

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	
TUAU8	106.035	0.012	106.045	106.025	106.027	22,712	206,992	2y Futures	US Futures Market
FVAU8	111.230	0.015	111.257	111.210	111.225	30,841	487,996	5y Futures	
TYAU8	115.150	0.020	115.190	115.115	115.145	72,513	745,584	10y Futures	
USAU8	116.080	0.055	116.155	116.030	116.055	16,712	243,511	30y Futures	
	Last	Net	Hi	Low	Open			SYM NAME	
BUS02P	100.170	1.0	100.180	100.162	100.170			2y	US Cash Treasury Market
BUS05P	100.260	0.7	100.285	100.237	100.262			5y	
BUS10P	100.170	0.5	100.215	100.135	100.170			10y	
BUS30P	99.015	4.0	99.095	98.255	98.280			30y	
	Last	Net	Hi	Low	Open			SYM NAME	
BUS02Y	2.463	(0.80)	2.5	2.446	2.5			2y Yield	US Cash Treasury Market
BUS05Y	3.195	(0.30)	3.214	3.176	3.21			5y Yield	
BUS10Y	3.935	(0.20)	3.952	3.916	3.943			10y Yield	
BUS30Y	4.557	(0.70)	4.577	4.541	4.57			30y Yield	



		Decimal							
	Last	Net	Hi	Low	Open	Volume	Yest Volume	SYM NAME	
DGU8	103.33	2.00	103.37	103.29	103.31	125,933	385,738	Schatz(2Y)	German Futures Markets
DLU8	108.48	0.50	108.54	108.39	108.47	131,239	489,718	Bobl(5Y)	
DBU8	113.88	0.10	114.04	113.80	113.89	198,415	792,198	Bund(10Y)	

	Price	Yield			
	Last	Last	Coupon	Maturity	SYM NAME
T.US.DE046P0610***	100.49	4.018	4.750	6/11/2010	2 yr CTD
T.US.DE034P0413***	97.78	4.020	3.500	4/12/2013	5 yr CTD
T.US.DE042P0717***	100.49	4.175	4.250	7/4/2017	10 yr CTD
DEP2P*	101.24	4.018	4.750	6/11/2010	2yr OTR
DEP5P*	97.82	4.020	3.500	4/12/2013	5yr OTR
DEP10P*	100.29	4.212	4.250	7/4/2018	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				SYM NAME	
	Bid	Ask	Last	Hi	Low	Chng		
DGU8	103.33	103.33	103.33	103.37	103.29	2.00	Schatz(2Y)	German Futures
DLU8	108.48	108.48	108.48	108.54	108.39	0.50	Bobl(5Y)	
DBU8	113.88	113.89	113.88	114.04	113.80	0.10	Bund(10Y)	
	Y Bid	Y Ask	Y Last	Y Hi	Y Lo		SYM NAME	German Futures
DGU8	4.231	4.229	4.229	4.249	4.211		Schatz(2Y)	
DLU8	4.091	4.090	4.091	4.110	4.078		Bobl(5Y)	
DBU8	4.266	4.265	4.266	4.275	4.248		Bund(10Y)	German Cash
T.US.DE046P0610***	4.035	4.018	4.018	4.059	3.995		2 yr CTD	
T.US.DE034P0413***	4.030	4.020	4.020	4.049	4.000		5 yr CTD	
T.US.DE042P0717***	4.181	4.175	4.175	4.192	4.157		10 yr CTD	
DEP2P*	4.035	4.018	4.018	4.059	3.995	-3	2yr OTR	
DEP5P*	4.030	4.020	4.020	4.049	4.000	-8	5yr OTR	
DEP10P*	4.219	4.212	4.212	4.231	4.197	-9	10yr OTR	
	Bid	Ask	Last	Hi	Low	Chng	SYM NAME	German Cash
T.US.DE046P0610***	100.49	100.54	100.54	100.67	100.41	-11	2 yr CTD	
T.US.DE034P0413***	97.78	97.82	97.82	97.90	97.70	-8	5 yr CTD	
T.US.DE042P0717***	100.49	100.54	100.54	100.67	100.41	-11	10 yr CTD	
DEP2P*	101.21	101.24	101.24	101.28	101.17	-3	2yr OTR	
DEP5P*	97.78	97.82	97.82	97.90	97.70	-8	5yr OTR	
DEP10P*	100.24	100.29	100.29	100.41	100.14	-9	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)	1.66	2.77	3.18
Bobl (U)	0.95	1.55	2.00
Shatz (U)	0.43	0.60	0.69

US Treasuries v Eurex Bonds			
	2y	5y	10y
Bund (U)	1.5	3.7	6.6
Bobl (U)	2.8	6.7	12.0
Shatz (U)	7.2	17.1	30.7

	Bund (U)	Bobl (U)	Shatz (U)
Bund (U)		1.82	4.64
Bobl (U)	0.55		2.56
Shatz (U)	0.22	0.39	

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	2.471	2.463	2.463
US5y	3.197	3.195	3.195
US10y	3.935	3.931	3.935

German Cash Treasuries (OTR)

	Bid	Ask	Last
DE2y	4.035	4.018	4.018
DE5y	4.030	4.020	4.020
DE10y	4.219	4.212	4.212

Spreads (Bps)

ZT/SCHATZ	-1.696
ZF/BOBL	-0.973
ZN/BUND	-0.466

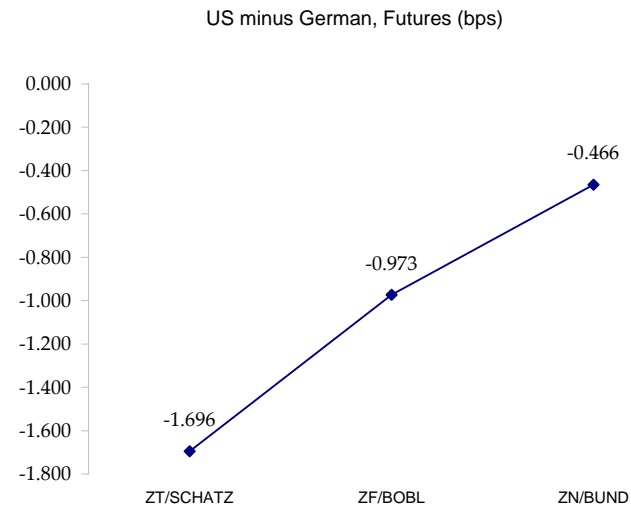
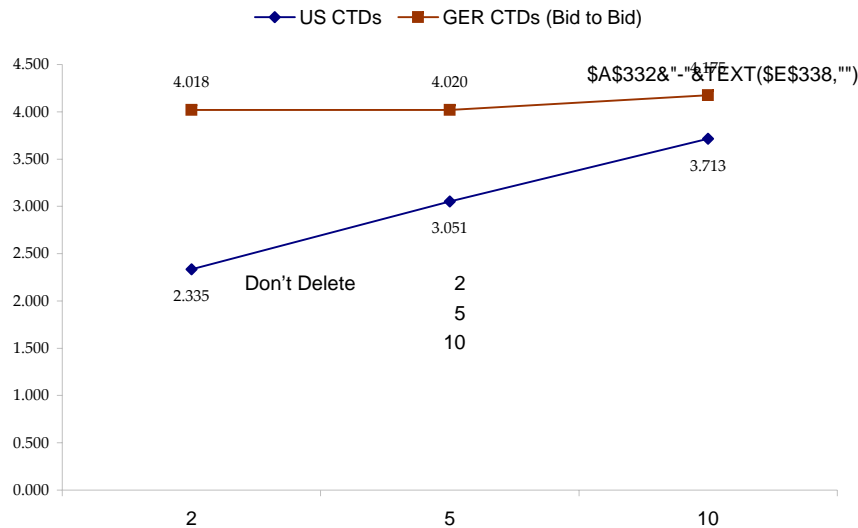
US Cash Treasuries (CTD)

	Bid	Ask	Last
3.625 of 06/10	2.335	2.322	2.322
3.375 of 11/12	3.051	3.047	3.047
4.875 of 08/16	3.713	3.709	3.709

German Futures (CTD)

	Bid	Ask	Last
4.750 of 06/10	4.035	4.018	4.018
3.500 of 04/13	4.030	4.020	4.020
4.250 of 07/17	4.181	4.175	4.175

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

