

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	105.005	(0.017)	105.030	104.315	105.022	21,997	285,937	2y Futures	US Futures Market
FVAU8	109.152	(0.052)	109.222	109.142	109.210	47,340	546,125	5y Futures	
TYAU8	112.235	(0.065)	113.030	112.225	113.015	76,447	818,201	10y Futures	
USAU8	113.310	(0.050)	114.125	113.290	114.095	14,453	252,340	30y Futures	
		Last	Net	Hi	Low	Open		SYM NAME	
BUS02P	99.292	10.5	100.000	99.210	99.210	2y			US Cash Treasury Market
BUS05P	99.227	(4.0)	99.285	99.222	99.282	5y			
BUS10P	98.005	(5.0)	98.090	98.000	98.080	10y			
BUS30P	95.085	(9.5)	95.215	95.080	95.215	30y			
		Last	Net	Hi	Low	Open		SYM NAME	
BUS02Y	2.916	7.30	3.062	2.823	2.86	2y Yield			
BUS05Y	3.563	3.20	3.571	3.514	3.528	5y Yield			
BUS10Y	4.119	2.00	4.127	4.08	4.092	10y Yield			
BUS30Y	4.668	2.10	4.677	4.636	4.641	30y Yield			



		Decimal							
	Last	Net	Hi	Low	Open	Volume	Yest Volume	SYM NAME	
DGU8	102.41	(3.00)	102.46	102.34	102.40	284,694	496,404	Schatz(2Y)	German Futures Markets
DLU8	105.84	(9.00)	105.94	105.71	105.88	215,042	487,472	Bobl(5Y)	
DBU8	110.38	(1.30)	110.51	110.23	110.48	336,734	820,865	Bund(10Y)	

	Price	Yield			
	Last	Last	Coupon	Maturity	SYM NAME
T.US.DE024P1010***	95.57	4.539	4/4/1900	4/4/1900	2 yr CTD
T.US.DE034P0413***	95.31	4.602	3.500	4/12/2013	5 yr CTD
T.US.DE042P0717***	97.39	4.603	4.250	7/4/2017	10 yr CTD
DEP2P*	100.40	4.528	4.750	6/11/2010	2yr OTR
DEP5P*	95.35	4.602	3.500	4/12/2013	5yr OTR
DEP10P*	97.10	4.618	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	102.40	102.41	102.41	102.46	102.34	-3.00	Schatz(2Y)	
DLU8	105.84	105.84	105.84	105.94	105.71	-9.00	Bobl(5Y)	
DBU8	110.38	110.39	110.38	110.51	110.23	-1.30	Bund(10Y)	
		Y Bid	Y Ask	Y Last	Y Hi	Y Lo	SYM NAME	
DGU8		4.714	4.712	4.712	4.749	4.683	Schatz(2Y)	
DLU8		4.665	4.664	4.664	4.692	4.642	Bobl(5Y)	
DBU8		4.677	4.676	4.677	4.695	4.661	Bund(10Y)	
		Y Bid	Y Ask	Y Last	Y Hi	Y Lo	SYM NAME	
T.US.DE024P1010***		4.553	4.539	4.539	4.592	4.504	2 yr CTD	
T.US.DE034P0413***		4.612	4.602	4.602	4.644	4.582	5 yr CTD	
T.US.DE042P0717***		4.610	4.603	4.603	4.633	4.585	10 yr CTD	
DEP2P*		4.544	4.528	4.528	4.588	4.506	2yr OTR	
DEP5P*		4.612	4.602	4.602	4.644	4.582	5yr OTR	
DEP10P*		4.625	4.618	4.618	4.644	4.598	10yr OTR	
		Bid	Ask	Last	Hi	Low	Chng	SYM NAME
T.US.DE024P1010***	95.57	95.57	95.57	95.57	95.57	96	2 yr CTD	
T.US.DE034P0413***	95.31	95.35	95.35	95.43	95.18	-3	5 yr CTD	
T.US.DE042P0717***	97.39	97.44	97.44	97.57	97.23	-9	10 yr CTD	
DEP2P*	100.37	100.40	100.40	100.44	100.29	2	2yr OTR	
DEP5P*	95.31	95.35	95.35	95.43	95.18	-3	5yr OTR	
DEP10P*	97.05	97.10	97.10	97.26	96.90	-9	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 (U)	1.68	2.76	2.98
Bobl (U)	0.95	1.55	1.73
Shatz (U)	0.43	0.65	0.72

US Treasuries v Eurex Bonds			
	2y	5y	10y
Bund (U)	1.5	3.6	6.4
Bobl (U)	2.7	6.4	11.3
Shatz (U)	6.4	15.4	27.1

	Bund (U)	Bobl (U)	Shatz (U)
Bund (U)		1.78	4.26
Bobl (U)	0.56		2.40
Shatz (U)	0.24	0.42	

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	2.920	2.916	2.916
US5y	3.564	3.563	3.563
US10y	4.121	4.119	4.119

German Cash Treasuries (OTR)

	Bid	Ask	Last
DE2y	4.544	4.528	4.528
DE5y	4.612	4.602	4.602
DE10y	4.625	4.618	4.618

Spreads (Bps)

ZT/SCHATZ	-1.675
ZF/BOBL	-1.095
ZN/BUND	-0.707

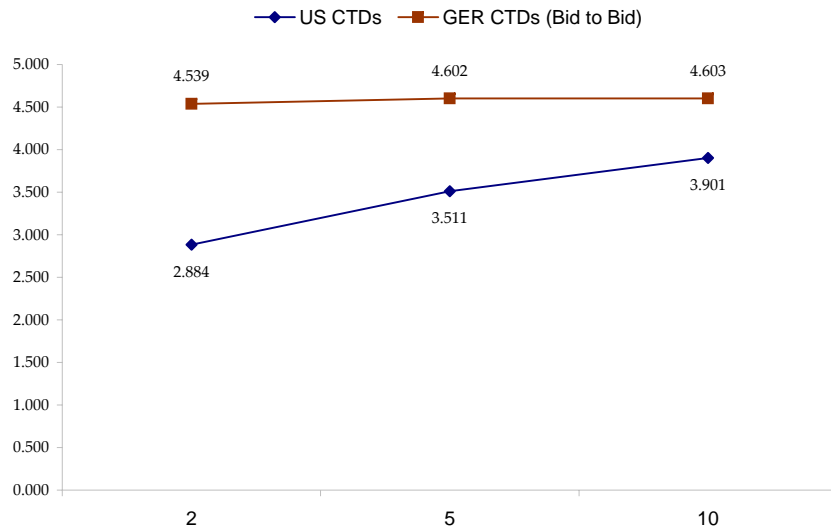
US Cash Treasuries (CTD)

	Bid	Ask	Last
3.625 of 06/10	2.884	2.864	2.864
3.375 of 11/12	3.511	3.507	3.507
5.125 of 05/16	3.901	3.896	3.896

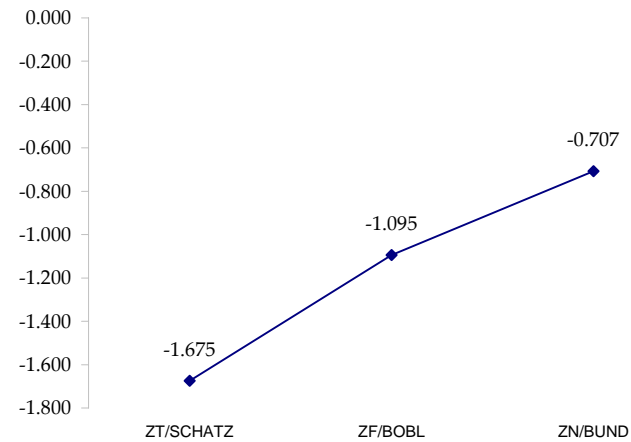
German Futures (CTD)

	Bid	Ask	Last
95.57 of 04/00	4.553	4.539	4.539
3.500 of 04/13	4.612	4.602	4.602
4.250 of 07/17	4.610	4.603	4.603

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

