

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									
	Last	Net	Hi	Low	Open	Volume	Yest Volume	SYM NAME	
TUAH8	106.312	0.000	107.002	106.290	106.317	41,145	458,909	2y Futures	
FVAH8	113.125	0.020	113.155	113.075	113.110	61,626	899,461	5y Futures	
TYAH8	116.220	0.070	116.260	116.140	116.185	133,894	1,586,209	10y Futures	
USAH8	117.200	0.012	117.240	117.060	117.110	29,120	503,397	30y Futures	
US Futures Market									
	Last	Net	Hi	Low	Open	Volume			
BUS02P	100.082	(1.0)	100.100	100.070	100.080	2y		US Cash Treasury Market	
BUS05P	100.130	1.7	100.155	100.070	100.090	5y			
BUS10P	97.300	8.5	98.000	97.205	97.210	10y			
BUS30P	97.200	19.0	97.245	97.050	97.050	30y			
	Last	Net	Hi	Low	Open	Volume			
BUS02Y	1.980	1.50	2.014	1.956	1.98	2y Yield		US Cash Treasury Market	
BUS05Y	2.783	(1.20)	2.831	2.766	2.807	5y Yield			
BUS10Y	3.748	(3.20)	3.794	3.738	3.788	10y Yield			
BUS30Y	4.517	(3.50)	4.561	4.507	4.559	30y Yield			



Decimal									
	Last	Net	Hi	Low	Open	Volume	Yest Volume	SYM NAME	
DGH8	104.53	(5.00)	104.63	104.50	104.58	487,617	1,409,029	Schatz(2Y)	
DLH8	110.51	(7.50)	110.76	110.47	110.53	407,544	1,002,100	Bobl(5Y)	
DBH8	115.96	(1.20)	116.26	115.92	115.97	632,303	1,577,188	Bund(10Y)	
German Futures Markets									

	Price	Yield		Maturity	SYM NAME	
	Last	Last	Coupon			
T.US.DE040P1209***	101.13	3.315	4.000	12/11/2009	2 yr CTD	German Cash Treasury Market
T.US.DE042P1012***	102.90	3.545	4.250	10/12/2012	5 yr CTD	
T.US.DE036P0117**	98.43	3.956	3.750	1/4/2017	10 yr CTD	
DEP2P*	101.16	3.315	4.000	12/11/2009	2yr OTR	
DEP5P*	102.94	3.545	4.250	10/12/2012	5yr OTR	
DEP10P*	99.96	4.004	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	104.53	104.53	104.53	104.63	104.50	-5.00
DLH8	110.51	110.51	110.51	110.76	110.47	-7.50
DBH8	115.96	115.97	115.96	116.26	115.92	-1.20

	Y Bid	Y Ask	Y Last	Y Hi	Y Lo
DGH8	3.614	3.612	3.612	3.629	3.561
DLH8	3.663	3.662	3.662	3.671	3.611
DBH8	4.029	4.028	4.029	4.034	3.996

	Y Bid	Y Ask	Y Last	Y Hi	Y Lo	Chng
T.US.DE040P1209***	3.332	3.315	3.315	3.350	3.263	
T.US.DE042P1012***	3.555	3.545	3.545	3.569	3.489	
T.US.DE036P0117**	3.962	3.956	3.956	3.971	3.917	
DEP2P*	3.332	3.315	3.315	3.350	3.263	5
DEP5P*	3.555	3.545	3.545	3.569	3.489	11
DEP10P*	4.010	4.004	4.004	4.018	3.963	9

Decimal						
	Bid	Ask	Last	Hi	Low	Chng
T.US.DE040P1209***	101.13	101.16	101.16	101.25	101.10	5
T.US.DE042P1012***	102.90	102.94	102.94	103.18	102.84	11
T.US.DE036P0117**	98.43	98.48	98.48	98.76	98.37	9
DEP2P*	101.13	101.16	101.16	101.25	101.10	5
DEP5P*	102.90	102.94	102.94	103.18	102.84	11
DEP10P*	99.91	99.96	99.96	100.29	99.85	9

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
 DE = German Country Code
 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	16.42	5.14	\$1,606	€ 2,383
10y	8.32	2.61	\$816	€ 1,211
5y	4.56	1.48	\$462	€ 686
2y	1.88	0.60	\$189	€ 280
ZB	10.43	3.94	\$123	€ 183
ZN	5.79	2.19	\$69	€ 102
ZF	3.84	1.41	\$44	€ 65
ZT	1.74	0.60	\$19	€ 28

^Futures are Based on CTD

German Intrinsic's ^				
	M Duration	DV01(€)	DV01(\$)	CF
Bund	7.36	€ 254	\$171	0.849146
Bobl	4.09	€ 136	\$92	0.931197
Schatz	1.95	€ 63	\$42	0.947563
DE10Y	7.97	€ 1,189	\$801	
DE5Y	4.09	€ 635	\$428	
DE2Y	1.95	€ 301	\$203	

^Futures are Based on CTD

Last
EURUSD 148.39

Tic for Tic Matrix (\$)			
	Bund	Bobl	Schatz
30y	9.37	17.49	38.02
10y	4.76	8.88	19.31
5y	2.70	5.03	10.94
2y	1.10	2.06	4.47
ZB	0.72	1.34	2.92
ZN	0.40	1.34	1.62
ZF	0.26	0.48	1.04
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	1.989	1.980	1.980
US5y	2.786	2.783	2.783
US10y	3.750	3.748	3.748

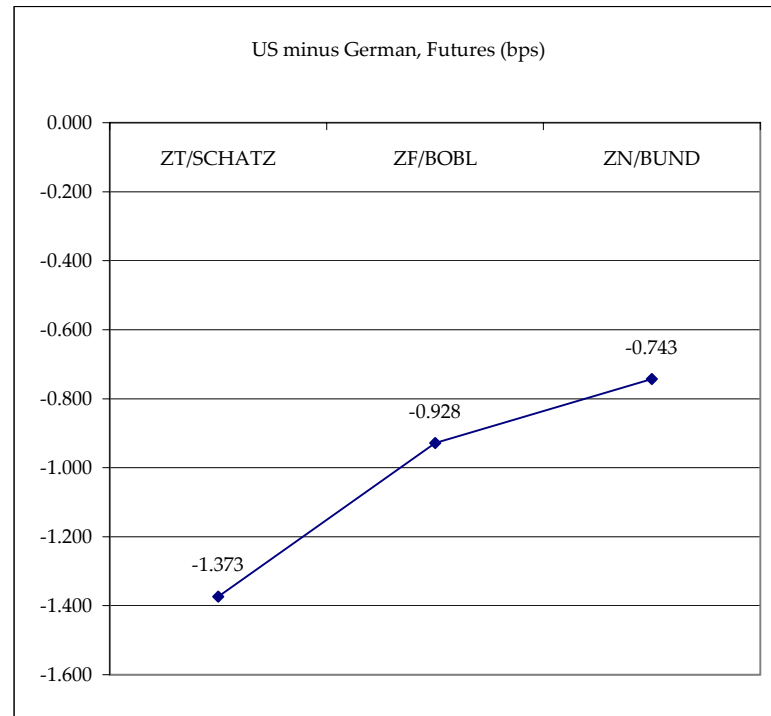
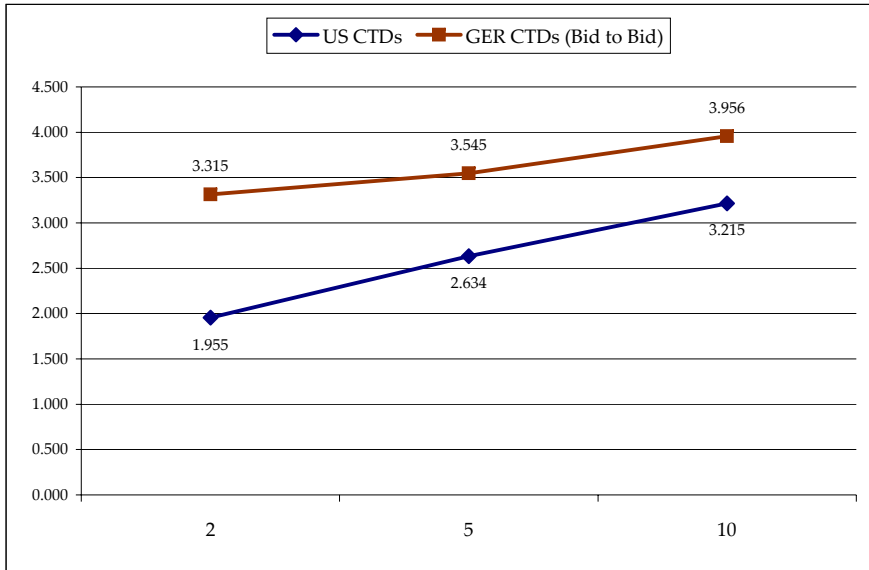
German Cash Treasuries (OTR)			
	Bid	Ask	Last
DE2y	3.332	3.315	3.315
DE5y	3.555	3.545	3.545
DE10y	4.010	4.004	4.004

Spreads Bps	
ZT/SCHATZ	-1.373
ZF/BOBL	-0.928
ZN/BUND	-0.743

US Cash Treasuries (CTD)			
	Bid	Ask	Last
3.500 of 12/09	1.955	1.978	1.942
4.750 of 05/12	2.634	2.617	2.617
4.250 of 11/14	3.215	3.213	3.213

German Futures (CTD)			
	Bid	Ask	Last
5.375 of 04/10	3.332	3.315	3.315
4.250 of 10/12	3.555	3.545	3.545
3.750 of 01/17	3.962	3.956	3.956

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

