

## 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](mailto: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	106.092	(0.015)	106.117	106.075	106.110	29,549	161,851	2y Futures	<b>US Futures Market</b>	
FVAM8	112.052	0.000	112.077	112.002	112.072	36,005	491,630	5y Futures		
TYAM8	116.080	(0.005)	116.115	116.035	116.090	71,131	813,218	10y Futures		
USAM8	117.130	0.085	117.140	117.050	117.140	14,996	225,006	30y Futures		
	Last	Net	Hi	Low	Open	Volume				
BUS02P	99.032	(1.7)	99.050	99.020	99.047	2y				<b>US Cash Treasury Market</b>
BUS05P	97.290	(2.0)	97.312	97.252	97.307	5y				
BUS10P	98.100	(2.0)	98.125	98.060	98.110	10y				
BUS30P	98.230	(1.5)	98.235	98.140	98.205	30y				
	Last	Net	Hi	Low	Open	Volume				
BUS02Y	2.223	2.50	2.257	2.169	2.203	2y Yield				
BUS05Y	2.958	1.50	2.989	2.926	2.942	5y Yield				
BUS10Y	3.704	0.90	3.726	3.685	3.693	10y Yield				
BUS30Y	4.449	0.00	4.47	4.441	4.445	30y Yield				



		Decimal							
	Last	Net	Hi	Low	Open	Volume	Yest Volume	SYM NAME	
DGM8	103.67	7.50	103.71	103.60	103.62	330,005	890,573	Schatz(2Y)	<b>German Futures Markets</b>
DLM8	108.66	9.50	108.72	108.51	108.58	279,392	703,283	Bobl(5Y)	
DBM8	114.01	1.10	114.08	113.81	113.96	423,463	1,143,358	Bund(10Y)	

	Price	Yield			SYM NAME	
	Last	Last	Coupon	Maturity		
T.US.DE030P0310***	98.48	3.836	3.000	3/12/2010	2 yr CTD	<b>German Cash Treasury Market</b>
T.US.DE044P0113**	102.29	3.941	4.500	1/4/2013	5 yr CTD	
T.US.DE036P0117**	97.14	4.140	3.750	1/4/2017	10 yr CTD	
DEP2P*	98.51	3.836	3.000	3/12/2010	2yr OTR	
DEP5P*	98.22	3.901	3.500	4/12/2013	5yr OTR	
DEP10P*	98.99	4.126	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	SYM NAME
DGM8	103.67	103.67	103.67	103.71	103.60	7.50	Schatz(2Y)
DLM8	108.65	108.66	108.66	108.72	108.51	9.50	Bobl(5Y)
DBM8	114.00	114.01	114.01	114.08	113.81	1.10	Bund(10Y)
<b>German Futures</b>							
	Y Bid	Y Ask	Y Last	Y Hi	Y Lo		
DGM8	4.055	4.053	4.055	4.091	4.032		Schatz(2Y)
DLM8	4.054	4.053	4.053	4.084	4.040		Bobl(5Y)
DBM8	4.252	4.251	4.251	4.274	4.243		Bund(10Y)
<b>German Futures</b>							
	Y Bid	Y Ask	Y Last	Y Hi	Y Lo	Chng	
T.US.DE030P0310***	3.853	3.836	3.836	3.893	3.814		2 yr CTD
T.US.DE044P0113**	3.950	3.941	3.941	3.988	3.932		5 yr CTD
T.US.DE036P0117**	4.147	4.140	4.140	4.176	4.131		10 yr CTD
DEP2P*	3.853	3.836	3.836	3.893	3.814	8	2yr OTR
DEP5P*	3.910	3.901	3.901	3.947	3.890	14	5yr OTR
DEP10P*	4.133	4.126	4.126	4.164	4.119	13	10yr OTR
<b>German Cash</b>							
		Decimal					
	Bid	Ask	Last	Hi	Low	Chng	SYM NAME
T.US.DE030P0310***	98.48	98.51	98.51	98.55	98.41	8	2 yr CTD
T.US.DE044P0113**	102.29	102.33	102.33	102.37	102.13	15	5 yr CTD
T.US.DE036P0117**	97.14	97.19	97.19	97.25	96.93	13	10 yr CTD
DEP2P*	98.48	98.51	98.51	98.55	98.41	8	2yr OTR
DEP5P*	98.18	98.22	98.22	98.27	98.02	14	5yr OTR
DEP10P*	98.94	98.99	98.99	99.05	98.70	13	10yr OTR
<b>German Cash</b>							

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)	1.65	2.80	3.24
Bobl (M)	0.91	1.59	1.79
Shatz (M)	0.37	0.65	0.75

US Treasuries v Eurex Bonds			
	2y	5y	10y
Bund (M)	1.5	3.5	6.2
Bobl (M)	2.6	6.3	11.3
Shatz (M)	6.4	15.4	27.6

	Bund (M)	Bobl (M)	Shatz (M)
Bund (M)		1.81	4.42
Bobl (M)	0.55		2.44
Shatz (M)	0.23	0.41	

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	2.228	2.223	2.223
US5y	2.959	2.958	2.958
US10y	3.706	3.704	3.704

**German Cash Treasuries (OTR)**

	Bid	Ask	Last
DE2y	3.853	3.836	3.836
DE5y	3.910	3.901	3.901
DE10y	4.133	4.126	4.126

**Spreads (Bps)**

ZT/SCHATZ	-1.658
ZF/BOBL	-1.064
ZN/BUND	-0.923

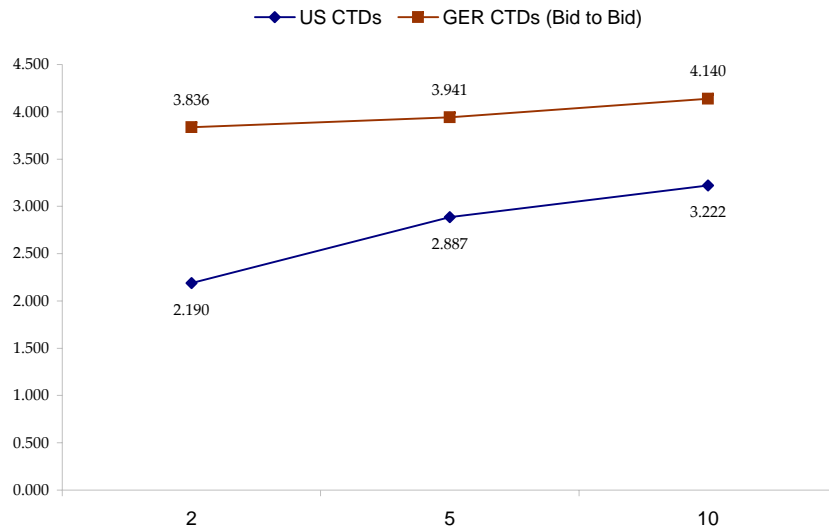
**US Cash Treasuries (CTD)**

	Bid	Ask	Last
4.000 of 03/10	2.190	2.178	2.178
4.125 of 08/12	2.887	2.877	2.877
4.000 of 02/15	3.222	3.217	3.217

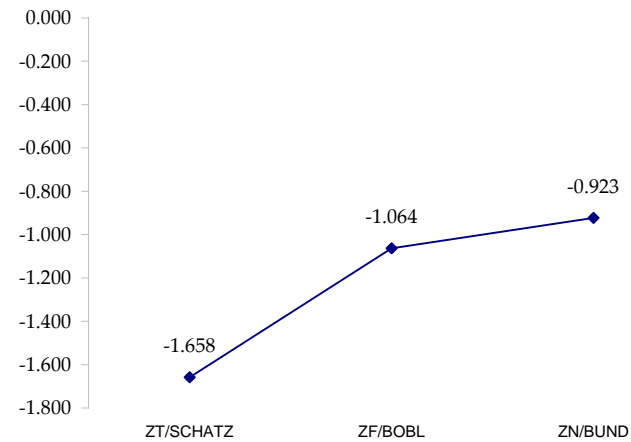
**German Futures (CTD)**

	Bid	Ask	Last
3.000 of 03/10	3.853	3.836	3.836
4.500 of 01/13	3.950	3.941	3.941
3.750 of 01/17	4.147	4.140	4.140

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





