



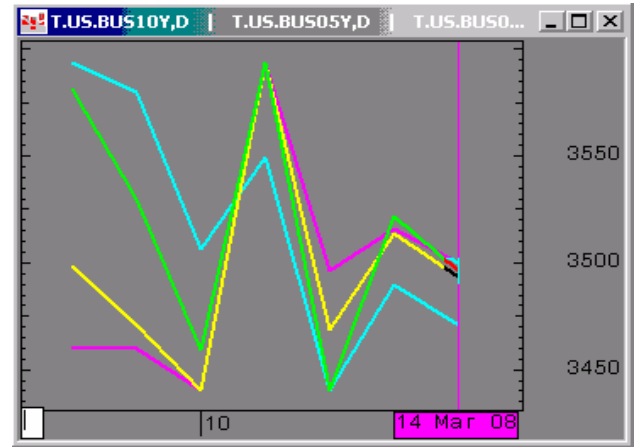
## The Morning Email: Treasuries

3/14/2008 5:39

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Daily Yield Curve



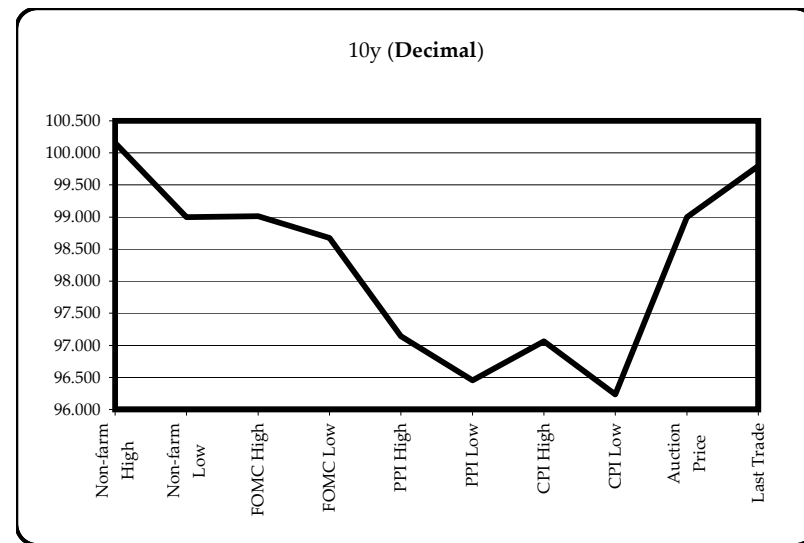
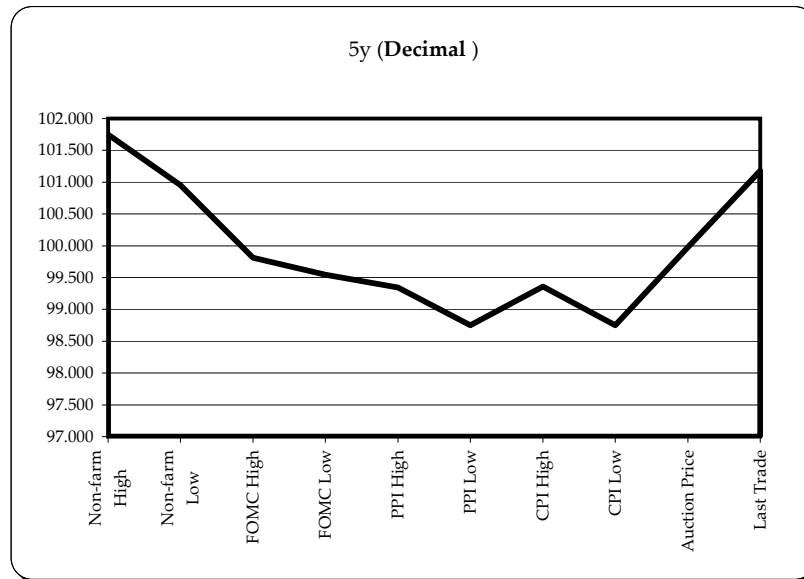
Source: CQG, Inc. © 2008 Fri Mar 14 2008 05:39:32



Want something added? Let me know: [jgoulding@ghco.com](mailto:jgoulding@ghco.com)  
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Economic Releases - 32nds					
	5y	10y	ZNM8	ZBM8	Date
Non-farm High	101.2400	100.050	117.290	118.12	3/7/2008
Non-farm Low	100.3050	99.000	116.235	116.05	3/7/2008
FOMC High	99.2600	99.005	115.210	118.27	1/31/2008
FOMC Low	99.1750	98.215	114.277	118.08	1/31/2008
PPI High	99.1100	97.045	114.218	115.10	2/26/2008
PPI Low	98.2400	96.145	113.242	114.18	2/26/2008
CPI High	99.1150	97.020	113.303	115.06	2/20/2008
CPI Low	98.2400	96.075	113.221	114.03	2/20/2008
Auction Price	99.3126	99.000			
Last Trade	101.0570	99.255	118.010	118.15	3/14/2008 5:39

Auctions - 32nds				
	2 y	5y	10y	30y
Auction Price	99.292	99.313	99.000	98.250
Auction Yield Stop	2.045	2.755	3.620	4.4449
Actual Auction Date	2/27/2008	2/28/2008	2/6/2008	2/7/2008



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

	Last	Net	32 nds			Volume	SYM NAME
			High	Low	Open		
TUAM8	107.125	0.015	107.165	107.097	107.112	26,623	2y Fut
FVAM8	114.042	0.050	114.120	113.290	113.302	56,447	5y Fut
TYAM8	118.010	0.065	118.135	117.235	117.300	120,298	10y Fut
USAM8	118.150	0.09	118.310	118.040	118.070	25,720	30y Fut
	Last	Net	High	Low	Open	Volume	SYM NAME
BUS02P	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	na	2y Cash
BUS05P	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	na	5y Cash
BUS10P	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	na	10y Cash
BUS30P	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	na	30y Cash
	Last	Net	High	Low	Open	Volume	SYM NAME
BUS02Y	1.585	(0.026)	1.642	1.528	1.625	na	2y Yield
BUS05Y	2.470	(0.026)	2.519	2.415	2.506	na	5y Yield
BUS10Y	3.496	(0.026)	3.541	3.457	3.53	na	10y Yield
BUS30Y	4.426	(0.019)	4.459	4.388	4.445	na	30y Yield

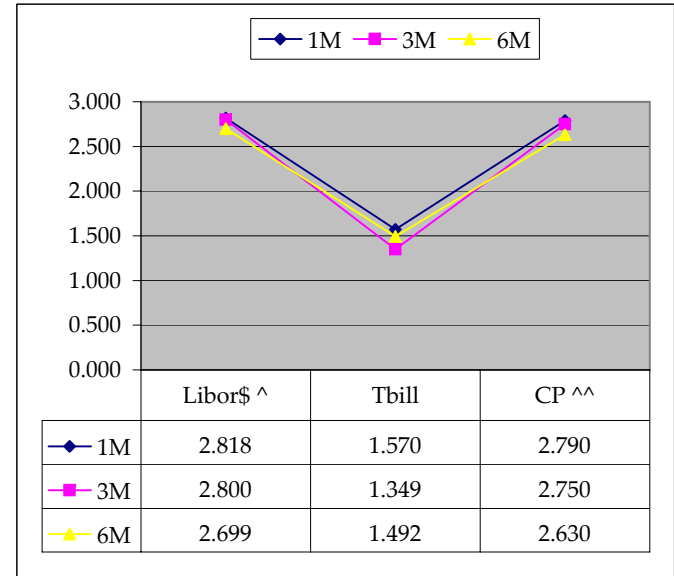
	Libor\$ ^	Tbill	CP ^^
1M	2.818	1.570	2.790
3M	2.800	1.349	2.750
6M	2.699	1.492	2.630

	Libor\$ ^	Repos
0/N	3.078	2.300
1week	2.876	2.300
2week	2.848	2.100

	TSY	Swap	ED Pks ^^^
2y		91.00	2.619
5y		91.25	4.232
10y		70.75	4.832

"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



2/5 Rd/Blu Pk Difference		
#VALUE!	161.4	#VALUE!
2/10 Rd/Gld Pk Difference		
#VALUE!	221.4	#VALUE!
5/10 Blu/Gld Pk Difference		
#VALUE!	60.0	#VALUE!

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

	M Duration	DV01 32	DV01 \$	DV01 Box	CF
30y	#VALUE!	#VALUE!	#VALUE!	#VALUE!	n/a
10y	#VALUE!	#VALUE!	#VALUE!	#VALUE!	n/a
5y	#VALUE!	#VALUE!	#VALUE!	#VALUE!	n/a
2y	#VALUE!	#VALUE!	#VALUE!	#VALUE!	n/a
ZB	10.43	4.03	\$126	4.03	0.7765
ZN	6.66	2.59	\$81	5.18	0.8210
ZF	4.07	1.50	\$47	3.01	0.8694
ZT	1.92	0.67	\$21	2.67	0.9286

Yield Curve Spreads			
	Last	2pm close	Diff
2/5	88.50	89.50	(1.00)
5/10	102.60	102.50	0.10
10/30	93.00	92.00	1.00
2/10	191.10	192.00	(0.90)
5/30	195.60	194.50	1.10
2/30	284.10	284.00	0.10

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.

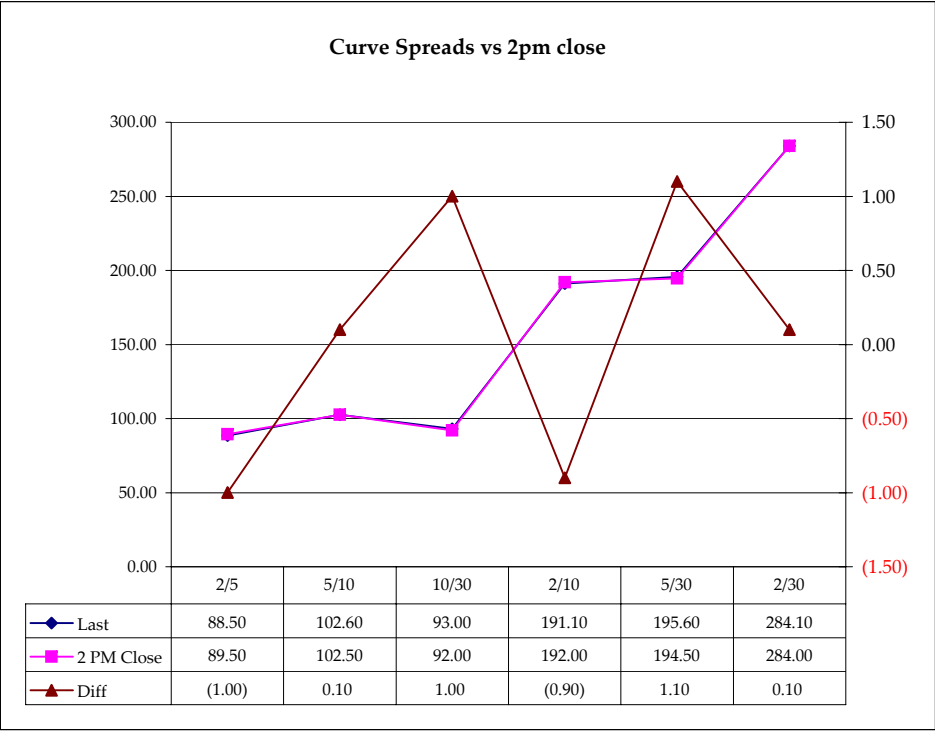
**Notes**

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)	1.000	1.600	2.800	3.238
Bobl (H)	0.600	0.923	1.587	1.787
Shatz (H)	0.248	0.383	0.658	0.741

## US Financial Futures

	ZB	ZN	ZF	ZT
ZB		1.554	2.678	3.021
ZN	0.643		1.662	1.128
ZF	0.373	0.580		1.128
ZT	0.331	0.514	0.887	

## 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	#VALUE!	#VALUE!	#VALUE!	#####
ZN	#VALUE!	#VALUE!	#VALUE!	#####
ZF	#VALUE!	#VALUE!	#VALUE!	#####
ZT	#VALUE!	#VALUE!	#VALUE!	#####

## US Treasuries v Eurex Bonds

	2y	5y	10y	30y
Bund (H)	1.4	3.4	6.1	12.0
Bobl (H)	2.6	6.2	11.1	21.7
Shatz (H)	6.2	15.0	26.6	52.1

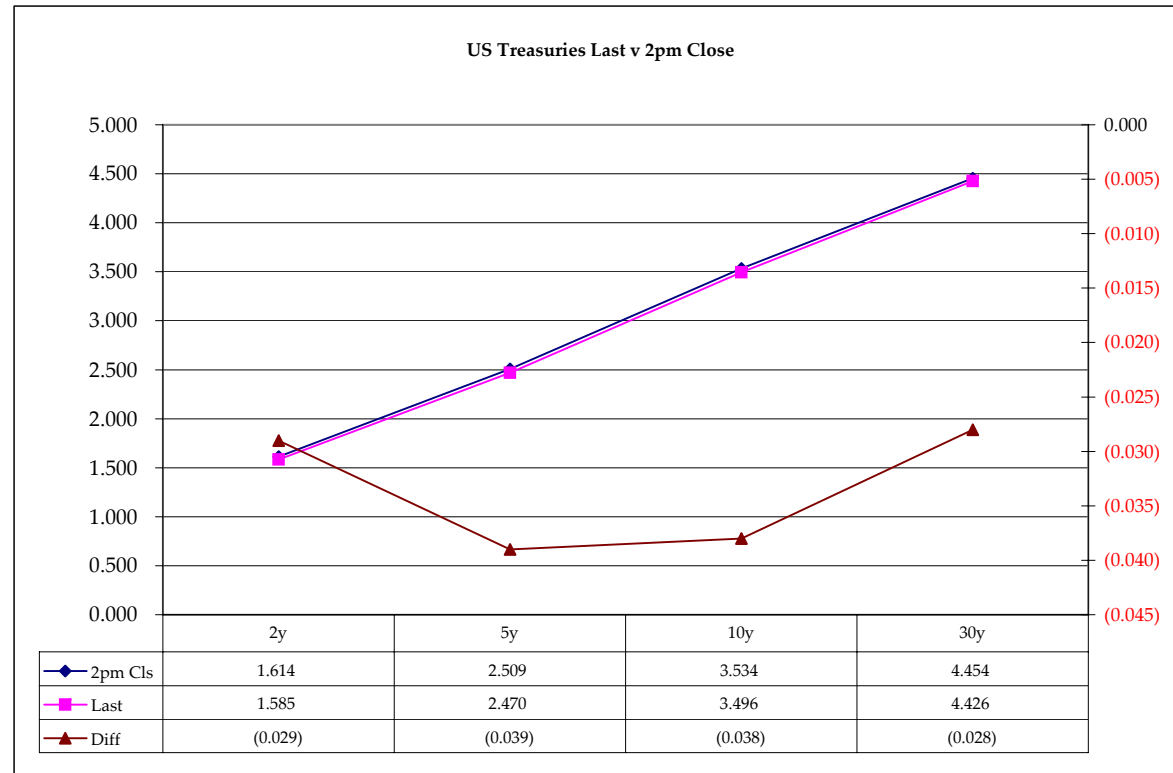
## US Treasuries

	2y	5y	10y	30y
2y		#VALUE!	#VALUE!	#####
5y	#VALUE!		#VALUE!	#####
10y	#VALUE!	#VALUE!		#####
30y	#VALUE!	#VALUE!	#VALUE!	

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

	Cpn	Mty	Close 32	Close	Last	Diff	Basis		Roll	Close 32	Last		
							Close	Last					
2y	2.000	2/28/10	100.2375	1.614	1.585	(0.029)				FVAM8	113.315	114.042	June 08 Contracts
5y	2.750	2/28/13	101.0375	2.509	2.470	(0.039)	64.61	62.48		TYAM8	117.260	118.010	
10y	3.500	2/15/18	99.230	3.534	3.496	(0.038)	95.83	92.58		USAM8	118.06	118.150	
30y	4.375	5/15/37	98.23	4.454	4.426	(0.028)	221.78	216.29		FVar1		#NAME?	Roll: 1/4 tic spreads
										TYar1		124	
										USar1		106.2	
										FVH8		115.000	March 08 Contracts
										TYAH8		119.240	
										USAH8		119.220	

Curve Spreads		
	Close bps	Last bps
2/5	89.5	88.5
5/10	102.5	102.6
10/30	92.0	93.0
2/10	192.0	191.1
5/30	194.5	195.6
2/30	284.0	284.1



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	#VALUE!	#VALUE!		
10	#VALUE!	#VALUE!	#VALUE!	
30	#VALUE!	#VALUE!	#VALUE!	#VALUE!
Cash Matrix [DV01 x Duration]				
	2	5	10	30
2	#VALUE!			
5	#VALUE!	#VALUE!		
10	#VALUE!	#VALUE!	#VALUE!	
30	#VALUE!	#VALUE!	#VALUE!	#VALUE!
Cash Matrix [DV01 over / (under) valued]				
	2	5	10	30
2				
5	#VALUE!			
10	#VALUE!	#VALUE!		
30	#VALUE!	#VALUE!	#VALUE!	
Cash Matrix [DV01 over / (under) as %]				
	2	5	10	30
2				
5	#VALUE!			
10	#VALUE!	#VALUE!		
30	#VALUE!	#VALUE!	#VALUE!	

**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.

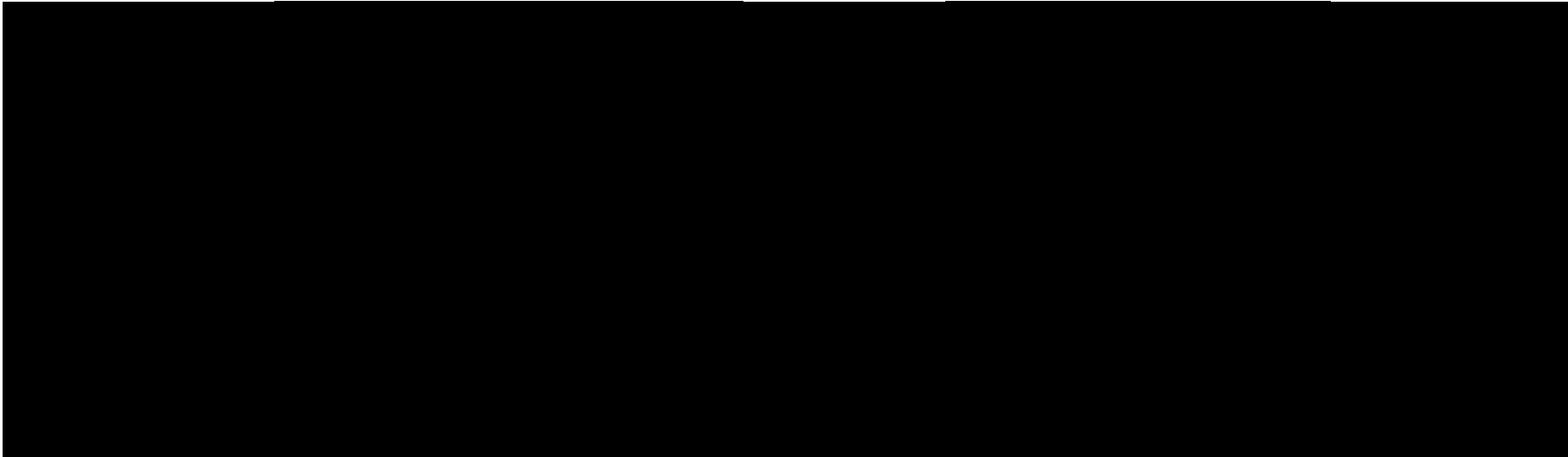
**What is this? (3):**  
 - Now you can see the over/under value, based on the DV01, from contract to contract. In this example we are looking at the 2yr compared to the 5yr.  
  
 Or you can look at the over/under value as a percentage instead of dollar terms.

**Tic for Tic Matrix**

2y 5y 10y 30y

**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 in the next few days.

Thanks,  
Jim