



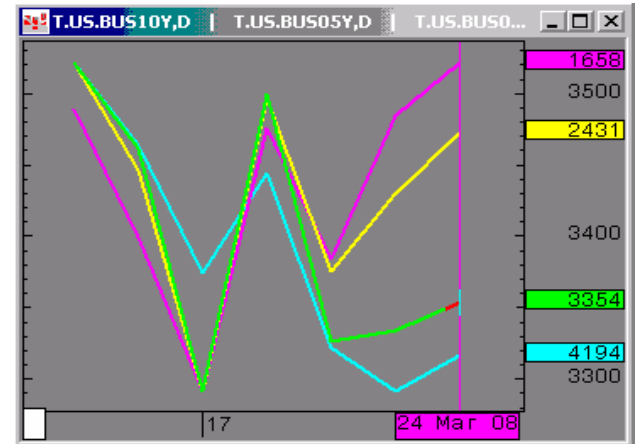
The Morning Email: Treasuries

3/24/2008 5:51

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Daily Yield Curve



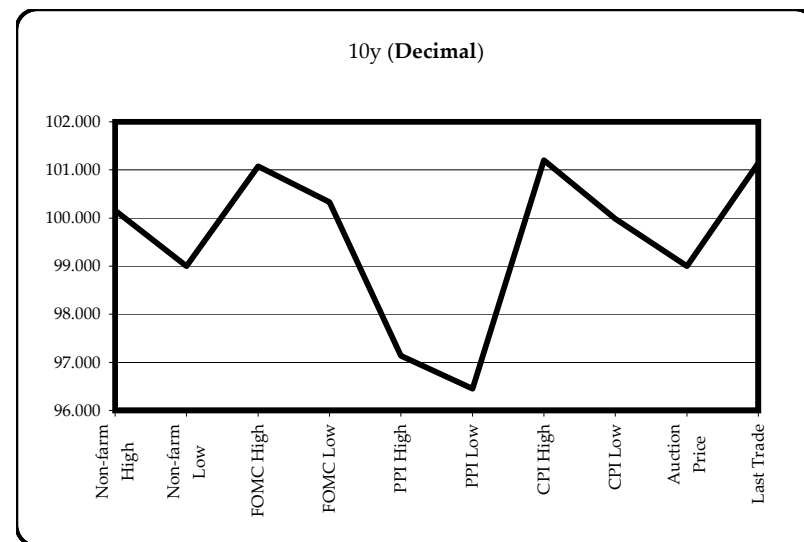
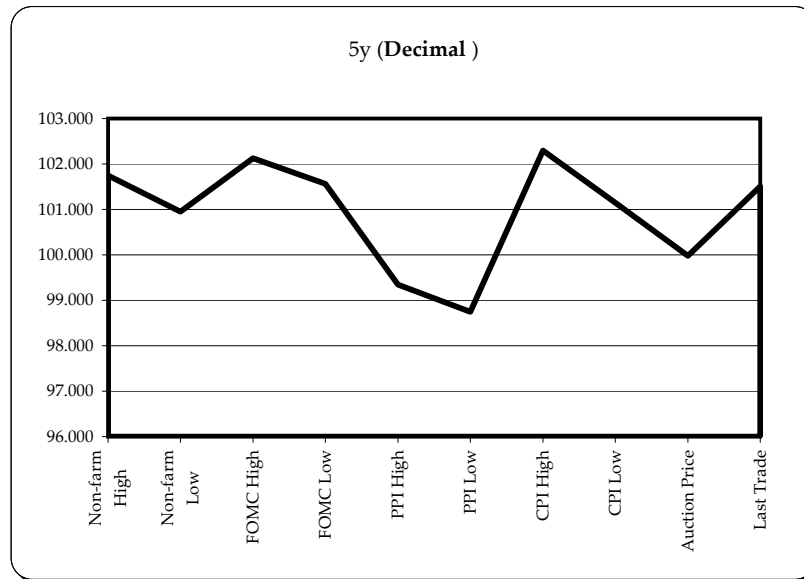
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Want something added? Let me know: jgoulding@ghco.com
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Economic Releases - 32nds					
	5y	10y	ZNM8	ZBM8	Date
Non-farm High	101.2400	100.050	117.290	118.12	3/7/2008
Non-farm Low	100.3050	99.000	116.235	116.05	3/7/2008
FOMC High	102.0400	101.025	119.210	120.03	3/18/2008
FOMC Low	101.1800	100.105	118.285	119.10	3/18/2008
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	102.0950	101.065	119.120	120.13	3/14/2008
CPI Low	101.0475	99.315	118.040	118.21	3/14/2008
Auction Price	99.3126	99.000			
Last Trade	101.1620	101.045	119.105	120.17	3/24/2008 5:51

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	107.015	(0.067)	107.047	107.015	107.047	7,629	2y Fut
FVAM8	114.085	(0.127)	114.160	114.082	114.160	11,359	5y Fut
TYAM8	119.105	(0.155)	119.180	119.100	119.180	21,396	10y Fut
USAM8	120.165	(0.14)	120.270	120.165	120.270	5,848	30y Fut
	Last	Net	High	Low	Open	Volume	SYM NAME
BUS02P	100.200	(0.037)	100.240	100.207	100.232	na	2y Cash
BUS05P	101.145	(0.082)	101.192	101.157	101.185	na	5y Cash
BUS10P	101.010	(0.040)	101.080	101.035	101.050	na	10y Cash
BUS30P	102.310	(0.145)	103.070	102.295	103.060	na	30y Cash
	Last	Net	High	Low	Open	Volume	SYM NAME
BUS02Y	1.662	0.057	1.683	1.588	1.625	na	2y Yield
BUS05Y	2.431	0.054	2.437	2.372	2.385	na	5y Yield
BUS10Y	3.354	0.020	3.376	3.334	3.341	na	10y Yield
BUS30Y	4.194	0.031	4.204	4.164	4.167	na	30y Yield

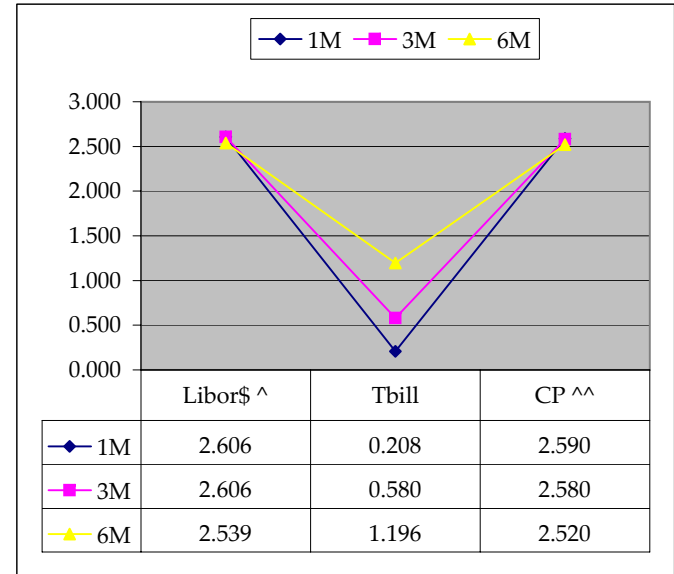
	Libor\$ ^	Tbill	CP ^^
1M	2.606	0.208	2.590
3M	2.606	0.580	2.580
6M	2.539	1.196	2.520

	Libor\$ ^	Repos
0/N	2.749	0.400
1week	2.763	0.950
2week	2.716	0.900

	TSY	Swap	ED Pks ^^^
2y	1.669	79.75	2.805
5y	2.435	82.00	
10y	3.354	59.75	

"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
	76.6	#VALUE! #VALUE!
	2/10	Rd/Gld Pk Difference
	168.5	#VALUE! #VALUE!
	5/10	Blu/Gld Pk Difference
	91.9	#VALUE! #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

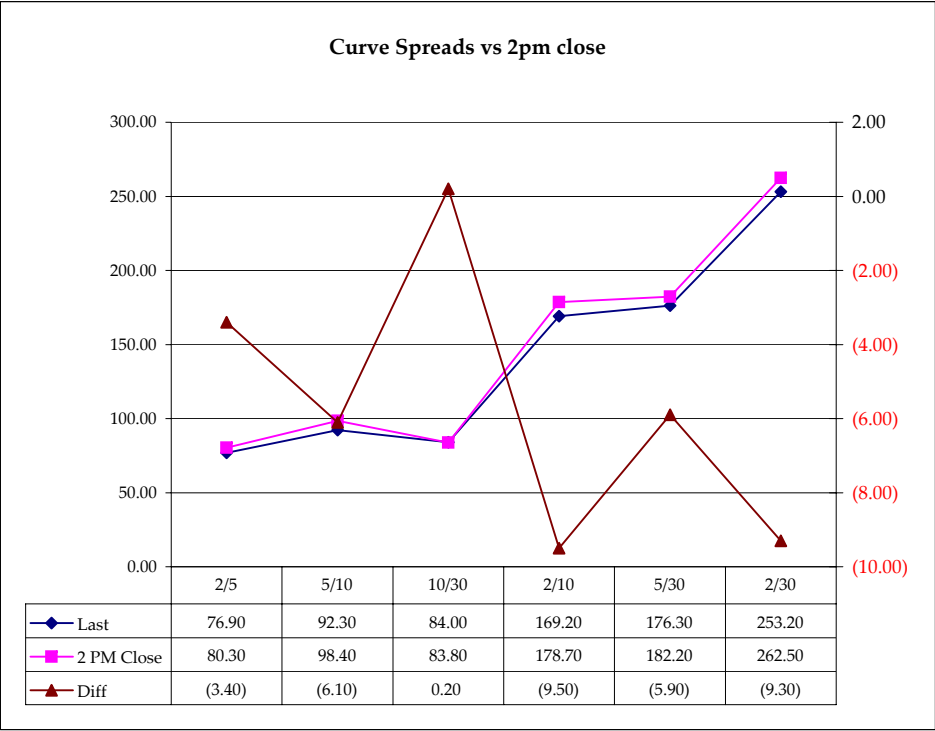
	M Duration	DV01 32	DV01 \$	DV01 Box	CF
30y	16.73	5.54	\$1,732	11.08	n/a
10y	8.29	2.69	\$842	5.39	n/a
5y	4.58	1.50	\$470	6.02	n/a
2y	1.89	0.61	\$190	2.43	n/a
ZB	10.44	4.07	\$127	4.07	0.7765
ZN	6.66	2.63	\$82	5.26	0.8210
ZF	4.05	1.50	\$47	3.00	0.8694
ZT	1.90	0.66	\$21	2.63	0.9286

Yield Curve Spreads			
	Last	2pm close	Diff
2/5	76.90	80.30	(3.40)
5/10	92.30	98.40	(6.10)
10/30	84.00	83.80	0.20
2/10	169.20	178.70	(9.50)
5/30	176.30	182.20	(5.90)
2/30	253.20	262.50	(9.30)

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		1.547	2.711	3.089
ZN	0.646		1.700	1.139
ZF	0.369	0.571		1.139
ZT	0.324	0.501	0.878	

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	1.50	3.70	6.62	13.62
ZN	2.31	5.72	10.25	21.07
ZF	4.06	10.03	17.96	36.93
ZT	4.62	11.42	20.46	42.08

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

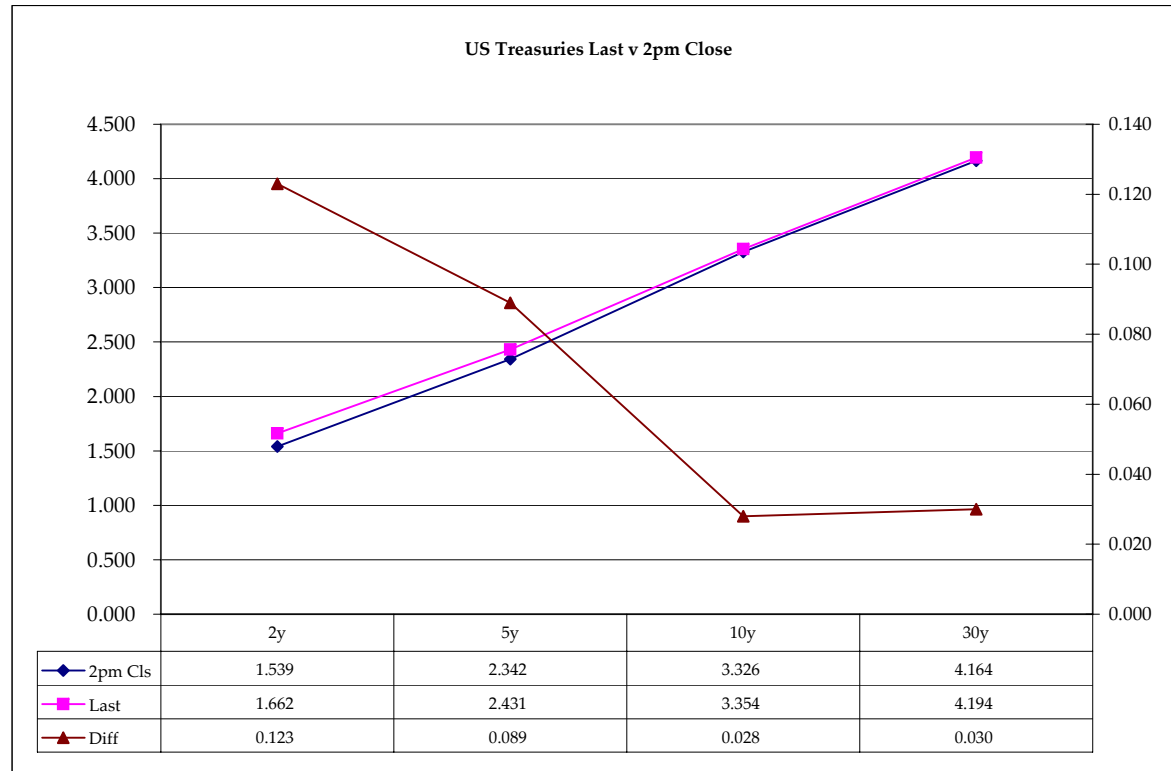
US Treasuries

	2y	5y	10y	30y
2y		2.472	4.429	9.108
5y	0.404		1.791	3.684
10y	0.226	0.558		2.057
30y	0.110	0.271	0.486	

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	100.2800	1.539	1.662	0.123				FVAM8	114.210	114.085
5y	2.750	2/28/13	101.2850	2.342	2.431	0.089	70.67	69.24		TYAM8	119.265	119.105
10y	3.500	2/15/18	101.145	3.326	3.354	0.028	98.38	101.51		USAM8	120.31	120.165
30y	4.375	5/15/37	103.19	4.164	4.194	0.030	309.06	300.93				

Curve Spreads		
	Close bps	Last bps
2/5	80.3	76.9
5/10	98.4	92.3
10/30	83.8	84.0
2/10	178.7	169.2
5/30	182.2	176.3
2/30	262.5	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	11%	27%	50%	124%
Cash Matrix [DV01 x Duration]				
	2	5	10	30
2	\$190			
5	\$193	\$470		
10	\$192	\$466	\$842	
30	\$195	\$475	\$858	\$1,732
Cash Matrix [DV01 over / (under) valued]				
	2	5	10	30
2				
5	(\$3)			
10	(\$2)	\$4		
30	(\$5)	(\$5)	(\$16)	
Cash Matrix [DV01 over / (under) as %]				
	2	5	10	30
2				
5	-1.73%			
10	-0.82%	0.93%		
30	-2.68%	-0.96%	-1.87%	

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.

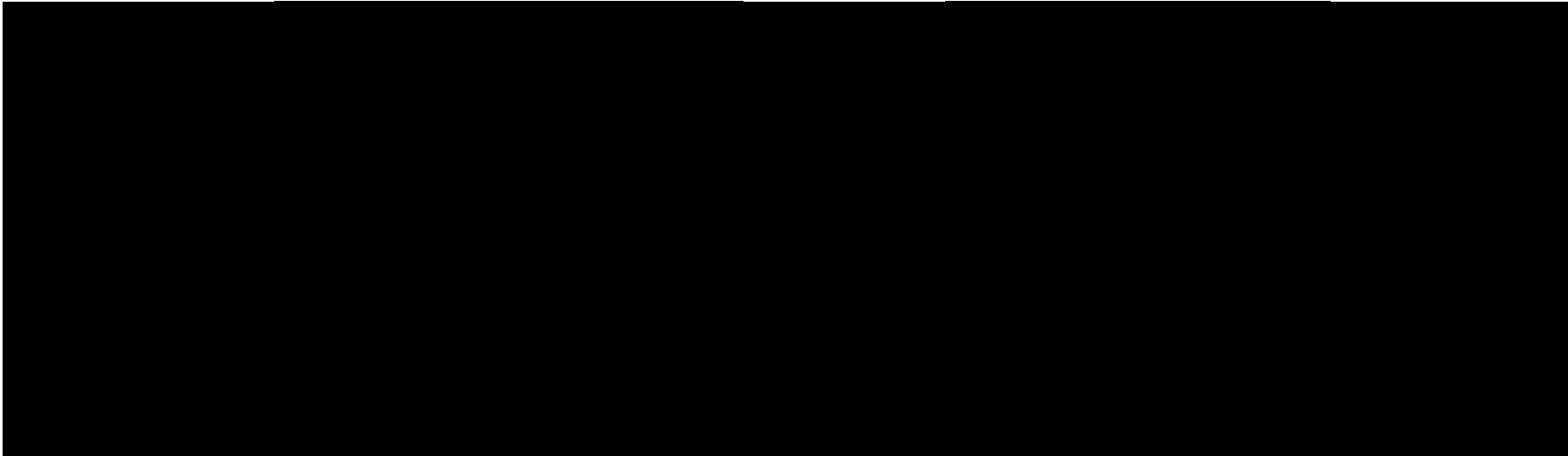
Or you can look at the over/under value as a percentage instead of dollar terms.

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