



The Morning Email: US Deliverable Basket

11/7/2008 5:37

Central Time

This email lists the deliverable baskets against the Chicago Board of Trade Financial Futures 2, 5, 10, & 30 year.

The work in this document is based on the work of *Galen Burghardt*. I highly suggest reading his books on the Bond Basis and the Eurodollar.

Closes were marked 10/31/2008, @ 2pm CT

Want something added? Let me know: jgoulding@ghco.com

Disclaimer: All information within this newsletter is meant for internal use at GH Trader's LLC, only. All information has been recorded to the best of my ability. This material is based upon information that I consider reliable, but I do not represent that it is accurate or complete.

| | | | | | | | | | |
|-------------|------------|-----------|---------|-----------|---------|-------------------|------------|------------------|--|
| Time (CT) | 5:37:21 | Dec08 Fut | Last 32 | Dec08 Fut | Last 32 | Last Delivery Day | | Last Trading Day | |
| Trade Date | 11/7/2008 | ZT | 108.032 | ZN | 115.205 | 2yr / 5yr | 1/06/2009 | 12/31/2008 | |
| Settle Date | 11/10/2008 | ZF | 115.217 | ZB | 117.055 | 10yr/ 30yr | 12/31/2008 | 12/19/2008 | |

| 2 Yr Symbol | Last 32 | Coup | Issue Date | Mat Date | CF | Basis | Yield | DV01 (\$) | DV01 32 | MDUR | Full Price | 2 PM Close | |
|------------------|----------|-------|------------|----------|--------|-------|-------|-----------|---------|------|------------|------------|--------|
| | | | | | | | | | | | | Yield | Diff |
| T.US.B037P0910** | 105.0400 | 3.875 | 09/15/05 | 09/15/10 | 0.9651 | 28.30 | 1.058 | \$ 188 | 0.603 | 1.78 | 105.724 | 1.301 | -0.243 |
| T.US.B020P0910 | 101.1670 | 2.000 | 09/30/08 | 09/30/10 | 0.9344 | 19.11 | 1.180 | \$ 188 | 0.601 | 1.85 | 101.747 | 1.465 | -0.285 |
| T.US.B042P1010 | 106.0250 | 4.250 | 10/17/05 | 10/15/10 | 0.9700 | 41.86 | 1.053 | \$ 198 | 0.633 | 1.86 | 106.382 | 1.331 | -0.278 |
| T.US.B014P1010* | 100.1300 | 1.500 | 10/31/08 | 10/30/10 | 0.9229 | 23.16 | 1.290 | \$ 194 | 0.622 | 1.94 | 100.448 | 1.568 | -0.278 |
| T.US.B044P1110 | 106.2150 | 4.500 | 11/15/05 | 11/15/10 | 0.9732 | 49.80 | 1.024 | \$ 207 | 0.662 | 1.90 | 108.861 | 1.358 | -0.334 |
| T.US.B043P1210 | 106.1950 | 4.375 | 12/15/05 | 12/15/10 | 0.9698 | 59.55 | 1.153 | \$ 215 | 0.687 | 1.98 | 108.199 | 1.399 | -0.246 |

| 5Yr Symbol | Last 32 | Coup | Issue Date | Mat Date | CF | Basis | Yield | DV01 (\$) | DV01 32 | MDUR | Full Price | 2 PM Close | |
|------------------|----------|-------|------------|----------|--------|-------|-------|-----------|---------|------|------------|------------|--------|
| | | | | | | | | | | | | Yield | Diff |
| T.US.B026P0213 | 102.3070 | 2.750 | 02/29/08 | 02/28/13 | 0.8817 | 48.08 | 2.026 | \$ 426 | 1.364 | 4.03 | 105.773 | 2.401 | -0.374 |
| T.US.B024P0313 | 101.2370 | 2.500 | 03/31/08 | 03/31/13 | 0.8704 | 50.69 | 2.082 | \$ 431 | 1.379 | 4.13 | 104.290 | 2.500 | -0.418 |
| T.US.B031P0413 | 104.1400 | 3.875 | 04/30/08 | 04/30/13 | 0.8917 | 58.56 | 2.079 | \$ 446 | 1.428 | 4.12 | 108.377 | 2.526 | -0.447 |
| T.US.B034P0513 | 105.2000 | 3.500 | 06/02/08 | 05/31/13 | 0.9042 | 50.53 | 2.195 | \$ 453 | 1.451 | 4.15 | 109.173 | 2.626 | -0.431 |
| T.US.B033P0613 | 104.3170 | 3.375 | 06/30/08 | 06/30/13 | 0.8978 | 53.80 | 2.235 | \$ 460 | 1.473 | 4.25 | 108.402 | 2.677 | -0.443 |
| T.US.B033P0713** | 104.1920 | 3.375 | 07/31/08 | 07/31/13 | 0.8961 | 47.56 | 2.339 | \$ 467 | 1.495 | 4.33 | 108.003 | 2.706 | -0.367 |
| T.US.B031P0813 | 103.1120 | 3.125 | 09/02/08 | 08/31/13 | 0.8844 | 50.64 | 2.382 | \$ 471 | 1.508 | 4.43 | 106.504 | 2.726 | -0.344 |
| T.US.B031P0913 | 103.0750 | 3.125 | 09/30/08 | 09/30/13 | 0.8826 | 53.57 | 2.419 | \$ 479 | 1.534 | 4.51 | 106.387 | 2.761 | -0.343 |
| T.US.B026P1013* | 101.1070 | 2.750 | 10/31/08 | 10/31/13 | 0.8653 | 56.47 | 2.463 | \$ 481 | 1.540 | 4.62 | 104.107 | 2.818 | -0.355 |

NOTES

MDUR = Modified Macaulay Duration

CF = Conversion Factor

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Carry (LDD) = Carry cost to Last Delivery Day and is quoted in 32nds

BNOG = Basis Net of Carry and is quoted in 32nds

Jim Goulding, jgoulding@ghco.com

New Issues:

All new issues are Rolled forward based on Yield Roll.

The Morning Email: US Deliverable

| 10 Yr Symbol | Last 32 | Coup | Issue Date | Mat Date | CF | Basis | Yield | DV01 (\$) | DV01 32 | MDUR | Full Price | 2 PM Close | |
|---|---------|-------|------------|------------|--------|--------|-------|-----------|---------|------|------------|------------|--------|
| | | | | | | | | | | | | Yield | Diff |
| T.US.B042P0815 | 106.110 | 4.250 | 8/15/2005 | 8/15/2015 | 0.9069 | 63.70 | 3.208 | \$ 626 | 2.003 | 5.83 | 107.349 | 3.554 | -0.346 |
| T.US.B044P1115 | 108.010 | 4.500 | 11/15/2005 | 11/15/2015 | 0.9177 | 77.94 | 3.211 | \$ 652 | 2.087 | 5.92 | 110.220 | 3.538 | -0.327 |
| Please go to last page to view missing issue. | | | | | | | | | | | | | |
| T.US.B051P0516 | 110.245 | 5.125 | 5/15/2006 | 5/15/2016 | 0.9491 | 49.82 | 3.484 | \$ 697 | 2.230 | 6.15 | 113.258 | 3.776 | -0.293 |
| T.US.B047P0816** | 108.240 | 4.875 | 8/15/2006 | 8/15/2016 | 0.9328 | 45.34 | 3.573 | \$ 707 | 2.262 | 6.43 | 109.903 | 3.819 | -0.245 |
| T.US.B045P1116 | 106.270 | 4.625 | 11/15/2006 | 11/15/2016 | 0.9157 | 47.30 | 3.633 | \$ 717 | 2.295 | 6.57 | 109.093 | 3.843 | -0.210 |
| T.US.B045P0217 | 107.030 | 4.625 | 2/15/2007 | 2/15/2017 | 0.9136 | 63.03 | 3.623 | \$ 738 | 2.361 | 6.82 | 108.187 | 3.916 | -0.293 |
| T.US.B045P0517 | 106.050 | 4.500 | 5/15/2007 | 5/15/2017 | 0.9034 | 70.59 | 3.652 | \$ 752 | 2.407 | 6.94 | 108.345 | 3.941 | -0.289 |
| T.US.B046P0817 | 107.285 | 4.750 | 8/15/2007 | 8/15/2017 | 0.9177 | 73.44 | 3.687 | \$ 777 | 2.487 | 7.13 | 109.014 | 3.957 | -0.270 |
| T.US.B042P1117 | 104.250 | 4.250 | 11/15/2007 | 11/15/2017 | 0.8821 | 105.02 | 3.623 | \$ 784 | 2.510 | 7.34 | 106.849 | 3.872 | -0.248 |
| T.US.B034P0218 | 99.075 | 3.500 | 2/15/2008 | 2/15/2018 | 0.8281 | 126.35 | 3.597 | \$ 779 | 2.491 | 7.78 | 100.062 | 3.763 | -0.165 |
| T.US.B037P0518 | 101.265 | 3.875 | 5/15/2008 | 5/15/2018 | 0.8507 | 126.14 | 3.646 | \$ 806 | 2.580 | 7.77 | 103.713 | 3.893 | -0.247 |
| T.US.B040P0818* | 102.195 | 4.000 | 8/15/2008 | 8/15/2018 | 0.8568 | 128.68 | 3.679 | \$ 827 | 2.645 | 7.98 | 103.555 | 3.966 | -0.288 |

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BNOC = Basis Net of Carry and is quoted in 32nds

New Issues:

All new issues are Rolled forward based on Yield Roll.

| 30 Yr Symbol | Last 32 | Coup | Issue Date | Mat Date | CF | Basis | Yield | DV01 (\$) | DV01 32 | MDUR | Full Price | Yield | Diff |
|------------------|---------|-------|------------|------------|--------|--------|-------|-----------|---------|-------|------------|-------|--------|
| T.US.B074P1124 | 135.290 | 7.500 | 8/15/1994 | 11/15/2024 | 1.1513 | 37.88 | 4.361 | \$ 1,402 | 4.486 | 10.05 | 139.554 | 4.635 | -0.274 |
| T.US.B075P0225 | 137.190 | 7.625 | 2/15/1995 | 2/15/2025 | 1.1657 | 37.96 | 4.370 | \$ 1,429 | 4.574 | 10.25 | 139.396 | 4.652 | -0.282 |
| T.US.B067P0825** | 128.230 | 6.875 | 8/15/1995 | 8/15/2025 | 1.0909 | 34.06 | 4.370 | \$ 1,392 | 4.454 | 10.68 | 130.344 | 4.652 | -0.282 |
| T.US.B060P0226 | 118.000 | 6.000 | 2/15/1996 | 2/15/2026 | 1.0000 | 31.44 | 4.429 | \$ 1,333 | 4.265 | 11.16 | 119.418 | 4.720 | -0.291 |
| T.US.B066P0826 | 127.210 | 6.750 | 8/15/1996 | 8/15/2026 | 1.0806 | 38.63 | 4.490 | \$ 1,432 | 4.582 | 11.08 | 129.252 | 4.772 | -0.283 |
| T.US.B064P1126 | 124.190 | 6.500 | 11/15/1996 | 11/15/2026 | 1.0540 | 40.23 | 4.476 | \$ 1,421 | 4.548 | 11.12 | 127.755 | 4.754 | -0.278 |
| T.US.B065P0227 | 126.100 | 6.625 | 2/18/1997 | 2/15/2027 | 1.0682 | 42.06 | 4.494 | \$ 1,447 | 4.631 | 11.32 | 127.879 | 4.769 | -0.275 |
| T.US.B063P0827 | 122.285 | 6.375 | 8/15/1997 | 8/15/2027 | 1.0416 | 32.16 | 4.496 | \$ 1,443 | 4.617 | 11.60 | 124.398 | 4.756 | -0.260 |
| T.US.B061P1127 | 119.195 | 6.125 | 11/17/1997 | 11/15/2027 | 1.0138 | 31.26 | 4.548 | \$ 1,424 | 4.557 | 11.62 | 122.589 | 4.776 | -0.228 |
| T.US.B054P0828 | 112.200 | 5.500 | 8/17/1998 | 8/15/2028 | 0.9430 | 72.88 | 4.570 | \$ 1,402 | 4.486 | 12.31 | 113.925 | 4.783 | -0.213 |
| T.US.B052P1128 | 109.220 | 5.250 | 11/16/1998 | 11/15/2028 | 0.9138 | 88.22 | 4.526 | \$ 1,391 | 4.452 | 12.40 | 112.241 | 4.787 | -0.261 |
| T.US.B052P0229 | 109.220 | 5.250 | 2/16/1999 | 2/15/2029 | 0.9133 | 90.09 | 4.510 | \$ 1,403 | 4.490 | 12.65 | 110.929 | 4.742 | -0.233 |
| T.US.B061P0829 | 121.260 | 6.125 | 8/16/1999 | 8/15/2029 | 1.0146 | 98.77 | 4.515 | \$ 1,533 | 4.905 | 12.43 | 123.261 | 4.773 | -0.259 |
| T.US.B062P0530 | 124.080 | 6.250 | 2/15/2000 | 5/15/2030 | 1.0297 | 120.22 | 4.497 | \$ 1,591 | 5.092 | 12.50 | 127.290 | 4.759 | -0.262 |
| T.US.B053P0231 | 112.140 | 5.375 | 2/15/2001 | 2/15/2031 | 0.9242 | 137.27 | 4.482 | \$ 1,516 | 4.851 | 13.33 | 113.708 | 4.742 | -0.261 |
| T.US.B044P0236 | 104.010 | 4.500 | 2/15/2006 | 2/15/2036 | 0.8007 | 330.73 | 4.485 | \$ 1,626 | 5.203 | 15.47 | 105.095 | 4.721 | -0.235 |
| T.US.B046P0237 | 108.200 | 4.750 | 2/15/2007 | 2/15/2037 | 0.8315 | 362.40 | 4.224 | \$ 1,740 | 5.567 | 15.85 | 109.748 | 4.393 | -0.169 |
| T.US.B050P0537 | 112.260 | 5.000 | 5/15/2007 | 5/15/2037 | 0.8646 | 372.45 | 4.223 | \$ 1,796 | 5.748 | 15.59 | 115.245 | 4.381 | -0.159 |
| T.US.B043P0238 | 103.040 | 4.375 | 2/15/2008 | 2/15/2038 | 0.7779 | 387.10 | 4.188 | \$ 1,715 | 5.487 | 16.46 | 104.159 | 4.368 | -0.180 |
| T.US.B045P0538* | 105.120 | 4.500 | 8/15/2008 | 5/15/2038 | 0.7943 | 397.69 | 4.181 | \$ 1,732 | 5.542 | 16.27 | 106.439 | 4.374 | -0.193 |

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New Issues:

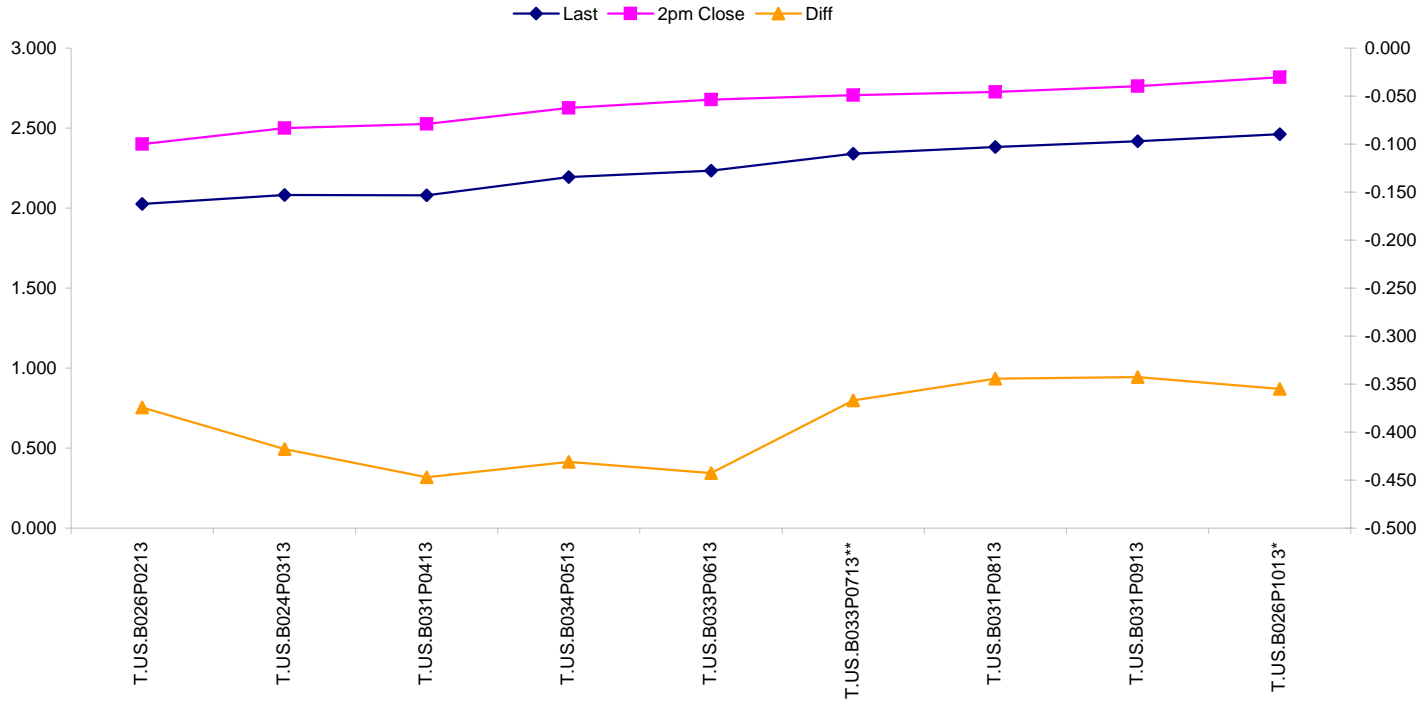
All new issues are Rolled forward based on Yield Roll.

Extra Notes:

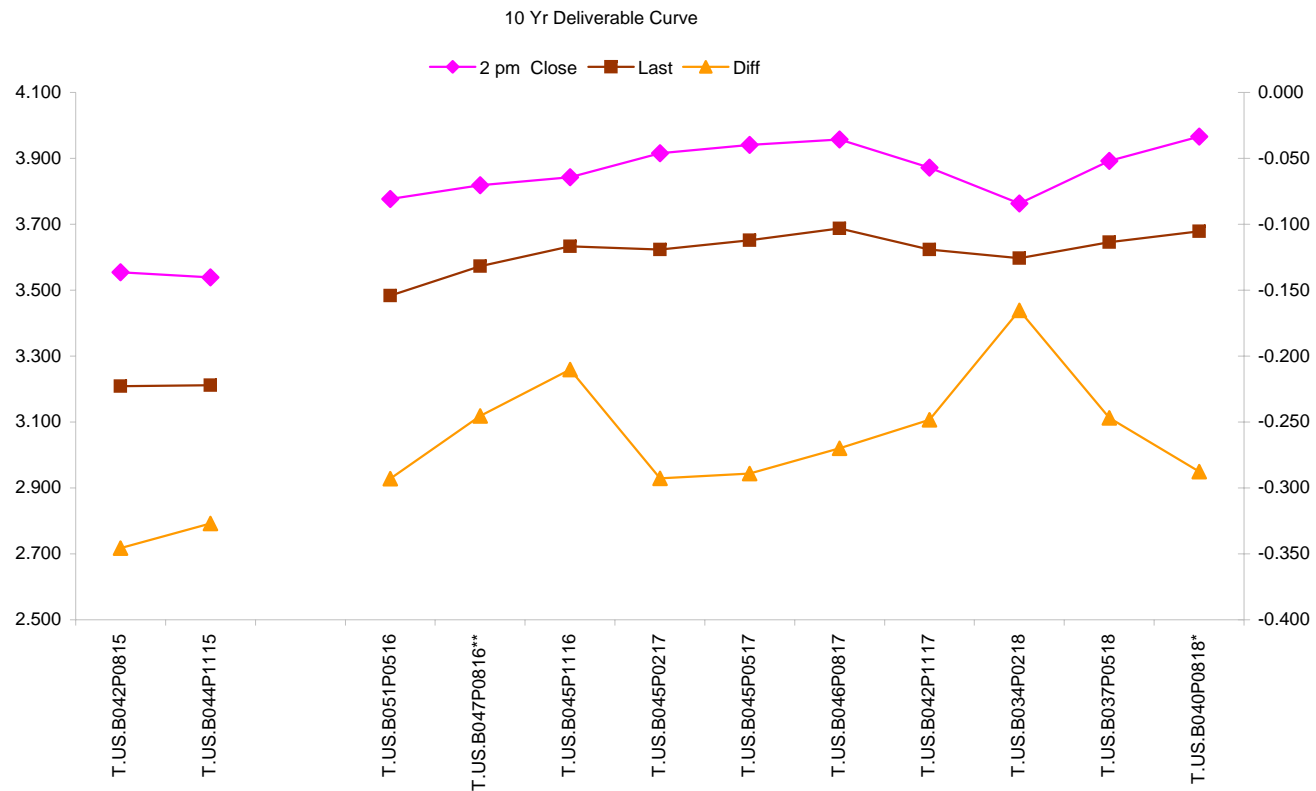
| 10 Yr Symbol | LAST 32 | Coupon | Issue Date | Mat Date | CF | Basis | Yield | DV01 (\$) | DV01 32 | MDUR | Full Price |
|----------------|---------|--------|------------|-----------|--------|---------|-------|-----------|---------|---------|------------|
| T.US.B044P0216 | #VALUE! | 4.500 | 2/15/2006 | 2/15/2016 | 0.9153 | #VALUE! | | #VALUE! | #VALUE! | #VALUE! | #VALUE! |

The contract above is a big pain in the keister. Trying to chart the entire 10 yr delivery basket is ruined because this contract refuses to give a proper quote, for whatever reason. So, I've exiled it to this page. It resides in the middle of the basket so taking it out shouldn't hurt the chart. I'm only really looking to see if the delivery curve is steepening or flattening anyways. Taking this issue out won't harm the bigger picture.

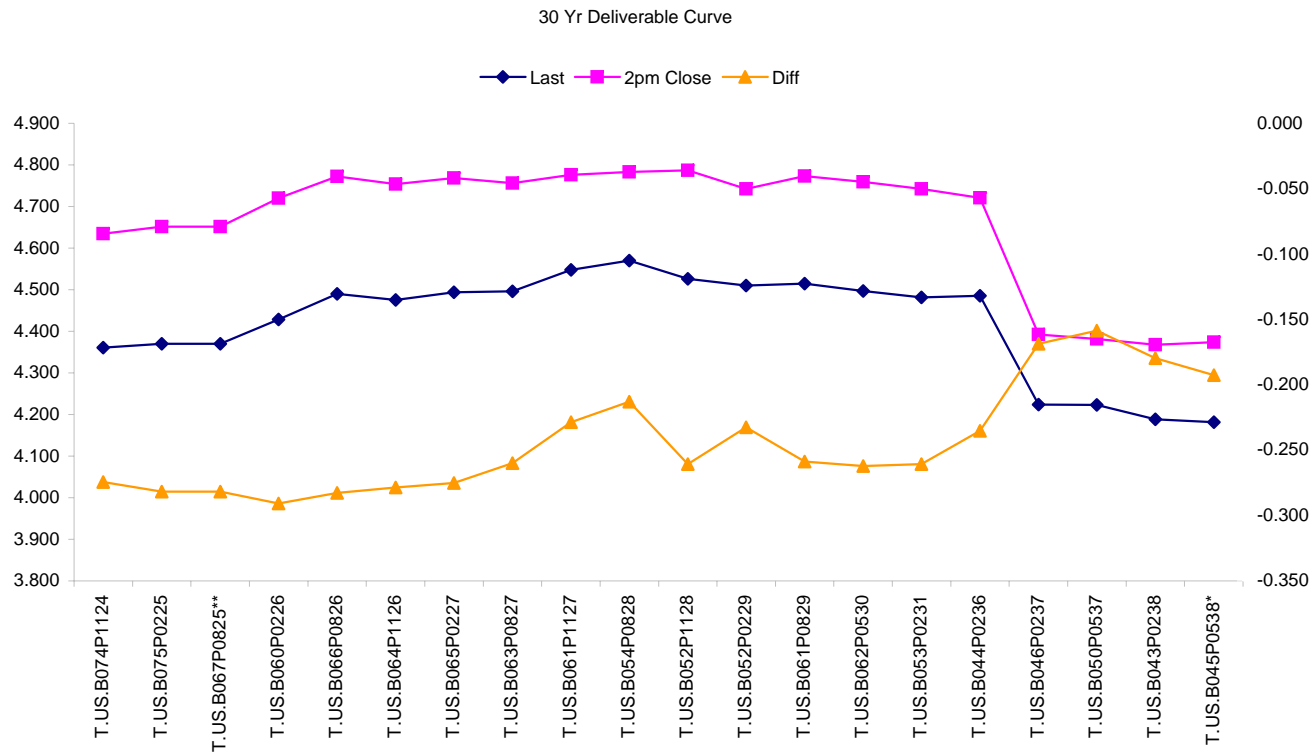
5 Yr Deliverable Curve



A flatter delivery curve will make shorter duration notes CTD.
 A steeper delivery curve will make longer duration notes CTD.



A flatter delivery curve will make shorter duration notes CTD.
 A steeper delivery curve will make longer duration notes CTD.



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