

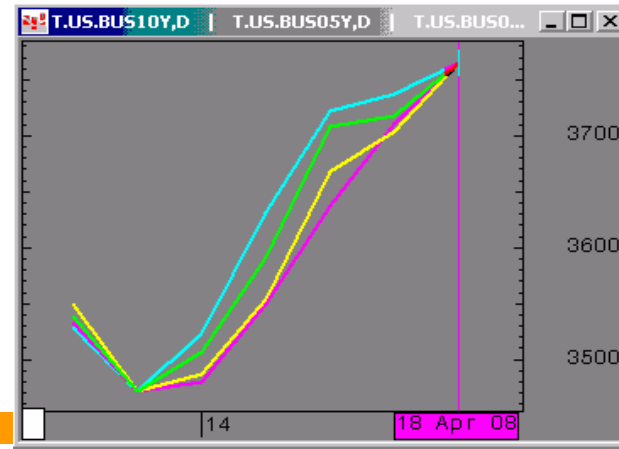


The Morning Email: Treasuries

Table of Contents

- Pg 1 Important Econ Releases, Highs & Lows
- Pg 2 Quotes
- Pg 3 Duration, DV01s, Curve Spreads, CF
- Pg 4 Hedge Ratio's
- Pg 5 Closes: 2pm CST vs this Morning
- Pg 6 Cash Duration Matrix
- Pg 7 Tic for Tic & Box for Box Matrix
- Pg 8 Key Money Rate, Spreads, Swaps, Packs
- Pg 9 Libor, Fed Funds, Repo, SONIA & EONIA Rates **NEW**

Daily Yield Curve



Scale is for 10yr

Source: CQG, Inc. © 2008 Fri Apr 18 2008 05:42:26



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. The material is based upon information that I consider reliable, but I do not represent that it is accurate or complete.

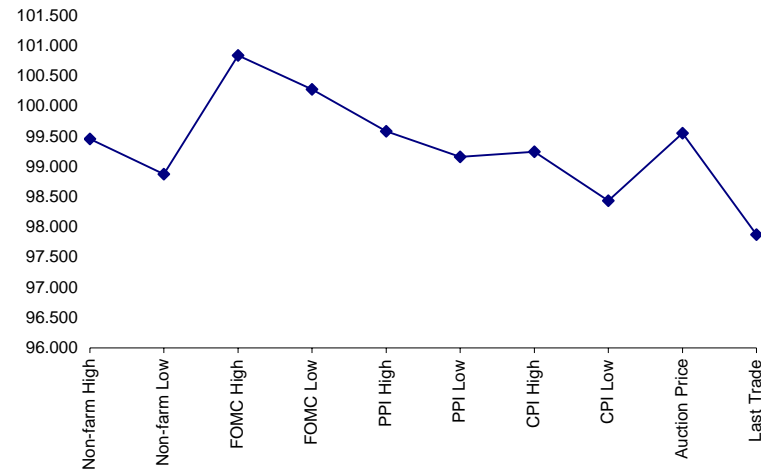
Economic Releases (32nds)

	5y	10y	ZNM8	ZBM8	Date
Non-farm High	99.1475	100.085	118.170	119.145	4/4/2008
Non-farm Low	98.2800	99.140	117.155	117.235	4/4/2008
FOMC High	100.2700	101.025	119.210	120.030	3/18/2008
FOMC Low	100.0900	100.105	118.285	119.100	3/18/2008
PPI High	99.1875	100.000	117.285	119.110	4/15/2008
PPI Low	99.0525	99.085	117.075	118.010	4/15/2008
CPI High	99.0800	99.140	117.145	118.135	4/16/2008
CPI Low	98.1400	98.070	116.450	116.245	4/16/2008
Auction Price	99.1783	99.000	na	na	
Last Trade	97.2800	97.260	115.295	116.055	4/18/2008 5:42

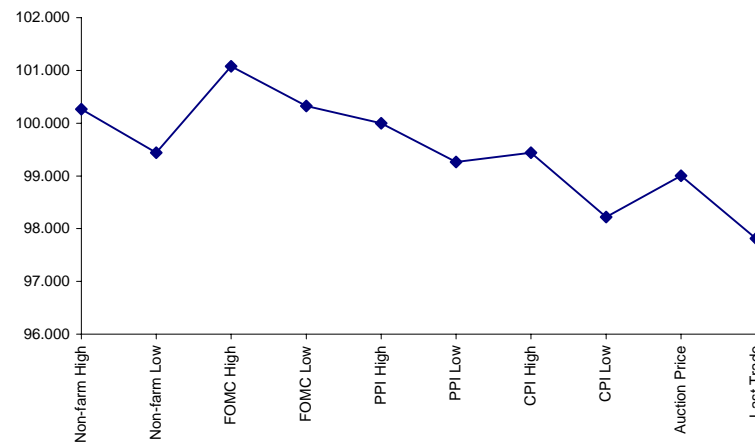
Auctions - 32nds

	2 y	5y	10y	30y
Auction Price	99.313	99.178	99.000	98.250
Auction Yield Stop	1.761	2.595	3.620	4.4449
Actual Auction Date	3/26/2008	3/27/2008	2/6/2008	2/7/2008

5y (Decimal)



10y (Decimal)



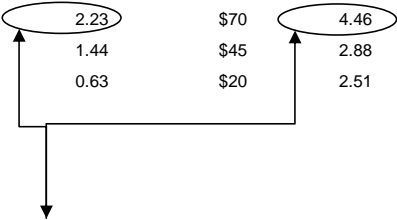
Notes:

- 1) Cash and futures are adjusted for roll.
- 2) Release times are from release to 2pm cdt
- 3) {Mch08 to Jun08 Futures roll: ZF = (-20); ZN = (-43); ZB = (-36) [tics]}

Quotes

		32 nds					
	Last	Net	High	Low	Open	Volume	Sym Name
TUAM8	106.115	(0.050)	106.200	106.102	106.175	47,037	2y Fut
FVAM8	112.047	(0.100)	112.217	112.042	112.177	63,685	5y Fut
TYAM8	115.295	(0.145)	116.180	115.290	116.130	111,482	10y Fut
USAM8	116.055	(0.17)	117.005	116.050	116.230	19,886	30y Fut
	Last	Net	High	Low	Open	Volume	Sym Name
BUS02P	99.060	(0.047)	99.140	99.055	99.115	na	2y Cash
BUS05P	97.275	(0.120)	98.120	97.277	98.077	na	5y Cash
BUS10P	97.255	(0.135)	98.125	97.250	98.060	na	10y Cash
BUS30P	97.025	(0.150)	97.260	97.000	97.240	na	30y Cash
	Last	Net	High	Low	Open	Volume	Sym Name
BUS02Y	2.176	0.084	2.192	2.043	2.122	na	2y Yield
BUS05Y	2.969	0.087	2.971	2.848	2.9	na	5y Yield
BUS10Y	3.766	0.048	3.774	3.695	3.733	na	10y Yield
BUS30Y	4.548	0.024	4.562	4.506	4.519	na	30y Yield

	M Duration	DV01 32	DV01 \$	DV01 Box	CF	
30y	16.23	5.08	\$1,588	10.17	n/a	30y
10y	8.17	2.57	\$804	5.15	n/a	10y
5y	4.60	1.46	\$456	5.83	n/a	5y
2y	1.90	0.60	\$188	2.41	n/a	2y
ZB	10.25	3.88	\$121	3.88	0.7765	ZB
ZN	5.92	2.23	\$70	4.46	0.8210	ZN
ZF	3.96	1.44	\$45	2.88	0.8571	ZF
ZT	1.82	0.63	\$20	2.51	0.9303	ZT



DV01 32, said differently, is "how many TICS are in a basis point?".

Example, If ZN moves 1~basis point, then, it's moved 2.59 tics (Today, 03/29/08, the value in the box is 2.59).

Since ZN trades in half tics, then, 5.17 boxes = 1 basis point in ZN. (Again, today, 03/28/08, the value in the box is 5.17). Of course the values will be different as you look at this. But, they won't be that much different. So, I think you can get the idea I'm trying to get across.

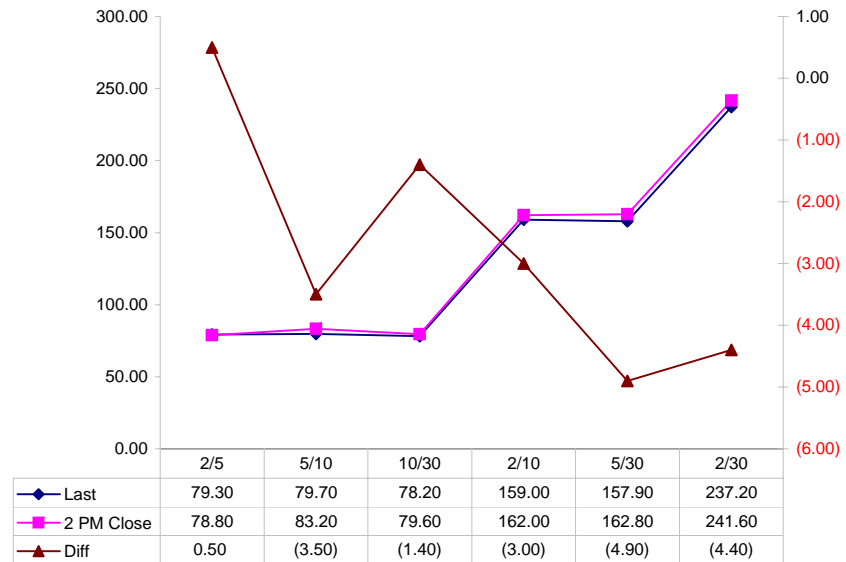
Notes

- CF = Conversion Factor
- MDuration = Modified Macaulay Duration
- MDuration & DV01s for Futures are based on proxy issue (CTD)
- DV01 Box = Dollar Value of 1 basis point move per Box

Yield Curve Spreads

	Last	2pm close	Diff
2/5	79.30	78.80	0.50
5/10	79.70	83.20	(3.50)
10/30	78.20	79.60	(1.40)
2/10	159.00	162.00	(3.00)
5/30	157.90	162.80	(4.90)
2/30	237.20	241.60	(4.40)

Curve Spreads vs 2pm close



US Financial Futures / Eurex Bond

	ZB	ZN	ZF	ZT
Bund (M)	1.050	1.650	2.800	3.238
Bobl (M)	0.580	0.910	1.588	1.787
Shatz (M)	0.239	0.374	0.652	0.746

US Financial Futures

	ZB	ZN	ZF	ZT
ZB		1.739	2.695	3.092
ZN	0.575		1.550	1.778
ZF	0.371	0.645		1.147
ZT	0.323	0.562	0.872	

Eurex Bonds

	Bund (H)	Bobl (H)	Shatz (H)
Bund (H)		1.8	4.4
Bobl (H)	0.6		2.4
Shatz (H)	0.2	0.4	

US Treasuries v US Financial Futures

	2y	5y	10y	30y
ZB	1.55	3.76	6.64	13.11
ZN	2.70	6.54	11.54	22.80
ZF	4.19	10.14	17.89	35.34
ZT	4.81	11.63	20.52	40.54

US Treasuries v Eurex Bonds

	2y	5y	10y	30y
Bund (M)	1.5	3.5	6.2	12.7
Bobl (M)	2.6	6.3	11.3	23.0
Shatz (M)	6.4	15.4	27.6	55.8

US Treasuries

	2y	5y	10y	30y
2y		2.421	4.270	8.437
5y	0.413		1.764	3.485
10y	0.234	0.567		1.976
30y	0.119	0.287	0.506	

Note: If you are looking at a matrix with Eurex products then those ratios are pulled from Bloomberg and are static. Meaning, I only update them once in a while but always on rolls. I calculate the other matrixes, with US products, everyday

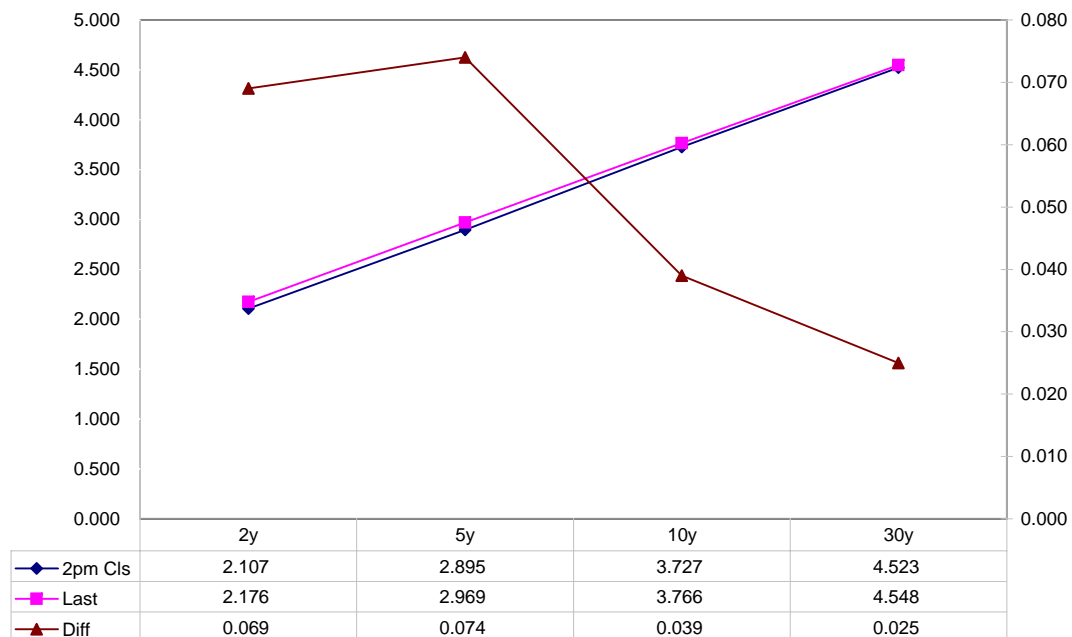
Closes: 2pm CST vs this Morning

	Cpn	Mty	Close 32	Close	Last	Diff	Basis			Close 32	Last	
							Close	Last	Roll			
2y	1.750	3/31/10	99.1025	2.107	2.176	0.069	7.924	7.924	na	106.1650	106.1150	TUAM8
5y	2.500	3/31/13	98.0600	2.895	2.969	0.074	57.51	56.13	na	112.1475	112.0470	FVAM8
10y	3.500	2/15/18	98.045	3.727	3.766	0.039	83.51	84.50	na	116.115	115.295	TYAM8
30y	4.375	5/15/37	97.185	4.523	4.548	0.025	223.05	218.86	na	116.220	116.055	USAM8

Curve Spreads

	Close bps	Last bps
2/5	78.8	79.3
5/10	83.2	79.7
10/30	79.6	78.2
2/10	162.0	159.0
5/30	162.8	157.9
2/30	241.6	237.2

US Treasuries Last v 2pm Close



Notes:

Basis = (Cash Decimal - (Futures Decimal * CF))*32

MDuration for Curve Spreads:

Longer duration minus shorter duration

32 = price is quoted in 32nds

Cash Duration Matrix

	2	5	10	30
2	100%			
5	41%	100%		
10	23%	56%	100%	
30	12%	28%	50%	100%

What is this? (1):
 2yr cash has X% duration of 5yr cash .

Cash Matrix [DV01 x Duration]

	2	5	10	30
2	\$188			
5	\$188	\$456		
10	\$187	\$453	\$804	
30	\$186	\$450	\$799	\$1,588

What is this? (2):
 - 2yr cash has DV01 of X\$
 - Multiply the 2yr DV01 by the percent duration to come up with what the 2yrs DV01 SHOULD be compared to the 5yr.

Cash Matrix [DV01 over / (under) valued]

	2	5	10	30
2				
5	\$0			
10	\$2	\$3		
30	\$3	\$5	\$5	

What is this? (3):
 - Now you can see the over/under value, based on the DV01, from contract to contract. In this example we are looking at the 2yr compared to the 5yr.

Cash Matrix [DV01 over / (under) as %]

	2	5	10	30
2				
5	0.26%			
10	0.88%	0.61%		
30	1.45%	1.19%	0.57%	

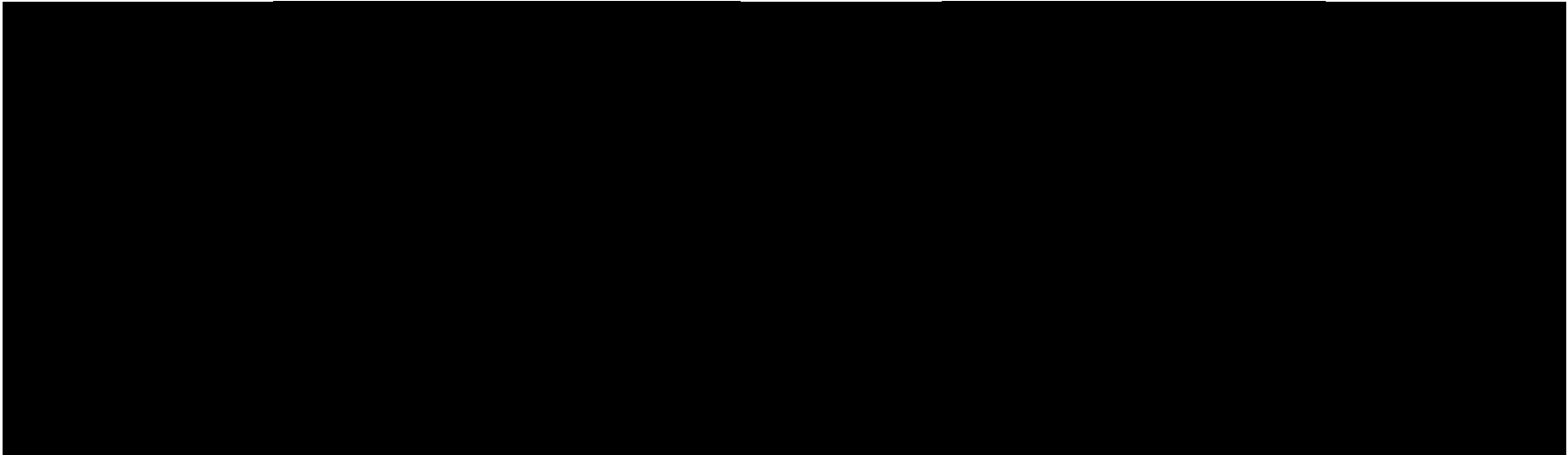
Or you can look at the over/under value as a percentage instead of dollar terms.

Tic for Tic Matrix

2y 5y 10y 30y

Box for Box Matrix

2y 5y 10y 30y



This page needs to be updated now that the CME has changed the tic size. I'll get to this soon.

Thanks,
Jim

	Libor\$ ¹	Repo Rt ⁶
0/N	2.630	2.150
1week	2.806	1.900
2week	2.824	2.050

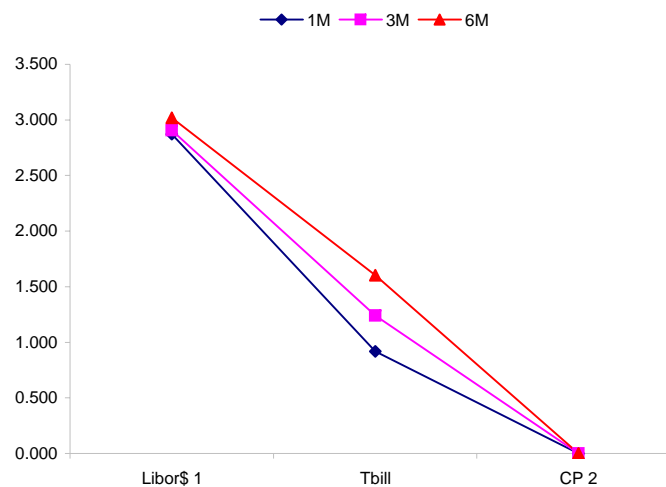
	Libor\$ ¹	Tbill	CP ²
1M	2.874	0.918	#VALUE!
3M	2.908	1.241	#VALUE!
6M	3.019	1.603	#VALUE!

	TSY	Swp	Swp Rate ⁵	ED Pks ³	TSY - ED Pk ⁴
2y	2.176	98.75	3.16	3.512	1.336
5y	2.965	92.25	3.89	4.649	1.684
10y	3.770	70.00	4.47	4.989	1.219

<u>2/5</u>	<u>Rd/Blu Pk</u>	<u>Diff</u>
79.0	113.8	34.8
<u>2/10</u>	<u>Rd/Gld Pk</u>	<u>Diff</u>
159.5	147.8	-11.7
<u>5/10</u>	<u>Blu/Gld Pk</u>	<u>Diff</u>
80.5	34.0	-46.5

Red pack / Blue pack is a 2/5 proxy
 Red pack / Gold pack is a 2/10 proxy
 Blue pack / Gold pack is a 5/10 proxy

"Swap spreads are essentially a measure of the difference between buying a safe government bond and making a riskier loan to a bank"
 --WSJ



Notes:

- 1) Quoted in US Dollars
- 2) CP = Commercial Paper
- 3) ED Pks are colored for pack identifications. Example, the red pack is a 2-yr proxy and is colored red.
- 4) TSY yield minus ED Pk yield
- 5) Swap divided by 100 + TSY yield gives swap rate in basis points.
- 6) Repo Rt quotes is for overnight General Collateral

	Last	Chng	Term	Asset Type
USDLIBON	2.630	(0.0325)	Overnight	LIBOR
TUSFFRON	2.438	0.0000	Overnight	Fed Funds Effective Rate
TUSRPOON	2.150	0.0000	Overnight	Repo Rate
TEONIA01M	4.004	(0.0010)	1 month	Euribor OIS Rate
TEONIA03M	4.005	(0.0120)	3 month	Euribor OIS Rate
TSONIA01M	5.013	(0.0040)	1 month	Sterling OIS Rate
TSONIA03M	4.934	(0.0130)	3 month	Sterling OIS Rate
TUSOIS01M	2.025	0.0080	1 month	USD OIS Rate
TUSOIS03M	1.983	0.0210	3 month	USD OIS Rate

