

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	105.220	(0.030)	105.247	105.205	105.230	23,247	332,180	2y Futures	US Futures Market	
FVAU8	110.240	(0.052)	110.260	110.185	110.230	55,743	774,449	5y Futures		
TYAU8	113.225	(0.070)	113.265	113.135	113.230	127,482	1,402,661	10y Futures		
USAU8	114.045	(0.070)	114.075	113.255	114.025	17,402	360,336	30y Futures		
		Last	Net	Hi	Low	Open		SYM NAME		
BUS02P	100.100	(1.0)	100.122	100.087	100.115			2y	US Cash Treasury Market	
BUS05P	101.042	1.0	101.062	100.317	101.047			5y		
BUS10P	99.080	2.5	99.100	99.005	99.070			10y		
BUS30P	94.290	2.0	94.315	94.180	94.270			30y		
		Last	Net	Hi	Low	Open		SYM NAME		
BUS02Y	2.455	1.20	2.492	2.419	2.463			2y Yield	US Cash Treasury Market	
BUS05Y	3.250	(0.60)	3.286	3.233	3.267			5y Yield		
BUS10Y	3.965	(1.10)	4	3.957	3.976			10y Yield		
BUS30Y	4.690	(0.50)	4.723	4.684	4.697			30y Yield		



		Decimal								
	Last	Net	Hi	Low	Open	Volume	Yest Volume	SYM NAME		
DGM8	102.79	3.50	102.79	102.75	102.77	952,850	1,139,246	Schatz(2Y)	German Futures Markets	
DLM8	106.99	0.00	107.03	106.93	107.00	583,441	970,844	Bobl(5Y)		
DBM8	111.84	(0.40)	111.90	111.67	111.84	915,407	1,621,428	Bund(10Y)		

	Price	Yield			
	Last	Last	Coupon	Maturity	SYM NAME
T.US.DE030P0310***	97.76	4.327	3.000	3/12/2010	2 yr CTD
T.US.DE044P0113**	100.71	4.310	4.500	1/4/2013	5 yr CTD
T.US.DE036P0117**	95.31	4.417	3.750	1/4/2017	10 yr CTD
DEP2P*	97.79	4.327	3.000	3/12/2010	2yr OTR
DEP5P*	96.74	4.257	3.500	4/12/2013	5yr OTR
DEP10P*	98.50	4.442	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						
	Bid	Ask	Last	Hi	Low	Chng	SYM NAME	
DGM8	102.79	102.79	102.79	102.79	102.75	3.50	Schatz(2Y)	
DLM8	106.99	107.00	106.99	107.03	106.93	0.00	Bobl(5Y)	
DBM8	111.84	111.85	111.84	111.90	111.67	-0.40	Bund(10Y)	
		Y Bid	Y Ask	Y Last	Y Hi	Y Lo	SYM NAME	
DGM8		4.513	4.510	4.513	4.533	4.510	Schatz(2Y)	
DLM8		4.412	4.411	4.412	4.426	4.403	Bobl(5Y)	
DBM8		4.503	4.502	4.503	4.523	4.496	Bund(10Y)	
		Y Bid	Y Ask	Y Last	Y Hi	Y Lo	SYM NAME	
T.US.DE030P0310***		4.346	4.327	4.327	4.376	4.327	2 yr CTD	
T.US.DE044P0113**		4.320	4.310	4.310	4.342	4.310	5 yr CTD	
T.US.DE036P0117**		4.417	4.409	4.417	4.442	4.402	10 yr CTD	
DEP2P*		4.346	4.327	4.327	4.376	4.327	2yr OTR	
DEP5P*		4.267	4.257	4.257	4.291	4.257	5yr OTR	
DEP10P*		4.442	4.437	4.442	4.465	4.427	10yr OTR	
		Bid	Ask	Last	Hi	Low	Chng	SYM NAME
T.US.DE030P0310***	97.76	97.79	97.79	97.79	97.71	1	2 yr CTD	
T.US.DE044P0113**	100.71	100.75	100.75	100.75	100.62	-3	5 yr CTD	
T.US.DE036P0117**	95.31	95.36	95.31	95.41	95.14	-18	10 yr CTD	
DEP2P*	97.76	97.79	97.79	97.79	97.71	1	2yr OTR	
DEP5P*	96.70	96.74	96.74	96.74	96.60	-1	5yr OTR	
DEP10P*	98.46	98.50	98.50	98.58	98.28	-20	10yr OTR	

German
Futures

German
Futures

German
Cash

German
Cash

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 (M)	1.82	2.70	2.98
Bobl (M)	0.99	1.48	1.63
Shatz (M)	0.39	0.59	0.65

US Treasuries v Eurex Bonds			
	2y	5y	10y
Bund (M)	1.5	3.6	6.5
Bobl (M)	2.8	6.5	11.9
Shatz (M)	7.2	16.0	29.8

	Bund (M)	Bobl (M)	Shatz (M)
Bund (M)		1.84	4.63
Bobl (M)	0.54		2.52
Shatz (M)	0.22	0.40	

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	2.463	2.455	2.455
US5y	3.252	3.250	3.250
US10y	3.967	3.965	3.965

German Cash Treasuries (OTR)

	Bid	Ask	Last
DE2y	4.346	4.327	4.327
DE5y	4.267	4.257	4.257
DE10y	4.442	4.437	4.442

Spreads

	(Bps)
ZT/SCHATZ	-1.881
ZF/BOBL	-1.152
ZN/BUND	-0.843

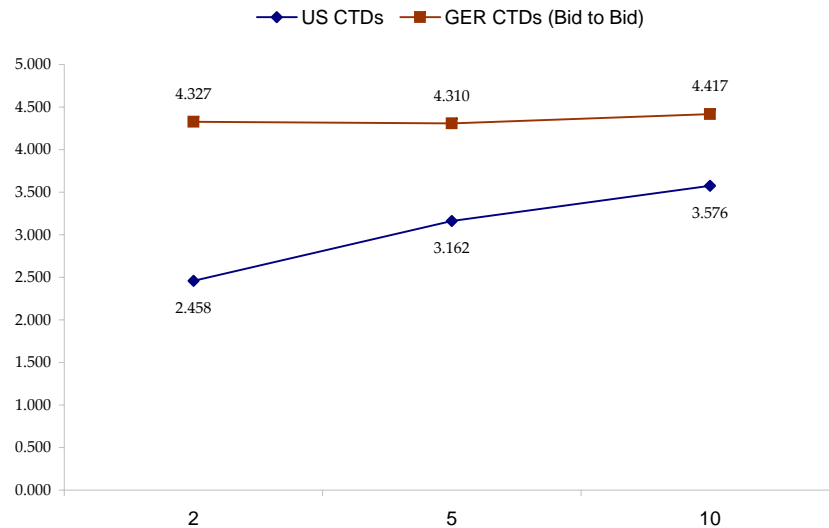
US Cash Treasuries (CTD)

	Bid	Ask	Last
3.625 of 06/10	2.458	2.446	2.446
3.375 of 11/12	3.162	3.158	3.158
4.125 of 05/15	3.576	3.573	3.573

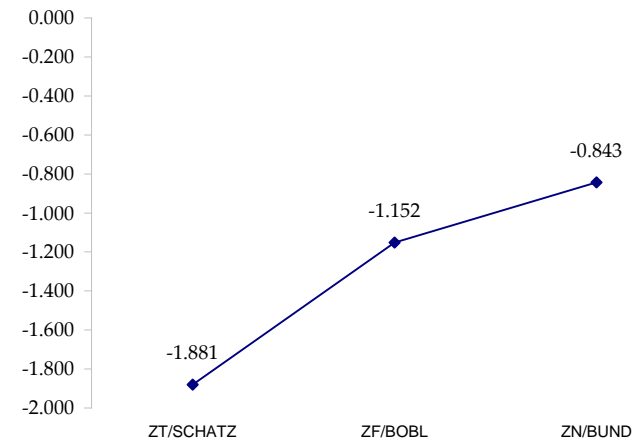
German Futures (CTD)

	Bid	Ask	Last
3.000 of 03/10	4.346	4.327	4.327
4.500 of 01/13	4.320	4.310	4.310
3.750 of 01/17	4.417	4.409	4.417

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.



US minus German, Futures (bps)



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

