

## 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								
	Last	Net	Hi	Low	Open	Volume	Yest Volume	SYM NAME
TUAM8	107.015	(0.067)	107.047	107.015	107.047	7,629	241,292	2y Futures
FVAM8	114.085	(0.127)	114.160	114.082	114.160	11,359	441,447	5y Futures
TYAM8	119.105	(0.160)	119.180	119.100	119.180	21,396	576,901	10y Futures
USAM8	120.165	(0.135)	120.270	120.165	120.270	5,849	230,700	30y Futures

	Last	Net	Hi	Low	Open	Volume
BUS02P	100.200	(3.7)	100.240	100.207	100.232	2y
BUS05P	101.145	(7.5)	101.192	101.157	101.185	5y
BUS10P	101.010	(4.0)	101.080	101.035	101.050	10y
BUS30P	102.300	(18.5)	103.070	102.295	103.060	30y

	Last	Net	Hi	Low	Open	Volume
BUS02Y	1.662	5.70	1.683	1.588	1.625	2y Yield
BUS05Y	2.431	5.40	2.437	2.372	2.385	5y Yield
BUS10Y	3.354	2.00	3.376	3.334	3.341	10y Yield
BUS30Y	4.194	3.10	4.204	4.164	4.167	30y Yield

US  
Futures  
Market

US Cash  
Treasury  
Market



Decimal								
	Last	Net	Hi	Low	Open	Volume	Yest Volume	SYM NAME
DGM8	104.78	(22.50)	105.03	104.72	104.93	707,747	1,056,744	Schatz(2Y)
DLM8	110.98	(52.50)	111.54	110.93	111.40	540,762	783,701	Bobl(5Y)
DBM8	117.50	(3.60)	117.90	117.35	117.86	814,652	1,373,395	Bund(10Y)

German  
Futures  
Markets

	Price	Yield			SYM NAME
	Last	Last	Coupon	Maturity	
T.US.DE030P0310***	99.40	3.304	3.000	3.000	2 yr CTD
T.US.DE044P0113**	104.51	3.446	4.500	1/4/2013	5 yr CTD
T.US.DE036P0117**	100.18	3.717	3.750	1/4/2017	10 yr CTD
DEP2P*	100.84	3.476	4.000	12/11/2009	2yr OTR
DEP5P*	103.05	3.507	4.250	10/12/2012	5yr OTR
DEP10P*	102.07	3.742	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	#VALUE!	104.77	104.78	105.03	104.72	-22.50
DLM8	110.99	111.02	110.98	111.54	110.93	-52.50
DBM8	#VALUE!	117.53	117.50	117.90	117.35	-3.60

	Y Bid	Y Ask	Y Last	Y Hi	Y Lo
DGM8		3.489	3.487	3.515	3.358
DLM8	3.562	3.555	3.565	3.575	3.449
DBM8		3.854	3.858	3.874	3.814

	Y Bid	Y Ask	Y Last	Y Hi	Y Lo	Chng
T.US.DE030P0310***	3.320	3.304	3.304	3.331	3.159	
T.US.DE044P0113**	3.455	3.446	3.446	3.475	3.336	
T.US.DE036P0117**	3.724	3.717	3.717	3.755	3.682	
DEP2P*	3.494	3.476	3.476	3.494	3.330	-18
DEP5P*	3.517	3.507	3.507	3.529	3.396	-34
DEP10P*	3.748	3.742	3.742	3.786	3.715	-5

Decimal						
	Bid	Ask	Last	Hi	Low	Chng
T.US.DE030P0310***	99.40	99.43	99.43	99.70	99.38	3.000
T.US.DE044P0113**	104.51	104.55	104.55	105.04	104.42	-37
T.US.DE036P0117**	100.18	100.23	100.23	100.49	99.95	-9
DEP2P*	100.81	100.84	100.84	101.08	100.81	-18
DEP5P*	103.01	103.05	103.05	103.52	102.96	-34
DEP10P*	102.02	102.07	102.07	102.29	101.71	-5

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

Intrinsics & Tic for Tic Matrix'



US Intrinsic's ^				
	M Duration	DV01 32	DV01 \$	DV01(€)
30y	16.72	5.53	\$1,729	€ 2,668
10y	8.29	2.69	\$842	€ 1,300
5y	4.58	1.50	\$470	€ 726
2y	1.89	0.61	\$190	€ 293
ZB	10.44	4.07	\$127	€ 196
ZN	6.66	2.63	\$82	€ 127
ZF	4.05	1.50	\$47	€ 72
ZT	1.90	0.66	\$21	€ 32

^Futures are Based on CTD

German Intrinsic's ^				
	M Duration	DV01(€)	DV01(\$)	CF
Bund	7.31	€ 267	\$173	0
Bobl	0.00	€ 0	\$0	0
Schatz	2.05	€ 69	\$45	0
DE10Y	7.93	€ 1,260	\$816	
DE5Y	0.00	€ 0	\$0	
DE2Y	2.05	€ 297	\$192	

^Futures are Based on CTD

Last  
EURUSD 154.36

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	1.670	1.662	1.662
US5y	2.436	2.431	2.431
US10y	3.376	3.354	3.354

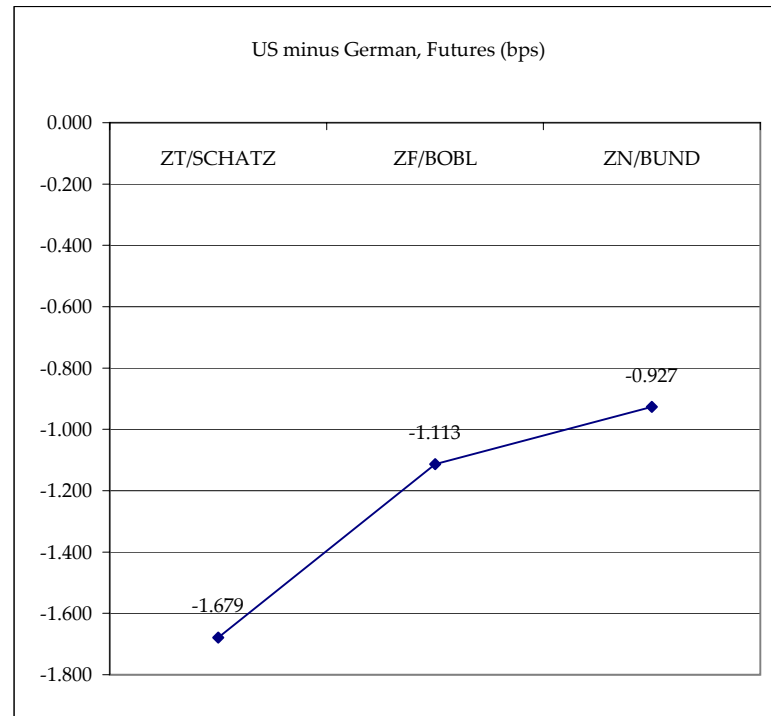
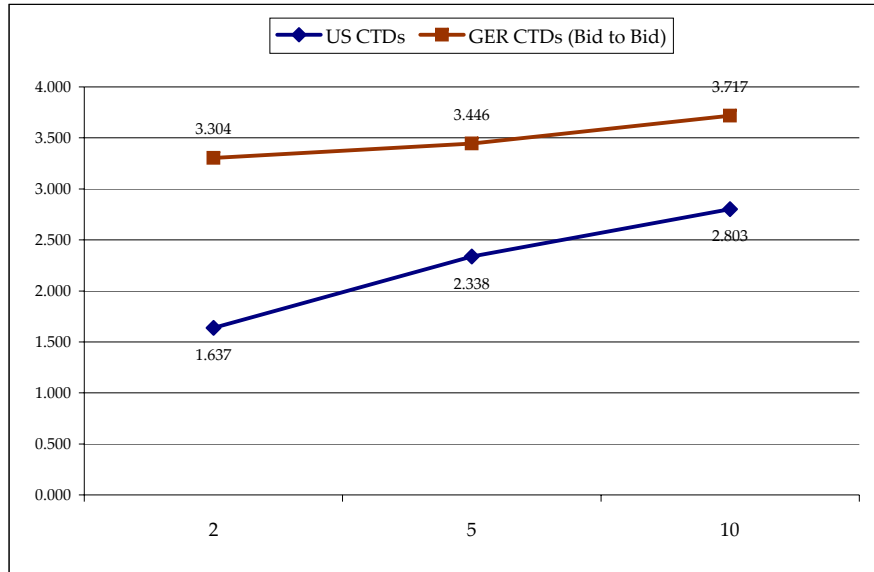
German Cash Treasuries (OTR)			
	Bid	Ask	Last
DE2y	3.494	3.476	3.476
DE5y	3.517	3.507	3.507
DE10y	3.748	3.742	3.742

Spreads Bps	
ZT/SCHATZ	-1.679
ZF/BOBL	-1.113
ZN/BUND	-0.927

US Cash Treasuries (CTD)			
	Bid	Ask	Last
4.000 of 03/10	1.637	1.625	1.625
4.125 of 08/12	2.338	2.333	2.333
4.000 of 02/15	2.803	2.791	2.791

German Futures (CTD)			
	Bid	Ask	Last
3.250 of 04/10	3.320	3.304	3.304
of 01/00	3.455	3.446	3.446
3.750 of 01/17	3.724	3.717	3.717

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





