

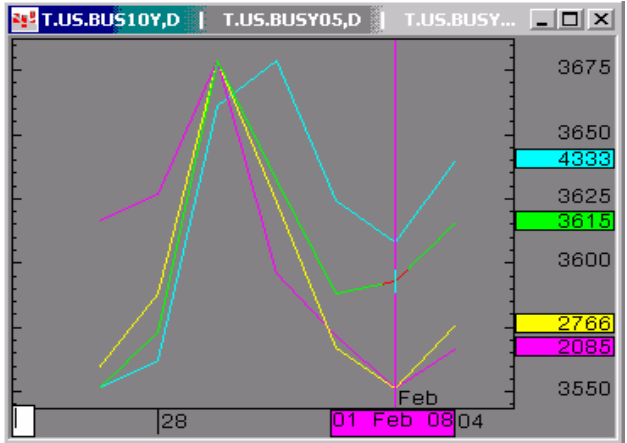


The Morning Email: Treasuries

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Daily Yield Curve



Source: CQG, Inc. © 2008 Mon Feb 04 2008 05:28:47

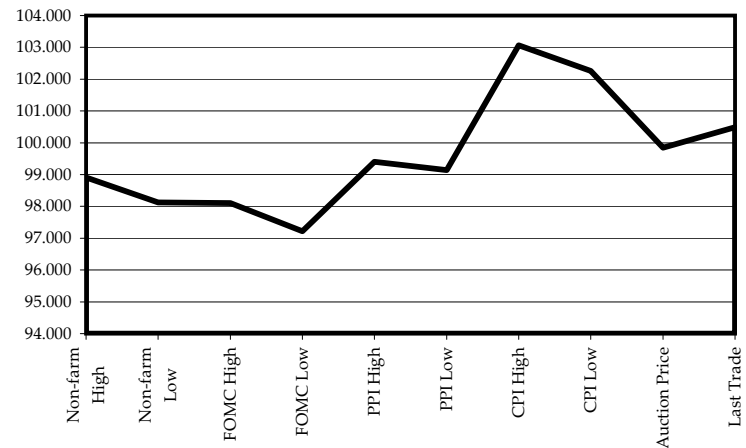


Want something added? Let me know: jgoulding@ghco.com
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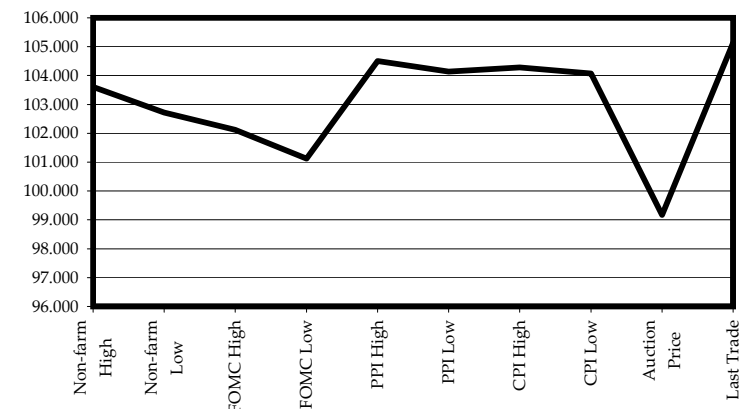
Economic Releases - 32nds					
	5y	10y	ZNH8	ZBH8	Date
Non-farm High	98.2900	103.195	115.075	118.18	1/4/2008
Non-farm Low	98.0400	102.230	114.085	117.16	1/4/2008
FOMC High	98.0350	102.040	113.200	116.16	12/11/2007
FOMC Low	97.0700	101.040	112.185	115.03	12/11/2007
PPI High	99.1300	104.160	116.030	119.17	1/15/2008
PPI Low	99.0450	104.045	115.235	119.02	1/15/2008
CPI High	99.2300	104.285	116.140	119.31	1/16/2008
CPI Low	99.1050	104.070	115.275	119.03	1/16/2008
Auction Price	99.2697	99.056			
Last Trade	100.1570	105.045	116.280	119.17	2/4/2008 5:44

Auctions - 32nds				
	2 y	5y	10y	30y
Auction Price	99.250	99.270	99.056	105.103
Auction Yield Stop	2.237	2.909	4.353	4.666
Actual Auction Date	1/28/2008	1/29/2008	11/7/2007	11/8/2007

5y (Decimal)



10y (Decimal)



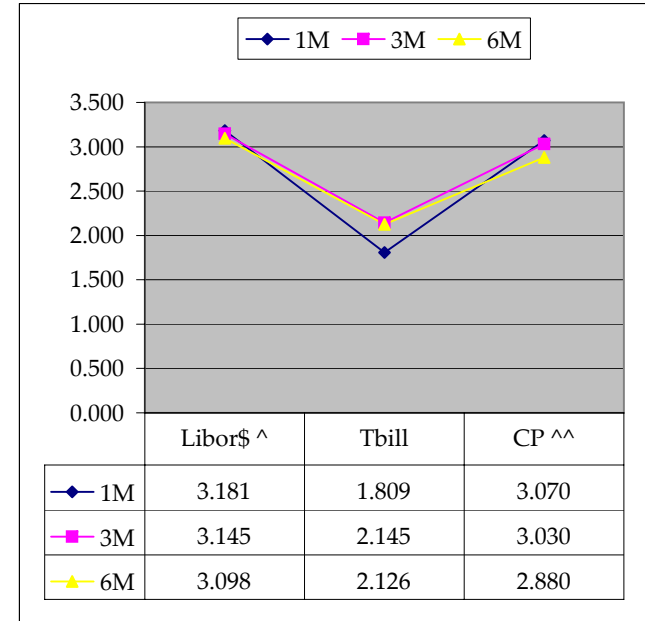
Notes: Cash and futures are adjusted for roll.
 Release times are from release to 2pm cdt
 {Dec07 to Mch08 Futures roll: ZF = (-12); ZN = (-25); ZB = (+1) [tics]}
 r = reopen

	Last	Net	32 nds			Volume	SYM NAME
			High	Low	Open		
TUAH8	106.235	(0.0)	106.250	106.212	106.247	24,315	2y Fut
FVAH8	113.070	(0.0)	113.120	113.045	113.110	38,604	5y Fut
TYAH8	116.280	(0.1)	117.015	116.255	117.015	95,612	10y Fut
USAH8	119.170	(0)	119.310	119.150	119.310	20,935	30y Fut
	Last	Net	High	Low	Open	Volume	SYM NAME
BUS02P	100.020	(2.0)	100.035	100.007	100.020	na	2y Cash
BUS05P	100.155	(3.7)	100.185	100.130	100.165	na	5y Cash
BUS10P	#VALUE!	(6.5)	105.105	105.020	105.060	na	10y Cash
BUS30P	#VALUE!	(15)	111.055	110.260	111.010	na	30y Cash
	Last	Net	High	Low	Open	Volume	SYM NAME
BUS02Y	2.085	2.80	2.126	2.053	2.089	na	2y Yield
BUS05Y	2.767	2.70	2.791	2.729	2.742	na	5y Yield
BUS10Y	3.617	2.40	3.633	3.581	3.591	na	10y Yield
BUS30Y	4.336	2.60	4.348	4.301	4.306	na	30y Yield

	Libor\$ ^	Tbill	CP ^^
1M	3.181	1.809	3.070
3M	3.145	2.145	3.030
6M	3.098	2.126	2.880

	TSY	Swap	ED Pks ^^
2y	2.093	73.25	2.972
5y	2.751	74.50	
10y	3.620	63.00	

	Libor\$ ^	Repos
0/N	3.238	2.250
1week	3.194	2.200
2week	3.193	2.200



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

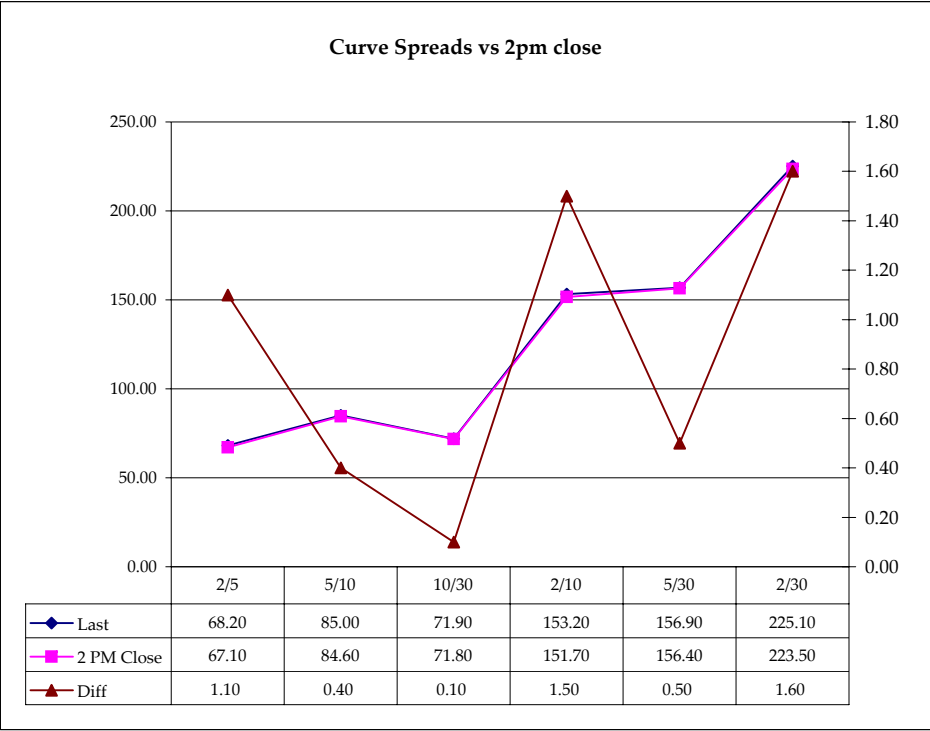
	M Duration	DV01 32	DV01 \$	DV01 Box	CF
30y	15.75	5.71	\$1,784	11.42	n/a
10y	7.93	2.69	\$842	5.39	n/a
5y	4.62	1.50	\$467	5.98	n/a
2y	1.93	0.62	\$194	2.48	n/a
ZB	10.27	4.04	\$126	4.04	0.8633
ZN	5.84	2.21	\$69	4.43	0.8747
ZF	3.89	1.43	\$45	2.85	0.8877
ZT	1.79	0.62	\$19	2.46	0.9549

Yield Curve Spreads			
	Last	2pm close	Diff
2/5	68.20	67.10	1.10
5/10	85.00	84.60	0.40
10/30	71.90	71.80	0.10
2/10	153.20	151.70	1.50
5/30	156.90	156.40	0.50
2/30	225.10	223.50	1.60

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	1.53	3.70	6.66	14.12
ZN	2.80	6.76	12.17	25.79
ZF	4.35	10.49	18.90	40.05
ZT	5.03	12.14	21.87	46.35

US Financial Futures

	ZB	ZN	ZF	ZT
ZB		1.826	2.836	3.282
ZN	0.548		1.553	1.797
ZF	0.353	0.644		1.157
ZT	0.305	0.556	0.864	

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

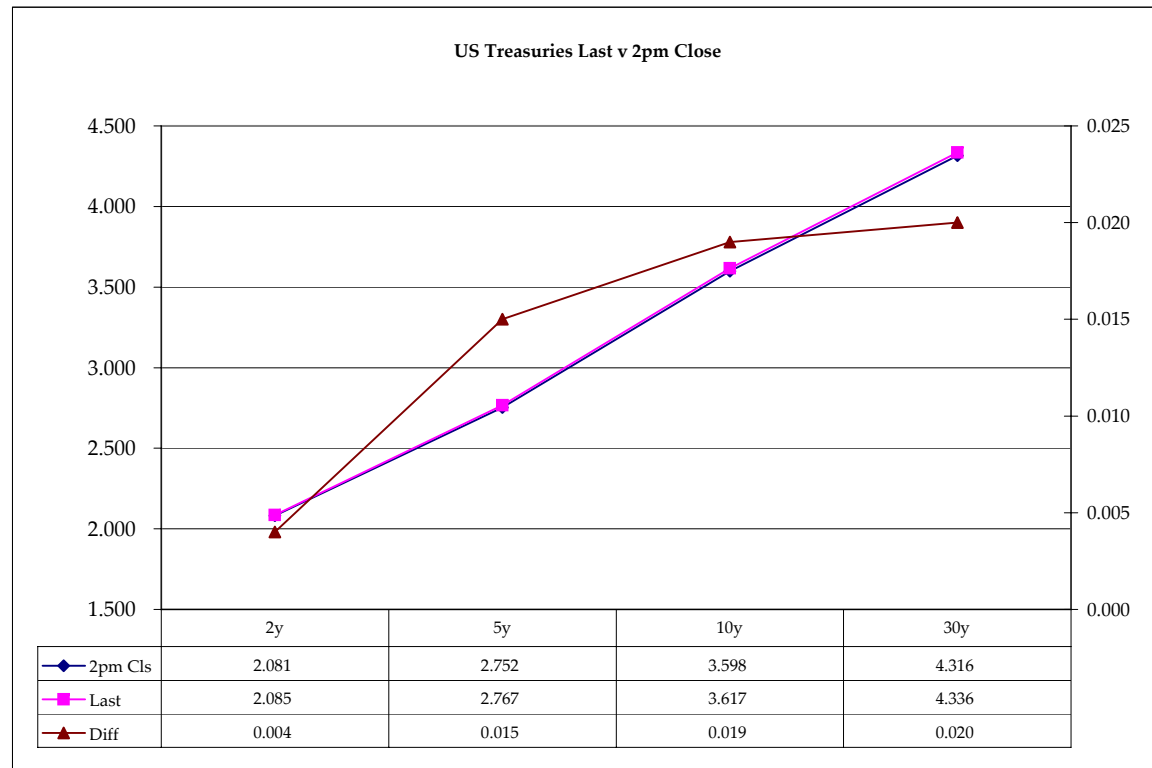
US Treasuries

	2y	5y	10y	30y
2y		2.414	4.347	9.214
5y	0.413		1.796	3.807
10y	0.230	0.555		2.120
30y	0.109	0.262	0.472	

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	100.0275	2.081	2.085	0.004				FVAH8	113.100	113.070
5y	2.875	1/31/13	100.1825	2.752	2.767	0.015	-0.55	-0.44	+2.00 bps	TYAH8	117.015	116.280
10y	4.250	11/17/17	105.105	3.598	3.617	0.019	94.31	93.12		USAH8	119.25	119.170
30y	5.000	5/15/37	111.10	4.316	4.336	0.020	252.47	247.38				

Curve Spreads		
	Close bps	Last bps
2/5	67.1	68.2
5/10	84.6	85.0
10/30	71.8	71.9
2/10	151.7	153.2
5/30	156.4	156.9
2/30	223.5	225.1



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	42%	100%		
10	24%	58%	100%	
30	12%	29%	50%	136%
Cash Matrix [DV01 x Duration]				
	2	5	10	30
2	\$194			
5	\$196	\$467		
10	\$205	\$490	\$842	
30	\$219	\$523	\$899	\$1,784
Cash Matrix [DV01 over / (under) valued]				
	2	5	10	30
2				
5	(\$2)			
10	(\$12)	(\$22)		
30	(\$26)	(\$56)	(\$57)	
Cash Matrix [DV01 over / (under) as %]				
	2	5	10	30
2				
5	-1.13%			
10	-5.66%	-4.58%		
30	-11.65%	-10.64%	-6.34%	

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	2.43	4.37	9.27
ZF		0.43	1.05	1.89	4.01
ZN		0.28	0.68	1.22	2.58
ZB		0.15	0.37	0.67	1.41

		Box for Box Matrix			
		2y	5y	10y	30y
ZT		1.01	2.43	8.75	18.54
ZF		0.43	2.10	3.78	8.01
ZN		0.56	1.35	1.22	2.58
ZB		0.61	1.48	1.33	2.82

		2y	5y	10y	30y
2y		1.00	2.41	4.35	9.21
5y		0.41	1.00	1.80	3.82
10y		0.23	0.56	1.00	2.12
30y		0.11	0.26	0.47	1.00

		2y	5y	10y	30y
2y			2.41	2.17	4.61
5y		0.41		0.45	1.91
10y		0.46	2.22		2.12
30y		0.22	0.52	0.47	

		ZT	ZF	ZN	ZB
ZT		1.00	2.31	3.59	6.56
ZF		0.43	1.00	1.55	2.84
ZN		0.28	0.64	1.00	1.83
ZB		0.15	0.35	0.55	1.00

		2y	5y	10y	30y
ZT			2.31	7.19	26.26
ZF		0.43		1.55	5.67
ZN		0.14	0.64		3.65
ZB		0.04	0.18	0.27	