

## The Morning Email: US & Germany

### Table of Contents

Pg 1 Quotes 1

Pg 2 Quotes 2

Pg 3 Hedge Ratios - Bloomberg

Pg 4 Yields & Spreads

Pg 5 Volume Questions & Global Bond Market Characteristics



Want something added? Let me know: [jgoulding@ghco.com](mailto: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.

Quotes 1



		32 nds								
	Last	Net	Hi	Low	Open	Volume	Yest Volume	SYM NAME		
TUAU8	106.017	(0.012)	106.042	106.010	106.032	17,293	259,058	2y Futures	<b>US Futures Market</b>	
FVAU8	111.220	(0.002)	111.270	111.210	111.257	42,867	529,696	5y Futures		
TYAU8	115.160	0.000	115.230	115.150	115.215	65,486	849,873	10y Futures		
USAU8	117.070	0.010	117.115	117.045	117.110	14,983	264,523	30y Futures		
		Last	Net	Hi	Low	Open		SYM NAME		
BUS02P	100.280	(2.7)	100.305	100.275	100.297			2y	<b>US Cash Treasury Market</b>	
BUS05P	101.070	(4.7)	101.125	101.062	101.110			5y		
BUS10P	100.110	(5.5)	100.165	100.100	100.160			10y		
BUS30P	99.045	(7.0)	99.090	99.030	99.090			30y		
		Last	Net	Hi	Low	Open		SYM NAME		
BUS02Y	2.414	4.80	2.434	2.349	2.385			2y Yield	<b>US Cash Treasury Market</b>	
BUS05Y	3.107	3.60	3.115	3.065	3.08			5y Yield		
BUS10Y	3.830	2.40	3.84	3.805	3.815			10y Yield		
BUS30Y	4.423	1.40	4.432	4.409	4.414			30y Yield		



		Decimal								
	Last	Net	Hi	Low	Open	Volume	Yest Volume	SYM NAME		
DGU8	102.70	(4.00)	102.78	102.67	102.77	195,255	600,510	Schatz(2Y)	<b>German Futures Markets</b>	
DLU8	106.86	(11.00)	106.97	106.78	106.97	171,080	508,039	Bobl(5Y)		
DBU8	112.22	(2.40)	112.43	112.16	112.43	285,035	871,380	Bund(10Y)		

	Price	Yield			SYM NAME	
	Last	Last	Coupon	Maturity		
T.US.DE046P0610***	99.03	4.388	4.750	6/11/2010	2 yr CTD	<b>German Cash Treasury Market</b>
T.US.DE034P0413***	96.24	4.382	3.500	4/12/2013	5 yr CTD	
T.US.DE042P0717***	99.03	4.376	4.250	7/4/2017	10 yr CTD	
DEP2P*	100.64	4.388	4.750	6/11/2010	2yr OTR	
DEP5P*	96.28	4.382	3.500	4/12/2013	5yr OTR	
DEP10P*	98.80	4.401	4.250	7/4/2018	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	SYM NAME
DGU8	102.70	102.70	102.70	102.78	102.67	-4.00	Schatz(2Y)
DLU8	106.85	106.86	106.86	106.97	106.78	-11.00	Bobl(5Y)
DBU8	112.22	112.23	112.22	112.43	112.16	-2.40	Bund(10Y)
	Y Bid	Y Ask	Y Last	Y Hi	Y Lo		SYM NAME
DGU8	4.560	4.557	4.557	4.575	4.518		Schatz(2Y)
DLU8	4.442	4.441	4.441	4.457	4.416		Bobl(5Y)
DBU8	4.459	4.458	4.458	4.466	4.434		Bund(10Y)
	Y Bid	Y Ask	Y Last	Y Hi	Y Lo		SYM NAME
T.US.DE046P0610***	4.404	4.388	4.388	4.421	4.354		2 yr CTD
T.US.DE034P0413***	4.392	4.382	4.382	4.412	4.363		5 yr CTD
T.US.DE042P0717***	4.383	4.376	4.376	4.394	4.359		10 yr CTD
DEP2P*	4.404	4.388	4.388	4.421	4.354	4	2yr OTR
DEP5P*	4.392	4.382	4.382	4.412	4.363	9	5yr OTR
DEP10P*	4.407	4.401	4.401	4.411	4.390	3	10yr OTR
	Bid	Ask	Last	Hi	Low	Chng	SYM NAME
T.US.DE046P0610***	99.03	99.08	99.08	99.20	98.95	2	2 yr CTD
T.US.DE034P0413***	96.24	96.28	96.28	96.36	96.16	9	5 yr CTD
T.US.DE042P0717***	99.03	99.08	99.08	99.20	98.95	2	10 yr CTD
DEP2P*	100.61	100.64	100.64	100.70	100.58	4	2yr OTR
DEP5P*	96.24	96.28	96.28	96.36	96.16	9	5yr OTR
DEP10P*	98.75	98.80	98.80	98.89	98.72	3	10yr OTR

German  
Futures

German  
Futures

German  
Cash

German  
Cash

Notes

Y = Yield

DE = German Country Code

CTD = Cheapest to Deliver

OTR = On the Run

\* OTR

\*\* CTD

\*\*\* CTD & OTR

US Financial Futures / Eurex Bond			
	ZN	ZF	ZT
Bund (U)	1.68	2.90	3.50
Bobl (U)	0.95	1.55	2.00
Shatz (U)	0.43	0.70	0.80

US Treasuries v Eurex Bonds			
	2y	5y	10y
Bund (U)	1.5	3.6	6.3
Bobl (U)	2.7	6.3	11.2
Shatz (U)	6.6	15.3	27.1

	Bund (U)	Bobl (U)	Shatz (U)
Bund (U)		1.78	4.32
Bobl (U)	0.56		2.42
Shatz (U)	0.23	0.41	

Note: Eurex products are pulled from Bloomberg and are static. Meaning, I only update them once in a while but always on rolls.

**US Cash Treasuries (OTR)**

	Bid	Ask	Last
US2y	2.418	2.414	2.414
US5y	3.109	3.107	3.107
US10y	3.832	3.830	3.830

**German Cash Treasuries (OTR)**

	Bid	Ask	Last
DE2y	4.404	4.388	4.388
DE5y	4.392	4.382	4.382
DE10y	4.407	4.401	4.401

**Spreads (Bps)**

ZT/SCHATZ	-2.052
ZF/BOBL	-1.357
ZN/BUND	-0.731

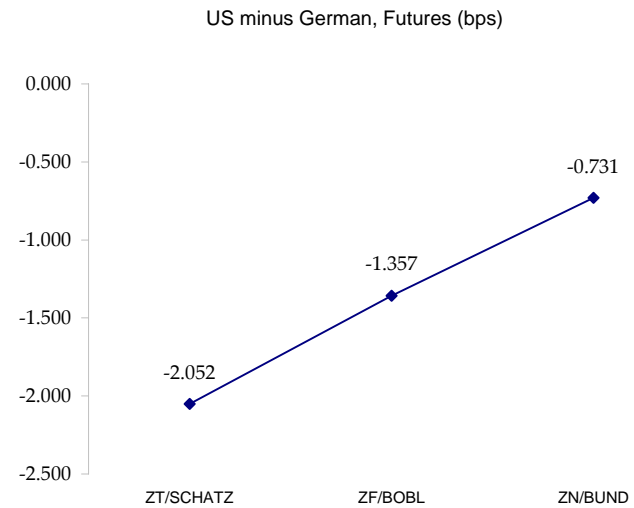
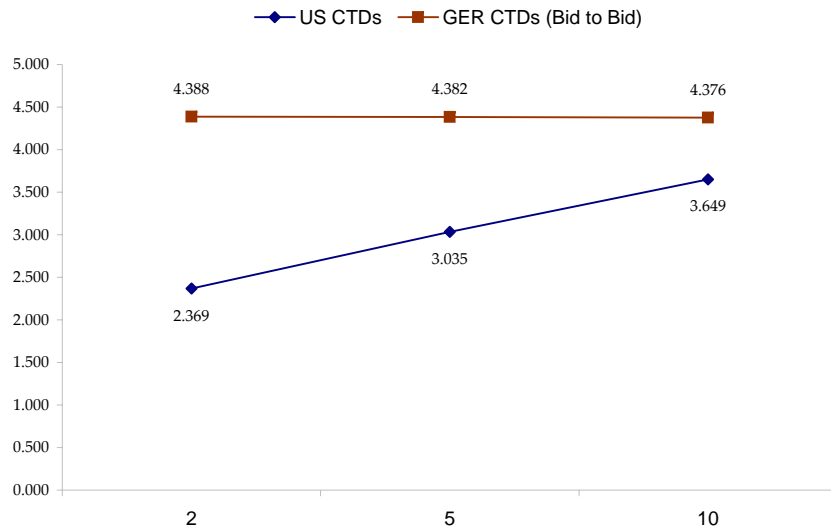
**US Cash Treasuries (CTD)**

	Bid	Ask	Last
3.625 of 06/10	2.369	2.336	2.336
3.375 of 11/12	3.035	3.025	3.025
4.875 of 08/16	3.649	3.645	3.645

**German Futures (CTD)**

	Bid	Ask	Last
4.750 of 06/10	4.404	4.388	4.388
3.500 of 04/13	4.392	4.382	4.382
4.250 of 07/17	4.383	4.376	4.376

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







