

**Near Term Outlook:**

9/2/2014



- GC expected to stay low at .10
- Specialness is in full swing across the curve. After large fails on Friday old 2's 3's and 5's have stayed special. We believe part of this can be attributed to the hang up of month end which is becoming more and more like a quarter end.

**General Color:**

- The RRP facility still looks to be broad enough to serve as an adequate floor for overnight rates.

**US GC Repo Bid**

O/N .11  
1mo .13  
3mo .14

**AGCY MBS Bid**

O/N 0.22  
1mo 0.32  
3mo 0.35

**Speicals Averages**

O2yr	-1.06	Cash market has been strong on the short side. Expected to Cheapen over the next few days - 6.18bn Volume
O3yr	-0.35	Cash market has been strong on the short side. Expected to Cheapen over the next few days - 4.12bn Volume
O5yr	-0.17	Cash market has been strong on the short side. Expected to Cheapen over the next few days - 5.96bn Volume
10yr	-0.59	10.39bn Volume

US Treasury Repo Market Indications						
	Overnight	1week	15-Sep	30-Sep	15-Oct	31-Oct
GC	.10/.08	.10/.08	.11/.09	.11/.09	.12/.10	.12/.10
O2s	-.45/-.55	-.40/-.50	-.35/-.45	-.20/-.30	-.15/-.25	-.08/-.18
2's	.06/-.04	.00/-.10	-.10/-.20	-.45/-.55	-.30/-.40	-.20/-.30
WI2s						
O3s	-.40/-.50	-.35/-.45	-.30/-.40	-.25/-.35	-.18/-.28	-.10/-.20
3s	-.15/-.25	-.40/-.50	-.60/-.70	-.30/-.40	-.25/-.35	-.15/-.25
WI3s						
O5s	-.18/-.25	-.20/-.30	-.15/-.25	-.15/-.25	-.08/-.18	-.05/-.15
5's	-.35/-.45	-.65/-.75	-.65/-.75	-.35/-.45	-.30/-.40	-.20/-.30
WI5s						
O7s	.06/.04	.06/.04	.07/.05	.07/.05	.07/.05	.08/.06
7s	.08/.06	.07/.05	.06/.04	.04/.02	.05/.03	.06/.04
WI7s						
O10s	.06/.04	.06/.04	.06/.04	.06/.04	.06/.04	.07/.05
10s	-.60/-.70	-.80/-.90	-1.00/-1.10	-.50/-.60	-.35/-.45	-.30/-.40
WI10s						
O30s	.05/.03	.04/.02	.04/.02	.05/.03	.05/.03	.05/.03
30s	.06/.04	.05/.03	.04/.02	.01/-.01	.03/.01	.04/.02
WI30s						

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