

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

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	105.307	(0.027)	106.020	105.277	106.010	37,705	281,525	2y Futures	US Futures Market	
FVAU8	111.192	(0.050)	111.262	111.120	111.242	70,288	637,814	5y Futures		
TYAU8	115.150	(0.065)	115.240	115.050	115.210	123,206	1,011,511	10y Futures		
USAU8	117.030	(0.070)	117.145	116.270	117.105	21,988	337,474	30y Futures		
		Last	Hi	Low	Open	SYM NAME				
BUS02P	100.252	(3.2)	100.287	100.227	100.285	2y	US Cash Treasury Market			
BUS05P	101.042	(7.0)	101.112	100.292	101.095	5y				
BUS10P	100.120	(8.5)	100.195	100.030	100.170	10y				
BUS30P	98.315	3.5	99.120	98.220	99.105	30y				
		Last	Hi	Low	Open	SYM NAME				
BUS02Y	2.449	5.50	2.51	2.367	2.428	2y Yield				
BUS05Y	3.123	5.20	3.176	3.074	3.096	5y Yield				
BUS10Y	3.825	3.10	3.867	3.794	3.811	10y Yield				
BUS30Y	4.434	(0.50)	4.457	4.41	4.421	30y Yield				



		Decimal								
	Last	Net	Hi	Low	Open	Volume	Yest Volume	SYM NAME		
DGU8	102.67	(1.00)	102.70	102.61	102.62	153,321	506,856	Schatz(2Y)	German Futures Markets	
DLU8	106.74	(9.00)	106.86	106.63	106.67	186,362	447,645	Bobl(5Y)		
DBU8	112.16	(0.50)	112.24	111.92	112.02	365,408	813,970	Bund(10Y)		

	Price	Yield			
	Last	Last	Coupon	Maturity	SYM NAME
T.US.DE046P0610***	98.95	4.398	4.750	6/11/2010	2 yr CTD
T.US.DE034P0413***	96.14	4.407	3.500	4/12/2013	5 yr CTD
T.US.DE042P0717***	98.95	4.387	4.250	7/4/2017	10 yr CTD
DEP2P*	100.62	4.398	4.750	6/11/2010	2yr OTR
DEP5P*	96.18	4.407	3.500	4/12/2013	5yr OTR
DEP10P*	98.75	4.407	4.250	7/4/2018	10yr OTR

**German
Cash
Treasury
Market**

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	102.67	102.67	102.67	102.70	102.61	-1.00	Schatz(2Y)
DLU8	106.74	106.75	106.74	106.86	106.63	-9.00	Bobl(5Y)
DBU8	112.16	112.17	112.16	112.24	111.92	-0.50	Bund(10Y)
		Y Bid	Y Ask	Y Last	Y Hi	Y Lo	SYM NAME
DGU8		4.575	4.573	4.575	4.607	4.560	Schatz(2Y)
DLU8		4.466	4.465	4.466	4.490	4.441	Bobl(5Y)
DBU8		4.466	4.465	4.466	4.494	4.456	Bund(10Y)
		Y Bid	Y Ask	Y Last	Y Hi	Y Lo	SYM NAME
T.US.DE046P0610***		4.415	4.398	4.398	4.448	4.382	2 yr CTD
T.US.DE034P0413***		4.417	4.407	4.407	4.444	4.380	5 yr CTD
T.US.DE042P0717***		4.394	4.387	4.387	4.428	4.373	10 yr CTD
DEP2P*		4.415	4.398	4.398	4.448	4.382	2yr OTR
DEP5P*		4.417	4.407	4.407	4.444	4.380	5yr OTR
DEP10P*		4.414	4.407	4.407	4.448	4.395	10yr OTR

		Decimal					
	Bid	Ask	Last	Hi	Low	Chng	SYM NAME
T.US.DE046P0610***	98.95	99.00	99.00	99.10	98.70	-9	2 yr CTD
T.US.DE034P0413***	96.14	96.18	96.18	96.29	96.03	-4	5 yr CTD
T.US.DE042P0717***	98.95	99.00	99.00	99.10	98.70	-9	10 yr CTD
DEP2P*	100.59	100.62	100.62	100.65	100.53	-1	2yr OTR
DEP5P*	96.14	96.18	96.18	96.29	96.03	-4	5yr OTR
DEP10P*	98.70	98.75	98.75	98.85	98.43	-8	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	2.465	2.449	2.449
US5y	3.127	3.123	3.123
US10y	3.832	3.825	3.825

German Cash Treasuries (OTR)

	Bid	Ask	Last
DE2y	4.415	4.398	4.398
DE5y	4.417	4.407	4.407
DE10y	4.414	4.407	4.407

Spreads (Bps)

ZT/SCHATZ	-2.006
ZF/BOBL	-1.352
ZN/BUND	-0.787

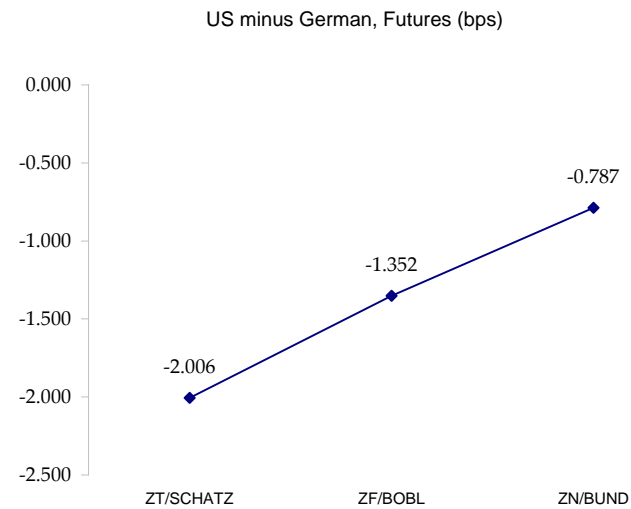
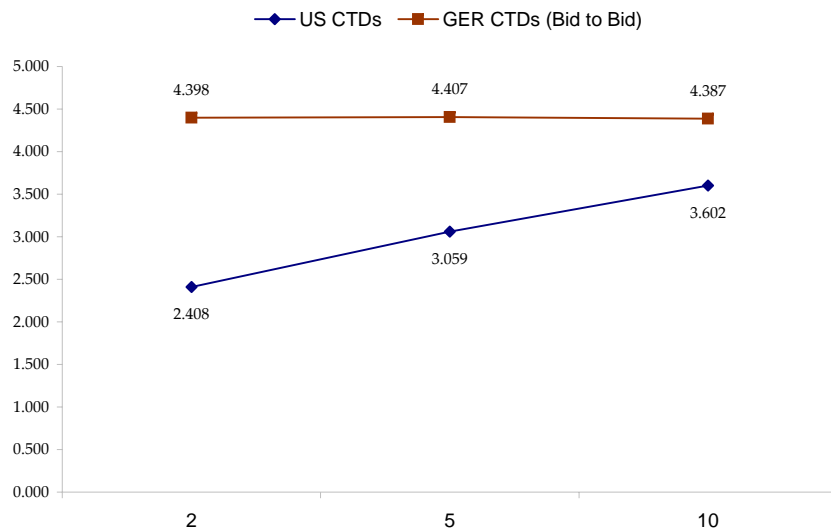
US Cash Treasuries (CTD)

	Bid	Ask	Last
3.625 of 06/10	2.408	2.392	2.392
3.375 of 11/12	3.059	3.055	3.055
5.125 of 05/16	3.602	3.600	3.600

German Futures (CTD)

	Bid	Ask	Last
4.750 of 06/10	4.415	4.398	4.398
3.500 of 04/13	4.417	4.407	4.407
4.250 of 07/17	4.394	4.387	4.387

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

