

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		
TUAZ8	107.152	0.050	107.180	107.125	107.132	68,459	495,457	2y Futures	US Futures Market	
FVAZ8	114.180	0.175	114.185	114.075	114.087	104,639	877,215	5y Futures		
TYAZ8	118.255	0.245	118.295	118.125	118.195	159,054	1,130,599	10y Futures		
USAZ8	122.260	1.165	122.285	122.100	122.185	46,315	379,850	30y Futures		
		Last	Net	Hi	Low	Open	SYM NAME			
BUS02P	101.090	2.0	101.115	101.065	101.090	2y		US Cash Treasury Market		
BUS05P	102.315	10.7	103.000	102.207	102.250	5y				
BUS10P	105.090	10.5	105.120	104.285	105.000	10y				
BUS30P	108.085	12.0	108.105	107.200	107.285	30y				
		Last	Net	Hi	Low	Open	SYM NAME			
BUS02Y	1.702	(6.10)	1.754	1.657	1.722	2y Yield				
BUS05Y	2.478	(7.50)	2.556	2.474	2.534	5y Yield				
BUS10Y	3.367	(3.40)	3.419	3.356	3.388	10y Yield				
BUS30Y	4.017	(2.20)	4.061	4.013	4.024	30y Yield				



		Decimal								
	Last	Net	Hi	Low	Open	Volume	Yest Volume	SYM NAME		
DGZ8	104.24	13.50	104.24	104.12	104.17	325,646	935,518	Schatz(2Y)	German Futures Markets	
DLZ8	110.12	29.50	110.17	109.89	109.95	323,292	792,445	Bobl(5Y)		
DBZ8	115.94	5.90	115.98	115.37	115.62	542,605	1,332,367	Bund(10Y)		

	Price	Yield				
	Last	Last	Coupon	Maturity	SYM NAME	
T.US.DE024P1010**	97.71	3.630	4/6/1900	10/8/2010	2 yr CTD	German Cash Treasury Market
T.US.DE036P0713**	100.30	3.678	3.750	7/4/2013	5 yr CTD	
T.US.DE042P0718*	102.60	3.893	4.250	7/4/2017	10 yr CTD	
DEP2P*	101.64	3.742	4.750	6/11/2010	2yr OTR	
DEP5P*	99.15	3.702	3.500	4/12/2013	5yr OTR	
DEP10P*	102.37	3.952	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	
DGZ8	104.23	104.24	104.24	104.24	104.12	13.50	Schatz(2Y)	German Futures
DLZ8	110.12	110.12	110.12	110.17	109.89	29.50	Bobl(5Y)	
DBZ8	115.93	115.94	115.94	115.98	115.37	5.90	Bund(10Y)	
	Y Bid	Y Ask	Y Last	Y Hi	Y Lo		SYM NAME	
T.US.DE024P1010**	3.646	3.630	3.630	3.709	3.625		2 yr CTD	German Cash
T.US.DE036P0713**	3.687	3.678	3.678	3.738	3.671		5 yr CTD	
T.US.DE042P0718*	3.900	3.893	3.893	3.967	3.889		10 yr CTD	
DEP2P*	3.760	3.742	3.742	3.880	3.742	14	2yr OTR	
DEP5P*	3.712	3.702	3.702	3.761	3.692	24	5yr OTR	
DEP10P*	3.952	3.947	3.952	4.019	3.942	67	10yr OTR	
		Decimal						
	Bid	Ask	Last	Hi	Low	Chng	SYM NAME	
T.US.DE024P1010**	97.71	97.71	97.71	97.71	97.71	98	2 yr CTD	German Cash
T.US.DE036P0713**	100.26	100.30	100.30	100.33	100.04	28	5 yr CTD	
T.US.DE042P0718*	102.55	102.60	102.60	102.63	102.05	68	10 yr CTD	
DEP2P*	101.61	101.64	101.64	101.64	101.41	14	2yr OTR	
DEP5P*	99.11	99.15	99.15	99.19	98.91	24	5yr OTR	
DEP10P*	102.37	102.41	102.37	102.45	101.83	67	10yr OTR	

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)	1.56	2.50	2.83
Bobl (U)	0.88	1.36	1.57
Shatz (U)	0.34	0.61	0.69

US Treasuries v Eurex Bonds			
	2y	5y	10y
Bund (U)	1.6	3.9	7.1
Bobl (U)	2.9	6.9	12.6
Shatz (U)	6.7	16.0	29.1

	Bund (U)	Bobl (U)	Shatz (U)
Bund (U)		1.76	4.09
Bobl (U)	0.57		2.32
Shatz (U)	0.25	0.43	

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	1.706	1.702	1.702
US5y	2.481	2.478	2.478
US10y	3.368	3.367	3.367

German Cash Treasuries (OTR)

	Bid	Ask	Last
DE2y	3.760	3.742	3.742
DE5y	3.712	3.702	3.702
DE10y	3.952	3.947	3.952

Spreads (Bps)

ZT/SCHATZ	-2.059
ZF/BOBL	-1.306
ZN/BUND	-0.838

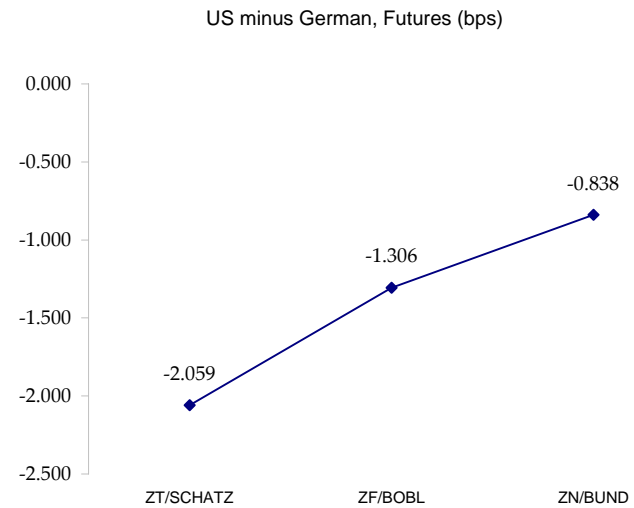
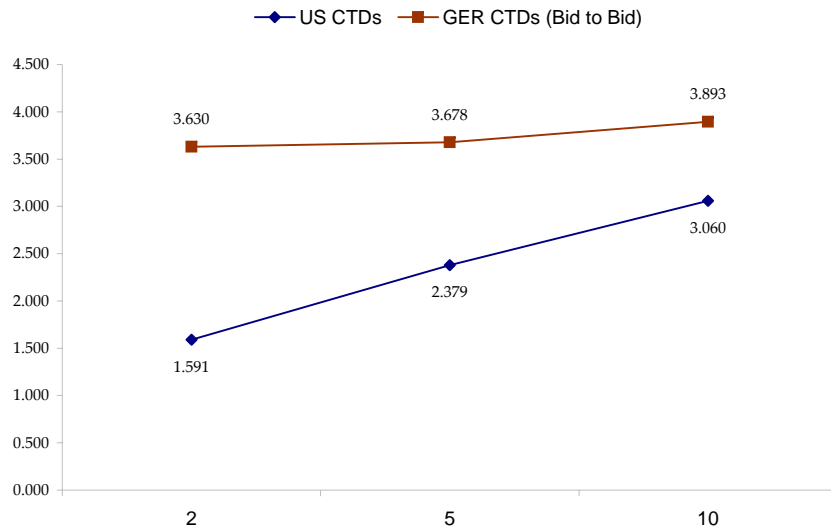
US Cash Treasuries (CTD)

	Bid	Ask	Last
3.875 of 09/10	1.591	1.571	1.571
2.750 of 02/13	2.379	2.372	2.372
5.125 of 05/16	3.060	3.055	3.055

German Futures (CTD)

	Bid	Ask	Last
97.71 of 10/10	3.646	3.630	3.630
3.750 of 07/13	3.687	3.678	3.678
4.250 of 07/17	3.900	3.893	3.893

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

