

## The Morning Email: US & Germany

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

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Quotes 1



32 nds								SYM NAME		
Last	Net	Hi	Low	Open	Volume	Yest Volume				
TUAM8	107.162	(0.002)	107.165	107.107	107.147	48,612	367,037	2y Futures	<b>US Futures Market</b>	
FVAM8	114.067	(0.007)	114.077	113.300	114.037	78,798	832,822	5y Futures		
TYAM8	117.065	0.005	117.080	116.265	117.015	133,127	859,115	10y Futures		
USAM8	118.155	(0.025)	118.190	117.300	118.105	34,031	379,781	30y Futures		
US Cash Treasury Market										
Last	Net	Hi	Low	Open	Volume					
BUS02P	100.237	1.5	100.240	100.190	100.212	2y				
BUS05P	101.080	3.2	101.082	100.312	101.022	5y				
BUS10P	99.220	4.0	99.240	99.105	99.150	10y				
BUS30P	99.030	3.5	99.090	98.165	98.295	30y				
Last	Net	Hi	Low	Open	Volume					
BUS02Y	1.615	(2.50)	1.703	1.607	1.647	2y Yield				
BUS05Y	2.481	(1.80)	2.544	2.477	2.509	5y Yield				
BUS10Y	3.535	(1.40)	3.584	3.526	3.56	10y Yield				
BUS30Y	4.423	(0.90)	4.471	4.413	4.44	30y Yield				



Decimal								SYM NAME	
Last	Net	Hi	Low	Open	Volume	Yest Volume			
DGH8	104.83	8.00	104.85	104.66	104.70	1,228,991	1,181,323	Schatz(2Y)	<b>German Futures Markets</b>
DLH8	111.55	19.50	111.59	111.21	111.30	892,250	994,737	Bobl(5Y)	
DBH8	117.62	2.90	117.67	117.16	117.28	1,268,021	2,115,854	Bund(10Y)	

	Price	Yield		Maturity	SYM NAME	
	Last	Last	Coupon			
T.US.DE040P1209***	101.39	3.152	4.000	12/11/2009	2 yr CTD	<b>German Cash Treasury Market</b>
T.US.DE042P1012***	103.86	3.317	4.250	10/12/2012	5 yr CTD	
T.US.DE036P0117**	99.84	3.764	3.750	1/4/2017	10 yr CTD	
DEP2P*	101.42	3.152	4.000	12/11/2009	2yr OTR	
DEP5P*	103.90	3.317	4.250	10/12/2012	5yr OTR	
DEP10P*	101.41	3.824	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	104.83	104.83	104.83	104.85	104.66	8.00
DLH8	111.55	111.55	111.55	111.59	111.21	19.50
DBH8	117.61	117.62	117.62	117.67	117.16	2.90

	Y Bid	Y Ask	Y Last	Y Hi	Y Lo
DGH8	3.462	3.459	3.462	3.545	3.449
DLH8	3.447	3.446	3.447	3.517	3.438
DBH8	3.846	3.844	3.846	3.895	3.839

	Y Bid	Y Ask	Y Last	Y Hi	Y Lo	Chng
T.US.DE040P1209***	3.169	3.152	3.152	3.269	3.140	
T.US.DE042P1012***	3.327	3.317	3.317	3.408	3.308	
T.US.DE036P0117**	3.770	3.764	3.764	3.825	3.758	
DEP2P*	3.169	3.152	3.152	3.269	3.140	10
DEP5P*	3.327	3.317	3.317	3.408	3.308	21
DEP10P*	3.830	3.824	3.824	3.883	3.818	26

Decimal						
	Bid	Ask	Last	Hi	Low	Chng
T.US.DE040P1209***	101.39	101.42	101.42	101.44	101.22	10
T.US.DE042P1012***	103.86	103.90	103.90	103.94	103.51	21
T.US.DE036P0117**	99.84	99.89	99.89	99.93	99.44	23
DEP2P*	101.39	101.42	101.42	101.44	101.22	10
DEP5P*	103.86	103.90	103.90	103.94	103.51	21
DEP10P*	101.36	101.41	101.41	101.46	100.93	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
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- \* OTR
- \*\* CTD
- \*\*\* CTD & OTR



US Intrinsic's ^				
	M Duration	DV01 32	DV01 \$	DV01(€)
30y	16.50	5.24	\$1,639	€ 2,494
10y	8.32	2.66	\$831	€ 1,265
5y	4.64	1.52	\$474	€ 721
2y	1.94	0.63	\$196	€ 298
ZB	10.45	4.01	\$125	€ 191
ZN	6.06	2.31	\$72	€ 110
ZF	4.10	1.51	\$47	€ 72
ZT	1.92	0.68	\$21	€ 32

^Futures are Based on CTD

German Intrinsic's ^				
	M Duration	DV01(€)	DV01(\$)	CF
Bund	7.35	€ 265	\$174	0.849146
Bobl	4.08	€ 141	\$92	0.931197
Schatz	1.93	€ 64	\$42	0.947563
DE10Y	7.97	€ 1,238	\$814	
DE5Y	4.08	€ 655	\$431	
DE2Y	1.93	€ 306	\$201	

^Futures are Based on CTD

Last  
EURUSD 152.18

Tic for Tic Matrix (\$)			
	Bund	Bobl	Schatz
30y	9.42	17.72	39.00
10y	4.78	8.99	19.78
5y	2.72	5.12	11.28
2y	1.12	2.12	4.66
ZB	0.72	1.35	2.98
ZN	0.41	1.34	1.72
ZF	0.27	0.51	1.13
ZT	0.12	0.23	0.50

This matrix needs to be updated now that the CME has changed the tic size. I'll get to this in the next few days. Thanks, Jim

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)	1.90	2.90	3.40
Bobl (H)	1.00	1.60	1.80
Shatz (H)	0.39	0.60	0.71

Bloomberg Ratio's

US Treasuries v Eurex Bonds			
	2y	5y	10y
Bund (H)	1.5	3.6	6.4
Bobl (H)	2.8	6.7	11.8
Shatz (H)	7.1	17.2	30.4

Bloomberg Ratio's

	Bund (H)	Bobl (H)	Shatz (H)
Bund (H)	1.00	1.86	4.80
Bobl (H)	0.54	1.00	2.58
Shatz (H)	0.21	0.39	1.00

Bloomberg Ratio's

### Yields & Spreads

US Cash Treasuries (OTR)			
	Bid	Ask	Last
US2y	1.619	1.615	1.615
US5y	2.482	2.481	2.481
US10y	3.537	3.535	3.535

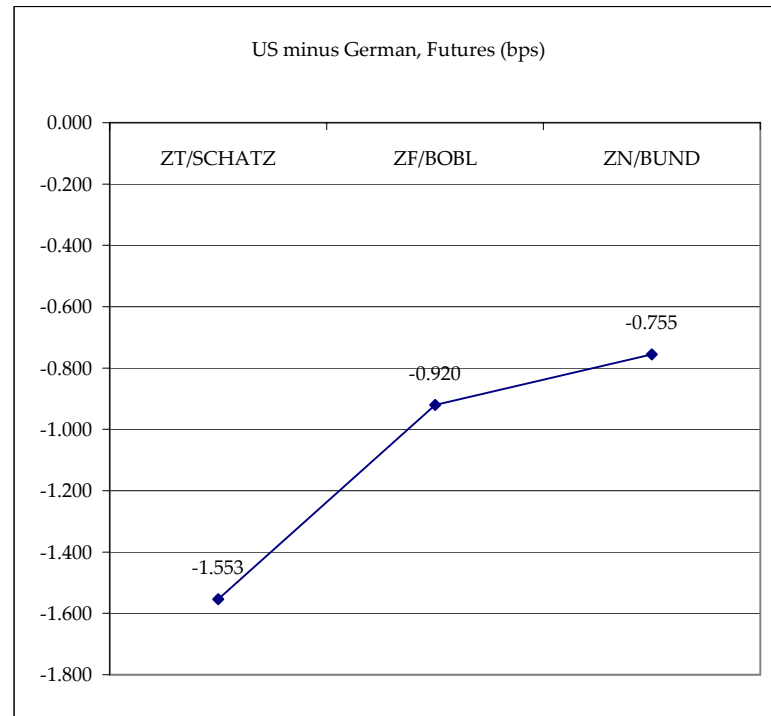
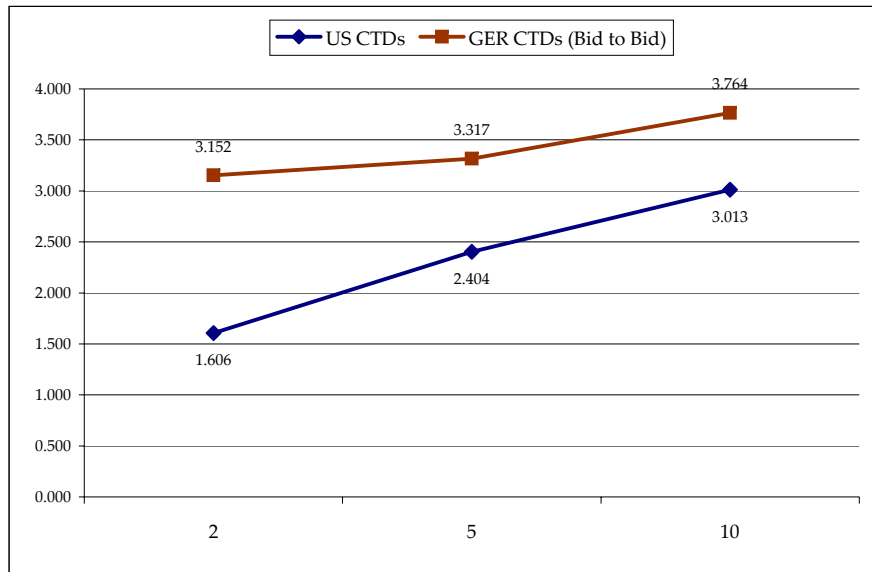
German Cash Treasuries (OTR)			
	Bid	Ask	Last
DE2y	3.169	3.152	3.152
DE5y	3.327	3.317	3.317
DE10y	3.830	3.824	3.824

Spreads Bps	
ZT/SCHATZ	-1.553
ZF/BOBL	-0.920
ZN/BUND	-0.755

US Cash Treasuries (CTD)			
	Bid	Ask	Last
4.000 of 03/10	1.606	1.598	1.598
4.125 of 08/12	2.404	2.397	2.397
4.000 of 02/15	3.013	3.008	3.008

German Futures (CTD)			
	Bid	Ask	Last
5.375 of 04/10	3.169	3.152	3.152
4.250 of 10/12	3.327	3.317	3.317
3.750 of 01/17	3.770	3.764	3.764

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





