

The Morning Email: US & Germany

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

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Quotes 1



32 nds								SYM NAME	
Last	Net	Hi	Low	Open	Volume	Yest Volume			
TUAH8	106.282	0.002	106.312	106.252	106.262	57,924	338,311	2y Futures	US Futures Market
FVAH8	112.255	0.005	112.305	112.180	112.205	84,800	810,525	5y Futures	
TYAH8	115.215	0.015	115.275	115.115	115.150	233,888	1,549,047	10y Futures	
USAH8	115.300	(0.004)	116.070	115.200	115.270	47,379	383,265	30y Futures	
32 nds								SYM NAME	
Last	Net	Hi	Low	Open	Volume	Yest Volume			
BUS02P	100.060	3.0	100.087	100.032	100.045	2y			US Cash Treasury Market
BUS05P	99.287	7.5	100.020	99.212	99.232	5y			
BUS10P	96.300	7.5	97.045	96.220	96.255	10y			
BUS30P	95.160	5.5	95.245	95.085	95.140	30y			
32 nds								SYM NAME	
Last	Net	Hi	Low	Open	Volume	Yest Volume			
BUS02Y	2.022	(5.40)	2.092	1.973	2.092	2y Yield			US Cash Treasury Market
BUS05Y	2.894	(5.10)	2.952	2.858	2.947	5y Yield			
BUS10Y	3.871	(2.50)	3.908	3.844	3.904	10y Yield			
BUS30Y	4.650	(1.00)	4.677	4.63	4.67	30y Yield			



Decimal								SYM NAME	
Last	Net	Hi	Low	Open	Volume	Yest Volume			
DGH8	104.69	(3.00)	104.83	104.62	104.79	728,456	682,869	Schatz(2Y)	German Futures Markets
DLH8	110.59	(1.50)	110.84	110.47	110.74	440,008	669,091	Bobl(5Y)	
DBH8	115.85	0.80	116.12	115.67	116.00	713,869	1,384,775	Bund(10Y)	

	Price	Yield		Maturity	SYM NAME	
	Last	Last	Coupon			
T.US.DE040P1209***	101.28	3.231	4.000	12/11/2009	2 yr CTD	German Cash Treasury Market
T.US.DE042P1012***	102.97	3.530	4.250	10/12/2012	5 yr CTD	
T.US.DE036P0117**	98.35	3.967	3.750	1/4/2017	10 yr CTD	
DEP2P*	101.31	3.231	4.000	12/11/2009	2yr OTR	
DEP5P*	103.01	3.530	4.250	10/12/2012	5yr OTR	
DEP10P*	99.84	4.019	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	104.68	104.69	104.69	104.83	104.62	-3.00
DLH8	110.59	110.59	110.59	110.84	110.47	-1.50
DBH8	115.85	115.86	115.85	116.12	115.67	0.80

	Y Bid	Y Ask	Y Last	Y Hi	Y Lo
DGH8	3.535	3.533	3.533	3.566	3.462
DLH8	3.646	3.645	3.646	3.671	3.593
DBH8	4.042	4.041	4.041	4.062	4.011

	Y Bid	Y Ask	Y Last	Y Hi	Y Lo	Chng
T.US.DE040P1209***	3.248	3.231	3.231	3.288	3.156	
T.US.DE042P1012***	3.539	3.530	3.530	3.572	3.472	
T.US.DE036P0117**	3.973	3.967	3.967	3.998	3.938	
DEP2P*	3.248	3.231	3.231	3.288	3.156	-12
DEP5P*	3.539	3.530	3.530	3.572	3.472	-23
DEP10P*	4.025	4.019	4.019	4.051	3.991	-26

Decimal						
	Bid	Ask	Last	Hi	Low	Chng
T.US.DE040P1209***	101.28	101.31	101.31	101.44	101.21	-12
T.US.DE042P1012***	102.97	103.01	103.01	103.26	102.83	-23
T.US.DE036P0117**	98.35	98.40	98.40	98.61	98.17	-24
DEP2P*	101.28	101.31	101.31	101.44	101.21	-12
DEP5P*	102.97	103.01	103.01	103.26	102.83	-23
DEP10P*	99.79	99.84	99.84	100.06	99.58	-26

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	16.27	4.98	\$1,555	€ 2,283
10y	8.32	2.58	\$807	€ 1,184
5y	4.57	1.47	\$460	€ 676
2y	1.89	0.61	\$190	€ 279
ZB	10.40	3.89	\$122	€ 178
ZN	5.79	2.17	\$68	€ 100
ZF	3.84	1.40	\$44	€ 64
ZT	1.75	0.60	\$19	€ 28

^Futures are Based on CTD

German Intrinsic's ^				
	M Duration	DV01(€)	DV01(\$)	CF
Bund	7.36	€ 252	\$171	0.849146
Bobl	4.10	€ 135	\$92	0.931197
Schatz	1.96	€ 62	\$43	0.947563
DE10Y	7.98	€ 1,175	\$800	
DE5Y	4.10	€ 630	\$429	
DE2Y	1.96	€ 300	\$204	

^Futures are Based on CTD

Last
EURUSD 146.78

Tic for Tic Matrix (\$)			
	Bund	Bobl	Schatz
30y	9.07	16.88	36.57
10y	4.71	8.76	18.97
5y	2.69	5.00	10.83
2y	1.11	2.06	4.46
ZB	0.71	1.32	2.86
ZN	0.40	1.34	1.59
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	2.027	2.022	2.022
US5y	2.897	2.894	2.894
US10y	3.873	3.871	3.871

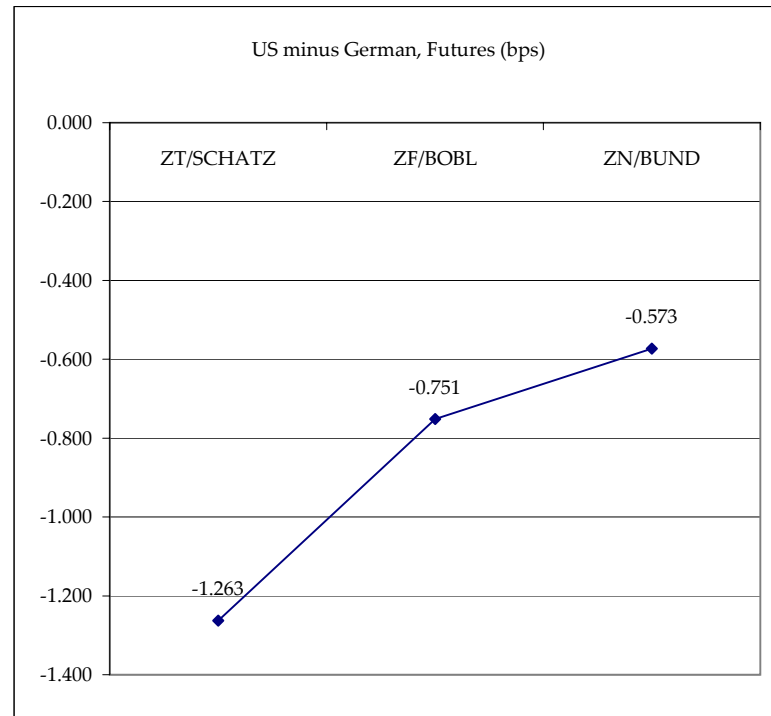
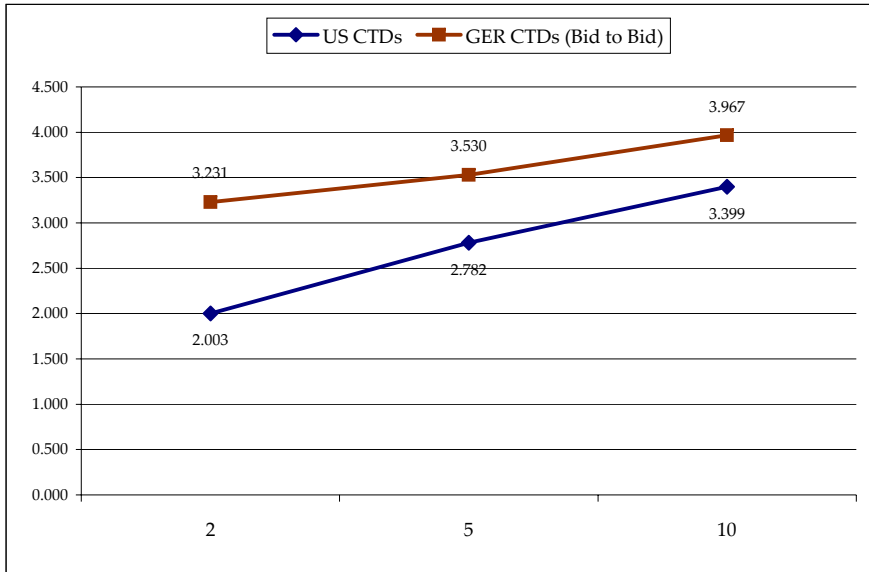
German Cash Treasuries (OTR)			
	Bid	Ask	Last
DE2y	3.248	3.231	3.231
DE5y	3.539	3.530	3.530
DE10y	4.025	4.019	4.019

Spreads	
	Bps
ZT/SCHATZ	-1.263
ZF/BOBL	-0.751
ZN/BUND	-0.573

US Cash Treasuries (CTD)			
	Bid	Ask	Last
3.500 of 12/09	2.003	2.007	1.968
4.750 of 05/12	2.782	2.779	2.779
4.250 of 11/14	3.399	3.393	3.393

German Futures (CTD)			
	Bid	Ask	Last
5.375 of 04/10	3.248	3.231	3.231
4.250 of 10/12	3.539	3.530	3.530
3.750 of 01/17	3.973	3.967	3.967

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

