

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	106.230	0.057	106.232	106.162	106.187	24,382	236,669	2y Futures	US Futures Market	
FVAZ8	112.077	0.085	112.082	111.282	112.002	48,526	492,225	5y Futures		
TYAZ8	115.135	0.090	115.145	114.305	115.035	70,596	789,582	10y Futures		
USAZ8	117.240	0.095	117.280	117.050	117.100	11,675	295,860	30y Futures		
		Last	Net	Hi	Low	Open		SYM NAME		
BUS02P	100.195	7.2	100.200	100.142	100.145	2y			US Cash Treasury Market	
BUS05P	100.217	13.7	100.222	100.112	100.112	5y				
BUS10P	101.250	17.0	101.265	101.105	101.110	10y				
BUS30P	101.285	23.5	101.310	101.090	101.090	30y				
		Last	Net	Hi	Low	Open		SYM NAME		
BUS02Y	2.048	(10.40)	2.156	2.036	2.127	2y Yield			US Cash Treasury Market	
BUS05Y	2.972	(9.30)	3.063	2.969	3.032	5y Yield				
BUS10Y	3.780	(6.30)	3.846	3.775	3.826	10y Yield				
BUS30Y	4.375	(4.30)	4.429	4.374	4.405	30y Yield				



		Decimal								
	Last	Net	Hi	Low	Open	Volume	Yest Volume	SYM NAME		
DGZ8	103.72	21.00	103.75	103.47	103.47	313,818	457,313	Schatz(2Y)	German Futures Markets	
DLZ8	108.60	29.50	108.65	108.22	108.24	217,580	518,090	Bobl(5Y)		
DBZ8	113.55	2.50	113.59	113.21	113.25	308,728	923,510	Bund(10Y)		

	Price	Yield				
	Last	Last	Coupon	Maturity	SYM NAME	
T.US.DE040P0910***	100.02	3.863	4/9/1900	9/10/2010	2 yr CTD	German Cash Treasury Market
T.US.DE036P0713**	98.91	4.002	3.750	7/4/2013	5 yr CTD	
T.US.DE042P0718*	100.50	4.179	4.250	7/4/2017	10 yr CTD	
DEP2P*	100.25	3.863	4.000	9/10/2010	2yr OTR	
DEP5P*	97.79	4.038	3.500	4/12/2013	5yr OTR	
DEP10P*	100.33	4.206	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				SYM NAME	
	Bid	Ask	Last	Hi	Low	Chng		
DGZ8	103.72	103.72	103.72	103.75	103.47	21.00	Schatz(2Y)	German Futures
DLZ8	108.60	108.60	108.60	108.65	108.22	29.50	Bobl(5Y)	
DBZ8	113.54	113.55	113.55	113.59	113.21	2.50	Bund(10Y)	
	Y Bid	Y Ask	Y Last	Y Hi	Y Lo		SYM NAME	
T.US.DE040P0910***	3.879	3.863	3.863	3.993	3.847		2 yr CTD	German Cash
T.US.DE036P0713**	4.012	4.002	4.002	4.090	3.991		5 yr CTD	
T.US.DE042P0718*	4.186	4.179	4.179	4.223	4.173		10 yr CTD	
DEP2P*	3.879	3.863	3.863	3.993	3.847	28	2yr OTR	
DEP5P*	4.048	4.038	4.038	4.120	4.025	38	5yr OTR	
DEP10P*	4.213	4.206	4.206	4.253	4.201	36	10yr OTR	
	Bid	Ask	Last	Hi	Low	Chng	SYM NAME	
T.US.DE040P0910***	100.02	100.02	100.02	100.02	100.02	100	2 yr CTD	German Cash
T.US.DE036P0713**	98.87	98.91	98.91	98.96	98.54	41	5 yr CTD	
T.US.DE042P0718*	100.45	100.50	100.50	100.54	100.18	31	10 yr CTD	
DEP2P*	100.22	100.25	100.25	100.28	100.01	28	2yr OTR	
DEP5P*	97.75	97.79	97.79	97.84	97.46	38	5yr OTR	
DEP10P*	100.28	100.33	100.33	100.37	99.96	36	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	2.052	2.048	2.048
US5y	2.976	2.972	2.972
US10y	3.782	3.780	3.780

German Cash Treasuries (OTR)

	Bid	Ask	Last
DE2y	3.879	3.863	3.863
DE5y	4.048	4.038	4.038
DE10y	4.213	4.206	4.206

Spreads (Bps)

ZT/SCHATZ	-1.963
ZF/BOBL	-1.111
ZN/BUND	-0.646

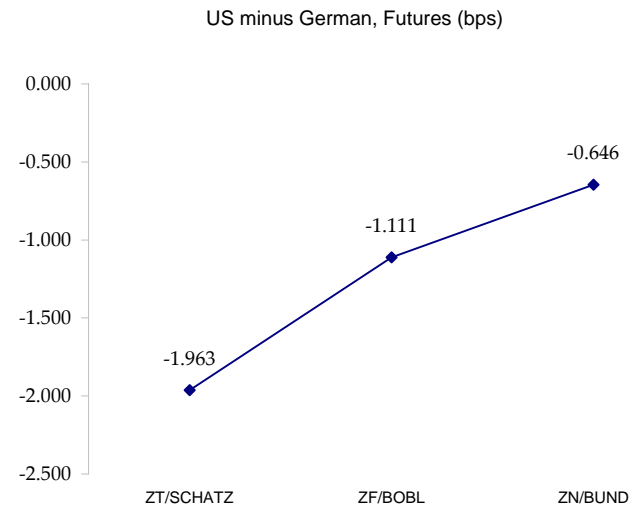
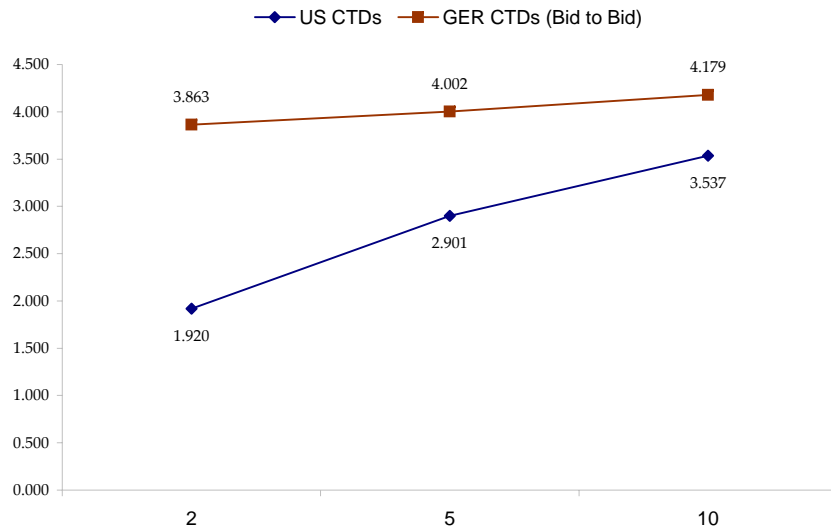
US Cash Treasuries (CTD)

	Bid	Ask	Last
3.875 of 09/10	1.920	1.900	1.900
2.750 of 02/13	2.901	2.892	2.892
5.125 of 05/16	3.537	3.532	3.532

German Futures (CTD)

	Bid	Ask	Last
100.02 of 09/10	3.879	3.863	3.863
3.750 of 07/13	4.012	4.002	4.002
4.250 of 07/17	4.186	4.179	4.179

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

