

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		
TUAM8	107.020	(0.085)	107.152	107.002	107.137	198,184	165,941	2y Futures	US Futures Market	
FVAM8	113.140	(0.252)	114.127	113.092	114.117	531,868	437,392	5y Futures		
TYAM8	117.245	(1.060)	119.030	117.125	119.005	993,298	724,753	10y Futures		
USAM8	117.200	(1.060)	119.010	117.015	119.010	356,428	301,839	30y Futures		
	Last	Net	Hi	Low	Open	Volume				
BUS02P	99.302	(11.5)	100.120	99.292	100.085	2y			US Cash Treasury Market	
BUS05P	99.122	(27.5)	100.092	99.080	100.050	5y				
BUS10P	99.205	(100.5)	100.230	99.115	100.185	10y				
BUS30P	99.295	(111.0)	101.060	99.085	101.000	30y				
	Last	Net	Hi	Low	Open	Volume				
BUS02Y	1.775	18.00	1.803	1.555	1.627	2y Yield				
BUS05Y	2.631	18.60	2.665	2.432	2.467	5y Yield				
BUS10Y	3.541	12.40	3.581	3.408	3.43	10y Yield				
BUS30Y	4.378	8.20	4.423	4.295	4.299	30y Yield				



		Decimal								
	Last	Net	Hi	Low	Open	Volume	Yest Volume	SYM NAME		
DGM8	104.35	(12.00)	104.51	104.29	104.48	640,111	537,325	Schatz(2Y)	German Futures Markets	
DLM8	109.95	(31.00)	110.37	109.78	110.30	521,017	521,948	Bobl(5Y)		
DBM8	115.37	(5.90)	116.03	115.13	115.94	1,142,392	935,709	Bund(10Y)		

	Price	Yield			
	Last	Last	Coupon	Maturity	SYM NAME
T.US.DE030P0310***	99.09	3.476	3.000	3/12/2010	2 yr CTD
T.US.DE044P0113**	103.53	3.664	4.500	1/4/2013	5 yr CTD
T.US.DE036P0117**	98.34	3.970	3.750	1/4/2017	10 yr CTD
DEP2P*	99.12	3.476	3.000	3/12/2010	2yr OTR
DEP5P*	102.35	3.672	4.250	10/12/2012	5yr OTR
DEP10P*	100.31	3.959	4.000	1/4/2018	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								SYM NAME	
Bid	Ask	Last	Hi	Low	Chng				
DGM8	104.35	104.35	104.35	104.51	104.29	-12.00	Schatz(2Y)	German Futures	
DLM8	109.95	109.96	109.95	110.37	109.78	-31.00	Bobl(5Y)	German Futures	
DBM8	115.37	115.38	115.37	116.03	115.13	-5.90	Bund(10Y)	German Futures	
Y Bid	Y Ask	Y Last	Y Hi	Y Lo					
DGM8	3.706	3.703	3.706	3.734	3.622		Schatz(2Y)	German Futures	
DLM8	3.779	3.777	3.777	3.815	3.691		Bobl(5Y)	German Futures	
DBM8	4.096	4.095	4.096	4.123	4.022		Bund(10Y)	German Futures	
Y Bid	Y Ask	Y Last	Y Hi	Y Lo	Chng				
T.US.DE030P0310***	3.492	3.476	3.476	3.536	3.405		2 yr CTD	German Cash	
T.US.DE044P0113**	3.673	3.664	3.664	3.696	3.569		5 yr CTD	German Cash	
T.US.DE036P0117**	3.976	3.970	3.970	4.010	3.903		10 yr CTD	German Cash	
DEP2P*	3.492	3.476	3.476	3.536	3.405	-8	2yr OTR	German Cash	
DEP5P*	3.681	3.672	3.672	3.727	3.586	-30	5yr OTR	German Cash	
DEP10P*	3.966	3.959	3.959	4.001	3.897	-50	10yr OTR	German Cash	
Decimal								SYM NAME	
Bid	Ask	Last	Hi	Low	Chng				
T.US.DE030P0310***	99.09	99.12	99.12	99.25	99.01	3.000	2 yr CTD	German Cash	
T.US.DE044P0113**	103.53	103.57	103.57	103.99	103.43	-36	5 yr CTD	German Cash	
T.US.DE036P0117**	98.34	98.39	98.39	98.87	98.10	-48	10 yr CTD	German Cash	
DEP2P*	99.09	99.12	99.12	99.25	99.01	-8	2yr OTR	German Cash	
DEP5P*	102.31	102.35	102.35	102.71	102.12	-30	5yr OTR	German Cash	
DEP10P*	100.26	100.31	100.31	100.81	99.98	-50	10yr OTR	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)	1.60	2.80	3.24
Bobl (M)	0.92	1.59	1.79
Shatz (M)	0.38	0.66	0.74

US Treasuries v Eurex Bonds			
	2y	5y	10y
Bund (M)	1.4	3.4	6.1
Bobl (M)	2.6	6.2	11.1
Shatz (M)	6.2	15.0	26.6

	Bund (M)	Bobl (M)	Shatz (M)
Bund (M)		1.81	4.37
Bobl (M)	0.55		2.41
Shatz (M)	0.23	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	1.779	1.775	1.775
US5y	2.635	2.631	2.631
US10y	3.543	3.541	3.541

German Cash Treasuries (OTR)

	Bid	Ask	Last
DE2y	3.492	3.476	3.476
DE5y	3.681	3.672	3.672
DE10y	3.966	3.959	3.959

Spreads (Bps)

ZT/SCHATZ	-1.753
ZF/BOBL	-1.112
ZN/BUND	-0.663

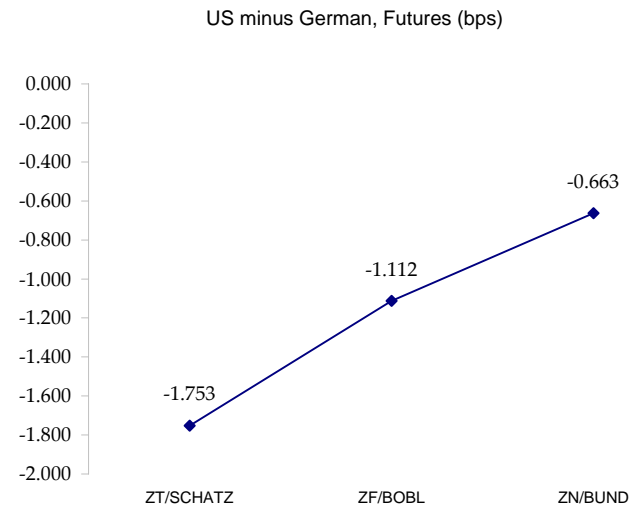
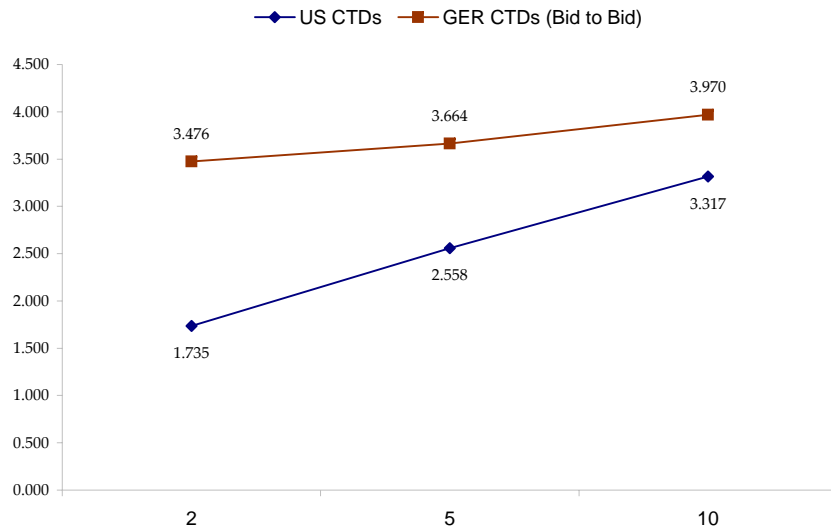
US Cash Treasuries (CTD)

	Bid	Ask	Last
4.000 of 03/10	1.735	1.723	1.723
4.125 of 08/12	2.558	2.552	2.552
5.125 of 05/16	3.317	3.307	3.307

German Futures (CTD)

	Bid	Ask	Last
3.000 of 03/10	3.492	3.476	3.476
4.500 of 01/13	3.673	3.664	3.664
3.750 of 01/17	3.976	3.970	3.970

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

