The Morning Email: Eurodollars & Fed Funds

Table of Contents

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

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Eurodollars - Electronic Outright Contracts

	Last	High	Low	Open	Month	Net	Exp Date	Implied		
EDAZ07	95.280	95.340	95.265	95.320	DEC	-0.5	12/17/2007	4.720%	Whites	1st Year
EDAH08	95.595	95.640	95.545	95.630	MAR	-1.0	3/17/2008	4.405%		
EDAM08	95.705	95.740	95.650	95.735	JUN	-1.5	6/16/2008	4.295%		
EDAU08	95.715	95.765	95.675	95.760	SEP	-2.5	9/15/2008	4.285%		
EDAZ08	95.660	95.730	95.635	95.725	DEC	-4.0	12/15/2008	4.340%	Reds	1-2 yrs out
EDAH09	95.575	95.650	95.550	95.640	MAR	-5.0	3/16/2009	4.425%		
EDAM09	95.480	95.555	95.465	95.555	JUN	-5.0	6/15/2009	4.520%		
EDAU09	95.395	95.490	95.385	95.465	SEP	-5.0	9/14/2009	4.605%		
EDAZ09	95.320	95.390	95.300	95.390	DEC	-2.5	12/14/2009	4.680%	Greens	2-3 yrs out
EDAH10	95.250	95.335	95.250	95.335	MAR	-2.5	3/15/2010	4.750%		
EDAM10	95.190	95.225	95.165	95.225	JUN	-4.0	6/14/2010	4.810%		
EDAU10	95.145	95.165	95.145	95.165	SEP	-3.5	9/13/2010	4.855%		
EDAZ10	95.075	95.110	95.075	95.110	DEC	1.5	12/13/2010	4.925%	Blues	3-4 yrs out
EDAH11	95.040	95.040	95.040	95.040	MAR	2.0	3/14/2011	4.960%		
EDAM11	94.980	94.980	94.975	94.975	JUN	-1.5	6/13/2011	5.020%		
EDAU11	94.960	#VALUE!	#VALUE!	#VALUE!	SEP	-1.5	9/19/2011	5.040%		
EDAZ11	94.815	#VALUE!	#VALUE!	#VALUE!	DEC	-1.5	12/19/2011	5.185%	Golds	4-5 yrs out
EDAH12	94.745	#VALUE!	#VALUE!	#VALUE!	MAR	-1.5	3/19/2012	5.255%		
EDAM12	94.805	#VALUE!	#VALUE!	#VALUE!	JUN	#VALUE!	6/18/2012	5.195%		
EDAU12	94.760	#VALUE!	#VALUE!	#VALUE!	SEP	#VALUE!	9/17/2012	5.240%		
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

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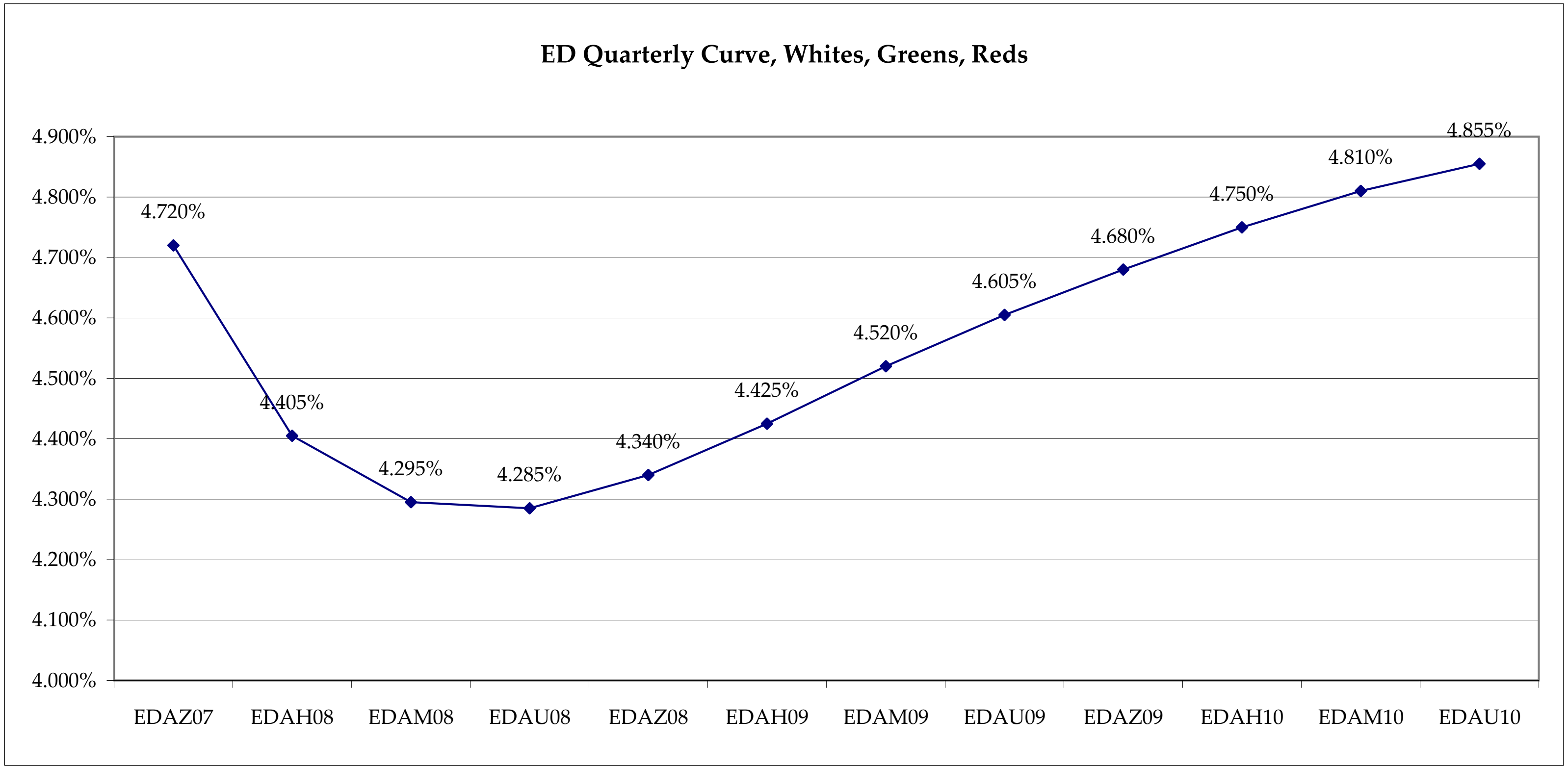
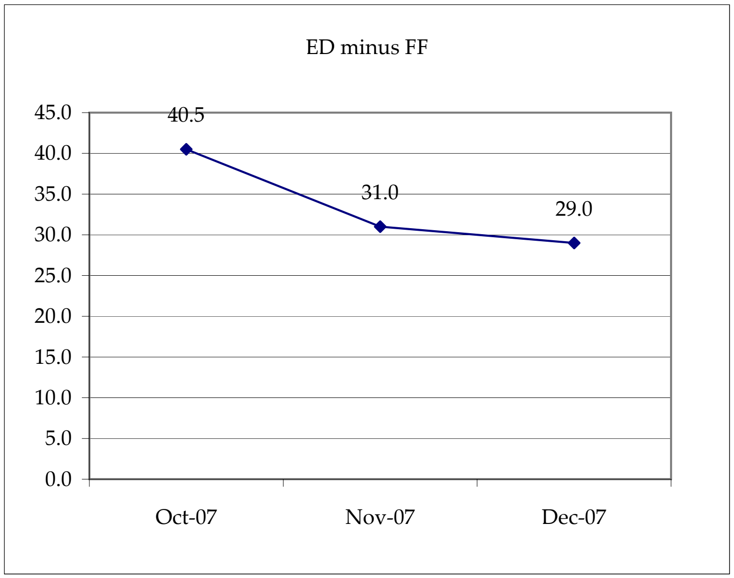

ED Quarterly Curve, Whites, Greens, Reds
4.900%
4.800%
4.700%
4.600%
4.500%
4.400%
4.300%
4.200%
4.100%
4.000%
4.720%
4.405%
4.295%
4.285%
4.340%
4.425%
4.520%
4.605%
4.680%
4.750%
4.810%
4.855%
EDAZ07
EDAH08
EDAM08
EDAU08
EDAZ08
EDAH09
EDAM09
EDAU09
EDAZ09
EDAH10
EDAM10
EDAU10

Fed Fund vs Eurodollars and Treasuries

	Fed Funds (FF)			ED	ED - FF
Month	Last	Net	Implied	Implied	bps
Oct-07	95.275	-0.100	4.725	5.130	40.5
Nov-07	95.440	-0.350	4.560	4.870	31.0
Dec-07	95.570	-0.150	4.430	4.720	29.0
Jan-08	95.630	-0.100	4.370		
Feb-08	95.720	-0.400	4.280		
Mar-08	95.750	-0.450	4.250	4.405	15.5
Apr-08	#VALUE!	#VALUE!	#VALUE!		
May-08	#VALUE!	#VALUE!	#VALUE!		
Jun-08	#VALUE!	#VALUE!	#VALUE!	4.295	#VALUE!
Jul-08	#VALUE!	#VALUE!	#VALUE!		
Aug-08	#VALUE!	#VALUE!	#VALUE!		
Sep-08	#VALUE!	#VALUE!	#VALUE!	4.285	#VALUE!



Fed Funds Daily Effective Rate
Minus US Treasury Yields

Spread Name	Diff bps	Net Chng	09/18/2007
Fed Funds - 2yr yield	132.6	-3.8	135.1
Fed Funds - 5yr yield	114.3	-4.1	116.3
Fed Funds - 10yr yield	82.1	-4.3	85.0
Fed Funds - 30yr yield	53.1	-5.3	57.1
GFER	**5.00**	#VALUE!	

GFER = Fed Funds Daily Effective Rate

Why 9/18/2007?

Last FED meeting is a good bechmark.
I marked at 2:00 CT.

#VALUE!

Fed Funds Probability of Tightening or Easing

Sept	avg target	450	475	500	525	550
9/14/2007	4.855%	5.0%	50.5%	43.3%	0.0%	1.2%
9/17/2007	4.875%	3.7%	46.9%	45.9%	2.6%	0.8%

October	avg target	400	425	450	475	500	525
9/14/2007	4.685%	4.3%	11.3%	30.3%	19.8%	28.7%	5.5%
9/17/2007	4.685%	4.3%	11.3%	30.4%	19.6%	29.1%	5.3%

December	avg target	375	400	425	450	475	500	525
9/14/2007	4.552%	11.7%	8.7%	7.9%	16.7%	34.5%	14.7%	5.7%
9/17/2007	4.545%	11.5%	9.1%	7.3%	16.9%	37.0%	13.6%	4.5%

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

Eurodollar COT Data

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	Commrcl
51,079	266,600	(283,858)