

## The Morning Email: US & Germany

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The ECB, BOE, and EU information have been moved to a new morning email titled, "The Morning Email: Central Banks".

Want something added? Let me know: [jgoulding@ghco.com](mailto:jgoulding@ghco.com)

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Quotes 1



32 nds								SYM NAME		
Last	Net	Hi	Low	Open	Volume	Yest Volume				
TUAH8	106.287	0.022	106.300	106.265	106.265	37,239	224,062	2y Futures	<b>US Futures Market</b>	
FVAH8	113.125	0.040	113.155	113.070	113.080	55,325	379,804	5y Futures		
TYAH8	116.305	0.045	117.025	116.225	116.245	164,216	754,599	10y Futures		
USAH8	119.070	0.001	119.160	118.250	119.050	38,774	274,387	30y Futures		
US Cash Treasury Market										
Last	Net	Hi	Low	Open	Volume					
BUS02P	100.057	1.7	100.070	100.037	100.045	2y				
BUS05P	100.187	3.5	100.215	100.142	100.160	5y				
BUS10P	104.315	0.5	105.035	104.235	104.315	10y				
BUS30P	110.045	0.0	110.150	109.205	110.150	30y				
Last	Net	Hi	Low	Open	Volume					
BUS02Y	2.029	(2.80)	2.077	2.005	2.077	2y Yield				
BUS05Y	2.747	(2.50)	2.782	2.728	2.781	5y Yield				
BUS10Y	3.637	0.00	3.672	3.62	3.652	10y Yield				
BUS30Y	4.375	0.30	4.413	4.356	4.377	30y Yield				



Decimal								SYM NAME	
Last	Net	Hi	Low	Open	Volume	Yest Volume			
DGH8	104.54	8.50	104.59	104.44	104.48	308,880	417,000	Schatz(2Y)	<b>German Futures Markets</b>
DLH8	110.67	15.00	110.76	110.44	110.52	310,120	392,464	Bobl(5Y)	
DBH8	116.78	2.20	116.85	116.43	116.56	517,374	722,619	Bund(10Y)	

	Price	Yield		Maturity	SYM NAME	
	Last	Last	Coupon			
T.US.DE040P1209***	101.14	3.330	4.000	12/11/2009	2 yr CTD	<b>German Cash Treasury Market</b>
T.US.DE042P1012***	103.05	3.518	4.250	10/12/2012	5 yr CTD	
T.US.DE036P0117**	99.10	3.864	3.750	1/4/2017	10 yr CTD	
DEP2P*	101.17	3.330	4.000	12/11/2009	2yr OTR	
DEP5P*	103.09	3.518	4.250	10/12/2012	5yr OTR	
DEP10P*	100.75	3.906	4.000	1/4/2018	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
DGH8	104.54	104.54	104.54	104.59	104.44	8.50
DLH8	110.67	110.67	110.67	110.76	110.44	15.00
DBH8	116.78	#VALUE!	116.78	116.85	116.43	2.20

	Y Bid	Y Ask	Y Last	Y Hi	Y Lo
DGH8	3.609	3.606	3.606	3.657	3.584
DLH8	3.629	3.628	3.629	3.677	3.609
DBH8	3.938		3.938	3.977	3.930

	Y Bid	Y Ask	Y Last	Y Hi	Y Lo	Chng
T.US.DE040P1209***	3.346	3.330	3.330	3.397	3.313	
T.US.DE042P1012***	3.528	3.518	3.518	3.574	3.498	
T.US.DE036P0117**	3.871	3.864	3.864	3.910	3.853	
DEP2P*	3.346	3.330	3.330	3.397	3.313	9
DEP5P*	3.528	3.518	3.518	3.574	3.498	16
DEP10P*	3.913	3.906	3.906	3.952	3.895	18

Decimal						
	Bid	Ask	Last	Hi	Low	Chng
T.US.DE040P1209***	101.14	101.17	101.17	101.20	101.05	9
T.US.DE042P1012***	103.05	103.09	103.09	103.18	102.85	16
T.US.DE036P0117**	99.10	99.15	99.15	99.23	98.81	17
DEP2P*	101.14	101.17	101.17	101.20	101.05	9
DEP5P*	103.05	103.09	103.09	103.18	102.85	16
DEP10P*	100.70	100.75	100.75	100.84	100.38	18

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
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- 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	15.70	5.66	\$1,768	€ 2,595
10y	7.93	2.69	\$840	€ 1,233
5y	4.61	1.50	\$468	€ 687
2y	1.93	0.62	\$194	€ 284
ZB	10.26	4.03	\$126	€ 185
ZN	5.84	2.21	\$69	€ 102
ZF	3.89	1.43	\$45	€ 65
ZT	1.79	0.62	\$19	€ 28

^Futures are Based on CTD

Tic for Tic Matrix (\$)			
	Bund	Bobl	Schatz
30y	10.17	19.01	40.89
10y	4.84	9.04	19.43
5y	2.69	5.03	10.82
2y	1.11	2.08	4.48
ZB	0.72	1.35	2.91
ZN	0.40	1.34	1.60
ZF	0.26	0.48	1.03
ZT	0.11	0.21	0.45

Notes

1) CF = Conversion Factor

2) MDuration = Modified Macaulay Duration

3) MDuration & DV01s for Futures are based on proxy issue (CTD)



German Intrinsic's ^				
	M Duration	DV01(€)	DV01(\$)	CF
Bund	7.42	€ 255	\$174	0.849146
Bobl	4.14	€ 136	\$93	0.931197
Schatz	2.00	€ 63	\$43	0.947563
DE10Y	8.04	€ 1,192	\$812	
DE5Y	4.14	€ 635	\$433	
DE2Y	2.00	€ 305	\$208	

^Futures are Based on CTD

Last

EURUSD 146.81

US Financial Futures / Eurex Bond			
	ZN	ZF	ZT
Bund (H)	1.80	2.80	3.10
Bobl (H)	1.00	1.54	1.69
Shatz (H)	0.41	0.63	0.69

Bloomberg  
Ratio's

US Treasuries v Eurex Bonds			
	2y	5y	10y
Bund (H)	1.7	3.9	7.1
Bobl (H)	3.1	7.1	12.8
Shatz (H)	7.8	15.9	28.8

Bloomberg  
Ratio's

	Bund (H)	Bobl (H)	Shatz (H)
Bund (H)	1.00	1.85	4.55
Bobl (H)	0.54	1.00	2.46
Shatz (H)	0.22	0.41	1.00

Bloomberg  
Ratio's

**Yields & Spreads**

US Cash Treasuries (OTR)			
	Bid	Ask	Last
US2y	2.033	2.029	2.029
US5y	2.749	2.747	2.747
US10y	3.639	3.637	3.637

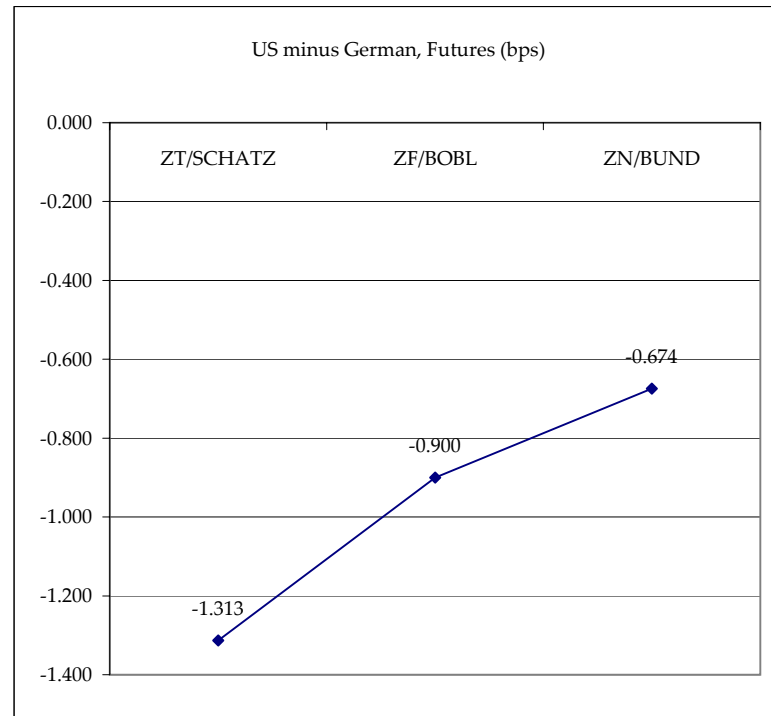
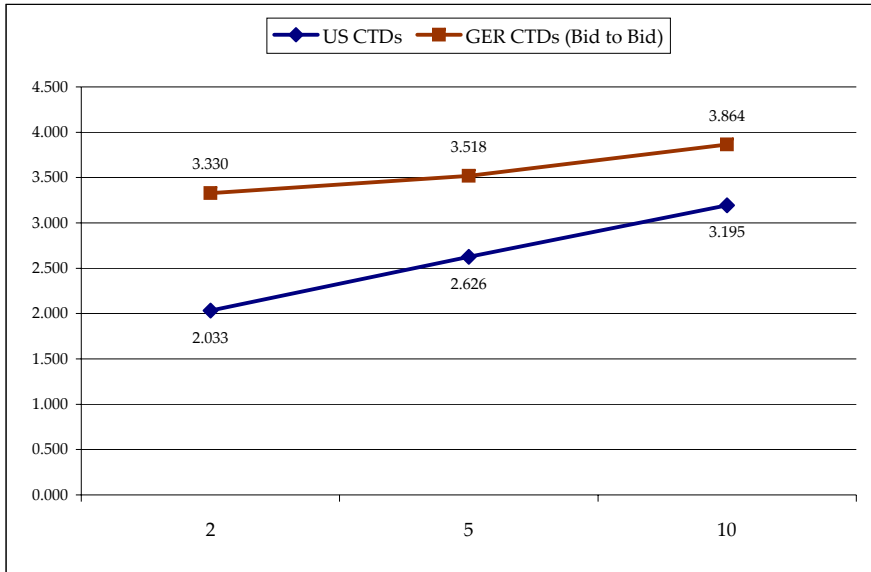
German Cash Treasuries (OTR)			
	Bid	Ask	Last
DE2y	3.346	3.330	3.330
DE5y	3.528	3.518	3.518
DE10y	3.913	3.906	3.906

Spreads	
	Bps
ZT/SCHATZ	-1.313
ZF/BOBL	-0.900
ZN/BUND	-0.674

US Cash Treasuries (CTD)			
	Bid	Ask	Last
3.250 of 12/09	2.033	2.017	2.017
4.750 of 05/12	2.626	2.619	2.619
4.250 of 11/14	3.195	3.190	3.190

German Futures (CTD)			
	Bid	Ask	Last
5.375 of 04/10	3.346	3.330	3.330
4.250 of 10/12	3.528	3.518	3.518
3.750 of 01/17	3.871	3.864	3.864

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







