

The Morning Email: US & Germany

Table of Contents

Pg 1 Quotes 1

Pg 2 Quotes 2

Pg 3 Intrinsic & Tic for Tic Matrix'

Pg 4 Hedge Ratios - Bloomberg

Pg 5 Yields & Spreads

Pg 6 Volume Questions & Global Bond Market Characteristics



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	
TUAM8	107.122	0.015	107.165	107.097	107.112	26,710	408,680	2y Futures	
FVAM8	114.035	0.040	114.120	113.290	113.302	56,540	1,041,326	5y Futures	
TYAM8	118.000	0.065	118.135	117.235	117.300	120,667	1,369,079	10y Futures	
USAM8	118.145	0.095	118.310	118.040	118.070	25,753	477,928	30y Futures	
	Last	Net	Hi	Low	Open	Volume			
BUS02P	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	2y			
BUS05P	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	5y			
BUS10P	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	10y			
BUS30P	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	30y			
	Last	Net	Hi	Low	Open	Volume			
BUS02Y	1.589	(2.20)	1.642	1.528	1.625	2y Yield			
BUS05Y	2.470	(2.60)	2.519	2.415	2.506	5y Yield			
BUS10Y	3.500	(2.20)	3.541	3.457	3.53	10y Yield			
BUS30Y	4.424	(2.10)	4.459	4.388	4.445	30y Yield			

US
Futures
Market

US Cash
Treasury
Market



Decimal									
	Last	Net	Hi	Low	Open	Volume	Yest Volume	SYM NAME	
DGM8	104.91	(14.00)	105.10	104.89	105.06	236,899	791,792	Schatz(2Y)	
DLM8	111.30	(27.00)	111.75	111.28	111.66	222,951	744,917	Bobl(5Y)	
DBM8	117.47	(1.80)	117.86	117.46	117.74	349,588	1,275,587	Bund(10Y)	

German
Futures
Markets

	Price	Yield			SYM NAME
	Last	Last	Coupon	Maturity	
T.US.DE030P0310***	99.59	3.201	3.000	3.000	2 yr CTD
T.US.DE044P0113**	104.81	3.384	4.500	1/4/2013	5 yr CTD
T.US.DE036P0117**	100.06	3.734	3.750	1/4/2017	10 yr CTD
DEP2P*	101.01	3.380	4.000	12/11/2009	2yr OTR
DEP5P*	103.44	3.419	4.250	10/12/2012	5yr OTR
DEP10P*	101.78	3.778	4.000	1/4/2018	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
DGM8	104.91	104.92	104.91	105.10	104.89	-14.00
DLM8	111.30	111.31	111.30	111.75	111.28	-27.00
DBM8	117.47	117.48	117.47	117.86	117.46	-1.80

	Y Bid	Y Ask	Y Last	Y Hi	Y Lo
DGM8	3.418	3.416	3.418	3.429	3.325
DLM8	3.497	3.495	3.495	3.503	3.405
DBM8	3.861	3.860	3.860	3.862	3.818

	Y Bid	Y Ask	Y Last	Y Hi	Y Lo	Chng
T.US.DE030P0310***	3.217	3.201	3.201	3.227	3.105	
T.US.DE044P0113**	3.393	3.384	3.384	3.399	3.286	
T.US.DE036P0117**	3.740	3.734	3.734	3.742	3.684	
DEP2P*	3.398	3.380	3.380	3.404	3.291	-14
DEP5P*	3.428	3.419	3.419	3.435	3.320	-31
DEP10P*	3.784	3.778	3.778	3.786	3.734	-19

Decimal						
	Bid	Ask	Last	Hi	Low	Chng
T.US.DE030P0310***	99.59	99.62	99.62	99.80	99.57	3.000
T.US.DE044P0113**	104.81	104.85	104.85	105.29	104.78	-33
T.US.DE036P0117**	100.06	100.11	100.11	100.48	100.05	-18
DEP2P*	100.98	101.01	101.01	101.16	100.97	-14
DEP5P*	103.40	103.44	103.44	103.86	103.37	-31
DEP10P*	101.73	101.78	101.78	102.14	101.71	-19

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



US Intrinsic's ^				
	M Duration	DV01 32	DV01 \$	DV01(€)
30y	#VALUE!	#VALUE!	#VALUE!	#VALUE!
10y	#VALUE!	#VALUE!	#VALUE!	#VALUE!
5y	#VALUE!	#VALUE!	#VALUE!	#VALUE!
2y	#VALUE!	#VALUE!	#VALUE!	#VALUE!
ZB	10.43	4.02	\$126	€ 195
ZN	6.66	2.59	\$81	€ 126
ZF	4.07	1.50	\$47	€ 73
ZT	1.92	0.67	\$21	€ 32

^Futures are Based on CTD

German Intrinsic's ^				
	M Duration	DV01(€)	DV01(\$)	CF
Bund	7.33	€ 270	\$173	0
Bobl	0.00	€ 0	\$0	0
Schatz	2.08	€ 71	\$45	0
DE10Y	7.95	€ 1,268	\$815	
DE5Y	0.00	€ 0	\$0	
DE2Y	2.08	€ 303	\$195	

^Futures are Based on CTD

Last
EURUSD 155.53

Tic for Tic Matrix (\$)			
	Bund	Bobl	Schatz
30y			
10y			
5y			
2y			
ZB			
ZN			
ZF			
ZT			

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)	1.60	2.80	3.24
Bobl (H)	0.92	1.59	1.79
Shatz (H)	0.38	0.66	0.74

Bloomberg
Ratio's

US Treasuries v Eurex Bonds			
	2y	5y	10y
Bund (H)	1.4	3.4	6.1
Bobl (H)	2.6	6.2	11.1
Shatz (H)	6.2	15.0	26.6

Bloomberg
Ratio's

	Bund (H)	Bobl (H)	Shatz (H)
Bund (H)		1.81	4.37
Bobl (H)	0.55		2.41
Shatz (H)	0.23	0.42	

Bloomberg
Ratio's

Yields & Spreads

US Cash Treasuries (OTR)			
	Bid	Ask	Last
US2y	1.601	1.589	1.589
US5y	2.475	2.470	2.470
US10y	3.502	3.500	3.500

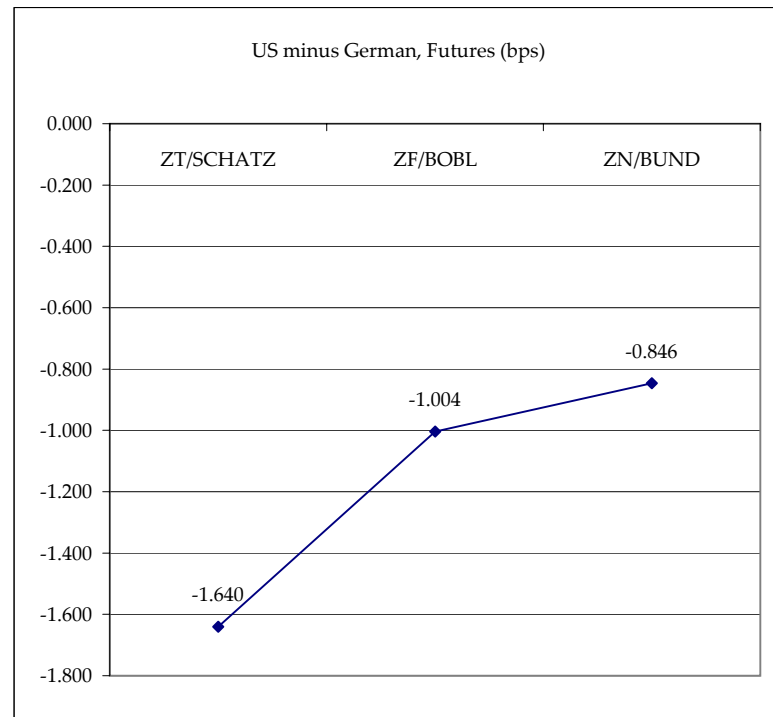
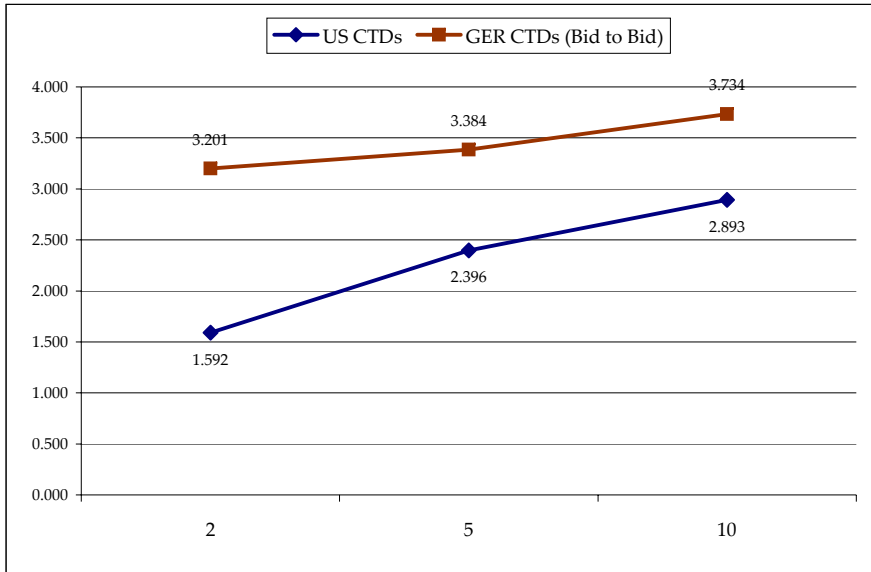
German Cash Treasuries (OTR)			
	Bid	Ask	Last
DE2y	3.398	3.380	3.380
DE5y	3.428	3.419	3.419
DE10y	3.784	3.778	3.778

Spreads Bps	
ZT/SCHATZ	-1.640
ZF/BOBL	-1.004
ZN/BUND	-0.846

US Cash Treasuries (CTD)			
	Bid	Ask	Last
4.000 of 03/10	1.592	1.561	1.561
4.125 of 08/12	2.396	2.380	2.380
4.000 of 02/15	2.893	2.888	2.888

German Futures (CTD)			
	Bid	Ask	Last
3.250 of 04/10	3.217	3.201	3.201
of 01/00	3.393	3.384	3.384
3.750 of 01/17	3.740	3.734	3.734

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

