

## The Morning Email: US & Germany

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Quotes 1



32 nds									
	Last	Net	Hi	Low	Open	Volume	Yest Volume	SYM NAME	
TUAH8	107.005	(0.012)	107.045	107.002	107.015	14,970	234,923	2y Futures	
FVAH8	113.190	(0.010)	113.255	113.170	113.195	35,228	660,277	5y Futures	
TYAH8	117.045	(0.010)	117.120	117.020	117.040	81,675	1,113,505	10y Futures	
USAH8	118.300	0.001	119.050	118.220	118.280	18,585	400,780	30y Futures	
<b>US Futures Market</b>									
	Last	Net	Hi	Low	Open	Volume			
BUS02P	100.107	(0.2)	100.130	100.102	100.125	2y		<b>US Cash Treasury Market</b>	
BUS05P	100.270	0.0	100.305	100.260	100.285	5y			
BUS10P	98.255	1.5	98.300	98.230	98.235	10y			
BUS30P	99.025	0.0	99.105	99.045	99.045	30y			
	Last	Net	Hi	Low	Open	Volume			
BUS02Y	1.947	2.00	1.967	1.906	1.947	2y Yield		<b>US Cash Treasury Market</b>	
BUS05Y	2.687	(0.20)	2.703	2.666	2.696	5y Yield			
BUS10Y	3.641	(0.70)	3.664	3.624	3.648	10y Yield			
BUS30Y	4.425	0.40	4.436	4.413	4.426	30y Yield			



Decimal									
	Last	Net	Hi	Low	Open	Volume	Yest Volume	SYM NAME	
DGH8	104.97	(9.50)	105.06	104.92	105.06	258,771	833,472	Schatz(2Y)	
DLH8	111.42	(20.50)	111.65	111.32	111.63	240,493	810,309	Bobl(5Y)	
DBH8	117.23	(1.90)	117.48	117.06	117.47	399,588	1,390,380	Bund(10Y)	
<b>German Futures Markets</b>									

	Price	Yield		Maturity	SYM NAME	
	Last	Last	Coupon			
T.US.DE040P1209***	101.55	3.091	4.000	12/11/2009	2 yr CTD	<b>German Cash Treasury Market</b>
T.US.DE042P1012***	103.72	3.361	4.250	10/12/2012	5 yr CTD	
T.US.DE036P0117**	99.52	3.807	3.750	1/4/2017	10 yr CTD	
DEP2P*	101.58	3.091	4.000	12/11/2009	2yr OTR	
DEP5P*	103.76	3.361	4.250	10/12/2012	5yr OTR	
DEP10P*	101.01	3.874	4.000	1/4/2018	10yr OTR	

Notes

- Y = Yield
- DE = German Country Code
- CTD = Cheapest to Deliver
- OTR = On the Run
- \* OTR
- \*\* CTD
- \*\*\* CTD & OTR

**Quotes 2**

This page provided a more detailed look at the quotes for the German Bonds  
 German Bonds are quoted in decimal, not 32nds.



Decimal						
	Bid	Ask	Last	Hi	Low	Chng
DGH8	104.97	104.97	104.97	105.06	104.92	-9.50
DLH8	111.42	111.42	111.42	111.65	111.32	-20.50
DBH8	117.22	117.23	117.23	117.48	117.06	-1.90

	Y Bid	Y Ask	Y Last	Y Hi	Y Lo
DGH8	3.391	3.388	3.391	3.413	3.342
DLH8	3.474	3.473	3.473	3.493	3.426
DBH8	3.889	3.888	3.888	3.906	3.860

	Y Bid	Y Ask	Y Last	Y Hi	Y Lo	Chng
T.US.DE040P1209***	3.108	3.091	3.091	3.131	3.069	
T.US.DE042P1012***	3.371	3.361	3.361	3.391	3.338	
T.US.DE036P0117**	3.814	3.807	3.807	3.837	3.791	
DEP2P*	3.108	3.091	3.091	3.131	3.069	-5
DEP5P*	3.371	3.361	3.361	3.391	3.338	-11
DEP10P*	3.880	3.874	3.874	3.904	3.856	-17

Decimal						
	Bid	Ask	Last	Hi	Low	Chng
T.US.DE040P1209***	101.55	101.58	101.58	101.62	101.51	-5
T.US.DE042P1012***	103.72	103.76	103.76	103.86	103.63	-11
T.US.DE036P0117**	99.52	99.57	99.57	99.69	99.35	-12
DEP2P*	101.55	101.58	101.58	101.62	101.51	-5
DEP5P*	103.72	103.76	103.76	103.86	103.63	-11
DEP10P*	100.96	101.01	101.01	101.16	100.77	-17

SYM NAME	
Schatz(2Y)	German Futures
Bobl(5Y)	
Bund(10Y)	

Schatz(2Y)	German Futures
Bobl(5Y)	
Bund(10Y)	

2 yr CTD	German Cash
5 yr CTD	
10 yr CTD	
2yr OTR	
5yr OTR	
10yr OTR	

SYM NAME	
2 yr CTD	German Cash
5 yr CTD	
10 yr CTD	
2yr OTR	
5yr OTR	
10yr OTR	

Notes  
 Y = Yield  
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 CTD = Cheapest to Deliver  
 OTR = On the Run  
 \* OTR  
 \*\* CTD  
 \*\*\* CTD & OTR

Intrinsics & Tic for Tic Matrix'



US Intrinsic's ^				
	M Duration	DV01 32	DV01 \$	DV01(€)
30y	16.21	5.14	\$1,608	€ 2,340
10y	8.22	2.64	\$826	€ 1,203
5y	4.60	1.50	\$468	€ 681
2y	1.92	0.62	\$193	€ 280
ZB	10.45	4.10	\$128	€ 187
ZN	5.83	2.21	\$69	€ 101
ZF	3.87	1.43	\$45	€ 65
ZT	1.77	0.61	\$19	€ 28

^Futures are Based on CTD

German Intrinsic's ^				
	M Duration	DV01(€)	DV01(\$)	CF
Bund	7.41	€ 254	\$174	0.849146
Bobl	4.14	€ 136	\$93	0.931197
Schatz	1.99	€ 63	\$43	0.947563
DE10Y	8.02	€ 1,184	\$814	
DE5Y	4.14	€ 633	\$435	
DE2Y	1.99	€ 302	\$207	

^Futures are Based on CTD

Last  
EURUSD 145.55

Tic for Tic Matrix (\$)			
	Bund	Bobl	Schatz
30y	9.22	17.21	37.23
10y	4.74	8.85	19.14
5y	2.68	5.00	10.83
2y	1.10	2.06	4.46
ZB	0.74	1.37	2.97
ZN	0.40	1.34	1.60
ZF	0.26	0.48	1.03
ZT	0.11	0.20	0.44

Notes

1) CF = Conversion Factor

2) MDuration = Modified Macaulay Duration

3) MDuration & DV01s for Futures are based on proxy issue (CTD)

US Financial Futures / Eurex Bond			
	ZN	ZF	ZT
Bund (H)	1.80	2.80	3.10
Bobl (H)	1.00	1.54	1.69
Shatz (H)	0.41	0.63	0.69

Bloomberg  
Ratio's

US Treasuries v Eurex Bonds			
	2y	5y	10y
Bund (H)	1.7	3.9	7.1
Bobl (H)	3.1	7.1	12.8
Shatz (H)	7.8	15.9	28.8

Bloomberg  
Ratio's

	Bund (H)	Bobl (H)	Shatz (H)
Bund (H)	1.00	1.85	4.55
Bobl (H)	0.54	1.00	2.46
Shatz (H)	0.22	0.41	1.00

Bloomberg  
Ratio's

**Yields & Spreads**

US Cash Treasuries (OTR)			
	Bid	Ask	Last
US2y	1.951	1.947	1.947
US5y	2.693	2.687	2.687
US10y	3.645	3.641	3.641

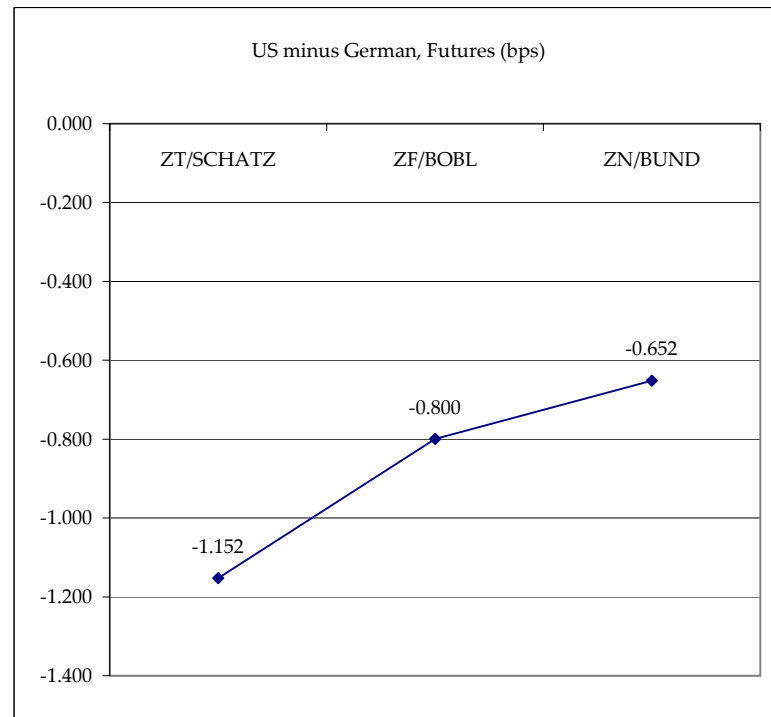
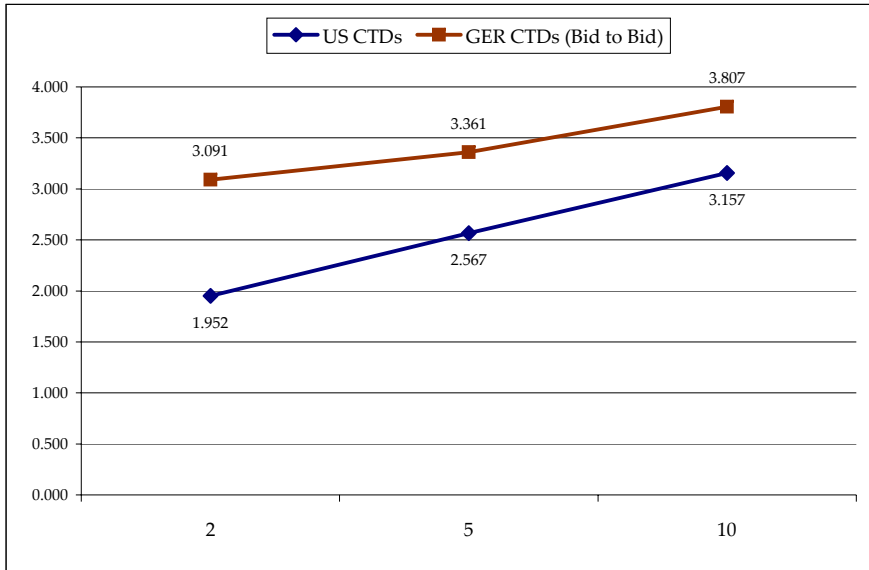
German Cash Treasuries (OTR)			
	Bid	Ask	Last
DE2y	3.108	3.091	3.091
DE5y	3.371	3.361	3.361
DE10y	3.880	3.874	3.874

Spreads	
	Bps
ZT/SCHATZ	-1.152
ZF/BOBL	-0.800
ZN/BUND	-0.652

US Cash Treasuries (CTD)			
	Bid	Ask	Last
3.250 of 12/09	1.952	1.939	1.939
4.750 of 05/12	2.567	2.562	2.562
4.250 of 11/14	3.157	3.155	3.155

German Futures (CTD)			
	Bid	Ask	Last
5.375 of 04/10	3.108	3.091	3.091
4.250 of 10/12	3.371	3.361	3.361
3.750 of 01/17	3.814	3.807	3.807

This chart shows the US futures, ZT, ZF, and ZN quoted in yield, then, comparing them to the German Futures, the Schatz (2yr), Bobl (5yr), and Bund (10yr). Cheapest to Deliver (CTD) are used as proxies for the yields.



When does the volume trade? Between what hours of the day? These are the two questions most frequently asked, by new traders to this contract. Of course number releases pertaining to the German economy will produce volume. Past that we can look at a chart of the Bund as determine when volume occurs.

Time	Volume	
	Rises	Drops
1:00 AM CST	x	
7:00 AM CST	x	
10:00 AM CST		x
11:00 AM CST		x
German Econ Release	x	
US Econ Release	x	

#### Bond Market Characteristics

From The Treasury Bond Basis Book 3rd Edition, by Galen Burghardt

Accrued Interest	Germany	Japan	UK
Coupon (date)	Annual	semi (20th)	semi
Ex-dividend (days)	no	no	yes (7)
Accrual basis	actual	actual	actual
Year Basis	actual	365	actual

#### Settlement time frame

Domestic	T+2	T+3	T+3
International	T+3	na	na

#### Trading Basis

Quotation	price	simple yield	price
Tick	decimal	bp	decimal
Tax (resident)	0	0	0
Price/Yield Method	ISMA	Simple	DMO

#### Repo

Accrual basis	actual	actual	actual
Year basis	360	0	365





