

## 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	105.142	(0.017)	105.185	105.122	105.170	60,375	363,294	2y Futures	<b>US Futures Market</b>
FVAU8	110.102	0.000	110.160	110.065	110.107	79,813	634,235	5y Futures	
TYAU8	113.195	(0.015)	113.275	113.165	113.205	99,207	1,015,493	10y Futures	
USAU8	114.315	(0.005)	115.035	114.265	114.315	18,614	313,734	30y Futures	
		Last	Net	Hi	Low	Open		SYM NAME	
BUS02P	100.110	(2.2)	100.150	100.097	100.132			2y	<b>US Cash Treasury Market</b>
BUS05P	99.275	(21.0)	100.017	99.242	99.245			5y	
BUS10P	98.205	(3.0)	98.270	98.195	98.230			10y	
BUS30P	96.120	(1.0)	96.160	96.055	96.160			30y	
		Last	Net	Hi	Low	Open		SYM NAME	
BUS02Y	2.694	4.00	2.726	2.626	2.65			2y Yield	<b>US Cash Treasury Market</b>
BUS05Y	3.404	2.00	3.432	3.36	3.377			5y Yield	
BUS10Y	4.039	1.80	4.051	4.014	4.021			10y Yield	
BUS30Y	4.597	0.60	4.617	4.589	4.6			30y Yield	



		Decimal							
	Last	Net	Hi	Low	Open	Volume	Yest Volume	SYM NAME	
DGU8	102.60	2.50	102.71	102.54	102.61	313,847	670,137	Schatz(2Y)	<b>German Futures Markets</b>
DLU8	106.43	3.50	106.73	106.32	106.47	319,100	556,598	Bobl(5Y)	
DBU8	111.17	(2.30)	111.54	111.06	111.40	506,746	1,004,980	Bund(10Y)	

	Price	Yield			SYM NAME	
	Last	Last	Coupon	Maturity		
T.US.DE046P0610***	98.10	4.423	4.750	6/11/2010	2 yr CTD	<b>German Cash Treasury Market</b>
T.US.DE034P0413***	95.83	4.476	3.500	4/12/2013	5 yr CTD	
T.US.DE042P0717***	98.10	4.504	4.250	7/4/2017	10 yr CTD	
DEP2P*	100.59	4.423	4.750	6/11/2010	2yr OTR	
DEP5P*	95.87	4.476	3.500	4/12/2013	5yr OTR	
DEP10P*	97.78	4.531	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	102.60	102.60	102.60	102.71	102.54	2.50	Schatz(2Y)	
DLU8	106.43	106.43	106.43	106.73	106.32	3.50	Bobl(5Y)	
DBU8	111.17	111.18	111.17	111.54	111.06	-2.30	Bund(10Y)	
		Y Bid	Y Ask	Y Last	Y Hi	Y Lo	SYM NAME	
DGU8		4.612	4.609	4.612	4.641	4.554	Schatz(2Y)	
DLU8		4.535	4.534	4.534	4.558	4.469	Bobl(5Y)	
DBU8		4.583	4.581	4.583	4.596	4.539	Bund(10Y)	
		Y Bid	Y Ask	Y Last	Y Hi	Y Lo	SYM NAME	
T.US.DE046P0610***		4.440	4.423	4.423	4.478	4.380	2 yr CTD	
T.US.DE034P0413***		4.486	4.476	4.476	4.513	4.474	5 yr CTD	
T.US.DE042P0717***		4.511	4.504	4.504	4.524	4.479	10 yr CTD	
DEP2P*		4.440	4.423	4.423	4.478	4.380	7 2yr OTR	
DEP5P*		4.486	4.476	4.476	4.513	4.474	11 5yr OTR	
DEP10P*		4.537	4.531	4.531	4.549	4.504	-9 10yr OTR	
		Bid	Ask	Last	Hi	Low	Chng	SYM NAME
T.US.DE046P0610***	98.10	98.15	98.15	98.33	98.01	-7	2 yr CTD	
T.US.DE034P0413***	95.83	95.87	95.87	95.88	95.72	11	5 yr CTD	
T.US.DE042P0717***	98.10	98.15	98.15	98.33	98.01	-7	10 yr CTD	
DEP2P*	100.56	100.59	100.59	100.67	100.49	7	2yr OTR	
DEP5P*	95.83	95.87	95.87	95.88	95.72	11	5yr OTR	
DEP10P*	97.73	97.78	97.78	97.99	97.64	-9	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	2.698	2.694	2.694
US5y	3.406	3.404	3.404
US10y	4.043	4.039	4.039

**German Cash Treasuries (OTR)**

	Bid	Ask	Last
DE2y	4.440	4.423	4.423
DE5y	4.486	4.476	4.476
DE10y	4.537	4.531	4.531

**Spreads (Bps)**

ZT/SCHATZ	-1.805
ZF/BOBL	-1.178
ZN/BUND	-0.612

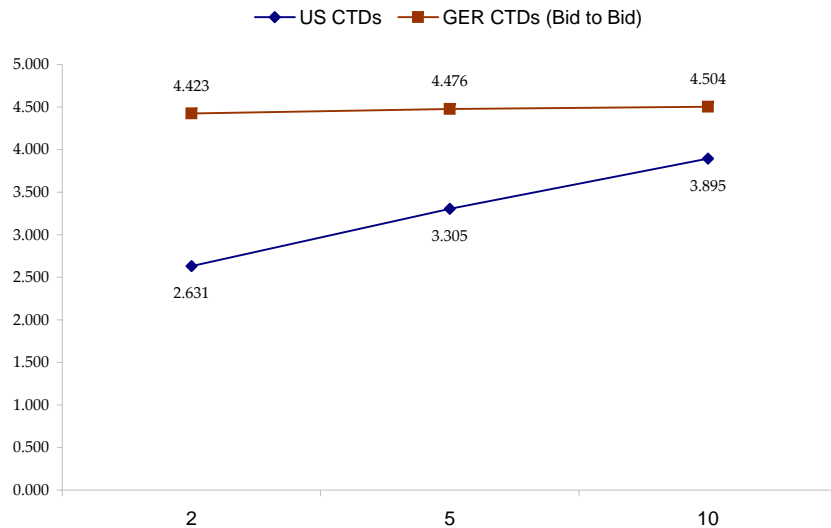
**US Cash Treasuries (CTD)**

	Bid	Ask	Last
3.625 of 06/10	2.631	2.619	2.619
3.375 of 11/12	3.305	3.298	3.298
5.125 of 05/16	3.895	3.893	3.893

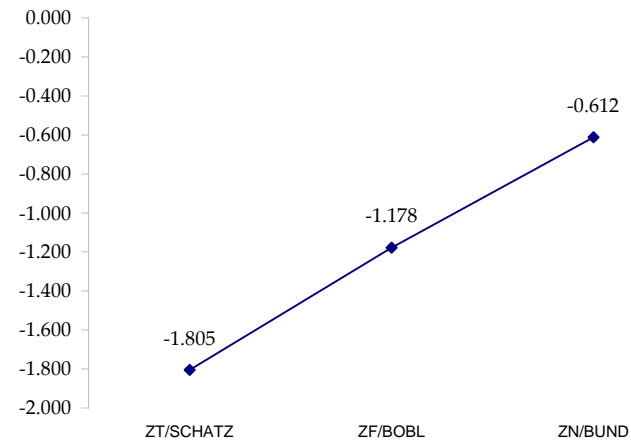
**German Futures (CTD)**

	Bid	Ask	Last
4.750 of 06/10	4.440	4.423	4.423
3.500 of 04/13	4.486	4.476	4.476
4.250 of 07/17	4.511	4.504	4.504

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.



US minus German, Futures (bps)



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







