

The Morning Email: Eurodollars & Fed Funds

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

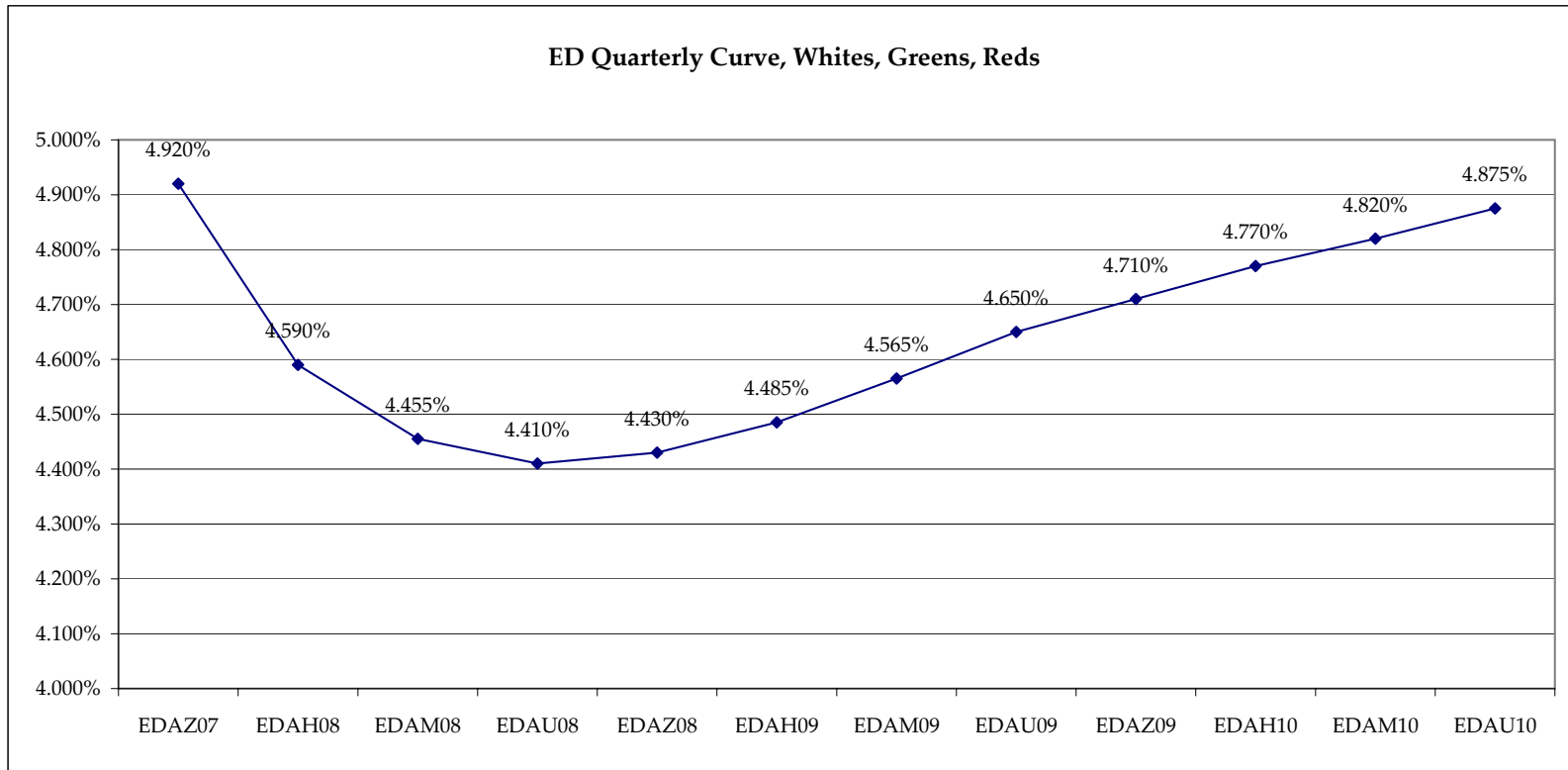
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Jim Goulding, jgoulding@ghco.com

	Last	High	Low	Open	Month	Net	Exp Date	Implied		
EDAZ07	95.080	95.100	95.070	95.085	DEC	-1.0	12/17/2007	4.920%	Whites	1st Year
EDAH08	95.410	95.450	95.410	95.425	MAR	-3.0	3/17/2008	4.590%		
EDAM08	95.545	95.580	95.540	95.565	JUN	-2.0	6/16/2008	4.455%		
EDAU08	95.590	95.625	95.585	95.605	SEP	-2.0	9/15/2008	4.410%		
EDAZ08	95.570	95.605	95.570	95.585	DEC	-2.5	12/15/2008	4.430%	Reds	1-2 yrs out
EDAH09	95.515	95.545	95.515	95.530	MAR	-2.5	3/16/2009	4.485%		
EDAM09	95.435	95.460	95.435	95.450	JUN	-2.5	6/15/2009	4.565%		
EDAU09	95.350	95.380	95.350	95.365	SEP	-2.5	9/14/2009	4.650%		
EDAZ09	95.290	95.300	95.285	95.290	DEC	-1.5	12/14/2009	4.710%	Greens	2-3 yrs out
EDAH10	95.230	95.260	95.230	95.260	MAR	-1.5	3/15/2010	4.770%		
EDAM10	95.180	95.200	95.180	95.200	JUN	-1.5	6/14/2010	4.820%		
EDAU10	95.125	95.140	95.125	95.135	SEP	-1.0	9/13/2010	4.875%		
EDAZ10	95.055	#VALUE!	#VALUE!	#VALUE!	DEC	0.5	12/13/2010	4.945%	Blues	3-4 yrs out
EDAH11	95.025	#VALUE!	#VALUE!	#VALUE!	MAR	-3.0	3/14/2011	4.975%		
EDAM11	94.965	#VALUE!	#VALUE!	#VALUE!	JUN	9.5	6/13/2011	5.035%		
EDAU11	94.915	#VALUE!	#VALUE!	#VALUE!	SEP	11.5	9/19/2011	5.085%		
EDAZ11	94.855	#VALUE!	#VALUE!	#VALUE!	DEC	#VALUE!	12/19/2011	5.145%	Golds	4-5 yrs out
EDAH12	94.805	#VALUE!	#VALUE!	#VALUE!	MAR	#VALUE!	3/19/2012	5.195%		
EDAM12	94.750	#VALUE!	#VALUE!	#VALUE!	JUN	#VALUE!	6/18/2012	5.250%		
EDAU12	94.700	#VALUE!	#VALUE!	#VALUE!	SEP	#VALUE!	9/17/2012	5.300%		
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										

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.

The Morning Email, ED&FF

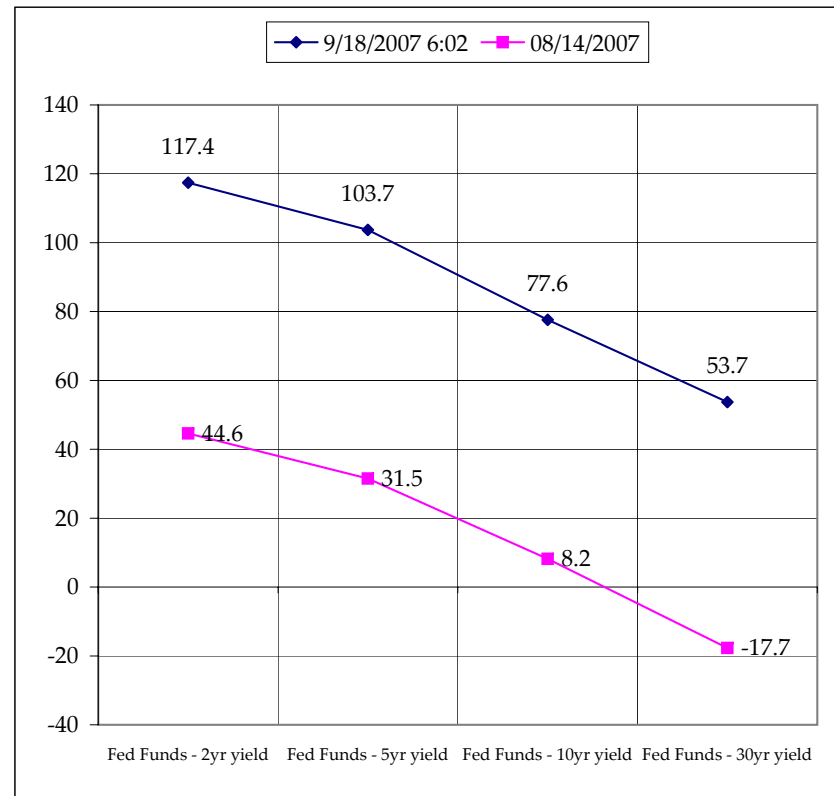
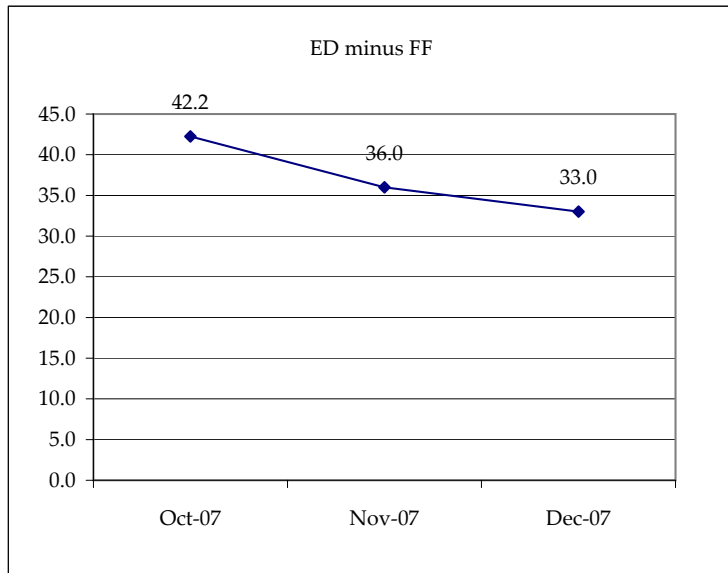


Month	Fed Funds (FF)			ED	ED - FF
	Last	Net	Implied	Implied	bps
Oct-07	95.115	-0.100	4.885	5.308	42.2
Nov-07	95.305	-0.100	4.695	5.055	36.0
Dec-07	95.410	0.000	4.590	4.920	33.0
Jan-08	95.460	0.000	4.540		
Feb-08	#VALUE!	#VALUE!	#VALUE!		
Mar-08	#VALUE!	#VALUE!	#VALUE!	4.590	#VALUE!
Apr-08	#VALUE!	#VALUE!	#VALUE!		
May-08	#VALUE!	#VALUE!	#VALUE!		
Jun-08	#VALUE!	#VALUE!	#VALUE!	4.455	#VALUE!
Jul-08	#VALUE!	#VALUE!	#VALUE!		
Aug-08	#VALUE!	#VALUE!	#VALUE!		
Sep-08	#VALUE!	#VALUE!	#VALUE!	4.410	#VALUE!

Fed Funds Daily Effective Rate Minus US Treasury Yields			
Spread Name	Diff bps	Net Chng	08/14/2007
Fed Funds - 2yr yield	117.4	-0.9	44.6
Fed Funds - 5yr yield	103.7	-0.7	31.5
Fed Funds - 10yr yield	77.6	-1.2	8.2
Fed Funds - 30yr yield	53.7	-1.3	-17.7
GFER	5.25	#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.



Sept	avg target	450	475	500	525	550			
9/13/2007	4.855%	6.2%	48.1%	44.5%	0.0%	1.2%			
9/14/2007	4.855%	5.0%	50.5%	43.3%	0.0%	1.2%			
October	avg target	400	425	450	475	500	525		
9/13/2007	4.670%	3.7%	17.1%	27.2%	15.8%	31.8%	4.4%		
9/14/2007	4.685%	4.3%	11.3%	30.3%	19.8%	28.7%	5.5%		
December	avg target	375	400	425	450	475	500	525	
9/13/2007	4.530%	12.0%	13.3%	4.8%	16.0%	34.5%	13.7%	5.8%	
9/14/2007	4.552%	11.7%	8.7%	7.9%	16.7%	34.5%	14.7%	5.7%	

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
1,328,048	1,337,749	(17,807)	1,540,155	347,897	1,192,258	10,658,059	11,832,511	(1,174,452)

As of
9/11/2007

Week over Week Change		
Sm Spec	Lg Spec	Commrci
51,079	266,600	(283,858)

Jim Goulding, jgoulding@ghco.com

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