

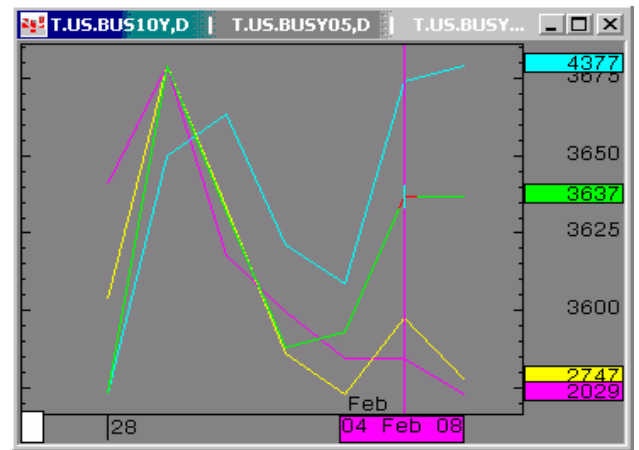


## The Morning Email: Treasuries

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Daily Yield Curve



Source: CQG, Inc. © 2008 Tue Feb 05 2008 05:52:32

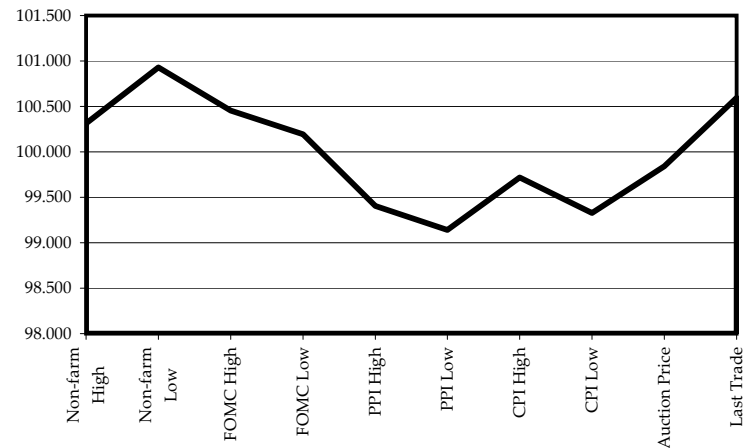


Want something added? Let me know: [jgoulding@ghco.com](mailto:jgoulding@ghco.com)  
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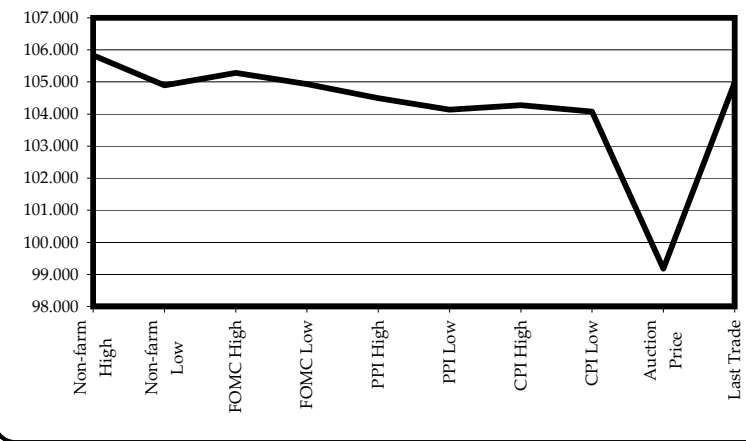
Economic Releases - 32nds					
	5y	10y	ZNH8	ZBH8	Date
Non-farm High	100.1000	105.265	116.225	120.09	2/1/2008
Non-farm Low	100.2975	104.285	117.185	119.03	2/1/2008
FOMC High	100.1450	105.090	117.000	119.27	1/31/2008
FOMC Low	100.0625	104.300	116.210	119.08	1/31/2008
PPI High	99.1300	104.160	116.030	119.17	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	100.1900	104.315	116.310	119.07	2/5/2008 5:52

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)



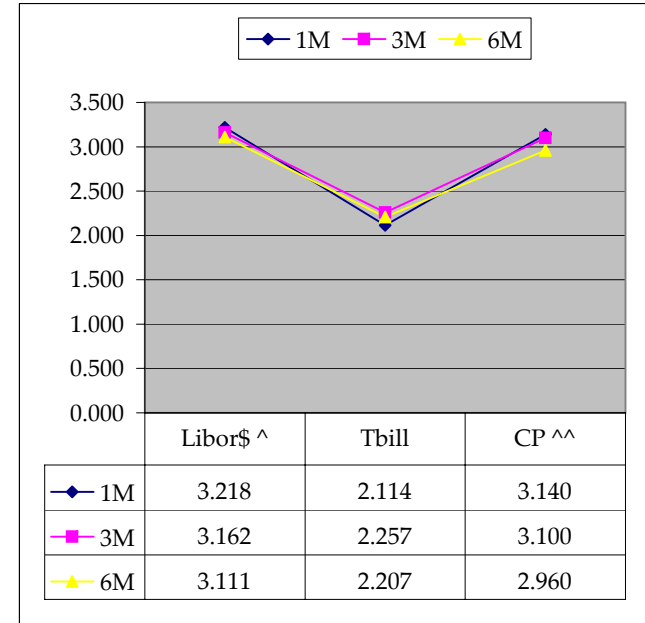
Notes: Cash and futures are adjusted for roll.  
 Release times are from release to 2pm cdt  
 {Dec07 to Mch08 Futures roll: ZF = (-12); ZN = (-25); ZB = (+1) [tics]}  
 r = reopen

	Last	Net	32 nds			Volume	SYM NAME
			High	Low	Open		
TUAH8	106.287	0.0	106.300	106.265	106.265	37,239	2y Fut
FVAH8	113.130	0.0	113.155	113.070	113.080	55,322	5y Fut
TYAH8	116.310	0.1	117.025	116.225	116.245	164,166	10y Fut
USAH8	119.070	0	119.160	118.250	119.050	38,773	30y Fut
	Last	Net	High	Low	Open	Volume	SYM NAME
BUS02P	100.057	1.7	100.070	100.037	100.045	na	2y Cash
BUS05P	100.187	3.5	100.215	100.142	100.160	na	5y Cash
BUS10P	104.315	0.5	105.035	104.235	104.315	na	10y Cash
BUS30P	110.045	(4)	110.150	109.205	110.150	na	30y Cash
	Last	Net	High	Low	Open	Volume	SYM NAME
BUS02Y	2.029	(2.80)	2.077	2.005	2.077	na	2y Yield
BUS05Y	2.747	(2.50)	2.782	2.728	2.781	na	5y Yield
BUS10Y	3.637	0.00	3.672	3.62	3.652	na	10y Yield
BUS30Y	4.377	0.50	4.413	4.356	4.377	na	30y Yield

	Libor\$ ^	Tbill	CP ^^
1M	3.218	2.114	3.140
3M	3.162	2.257	3.100
6M	3.111	2.207	2.960

	Libor\$ ^	Repos
0/N	3.278	2.600
1week	3.246	2.550
2week	3.243	2.550

	TSY	Swap	ED Pks ^^
2y	2.032	75.75	2.894
5y	2.736	75.00	
10y	3.639	63.00	



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

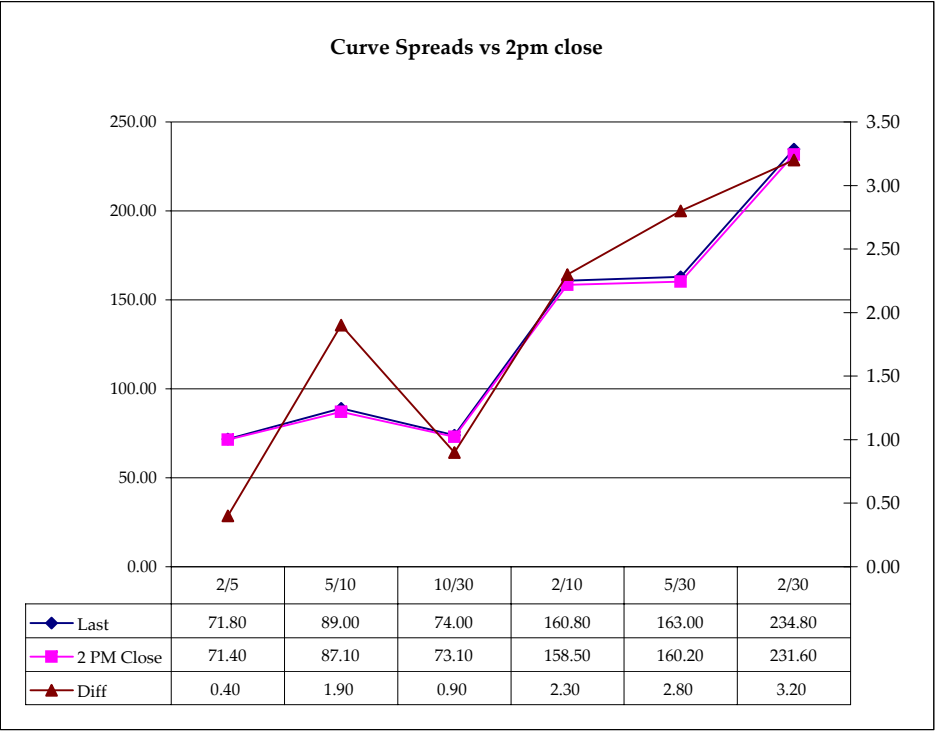
	M Duration	DV01 32	DV01 \$	DV01 Box	CF
30y	15.70	5.66	\$1,767	11.31	n/a
10y	7.93	2.69	\$840	5.38	n/a
5y	4.61	1.50	\$468	5.99	n/a
2y	1.93	0.62	\$194	2.48	n/a
ZB	10.26	4.03	\$126	4.03	0.8633
ZN	5.84	2.21	\$69	4.42	0.8747
ZF	3.89	1.43	\$45	2.85	0.8705
ZT	1.79	0.62	\$19	2.46	0.9336

Yield Curve Spreads			
	Last	2pm close	Diff
2/5	71.80	71.40	0.40
5/10	89.00	87.10	1.90
10/30	74.00	73.10	0.90
2/10	160.80	158.50	2.30
5/30	163.00	160.20	2.80
2/30	234.80	231.60	3.20

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 Financial Futures

	ZB	ZN	ZF	ZT
ZB		1.822	2.823	3.272
ZN	0.549		1.550	1.796
ZF	0.354	0.645		1.159
ZT	0.306	0.557	0.863	

## 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 v US Financial Futures

	2y	5y	10y	30y
ZB	1.54	3.71	6.67	14.03
ZN	2.80	6.76	12.15	25.56
ZF	4.34	10.48	18.83	39.62
ZT	5.03	12.15	21.83	45.92

## 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

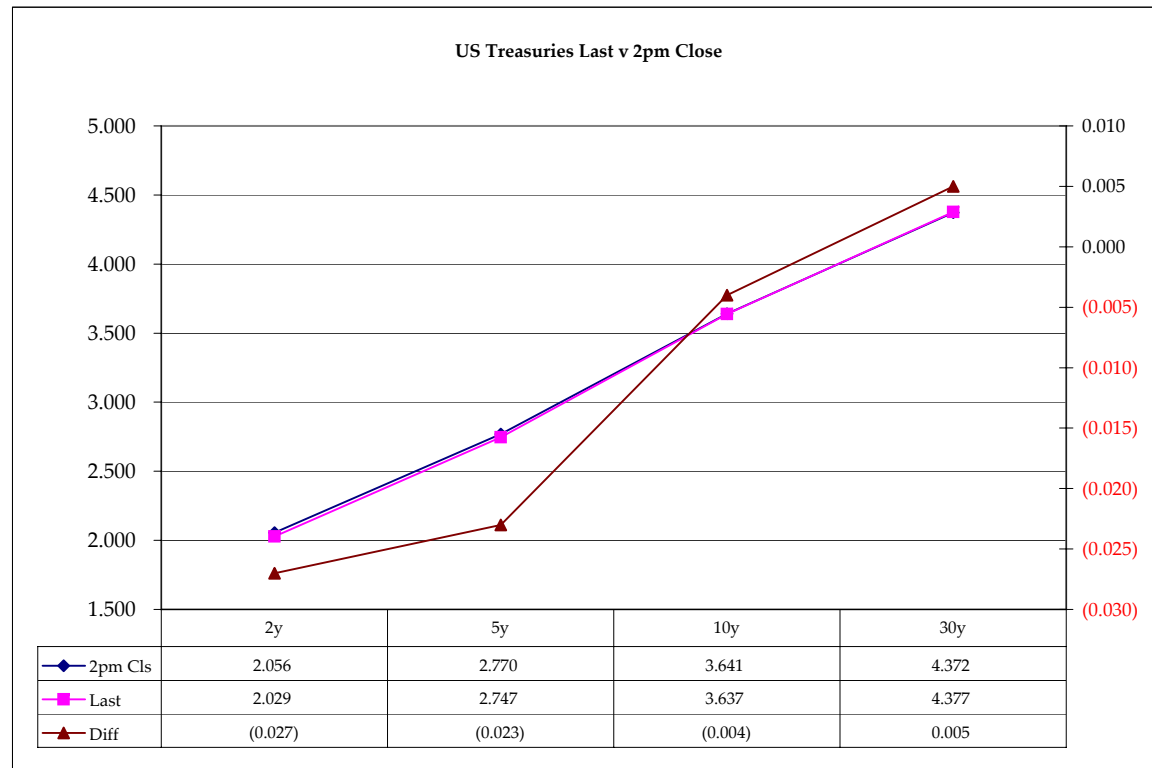
## US Treasuries

	2y	5y	10y	30y
2y		2.415	4.338	9.125
5y	0.413		1.792	3.770
10y	0.231	0.557		2.104
30y	0.110	0.265	0.475	

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	100.0425	2.056	2.029	(0.027)				FVAH8	113.085	113.130
5y	2.875	1/31/13	100.1550	2.770	2.747	(0.023)	60.37	59.96		TYAH8	116.260	116.310
10y	4.250	11/17/17	104.310	3.641	3.637	(0.004)	89.37	85.50	+1.50 / -1.25	USAH8	119.06	119.070
30y	5.000	5/15/37	110.10	4.372	4.377	0.005	237.37	232.51	even / +.50			

Curve Spreads		
	Close bps	Last bps
2/5	71.4	71.8
5/10	87.1	89.0
10/30	73.1	74.0
2/10	158.5	160.8
5/30	160.2	163.0
2/30	231.6	234.8



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%	51%	136%
Cash Matrix [DV01 x Duration]				
	2	5	10	30
2	\$194			
5	\$196	\$468		
10	\$205	\$489	\$840	
30	\$218	\$519	\$893	\$1,767
Cash Matrix [DV01 over / (under) valued]				
	2	5	10	30
2				
5	(\$2)			
10	(\$11)	(\$21)		
30	(\$24)	(\$52)	(\$52)	
Cash Matrix [DV01 over / (under) as %]				
	2	5	10	30
2				
5	-1.11%			
10	-5.42%	-4.35%		
30	-10.97%	-9.97%	-5.87%	

**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	2.43	4.37	9.18
ZF	0.43	1.05	1.88	3.96
ZN	0.28	0.68	1.22	2.56
ZB	0.15	0.37	0.67	1.40

Box for Box Matrix				
	2y	5y	10y	30y
ZT	1.01	2.43	8.73	18.37
ZF	0.43	2.10	3.77	7.92
ZN	0.56	1.35	1.22	2.56
ZB	0.62	1.49	1.33	2.81

	2y	5y	10y	30y
2y	1.00	2.41	4.34	9.13
5y	0.41	1.00	1.80	3.78
10y	0.23	0.56	1.00	2.10
30y	0.11	0.26	0.48	1.00

	2y	5y	10y	30y
2y		2.41	2.17	4.56
5y	0.41		0.45	1.89
10y	0.46	2.23		2.10
30y	0.22	0.53	0.48	

	ZT	ZF	ZN	ZB
ZT	1.00	2.32	3.59	6.54
ZF	0.43	1.00	1.55	2.82
ZN	0.28	0.65	1.00	1.82
ZB	0.15	0.35	0.55	1.00

	2y	5y	10y	30y
ZT		2.32	7.18	26.17
ZF	0.43		1.55	5.65
ZN	0.14	0.65		3.64
ZB	0.04	0.18	0.27	