

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	US Futures Market
Last	Net	Hi	Low	Open	Volume	Yest Volume				
TUAM8	106.277	0.045	106.285	106.230	106.235	94,604	450,571	2y Futures		
FVAM8	112.215	0.065	112.240	112.135	112.140	91,607	130,444	5y Futures		
TYAM8	114.315	0.095	115.030	114.185	114.190	151,347	166,466	10y Futures		
USAM8	115.160	0.011	115.200	115.040	115.040	43,797	59,355	30y Futures		

US Cash Treasury Market										
Last	Net	Hi	Low	Open	Volume					
BUS02P	100.042	(3.2)	100.045	100.012	100.022	2y				
BUS05P	100.082	10.5	100.105	100.032	100.032	5y				
BUS10P	97.165	12.5	97.200	97.075	97.090	10y				
BUS30P	96.030	20.0	96.070	95.185	95.280	30y				

US Cash Treasury Market										
Last	Net	Hi	Low	Open	Volume					
BUS02Y	1.925	(6.70)	2.013	1.921	1.993	2y Yield				
BUS05Y	2.815	(7.40)	2.885	2.8	2.885	5y Yield				
BUS10Y	3.798	(5.00)	3.85	3.786	3.84	10y Yield				
BUS30Y	4.611	(4.10)	4.655	4.605	4.641	30y Yield				



Decimal									SYM NAME	German Futures Markets
Last	Net	Hi	Low	Open	Volume	Yest Volume				
DGH8	104.50	1.50	104.53	104.47	104.49	670,121	818,339	Schatz(2Y)		
DLH8	110.36	8.50	110.46	110.28	110.31	352,168	718,167	Bobl(5Y)		
DBH8	115.45	1.00	115.58	115.34	115.43	505,844	1,382,501	Bund(10Y)		

	Price	Yield			Maturity	SYM NAME	German Cash Treasury Market
	Last	Last	Coupon				
T.US.DE040P1209***	101.08	3.337	4.000	12/11/2009	2 yr CTD		
T.US.DE042P1012***	102.75	3.578	4.250	10/12/2012	5 yr CTD		
T.US.DE036P0117**	98.00	4.015	3.750	1/4/2017	10 yr CTD		
DEP2P*	101.11	3.337	4.000	12/11/2009	2yr OTR		
DEP5P*	102.79	3.578	4.250	10/12/2012	5yr OTR		
DEP10P*	99.46	4.066	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	104.50	104.50	104.50	104.53	104.47	1.50
DLH8	110.36	110.37	110.36	110.46	110.28	8.50
DBH8	115.44	115.45	115.45	115.58	115.34	1.00

	Y Bid	Y Ask	Y Last	Y Hi	Y Lo
DGH8	3.629	3.627	3.629	3.645	3.612
DLH8	3.693	3.692	3.693	3.710	3.673
DBH8	4.088	4.087	4.087	4.099	4.072

	Y Bid	Y Ask	Y Last	Y Hi	Y Lo	Chng
T.US.DE040P1209***	3.354	3.337	3.337	3.389	3.307	
T.US.DE042P1012***	3.587	3.578	3.578	3.608	3.557	
T.US.DE036P0117**	4.022	4.015	4.015	4.037	3.999	
DEP2P*	3.354	3.337	3.337	3.389	3.307	3
DEP5P*	3.587	3.578	3.578	3.608	3.557	13
DEP10P*	4.073	4.066	4.066	4.086	4.049	16

Decimal						
	Bid	Ask	Last	Hi	Low	Chng
T.US.DE040P1209***	101.08	101.11	101.11	101.16	101.02	3
T.US.DE042P1012***	102.75	102.79	102.79	102.88	102.66	13
T.US.DE036P0117**	98.00	98.05	98.05	98.17	97.89	16
DEP2P*	101.08	101.11	101.11	101.16	101.02	3
DEP5P*	102.75	102.79	102.79	102.88	102.66	13
DEP10P*	99.41	99.46	99.46	99.60	99.30	16

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
 DE = German Country Code
 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	16.30	5.02	\$1,569	€ 2,368
10y	8.30	2.59	\$811	€ 1,224
5y	4.55	1.47	\$460	€ 695
2y	1.95	0.63	\$195	€ 295
ZB	10.41	3.93	\$123	€ 185
ZN	6.05	2.26	\$71	€ 106
ZF	4.11	1.49	\$47	€ 71
ZT	1.93	0.68	\$21	€ 32

^Futures are Based on CTD

German Intrinsic's ^				
	M Duration	DV01(€)	DV01(\$)	CF
Bund	7.34	€ 257	\$170	0.849146
Bobl	4.08	€ 138	\$91	0.931197
Schatz	1.94	€ 63	\$42	0.947563
DE10Y	7.95	€ 1,200	\$795	
DE5Y	4.08	€ 643	\$426	
DE2Y	1.94	€ 304	\$202	

^Futures are Based on CTD

Last
EURUSD 150.94

Tic for Tic Matrix (\$)			
	Bund	Bobl	Schatz
30y	9.21	17.15	37.31
10y	4.76	8.86	19.29
5y	2.70	5.03	10.95
2y	1.15	2.14	4.65
ZB	0.72	1.34	2.92
ZN	0.41	1.34	1.68
ZF	0.27	0.51	1.11
ZT	0.12	0.23	0.50

Notes

1) CF = Conversion Factor

2) MDuration = Modified Macaulay Duration

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

US Financial Futures / Eurex Bond			
	ZN	ZF	ZT
Bund (H)	1.90	2.90	3.40
Bobl (H)	1.00	1.60	1.80
Shatz (H)	0.39	0.60	0.71

Bloomberg
Ratio's

US Treasuries v Eurex Bonds			
	2y	5y	10y
Bund (H)	1.5	3.6	6.4
Bobl (H)	2.8	6.7	11.8
Shatz (H)	7.1	17.2	30.4

Bloomberg
Ratio's

	Bund (H)	Bobl (H)	Shatz (H)
Bund (H)	1.00	1.86	4.80
Bobl (H)	0.54	1.00	2.58
Shatz (H)	0.21	0.39	1.00

Bloomberg
Ratio's

Yields & Spreads

US Cash Treasuries (OTR)			
	Bid	Ask	Last
US2y	1.941	1.925	1.925
US5y	2.819	2.815	2.815
US10y	3.802	3.798	3.798

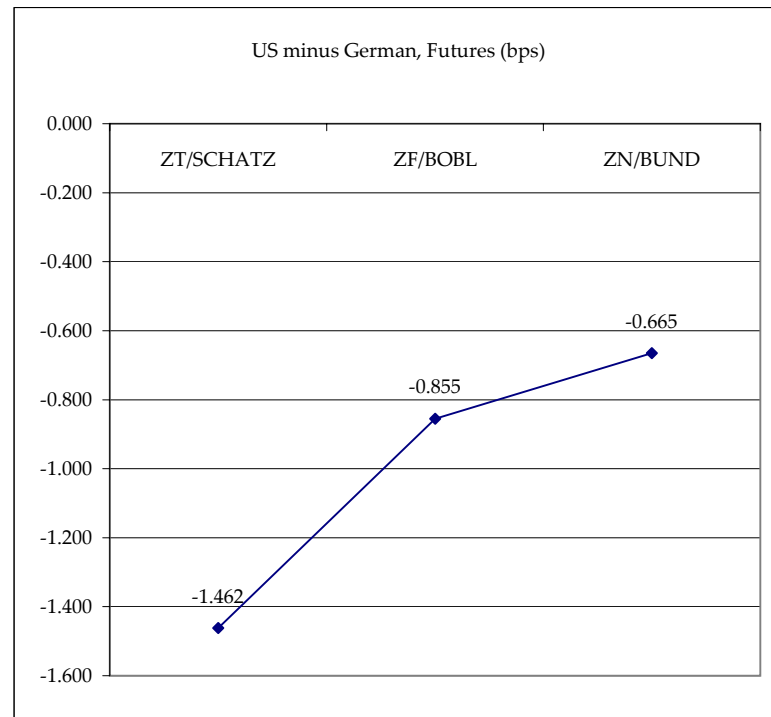
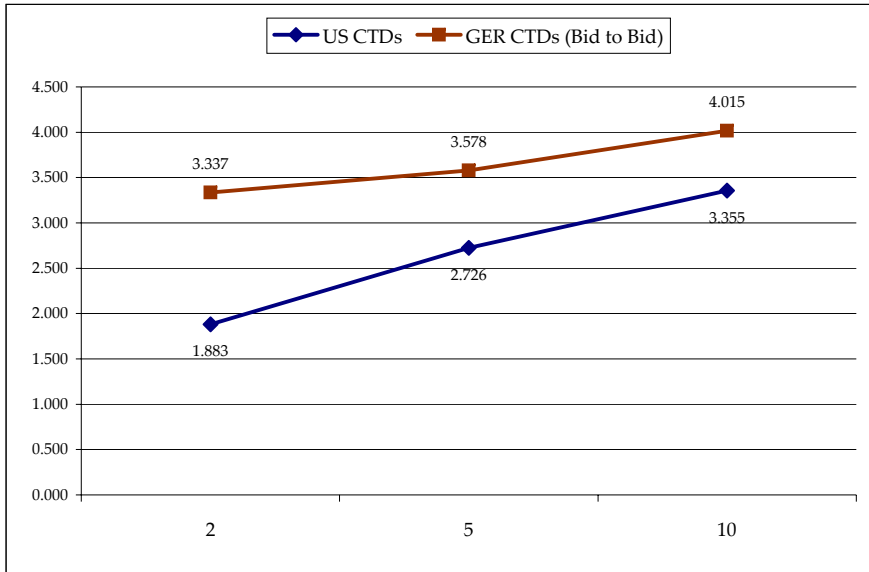
German Cash Treasuries (OTR)			
	Bid	Ask	Last
DE2y	3.354	3.337	3.337
DE5y	3.587	3.578	3.578
DE10y	4.073	4.066	4.066

Spreads	
	Bps
ZT/SCHATZ	-1.462
ZF/BOBL	-0.855
ZN/BUND	-0.665

US Cash Treasuries (CTD)			
	Bid	Ask	Last
4.000 of 03/10	1.883	1.875	1.875
4.125 of 08/12	2.726	2.723	2.723
4.000 of 02/15	3.355	3.350	3.350

German Futures (CTD)			
	Bid	Ask	Last
5.375 of 04/10	3.354	3.337	3.337
4.250 of 10/12	3.587	3.578	3.578
3.750 of 01/17	4.022	4.015	4.015

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

