



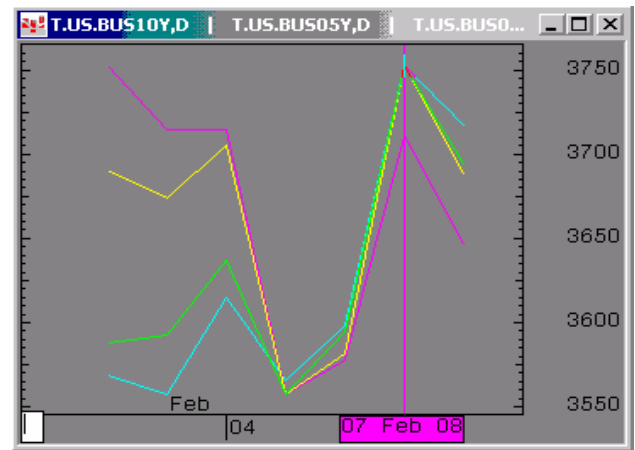
## The Morning Email: Treasuries

2/8/2008 5:51

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Daily Yield Curve



Source: CQG, Inc. © 2008

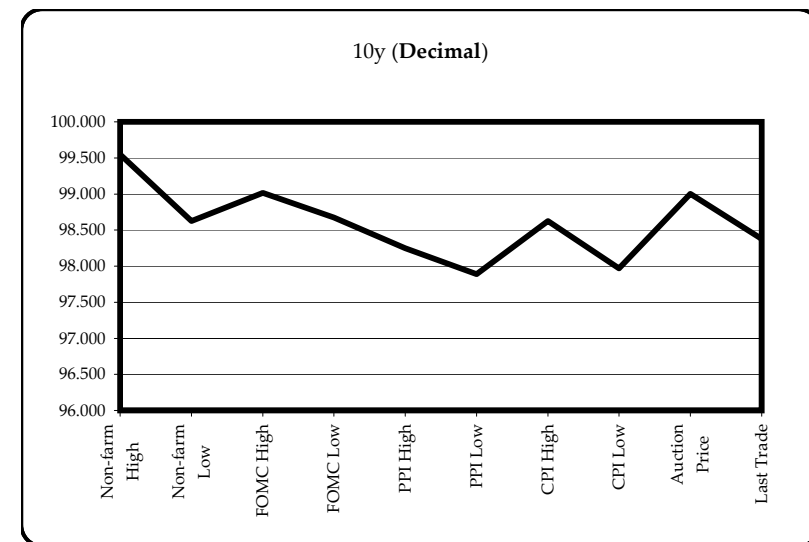
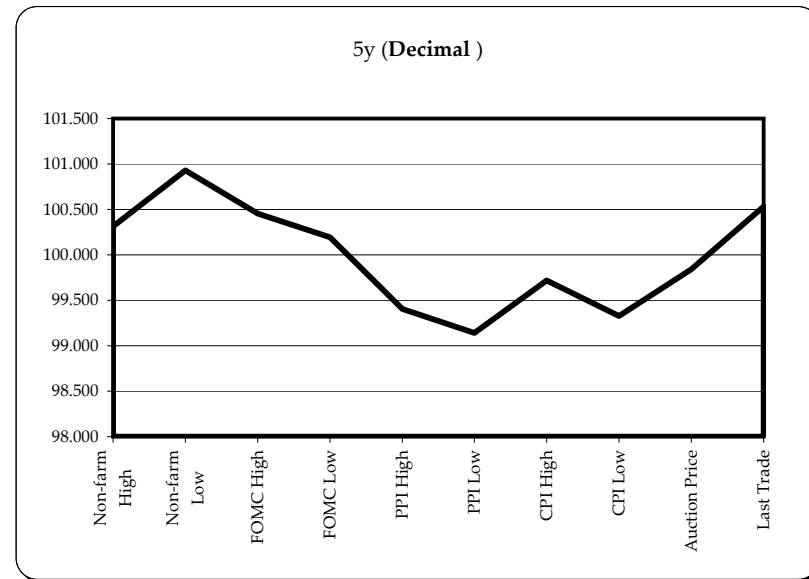
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Want something added? Let me know: [jgoulding@ghco.com](mailto:jgoulding@ghco.com)  
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Economic Releases - 32nds					
	5y	10y	ZNH8	ZBH8	Date
Non-farm High	100.1000	99.175	116.225	120.09	2/1/2008
Non-farm Low	100.2975	98.200	117.185	119.03	2/1/2008
FOMC High	100.1450	99.005	117.000	119.27	1/31/2008
FOMC Low	100.0625	98.215	116.210	119.08	1/31/2008
PPI High	99.1300	98.080	116.030	119.17	1/15/2008
PPI Low	99.0450	97.285	115.235	119.02	1/15/2008
CPI High	99.2300	98.200	116.140	119.31	1/16/2008
CPI Low	99.1050	97.310	115.275	119.03	1/16/2008
Auction Price	99.2697	99.000			
Last Trade	100.1700	98.120	116.220	118.01	2/8/2008 5:51

Auctions - 32nds				
	2 y	5y	10y	30y
Auction Price	99.250	99.270	99.000	98.250
Auction Yield Stop	2.237	2.909	3.620	4.4449
Actual Auction Date	1/28/2008	1/29/2008	2/6/2008	2/7/2008



Notes: Cash and futures are adjusted for roll.  
 Release times are from release to 2pm cdt  
 {Dec07 to Mch08 Futures roll: ZF = (-12); ZN = (-25); ZB = (+1) [tics]}  
 r = reopen

	Last	Net	32 nds			Volume	SYM NAME
			High	Low	Open		
TUAH8	106.300	0.0	107.002	106.265	106.270	35,783	2y Fut
FVAH8	113.105	0.0	113.140	113.025	113.030	81,364	5y Fut
TYAH8	116.220	0.0	116.250	116.075	116.075	201,368	10y Fut
USAH8	118.010	0	118.070	117.150	117.150	45,316	30y Fut
	Last	Net	High	Low	Open	Volume	SYM NAME
BUS02P	100.077	4.0	100.105	100.055	100.055	na	2y Cash
BUS05P	100.170	10.7	100.217	100.095	100.107	na	5y Cash
BUS10P	98.115	16.0	98.170	97.300	97.315	na	10y Cash
BUS30P	98.065	(914)	98.225	97.255	97.310	na	30y Cash
	Last	Net	High	Low	Open	Volume	SYM NAME
BUS02Y	1.991	(6.20)	2.069	1.951	2.069	na	2y Yield
BUS05Y	2.757	(6.40)	2.833	2.726	2.833	na	5y Yield
BUS10Y	3.696	(5.70)	3.778	3.673	3.778	na	10y Yield
BUS30Y	4.481	(3.80)	4.515	4.441	4.443	na	30y Yield

	Libor\$ ^	Tbill	CP ^^
1M	3.154	2.197	3.170
3M	3.088	2.200	3.130
6M	2.991	2.116	3.020

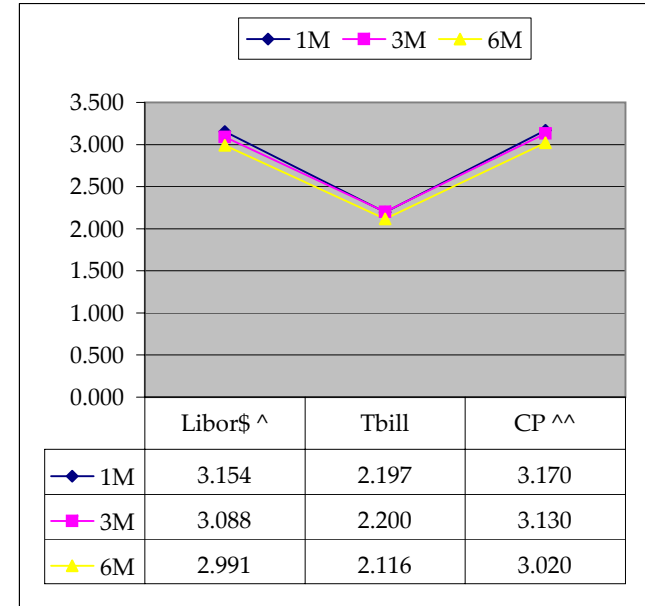
	Libor\$ ^	Repos
0/N	3.055	2.400
1week	3.109	2.300
2week	3.127	2.250

	TSY	Swap	ED Pks ^^
2y	1.991	75.00	2.941
5y	2.760	78.75	4.349
10y	3.696	65.75	4.861

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

Notes

^Quoted in US Dollars  
 ^^CP = Commercial Paper  
 ^^ED Pks are colored for pack identifications. Example, the red pack is a 2-yr proxy and is colored red.  
 Lastly, SYM = Symbol



	2/5	Rd/Blu Pk	Difference
	76.9	140.8	63.8
	2/10	Rd/Gld Pk	Difference
	170.5	192.0	21.4
	5/10	Blu/Gld Pk	Difference
	93.6	51.2	-42.4

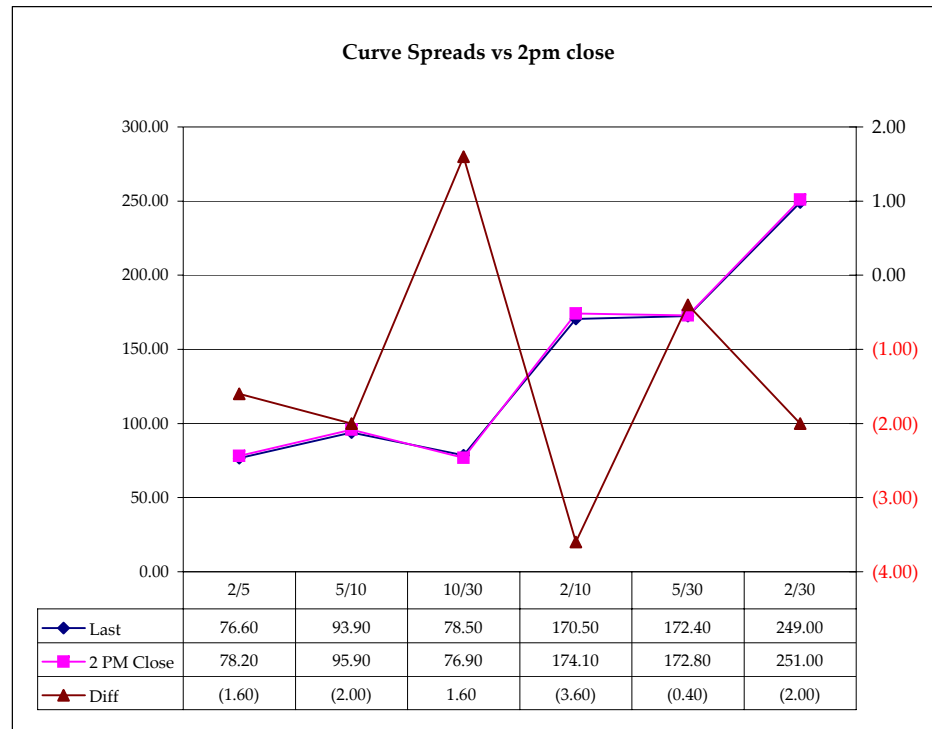
	M Duration	DV01 32	DV01 \$	DV01 Box	CF
30y	16.14	5.07	\$1,586	10.15	n/a
10y	8.22	2.63	\$823	5.26	n/a
5y	4.60	1.49	\$466	5.97	n/a
2y	1.92	0.62	\$193	2.46	n/a
ZB	10.22	3.97	\$124	3.97	0.7757
ZN	5.82	2.20	\$69	4.41	0.8174
ZF	3.87	1.42	\$44	2.84	0.8705
ZT	1.77	0.61	\$19	2.45	0.9336

Yield Curve Spreads			
	Last	2pm close	Diff
2/5	76.60	78.20	(1.60)
5/10	93.90	95.90	(2.00)
10/30	78.50	76.90	1.60
2/10	170.50	174.10	(3.60)
5/30	172.40	172.80	(0.40)
2/30	249.00	251.00	(2.00)

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

Example, If ZN moves 1~basis point, then, it's moved 2.08 tics (Today, 10/25/07, the value in the box is 2.08).

Since ZN trades in half tics, then, 4.17 boxes = 1 basis point in ZN. (Again, today, 10/25/07, the value in the box is 4.17). 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

## US Financial Futures / Eurex Bond

	ZB	ZN	ZF	ZT
Bund (H)	0.980	1.800	2.800	3.100
Bobl (H)	0.540	0.996	1.536	1.692
Shatz (H)	0.223	0.405	0.625	0.688

## US Treasuries v US Financial Futures

	2y	5y	10y	30y
ZB	1.55	3.75	6.62	12.77
ZN	2.80	6.77	11.94	23.02
ZF	4.34	10.50	18.52	35.71
ZT	5.04	12.19	21.51	41.47

## US Financial Futures

	ZB	ZN	ZF	ZT
ZB		1.803	2.797	3.248
ZN	0.555		1.551	1.802
ZF	0.358	0.645		1.161
ZT	0.308	0.555	0.861	

## US Treasuries v Eurex Bonds

	2y	5y	10y	30y
Bund (H)	1.7	3.9	7.1	14.3
Bobl (H)	3.1	7.1	12.8	25.8
Shatz (H)	7.8	15.9	28.8	58.1

## Eurex Bonds

	Bund (H)	Bobl (H)	Shatz (H)
Bund (H)	1.0	1.9	4.6
Bobl (H)	0.5	1.0	2.5
Shatz (H)	0.2	0.4	1.0

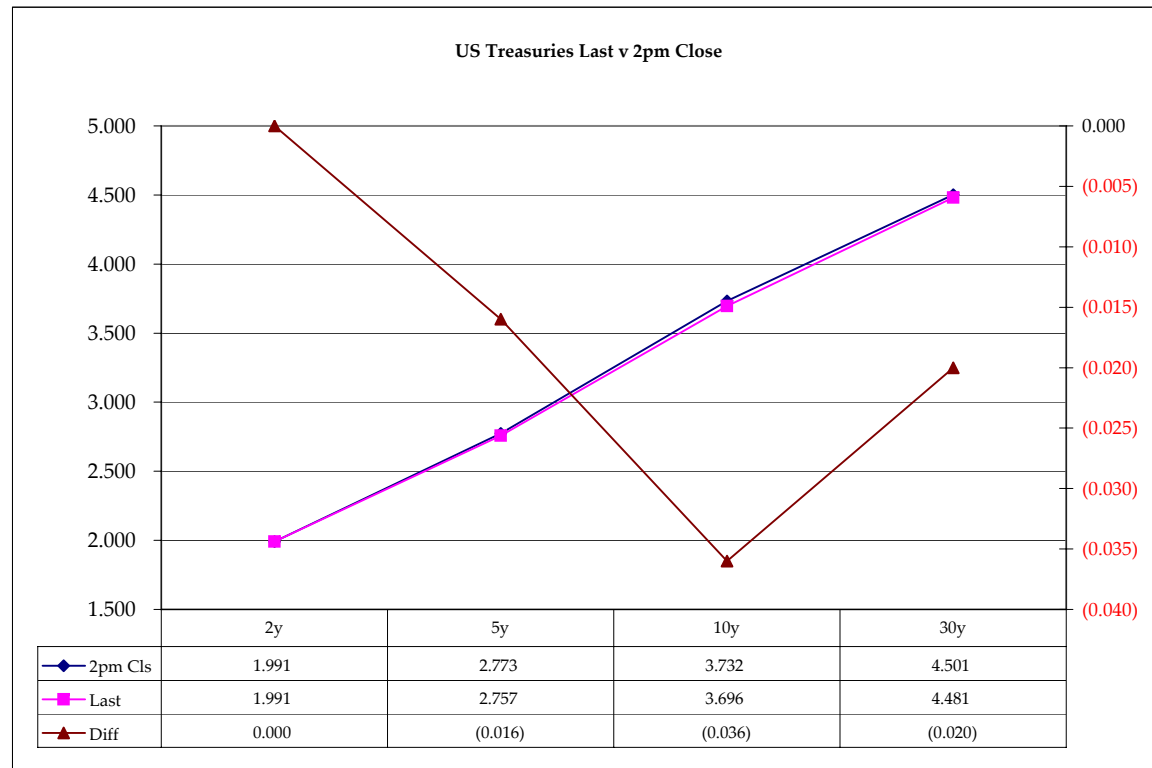
## US Treasuries

	2y	5y	10y	30y
2y		2.421	4.272	8.236
5y	0.412		1.762	3.396
10y	0.234	0.567		1.928
30y	0.121	0.294	0.519	

Note: Any ratio with the Bund, Bobl, or Shatz is from Bloomberg. So, the Bloomberg hedge ratios, in this spreadsheet, are static. Meaning, I only update them once in a while but always on rolls. My hedge ratio's are live, meaning, they're updated in real-time.

	Cpn	Mty	Close 32	Close	Last	Diff	Basis		Roll		Close 32	Last
							Close	Last				
2y	2.125	1/31/10	100.0825	1.991	1.991	0.000				FVAH8	113.090	113.105
5y	2.875	1/31/13	100.1500	2.773	2.757	(0.016)	59.44	60.13		TYAH8	116.170	116.220
10y	3.500	2/15/18	98.025	3.732	3.696	(0.036)	90.42	95.83	+1.00	USAH8	117.26	118.010
30y	4.375	5/15/37	97.30	4.501	4.481	(0.020)	209.61	213.68	+25 / even			

Curve Spreads		
	Close bps	Last bps
2/5	78.2	76.6
5/10	95.9	93.9
10/30	76.9	78.5
2/10	174.1	170.5
5/30	172.8	172.4
2/30	251.0	249.0



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

Cash Duration Matrix				
	2	5	10	30
2	100%			
5	42%	100%		
10	23%	56%	100%	
30	12%	29%	51%	141%
Cash Matrix [DV01 x Duration]				
	2	5	10	30
2	\$193			
5	\$194	\$466		
10	\$192	\$460	\$823	
30	\$189	\$452	\$807	\$1,586
Cash Matrix [DV01 over / (under) valued]				
	2	5	10	30
2				
5	(\$2)			
10	\$0	\$6		
30	\$4	\$14	\$15	
Cash Matrix [DV01 over / (under) as %]				
	2	5	10	30
2				
5	-1.00%			
10	0.23%	1.24%		
30	2.11%	3.13%	1.87%	

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

**What is this? (2):**  
 - 2yr cash has DV01 of \$202  
 - Multiply the 2yr DV01 by the percent duration to come up with what the 2yrs DV01 SHOULD be compared to the 5yr.

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

Tic for Tic Matrix				
	2y	5y	10y	30y
ZT	1.01	2.44	4.30	8.29
ZF	0.43	1.05	1.85	3.57
ZN	0.28	0.68	1.19	2.30
ZB	0.16	0.38	0.66	1.28

Box for Box Matrix				
	2y	5y	10y	30y
ZT	1.01	2.44	8.60	16.59
ZF	0.43	2.10	3.70	7.14
ZN	0.56	1.35	1.19	2.30
ZB	0.62	1.50	1.32	2.55

	2y	5y	10y	30y
2y	1.00	2.42	4.27	8.24
5y	0.41	1.00	1.76	3.40
10y	0.23	0.57	1.00	1.93
30y	0.12	0.29	0.52	1.00

	2y	5y	10y	30y
2y		2.42	2.14	4.12
5y	0.41		0.44	1.70
10y	0.47	2.27		1.93
30y	0.24	0.59	0.52	

	ZT	ZF	ZN	ZB
ZT	1.00	2.32	3.60	6.50
ZF	0.43	1.00	1.55	2.80
ZN	0.28	0.64	1.00	1.80
ZB	0.15	0.36	0.55	1.00

	2y	5y	10y	30y
ZT		2.32	7.21	25.98
ZF	0.43		1.55	5.59
ZN	0.14	0.64		3.61
ZB	0.04	0.18	0.28	