

## The Morning Email: Eurodollars & Fed Funds

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Want something added? Let me know: [jgoulding@ghco.com](mailto:jgoulding@ghco.com)

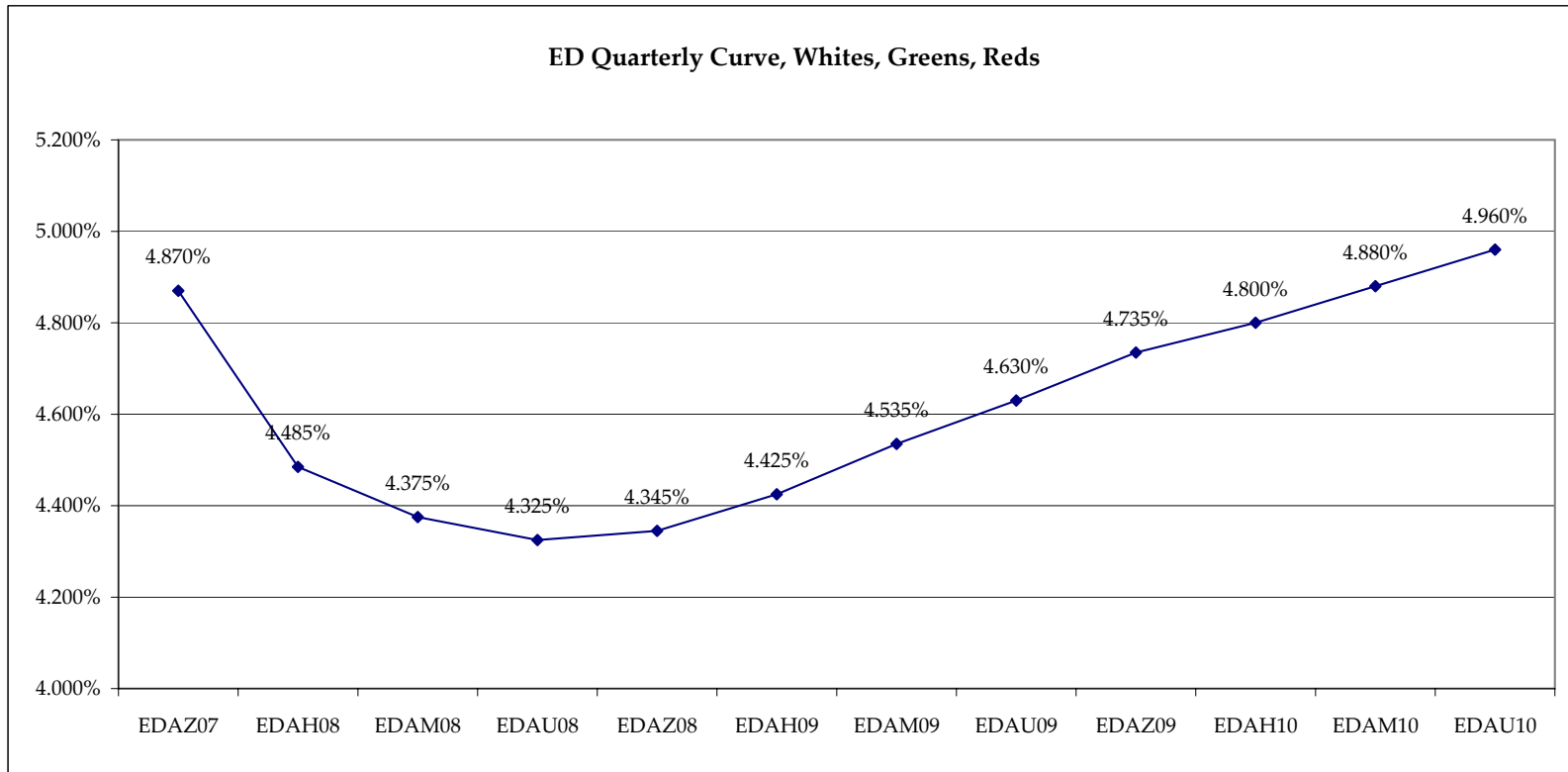
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	Last	High	Low	Open	Month	Net	Exp Date	Implied		
EDAZ07	95.130	95.160	95.115	95.135	DEC	-2.5	12/17/2007	4.870%	Whites	1st Year
EDAH08	95.515	95.520	95.480	95.485	MAR	2.0	3/17/2008	4.485%		
EDAM08	95.625	95.630	95.590	95.590	JUN	3.0	6/16/2008	4.375%		
EDAU08	95.675	95.680	95.620	95.625	SEP	5.0	9/15/2008	4.325%		
EDAZ08	95.655	95.660	95.580	95.585	DEC	6.0	12/15/2008	4.345%	Reds	1-2 yrs out
EDAH09	95.575	95.575	95.495	95.495	MAR	6.5	3/16/2009	4.425%		
EDAM09	95.465	95.475	95.385	95.385	JUN	6.5	6/15/2009	4.535%		
EDAU09	95.370	95.370	95.280	95.285	SEP	7.5	9/14/2009	4.630%		
EDAZ09	95.265	95.265	95.185	95.190	DEC	6.5	12/14/2009	4.735%	Greens	2-3 yrs out
EDAH10	95.200	95.200	95.115	95.115	MAR	6.5	3/15/2010	4.800%		
EDAM10	95.120	95.120	95.060	95.060	JUN	7.0	6/14/2010	4.880%		
EDAU10	95.040	95.040	94.985	94.985	SEP	5.5	9/13/2010	4.960%		
EDAZ10	94.965	94.965	94.965	94.965	DEC	5.0	12/13/2010	5.035%	Blues	3-4 yrs out
EDAH11	94.915	94.915	94.915	94.915	MAR	4.5	3/14/2011	5.085%		
EDAM11	94.790	#VALUE!	#VALUE!	#VALUE!	JUN	6.0	6/13/2011	5.210%		
EDAU11	94.730	#VALUE!	#VALUE!	#VALUE!	SEP	7.0	9/19/2011	5.270%		
EDAZ11	94.685	#VALUE!	#VALUE!	#VALUE!	DEC	#VALUE!	12/19/2011	5.315%	Golds	4-5 yrs out
EDAH12	94.630	#VALUE!	#VALUE!	#VALUE!	MAR	6.5	3/19/2012	5.370%		
EDAM12	94.580	#VALUE!	#VALUE!	#VALUE!	JUN	#VALUE!	6/18/2012	5.420%		
EDAU12	94.520	#VALUE!	#VALUE!	#VALUE!	SEP	#VALUE!	9/17/2012	5.480%		
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

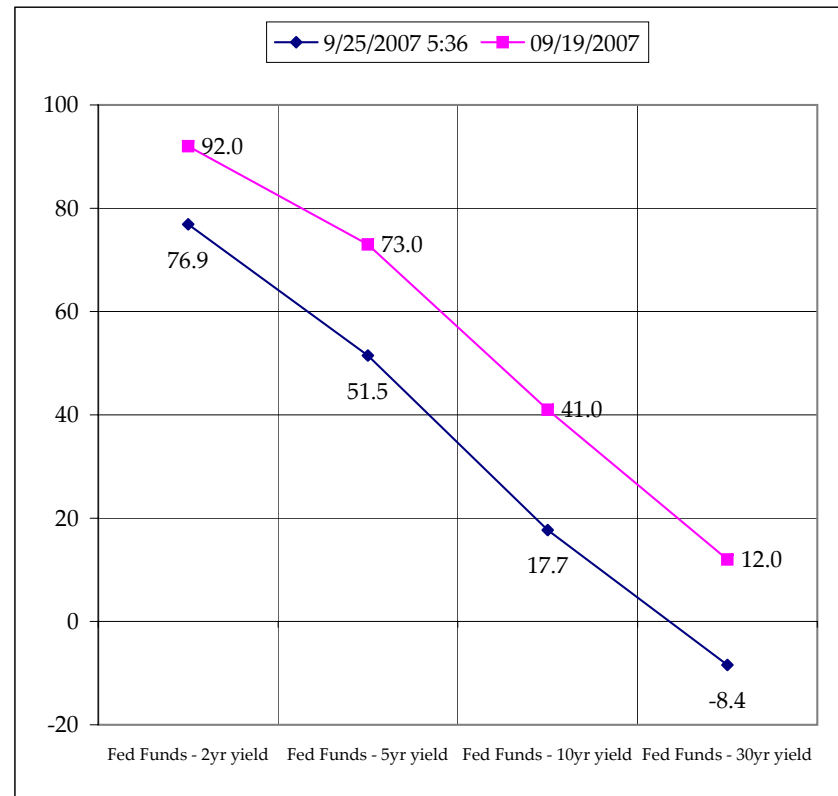
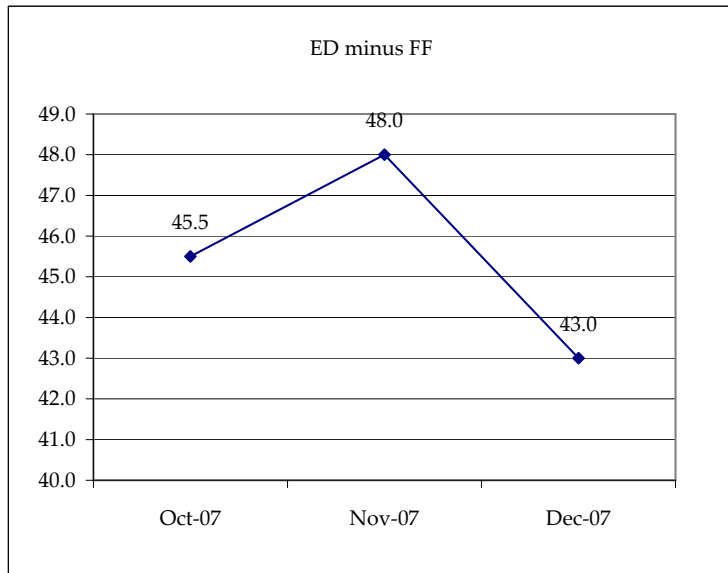


Month	Fed Funds (FF)			ED	ED - FF
	Last	Net	Implied	Implied	bps
Oct-07	95.280	0.000	4.720	5.175	45.5
Nov-07	95.430	0.000	4.570	5.050	48.0
Dec-07	95.560	0.050	4.440	4.870	43.0
Jan-08	95.620	0.100	4.380		
Feb-08	95.675	-0.250	4.325		
Mar-08	#VALUE!	#VALUE!	#VALUE!	4.485	#VALUE!
Apr-08	#VALUE!	#VALUE!	#VALUE!		
May-08	#VALUE!	#VALUE!	#VALUE!		
Jun-08	#VALUE!	#VALUE!	#VALUE!	4.375	#VALUE!
Jul-08	#VALUE!	#VALUE!	#VALUE!		
Aug-08	#VALUE!	#VALUE!	#VALUE!		
Sep-08	#VALUE!	#VALUE!	#VALUE!	4.325	#VALUE!

Fed Funds Daily Effective Rate Minus US Treasury Yields			
Spread Name	Diff bps	Net Chng	09/19/2007
Fed Funds - 2yr yield	76.9	5.1	92.0
Fed Funds - 5yr yield	51.5	5.7	73.0
Fed Funds - 10yr yield	17.7	4.5	41.0
Fed Funds - 30yr yield	-8.4	4.1	12.0
GFER	4.76	#VALUE!	

GFER = Fed Funds Daily Effective Rate

Why 9/19/2007?  
 The morning after the last FOMC meeting is a good benchmark. I marked at 7:00am CT (Before CPI release).



<b>October</b>		<b>avg target</b>	<b>400</b>	<b>425</b>	<b>450</b>	<b>475</b>	<b>500</b>	<b>525</b>	
<b>9/20/2007</b>	4.566%	3.0%	11.1%	45.6%	38.3%	1.0%	1.0%		
<b>9/21/2007</b>	4.567%	0.0%	19.3%	37.2%	42.0%	0.4%	1.0%		
<b>December</b>		<b>avg target</b>	<b>375</b>	<b>400</b>	<b>425</b>	<b>450</b>	<b>475</b>	<b>500</b>	<b>525</b>
<b>9/20/2007</b>	4.369%	17.4%	0.0%	38.1%	9.5%	32.4%	2.7%	0.0%	
<b>9/21/2007</b>	4.369%	16.5%	2.6%	34.7%	13.9%	28.1%	4.3%	0.0%	

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
1,227,978	1,239,741	(11,763)	1,311,068	440,862	870,206	9,255,681	10,114,124	(858,443)

As of  
9/11/2007

Week over Week Change		
Sm Spec	Lg Spec	Commrci
(45,035)	(280,950)	325,985

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