

The Morning Email: US & Germany

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Want something added? Let me know: jgoulding@ghco.com

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Quotes 1



32 nds								SYM NAME		
Last	Net	Hi	Low	Open	Volume	Yest Volume				
TUAH8	107.022	0.030	107.030	107.005	107.015	11,823	211,802	2y Futures	US Futures Market	
FVAH8	113.270	0.045	113.300	113.230	113.260	34,789	491,267	5y Futures		
TYAH8	117.155	0.055	117.210	117.100	117.155	92,592	954,810	10y Futures		
USAH8	119.180	0.005	119.260	119.090	119.210	17,251	360,551	30y Futures		
US Cash Treasury Market										
Last	Net	Hi	Low	Open	Volume					
BUS02P	100.127	0.5	100.137	100.115	100.127	2y				
BUS05P	101.035	2.2	101.060	100.317	101.030	5y				
BUS10P	99.060	(604.0)	99.120	99.005	99.075	10y				
BUS30P	110.145	(5.0)	110.265	110.045	110.225	30y				
Last	Net	Hi	Low	Open	Volume					
BUS02Y	1.915	(0.90)	1.956	1.899	1.956	2y Yield				
BUS05Y	2.633	(1.10)	2.664	2.616	2.661	5y Yield				
BUS10Y	3.594	0.00	3.622	3.571	3.611	10y Yield				
BUS30Y	4.360	0.60	4.384	4.341	4.361	30y Yield				



Decimal								SYM NAME	
Last	Net	Hi	Low	Open	Volume	Yest Volume			
DGH8	104.74	(1.50)	104.77	104.68	104.73	199,004	733,561	Schatz(2Y)	German Futures Markets
DLH8	111.15	1.00	111.19	111.01	111.12	224,745	755,165	Bobl(5Y)	
DBH8	117.15	0.40	117.22	116.91	117.12	391,484	1,251,204	Bund(10Y)	

	Price	Yield		Maturity	SYM NAME	
	Last	Last	Coupon			
T.US.DE040P1209***	101.34	3.212	4.000	12/11/2009	2 yr CTD	German Cash Treasury Market
T.US.DE042P1012***	103.51	3.411	4.250	10/12/2012	5 yr CTD	
T.US.DE036P0117**	99.44	3.818	3.750	1/4/2017	10 yr CTD	
DEP2P*	101.37	3.212	4.000	12/11/2009	2yr OTR	
DEP5P*	103.55	3.411	4.250	10/12/2012	5yr OTR	
DEP10P*	101.04	3.871	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	104.74	104.75	104.74	104.77	104.68	-1.50
DLH8	111.14	111.15	111.15	111.19	111.01	1.00
DBH8	117.15	117.16	117.15	117.22	116.91	0.40

	Y Bid	Y Ask	Y Last	Y Hi	Y Lo
DGH8	3.505	3.502	3.502	3.538	3.492
DLH8	3.531	3.528	3.531	3.558	3.520
DBH8	3.896	3.895	3.896	3.923	3.889

	Y Bid	Y Ask	Y Last	Y Hi	Y Lo	Chng
T.US.DE040P1209***	3.229	3.212	3.212	3.269	3.207	
T.US.DE042P1012***	3.420	3.411	3.411	3.454	3.401	
T.US.DE036P0117**	3.825	3.818	3.818	3.857	3.810	
DEP2P*	3.229	3.212	3.212	3.269	3.207	6
DEP5P*	3.420	3.411	3.411	3.454	3.401	19
DEP10P*	3.877	3.871	3.871	3.907	3.863	21

Decimal						
	Bid	Ask	Last	Hi	Low	Chng
T.US.DE040P1209***	101.34	101.37	101.37	101.38	101.27	6
T.US.DE042P1012***	103.51	103.55	103.55	103.59	103.36	19
T.US.DE036P0117**	99.44	99.49	99.49	99.55	99.20	19
DEP2P*	101.34	101.37	101.37	101.38	101.27	6
DEP5P*	103.51	103.55	103.55	103.59	103.36	19
DEP10P*	100.99	101.04	101.04	101.10	100.74	21

SYM NAME	
Schatz(2Y)	German Futures
Bobl(5Y)	
Bund(10Y)	

SYM NAME	
Schatz(2Y)	German Futures
Bobl(5Y)	
Bund(10Y)	

SYM NAME	
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

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- * OTR
- ** CTD
- *** CTD & OTR

Intrinsics & Tic for Tic Matrix'



US Intrinsic's ^				
	M Duration	DV01 32	DV01 \$	DV01(€)
30y	15.71	5.68	\$1,775	€ 2,596
10y	8.24	2.66	\$831	€ 1,216
5y	4.61	1.50	\$470	€ 687
2y	1.93	0.62	\$194	€ 283
ZB	10.26	4.05	\$126	€ 185
ZN	5.84	2.22	\$69	€ 102
ZF	3.89	1.43	\$45	€ 65
ZT	1.78	0.62	\$19	€ 28

^Futures are Based on CTD

Tic for Tic Matrix (\$)			
	Bund	Bobl	Schatz
30y	10.18	19.00	41.02
10y	4.77	8.90	19.22
5y	2.70	5.03	10.86
2y	1.11	2.07	4.48
ZB	0.72	1.35	2.92
ZN	0.40	1.34	1.61
ZF	0.26	0.48	1.03
ZT	0.11	0.21	0.44

Notes

1) CF = Conversion Factor

2) MDuration = Modified Macaulay Duration

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

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German Intrinsic's ^				
	M Duration	DV01(€)	DV01(\$)	CF
Bund	7.42	€ 255	\$174	0.849146
Bobl	4.14	€ 137	\$93	0.931197
Schatz	1.99	€ 63	\$43	0.947563
DE10Y	8.04	€ 1,192	\$815	
DE5Y	4.14	€ 636	\$435	
DE2Y	1.99	€ 304	\$208	

^Futures are Based on CTD

Last
EURUSD 146.26

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	1.919	1.915	1.915
US5y	2.636	2.633	2.633
US10y	3.597	3.594	3.594

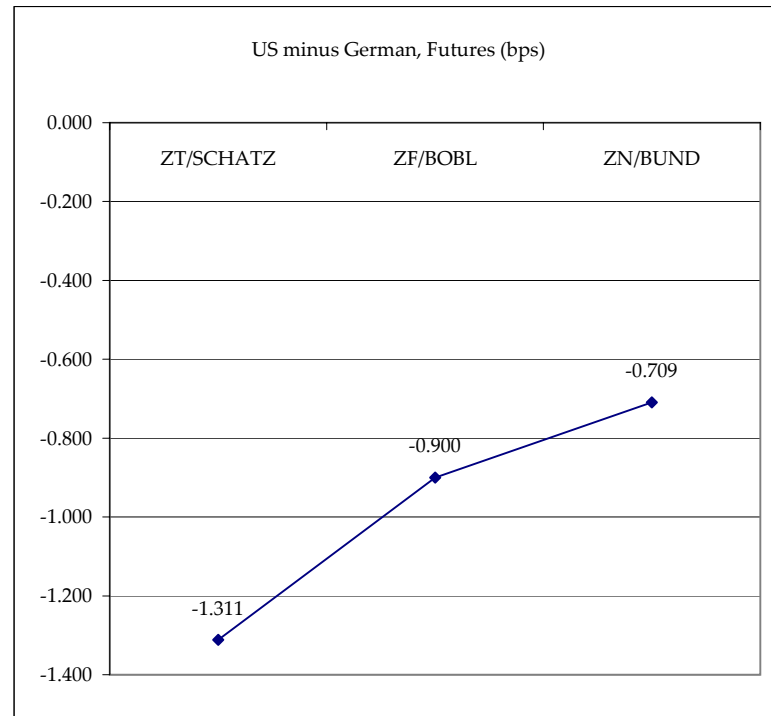
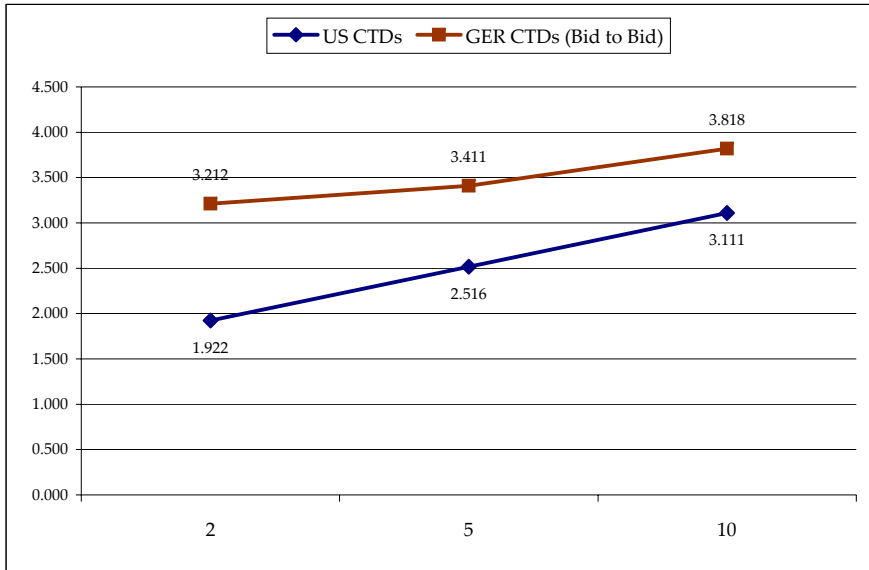
German Cash Treasuries (OTR)			
	Bid	Ask	Last
DE2y	3.229	3.212	3.212
DE5y	3.420	3.411	3.411
DE10y	3.877	3.871	3.871

Spreads	
	Bps
ZT/SCHATZ	-1.311
ZF/BOBL	-0.900
ZN/BUND	-0.709

US Cash Treasuries (CTD)			
	Bid	Ask	Last
3.250 of 12/09	1.922	1.901	1.901
4.750 of 05/12	2.516	2.511	2.511
4.250 of 11/14	3.111	3.108	3.108

German Futures (CTD)			
	Bid	Ask	Last
5.375 of 04/10	3.229	3.212	3.212
4.250 of 10/12	3.420	3.411	3.411
3.750 of 01/17	3.825	3.818	3.818

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

