



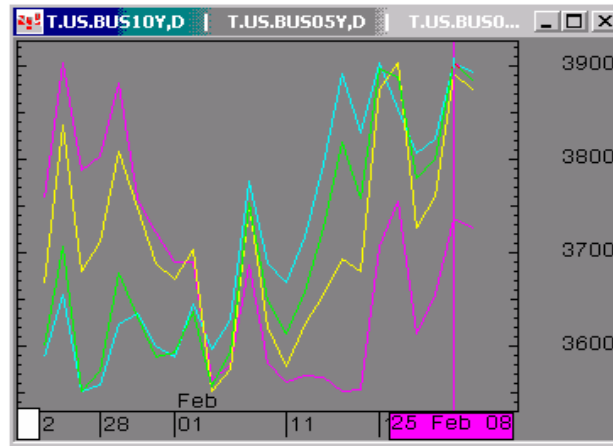
The Morning Email: Treasuries

2/26/2008 6:11

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

Daily Yield Curve



Source: CQG, Inc. © 2008

Tue Feb 26 2008 05:46:31

30y 10y 5y 2y

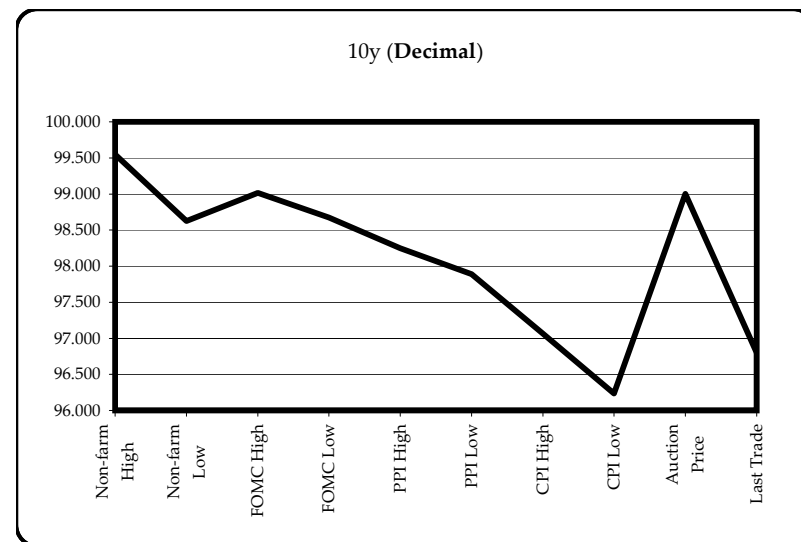
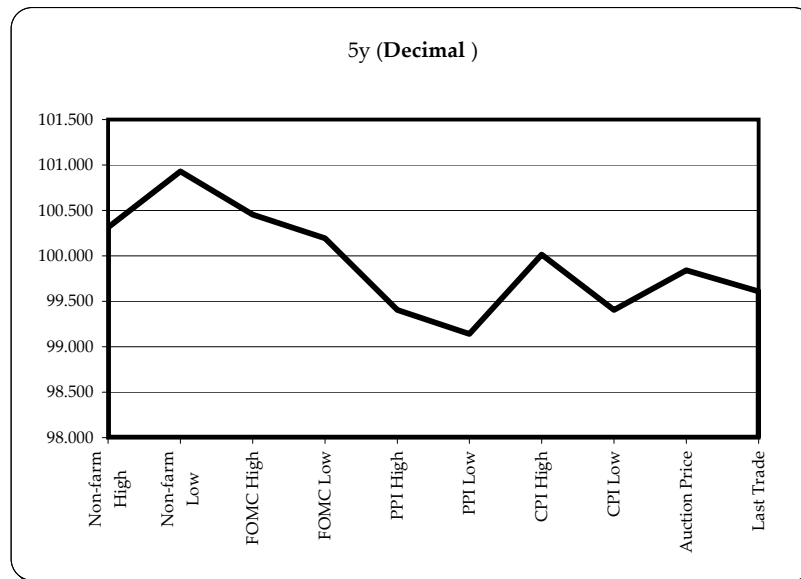


Want something added? Let me know: jgoulding@ghco.com

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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	100.0050	97.020	115.290	116.06	2/20/2008
CPI Low	99.1300	96.075	115.035	115.03	2/20/2008
Auction Price	99.2697	99.000			
Last Trade	99.1950	96.255	115.185	115.30	2/26/2008 6:11

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	106.232	(0.0)	106.257	106.230	106.240	63,280	2y Fut
FVAH8	112.190	(0.0)	112.265	112.190	112.215	69,026	5y Fut
TYAH8	115.185	(0.0)	115.260	115.175	115.200	138,409	10y Fut
USAH8	115.300	0	116.050	115.250	115.300	24,834	30y Fut
	Last	Net	High	Low	Open	Volume	SYM NAME
BUS02P	100.000	(0.5)	100.025	100.002	100.017	na	2y Cash
BUS05P	99.190	(0.2)	99.260	99.195	99.215	na	5y Cash
BUS10P	96.250	3.5	96.310	96.235	96.240	na	10y Cash
BUS30P	95.195	10	95.235	95.120	95.140	na	30y Cash
	Last	Net	High	Low	Open	Volume	SYM NAME
BUS02Y	2.113	0.00	2.13	2.075	2.121	na	2y Yield
BUS05Y	2.957	(0.40)	2.964	2.913	2.949	na	5y Yield
BUS10Y	3.891	(1.30)	3.912	3.865	3.912	na	10y Yield
BUS30Y	4.645	(1.60)	4.673	4.635	4.671	na	30y Yield

	Libor\$ ^	Tbill	CP ^^
1M	3.125	2.336	3.110
3M	3.090	2.182	3.030
6M	3.058	2.116	2.960

	Libor\$ ^	Repos
0/N	3.074	2.750
1week	3.141	2.800
2week	3.142	2.750

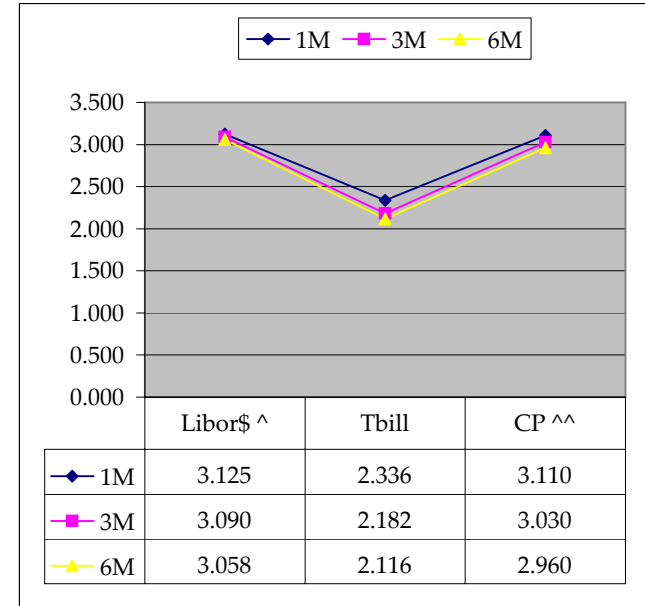
	TSY	Swap	ED Pks ^^^
2y	2.125	87.00	3.233
5y	2.964	90.75	4.716
10y	3.891	72.75	5.236

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

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
	83.9	148.2
	176.6	200.3
	92.7	52.1

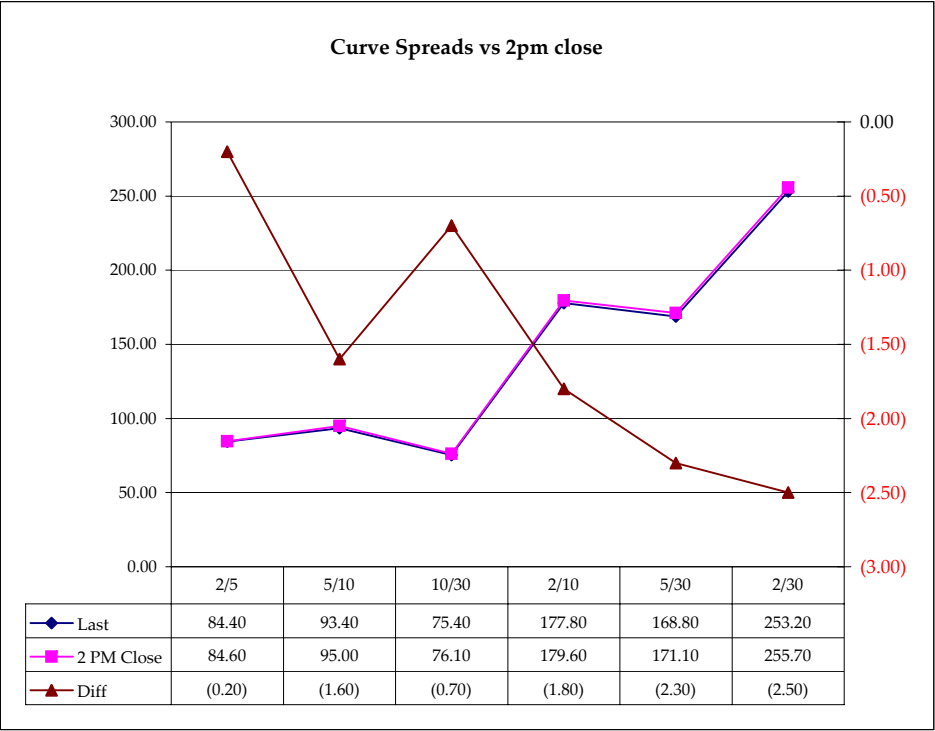
	M Duration	DV01 32	DV01 \$	DV01 Box	CF
30y	16.27	4.99	\$1,558	9.97	n/a
10y	8.30	2.57	\$804	5.15	n/a
5y	4.55	1.46	\$457	5.85	n/a
2y	1.87	0.60	\$188	2.40	n/a
ZB	10.38	3.87	\$121	3.87	0.7757
ZN	5.77	2.16	\$68	4.33	0.8174
ZF	3.83	1.40	\$44	2.79	0.8705
ZT	1.73	0.60	\$19	2.38	0.9336

Yield Curve Spreads			
	Last	2pm close	Diff
2/5	84.40	84.60	(0.20)
5/10	93.40	95.00	(1.60)
10/30	75.40	76.10	(0.70)
2/10	177.80	179.60	(1.80)
5/30	168.80	171.10	(2.30)
2/30	253.20	255.70	(2.50)

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)	1.040	1.900	2.900	3.400
Bobl (H)	0.560	0.996	1.600	1.800
Shatz (H)	0.223	0.390	0.600	0.710

US Treasuries v US Financial Futures

	2y	5y	10y	30y
ZB	1.52	3.70	6.50	12.60
ZN	2.78	6.76	11.89	23.03
ZF	4.30	10.48	18.43	35.72
ZT	5.04	12.29	21.61	41.86

US Financial Futures

	ZB	ZN	ZF	ZT
ZB		1.828	2.834	3.322
ZN	0.547		1.551	1.817
ZF	0.353	0.645		1.172
ZT	0.301	0.550	0.853	

US Treasuries v Eurex Bonds

	2y	5y	10y	30y
Bund (H)	1.5	3.6	6.4	12.3
Bobl (H)	2.8	6.7	11.8	22.9
Shatz (H)	7.1	17.2	30.4	59.0

Eurex Bonds

	Bund (H)	Bobl (H)	Shatz (H)
Bund (H)	1.0	1.9	4.8
Bobl (H)	0.5	1.0	2.6
Shatz (H)	0.2	0.4	1.0

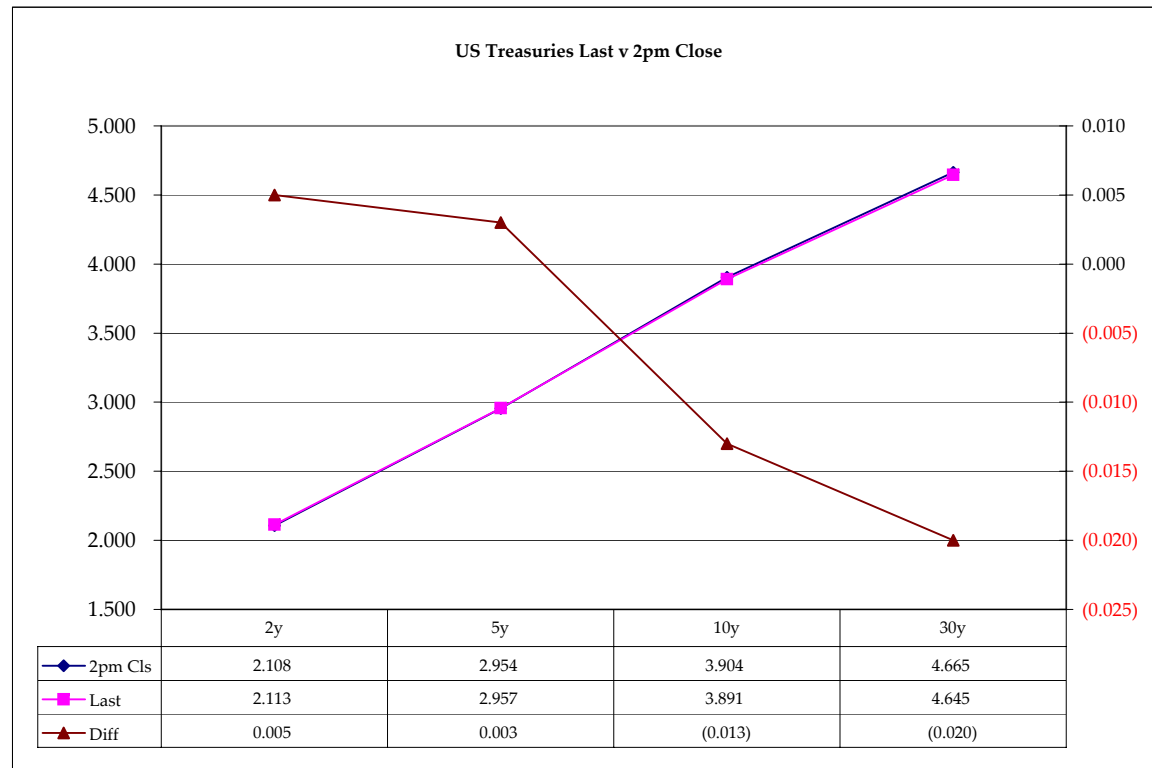
US Treasuries

	2y	5y	10y	30y
2y		2.436	4.284	8.299
5y	0.410		1.754	3.399
10y	0.233	0.569		1.937
30y	0.120	0.294	0.516	

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	100.0100	2.108	2.113	0.005			+1.50 / -1.25	FVAH8	112.225	112.190
5y	2.875	1/31/13	99.2050	2.954	2.957	0.003	49.04	51.09	+2.25 / -2.00	TYAH8	115.200	115.185
10y	3.500	2/15/18	96.220	3.904	3.891	(0.013)	69.62	74.35		USAH8	115.27	115.300
30y	4.375	5/15/37	95.11	4.665	4.645	(0.020)	175.48	182.15				

Curve Spreads		
	Close bps	Last bps
2/5	84.6	84.4
5/10	95.0	93.4
10/30	76.1	75.4
2/10	179.6	177.8
5/30	171.1	168.8
2/30	255.7	253.2



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	41%	100%		
10	23%	55%	100%	
30	12%	28%	51%	144%
Cash Matrix [DV01 x Duration]				
	2	5	10	30
2	\$188			
5	\$188	\$457		
10	\$182	\$441	\$804	
30	\$180	\$436	\$795	\$1,558
Cash Matrix [DV01 over / (under) valued]				
	2	5	10	30
2				
5	(\$1)			
10	\$6	\$16		
30	\$8	\$22	\$9	
Cash Matrix [DV01 over / (under) as %]				
	2	5	10	30
2				
5	-0.36%			
10	3.35%	3.72%		
30	4.57%	4.94%	1.18%	

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

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.

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	2.46	4.32	8.37
ZF		0.43	1.05	1.84	3.57
ZN		0.28	0.68	1.19	2.30
ZB		0.16	0.38	0.66	1.29

		Box for Box Matrix			
		2y	5y	10y	30y
ZT		1.01	2.46	8.64	16.75
ZF		0.43	2.10	3.69	7.14
ZN		0.56	1.35	1.19	2.30
ZB		0.62	1.51	1.33	2.58

		2y	5y	10y	30y
2y		1.00	2.44	4.28	8.30
5y		0.41	1.00	1.76	3.41
10y		0.23	0.57	1.00	1.94
30y		0.12	0.29	0.52	1.00

		2y	5y	10y	30y
2y			2.44	2.14	4.15
5y		0.41		0.44	1.70
10y		0.47	2.27		1.94
30y		0.24	0.59	0.52	

		ZT	ZF	ZN	ZB
ZT		1.00	2.34	3.63	6.50
ZF		0.43	1.00	1.55	2.77
ZN		0.28	0.64	1.00	1.79
ZB		0.15	0.36	0.56	1.00

		2y	5y	10y	30y
ZT			2.34	7.27	26.00
ZF		0.43		1.55	5.55
ZN		0.14	0.64		3.58
ZB		0.04	0.18	0.28	