



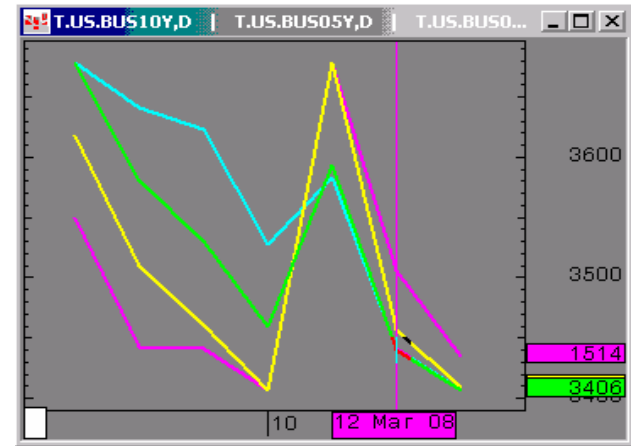
The Morning Email: Treasuries

3/13/2008 5:46

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Daily Yield Curve



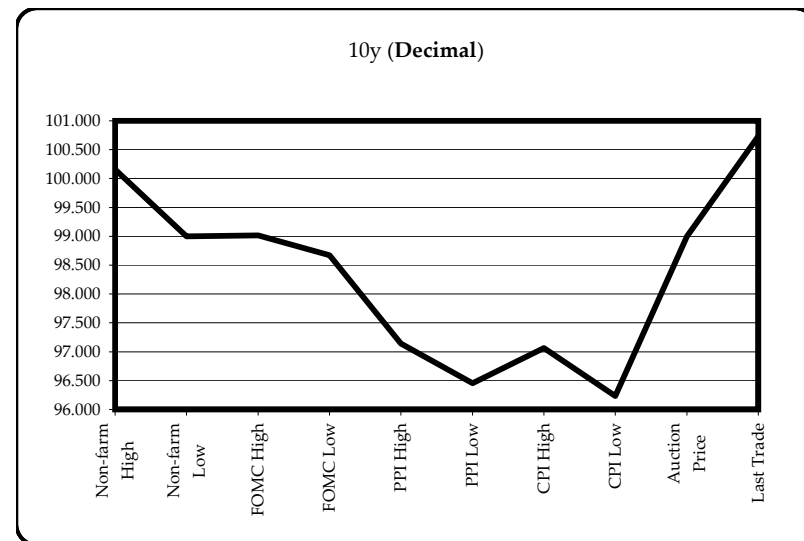
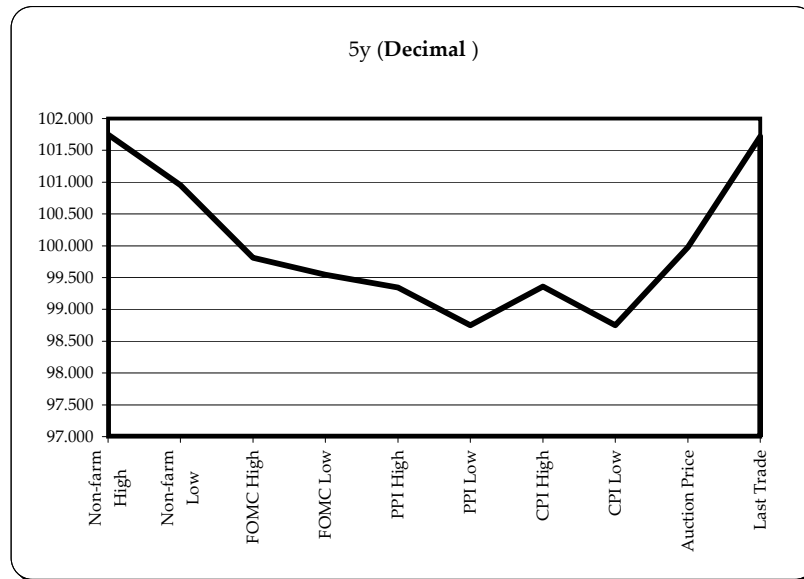
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Want something added? Let me know: jgoulding@ghco.com
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Economic Releases - 32nds					
	5y	10y	ZNM8	ZBM8	Date
Non-farm High	101.2400	100.050	117.290	118.12	3/7/2008
Non-farm Low	100.3050	99.000	116.235	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	101.2300	100.235	118.175	119.14	3/13/2008 5:46

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	107.177	0.067	107.185	107.117	107.117	42,892	2y Fut
FVAM8	114.187	0.160	114.217	114.055	114.060	68,054	5y Fut
TYAM8	118.175	0.205	118.215	117.305	118.010	143,544	10y Fut
USAM8	119.135	0.20	119.210	118.250	118.290	30,561	30y Fut
	Last	Net	High	Low	Open	Volume	SYM NAME
BUS02P	100.295	0.045	100.315	100.242	100.252	na	2y Cash
BUS05P	101.222	0.067	101.265	101.107	101.120	na	5y Cash
BUS10P	100.230	0.075	100.305	100.090	100.120	na	10y Cash
BUS30P	100.015	0.110	100.105	99.140	99.210	na	30y Cash
	Last	Net	High	Low	Open	Volume	SYM NAME
BUS02Y	1.518	(0.061)	1.627	1.482	1.627	na	2y Yield
BUS05Y	2.383	(0.041)	2.466	2.353	2.466	na	5y Yield
BUS10Y	3.412	(0.028)	3.472	3.38	3.462	na	10y Yield
BUS30Y	4.362	(0.029)	4.411	4.353	4.406	na	30y Yield

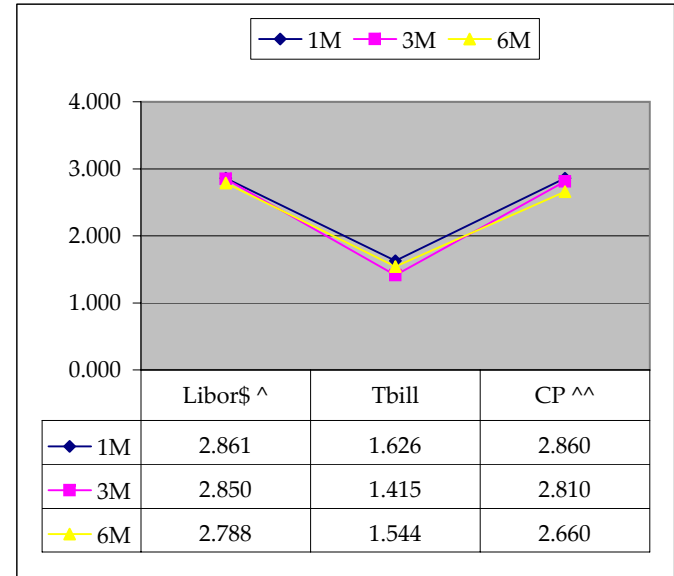
	Libor\$ ^	Tbill	CP ^^
1M	2.861	1.626	2.860
3M	2.850	1.415	2.810
6M	2.788	1.544	2.660

	Libor\$ ^	Repos
0/N	3.081	2.300
1week	2.956	2.350
2week	2.903	2.300

	TSY	Swap	ED Pks ^^^
2y	1.514	95.00	2.555
5y	2.381	96.25	4.182
10y	3.412	75.25	4.758

"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
	86.7	162.7
	2/10	Rd/Gld Pk Difference
	189.8	220.4
	5/10	Blu/Gld Pk Difference
	103.0	57.6
		-45.4

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	16.55	5.32	\$1,661	10.63	n/a
10y	8.31	2.69	\$839	5.37	n/a
5y	4.62	1.52	\$474	6.07	n/a
2y	1.92	0.62	\$194	2.48	n/a
ZB	10.46	4.07	\$127	4.07	0.7765
ZN	6.68	2.61	\$82	5.22	0.8210
ZF	4.08	1.51	\$47	3.03	0.8694
ZT	1.90	0.67	\$21	2.68	0.9286

Yield Curve Spreads			
	Last	2pm close	Diff
2/5	86.50	86.00	0.50
5/10	102.90	99.00	3.90
10/30	95.00	92.80	2.20
2/10	189.40	185.00	4.40
5/30	197.90	191.80	6.10
2/30	284.40	277.80	6.60

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.

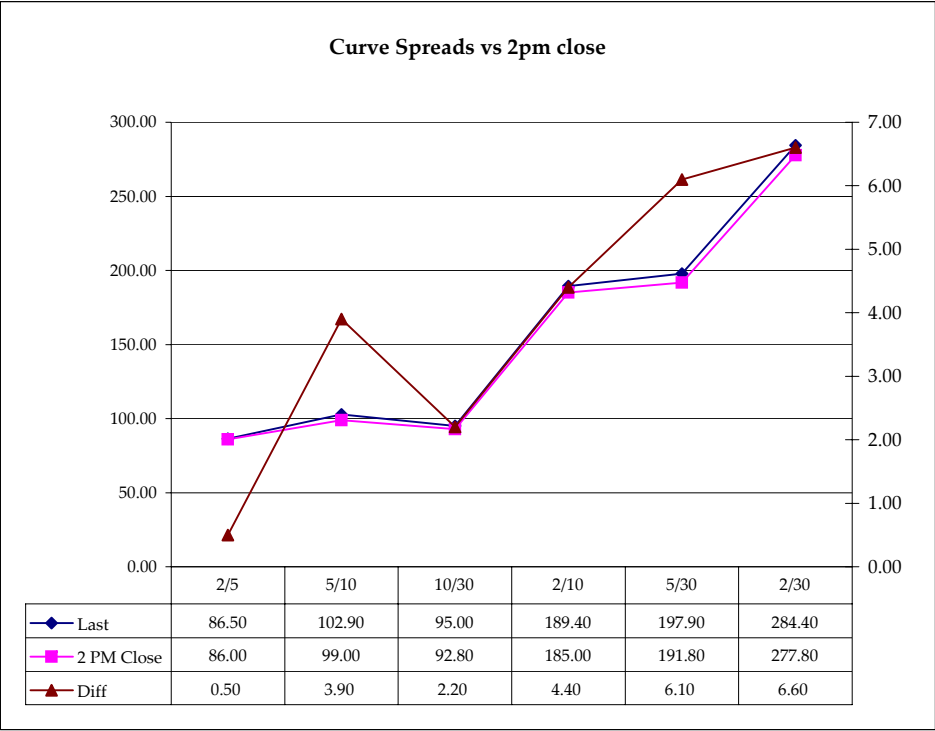
Notes

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)	1.000	1.600	2.800	3.120
Bobl (H)	0.600	0.910	1.560	1.730
Shatz (H)	0.260	0.398	0.677	0.755

US Financial Futures

	ZB	ZN	ZF	ZT
ZB		1.561	2.691	3.037
ZN	0.641		1.664	1.129
ZF	0.372	0.580		1.129
ZT	0.329	0.514	0.886	

Eurex Bonds

	Bund (H)	Bobl (H)	Shatz (H)
Bund (H)		1.8	4.1
Bobl (H)	0.6		2.3
Shatz (H)	0.2	0.4	

US Treasuries v US Financial Futures

	2y	5y	10y	30y
ZB	1.52	3.73	6.60	13.05
ZN	2.38	5.82	10.30	20.38
ZF	4.10	10.02	17.75	35.12
ZT	4.62	11.32	20.04	39.64

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

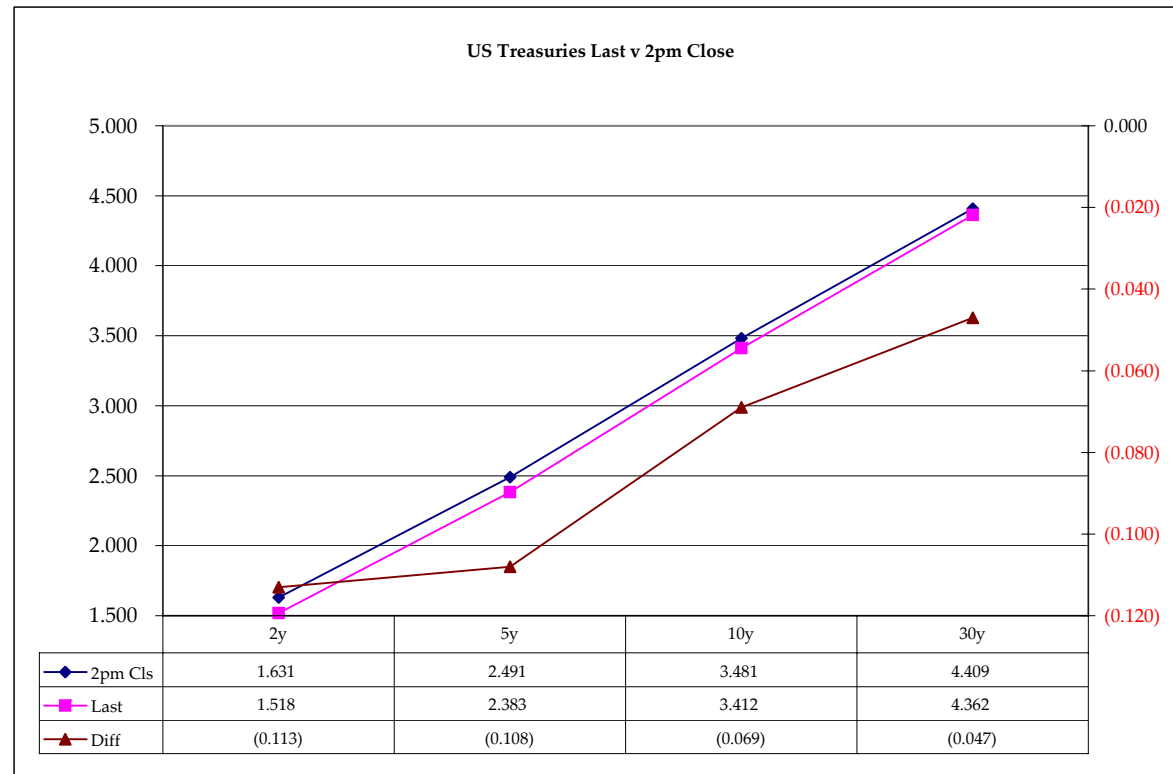
US Treasuries

	2y	5y	10y	30y
2y		2.447	4.333	8.573
5y	0.409		1.771	3.503
10y	0.231	0.565		1.979
30y	0.117	0.285	0.505	

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	100.2275	1.631	1.518	(0.113)				FVAM8	114.025	114.187	June 08 Contracts
5y	2.750	2/28/13	101.0650	2.491	2.383	(0.108)	64.76	67.17		TYAM8	117.290	118.175	
10y	3.500	2/15/18	100.050	3.481	3.412	(0.069)	107.37	109.04		USAM8	118.25	119.135	
30y	4.375	5/15/37	99.14	4.409	4.362	(0.047)	230.52	238.61		FVar1		#NAME?	Roll: 1/4 tic spreads
										TYar1		126.5	
										USar1		106.7	
										FVH8		115.132	March 08 Contracts
										TYAH8		120.125	
										USAH8		120.215	

Curve Spreads		
	Close bps	Last bps
2/5	86.0	86.5
5/10	99.0	102.9
10/30	92.8	95.0
2/10	185.0	189.4
5/30	191.8	197.9
2/30	277.8	284.4



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%	28%	50%	124%
Cash Matrix [DV01 x Duration]				
	2	5	10	30
2	\$194			
5	\$197	\$474		
10	\$194	\$466	\$839	
30	\$193	\$463	\$834	\$1,661
Cash Matrix [DV01 over / (under) valued]				
	2	5	10	30
2				
5	(\$3)			
10	\$0	\$8		
30	\$1	\$11	\$5	
Cash Matrix [DV01 over / (under) as %]				
	2	5	10	30
2				
5	-1.66%			
10	0.00%	1.69%		
30	0.62%	2.32%	0.62%	

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

Box for Box Matrix



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