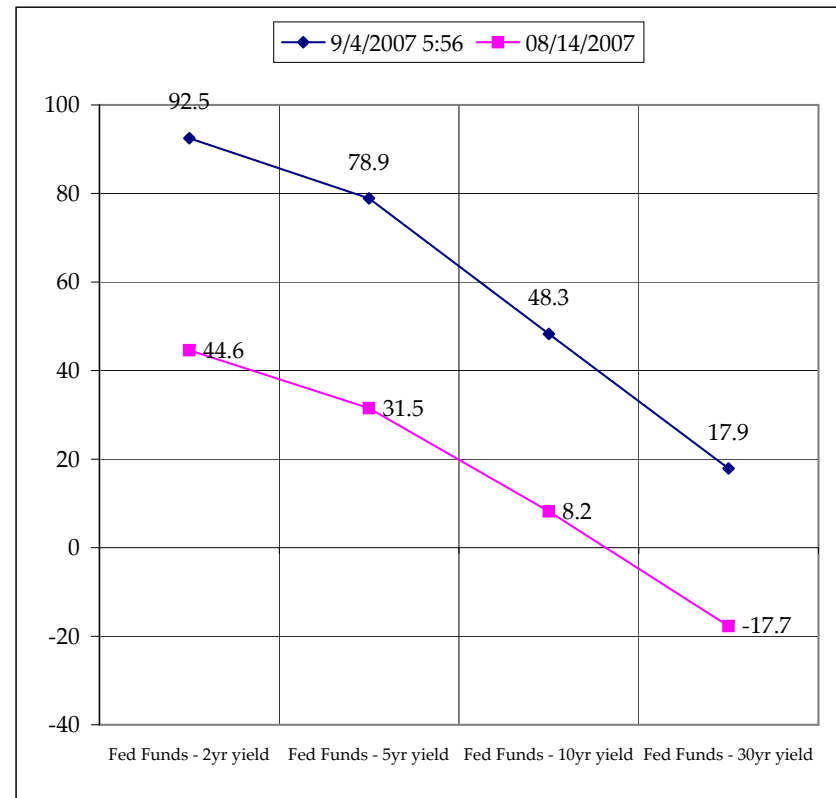
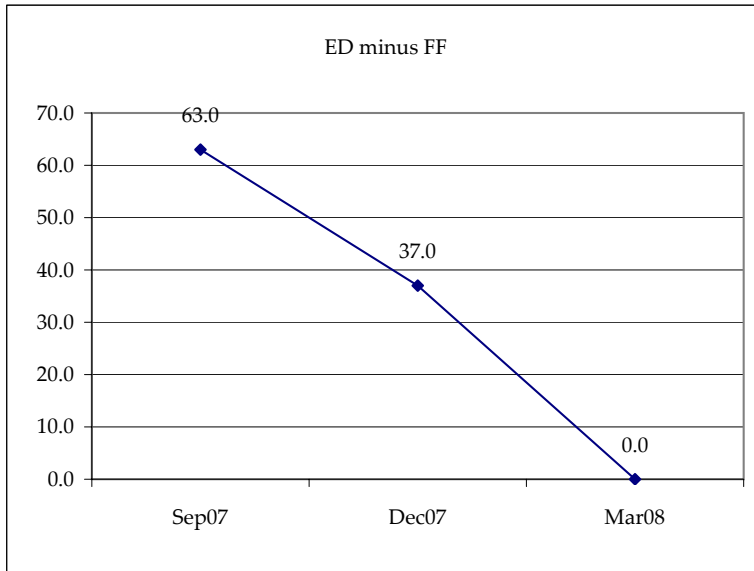


Month	Fed Funds (FF)			Eurodollars (ED)	ED - FF
	Last	Net	Implied	Implied	bps
Sep-07	95.035	0.300	4.965	5.595	63.0
Oct-07	95.130	0.150	4.870		
Nov-07	95.325	0.300	4.675		
Dec-07	95.450	0.500	4.550	4.920	37.0
Jan-08	95.550	1.050	4.450		
Feb-08	#VALUE!	#VALUE!	#VALUE!		
Mar-08	#VALUE!	#VALUE!	#VALUE!	4.565	#VALUE!
Apr-08	#VALUE!	#VALUE!	#VALUE!		
May-08	#VALUE!	#VALUE!	#VALUE!		
Jun-08	#VALUE!	#VALUE!	#VALUE!	4.470	#VALUE!
Jul-08	#VALUE!	#VALUE!	#VALUE!		
Aug-08	#VALUE!	#VALUE!	#VALUE!		
Sep-08	#VALUE!	#VALUE!	#VALUE!	4.475	#VALUE!

Fed Funds Daily Effective Rate Minus US Treasury Yields			
Spread Name	Diff bps	Net Chng	08/14/2007
Fed Funds - 2yr yield	92.5	6.2	44.6
Fed Funds - 5yr yield	78.9	3.3	31.5
Fed Funds - 10yr yield	48.3	0.8	8.2
Fed Funds - 30yr yield	17.9	0.4	-17.7
GFER	5.00	#VALUE!	

GFER = Fed Funds Daily Effective Rate

Why 8/14/2007?
Pre-CPI (& Post PPI) is a good benchmark when the FED is focused on inflation.



#VALUE!

Sept	450	475	500	525	550
8/28/2007	18.6%	26.9%	26.6%	27.7%	0.2%
8/29/2007	26.5%	18.2%	28.2%	27.1%	0.0%

October	450	475	500	525	550	575
8/28/2007	67.5%	0.0%	12.8%	18.8%	0.6%	0.3%
8/29/2007	67.9%	0.0%	13.2%	18.5%	0.0%	0.4%

December	375	400	425	450	475	500	525	550	575
8/28/2007	28.0%	3.0%	5.4%	14.4%	11.4%	20.9%	15.1%	0.0%	1.8%
8/29/2007	26.1%	5.7%	0.0%	6.5%	40.8%	4.2%	13.9%	1.6%	1.2%

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

Current Positions								
Small Spec			Large Spec			Commercials		
Long	Short	Net	Long	Short	Net	Long	Short	Net
1,416,138	1,441,503	(25,365)	1,494,327	621,751	872,576	11,250,455	12,097,666	(847,211)

As of
8/21/2007

Week over Week Change		
Sm Spec	Lg Spec	Commrc
12,182	(70,952)	58,771