

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	105.155	(0.057)	105.202	105.152	105.197	40,742	303,565	2y Futures	US Futures Market	
FVAU8	110.107	(0.070)	110.160	110.097	110.155	51,801	730,042	5y Futures		
TYAU8	113.035	(0.045)	113.090	112.315	113.050	86,520	1,005,306	10y Futures		
USAU8	113.145	0.005	113.195	113.075	113.100	22,777	330,147	30y Futures		
	Last	Net	Hi	Low	Open			SYM NAME		
BUS02P	100.037	(3.5)	100.080	100.040	100.080			2y	US Cash Treasury Market	
BUS05P	100.220	(2.5)	100.267	100.210	100.265			5y		
BUS10P	98.230	2.5	98.270	98.175	98.200			10y		
BUS30P	94.185	9.5	94.240	94.070	94.100			30y		
	Last	Net	Hi	Low	Open			SYM NAME		
BUS02Y	2.560	5.60	2.568	2.483	2.519			2y Yield		
BUS05Y	3.346	1.90	3.359	3.313	3.334			5y Yield		
BUS10Y	4.029	(0.50)	4.058	4.013	4.04			10y Yield		
BUS30Y	4.711	(2.00)	4.742	4.704	4.739			30y Yield		



		Decimal								
	Last	Net	Hi	Low	Open	Volume	Yest Volume	SYM NAME		
DGU8	102.35	(12.00)	102.50	102.17	102.49	821,987	1,384,337	Schatz(2Y)	German Futures Markets	
DLU8	106.51	(11.00)	106.67	106.24	106.61	430,655	921,569	Bobl(5Y)		
DBU8	111.71	3.80	111.82	111.35	111.37	472,137	1,356,245	Bund(10Y)		

	Price	Yield			
	Last	Last	Coupon	Maturity	SYM NAME
T.US.DE052P0710**	97.19	4.681	3.000	3/12/2010	2 yr CTD
T.US.DE034P0413***	99.86	4.519	4.500	1/4/2013	5 yr CTD
T.US.DE042P0717***	95.04	4.449	3.750	1/4/2017	10 yr CTD
DEP2P*	97.22	4.681	3.000	3/12/2010	2yr OTR
DEP5P*	95.94	4.449	3.500	4/12/2013	5yr OTR
DEP10P*	98.39	4.451	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	
DGU8	102.34	102.35	102.35	102.50	102.17	-12.00	Schatz(2Y)	German Futures
DLU8	106.51	106.51	106.51	106.67	106.24	-11.00	Bobl(5Y)	
DBU8	111.70	111.71	111.71	111.82	111.35	3.80	Bund(10Y)	
	Y Bid	Y Ask	Y Last	Y Hi	Y Lo		SYM NAME	
DGU8	4.746	4.743	4.743	4.836	4.662		Schatz(2Y)	German Futures
DLU8	4.517	4.516	4.517	4.577	4.481		Bobl(5Y)	
DBU8	4.520	4.519	4.519	4.561	4.506		Bund(10Y)	
	Y Bid	Y Ask	Y Last	Y Hi	Y Lo		SYM NAME	
T.US.DE052P0710**	4.700	4.681	4.681	4.768	4.613		2 yr CTD	German Cash
T.US.DE034P0413***	4.529	4.519	4.519	4.586	4.479		5 yr CTD	
T.US.DE042P0717***	4.456	4.449	4.449	4.493	4.433		10 yr CTD	
DEP2P*	4.700	4.681	4.681	4.768	4.613	-8	2yr OTR	
DEP5P*	4.459	4.449	4.449	4.521	4.413	-10	5yr OTR	
DEP10P*	4.458	4.451	4.451	4.510	4.436	28	10yr OTR	
		Decimal						
	Bid	Ask	Last	Hi	Low	Chng	SYM NAME	
T.US.DE052P0710**	97.19	97.22	97.22	97.33	97.08	-8	2 yr CTD	German Cash
T.US.DE034P0413***	99.86	99.90	99.90	100.06	99.63	-13	5 yr CTD	
T.US.DE042P0717***	95.04	95.09	95.09	95.20	94.79	13	10 yr CTD	
DEP2P*	97.19	97.22	97.22	97.33	97.08	-8	2yr OTR	
DEP5P*	95.90	95.94	95.94	96.09	95.64	-10	5yr OTR	
DEP10P*	98.34	98.39	98.39	98.51	97.93	28	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 (M)	1.68	2.76	2.98
Bobl (M)	0.95	1.55	1.73
Shatz (M)	0.40	0.59	0.74

US Treasuries v Eurex Bonds			
	2y	5y	10y
Bund (M)	1.5	3.6	6.4
Bobl (M)	2.7	6.4	11.3
Shatz (M)	6.3	14.9	26.3

	Bund (M)	Bobl (M)	Shatz (M)
Bund (M)	0.00	1.78	4.15
Bobl (M)	0.56	0.00	2.33
Shatz (M)	0.24	0.43	0.00

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	2.564	2.560	2.560
US5y	3.349	3.346	3.346
US10y	4.033	4.029	4.029

German Cash Treasuries (OTR)

	Bid	Ask	Last
DE2y	4.700	4.681	4.681
DE5y	4.459	4.449	4.449
DE10y	4.458	4.451	4.451

Spreads (Bps)

ZT/SCHATZ	-2.134
ZF/BOBL	-1.248
ZN/BUND	-0.580

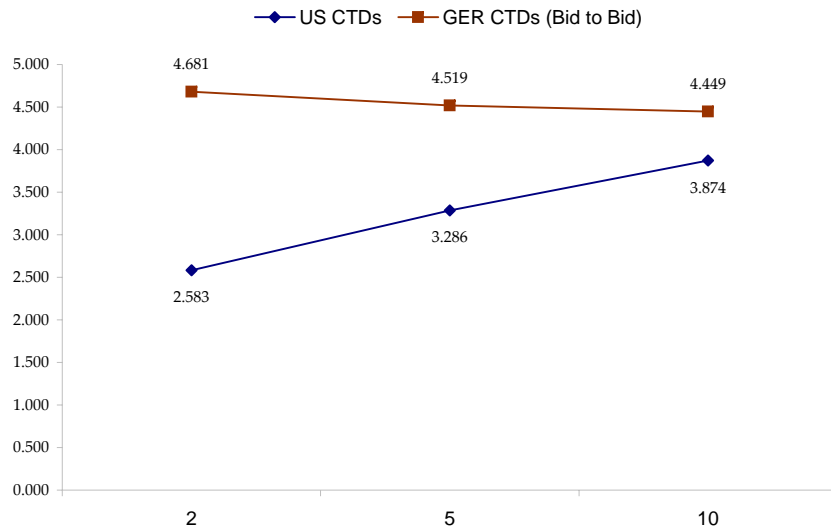
US Cash Treasuries (CTD)

	Bid	Ask	Last
3.625 of 06/10	2.583	2.548	2.548
3.375 of 11/12	3.286	3.271	3.271
5.125 of 05/16	3.874	3.869	3.869

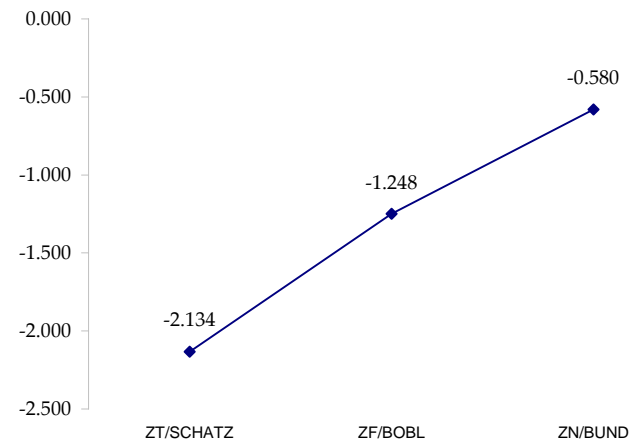
German Futures (CTD)

	Bid	Ask	Last
3.000 of 03/10	4.700	4.681	4.681
4.500 of 01/13	4.529	4.519	4.519
3.750 of 01/17	4.456	4.449	4.449

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

