

## 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		
TUAU8	106.050	(0.007)	106.067	106.042	106.060	23,287	217,590	2y Futures	<b>US Futures Market</b>	
FVAU8	111.292	(0.012)	112.002	111.275	111.310	27,678	463,292	5y Futures		
TYAU8	115.245	(0.015)	115.280	115.210	115.260	50,198	698,879	10y Futures		
USAU8	116.265	(0.025)	117.000	116.205	116.280	10,861	248,811	30y Futures		
		Last	Net	Hi	Low	Open		SYM NAME		
BUS02P	100.182	(0.5)	100.195	100.180	100.195	2y			<b>US Cash Treasury Market</b>	
BUS05P	100.312	(1.7)	101.015	100.297	101.012	5y				
BUS10P	100.260	2.0	100.295	100.225	100.295	10y				
BUS30P	99.165	0.5	99.190	99.110	99.170	30y				
		Last	Net	Hi	Low	Open		SYM NAME		
BUS02Y	2.445	1.10	2.462	2.408	2.445	2y Yield				
BUS05Y	3.155	1.30	3.174	3.137	3.152	5y Yield				
BUS10Y	3.897	(0.40)	3.918	3.882	3.897	10y Yield				
BUS30Y	4.527	(0.10)	4.542	4.513	4.522	30y Yield				



		Decimal								
	Last	Net	Hi	Low	Open	Volume	Yest Volume	SYM NAME		
DGU8	103.34	1.50	103.37	103.32	103.35	78,623	340,638	Schatz(2Y)	<b>German Futures Markets</b>	
DLU8	108.50	(1.50)	108.61	108.44	108.53	94,810	368,880	Bobl(5Y)		
DBU8	114.02	0.50	114.14	113.95	113.98	129,426	635,649	Bund(10Y)		

	Price	Yield				
	Last	Last	Coupon	Maturity	SYM NAME	
T.US.DE046P0610***	100.61	4.011	4.750	6/11/2010	2 yr CTD	<b>German Cash Treasury Market</b>
T.US.DE034P0413***	97.80	4.015	3.500	4/12/2013	5 yr CTD	
T.US.DE042P0717***	100.61	4.158	4.250	7/4/2017	10 yr CTD	
DEP2P*	101.25	4.011	4.750	6/11/2010	2yr OTR	
DEP5P*	97.84	4.015	3.500	4/12/2013	5yr OTR	
DEP10P*	100.41	4.197	4.250	7/4/2018	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	
DGU8	103.34	103.34	103.34	103.37	103.32	1.50	Schatz(2Y)	
DLU8	108.50	108.50	108.50	108.61	108.44	-1.50	Bobl(5Y)	
DBU8	114.02	114.03	114.02	114.14	113.95	0.50	Bund(10Y)	
		Y Bid	Y Ask	Y Last	Y Hi	Y Lo	SYM NAME	
DGU8		4.226	4.223	4.223	4.236	4.208	Schatz(2Y)	
DLU8		4.087	4.086	4.086	4.099	4.063	Bobl(5Y)	
DBU8		4.250	4.249	4.250	4.258	4.236	Bund(10Y)	
		Y Bid	Y Ask	Y Last	Y Hi	Y Lo	SYM NAME	
T.US.DE046P0610***		4.029	4.011	4.011	4.040	3.994	2 yr CTD	
T.US.DE034P0413***		4.025	4.015	4.015	4.037	3.991	5 yr CTD	
T.US.DE042P0717***		4.165	4.158	4.158	4.171	4.140	10 yr CTD	
DEP2P*		4.029	4.011	4.011	4.040	3.994	2yr OTR	
DEP5P*		4.025	4.015	4.015	4.037	3.991	5yr OTR	
DEP10P*		4.203	4.197	4.197	4.208	4.182	10yr OTR	
		Bid	Ask	Last	Hi	Low	Chng	SYM NAME
T.US.DE046P0610***	100.61	100.66	100.66	100.79	100.57	5	2 yr CTD	
T.US.DE034P0413***	97.80	97.84	97.84	97.94	97.75	-1	5 yr CTD	
T.US.DE042P0717***	100.61	100.66	100.66	100.79	100.57	5	10 yr CTD	
DEP2P*	101.22	101.25	101.25	101.28	101.20	1	2yr OTR	
DEP5P*	97.80	97.84	97.84	97.94	97.75	-1	5yr OTR	
DEP10P*	100.36	100.41	100.41	100.53	100.32	2	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)	1.66	2.77	3.18
Bobl (U)	0.95	1.55	2.00
Shatz (U)	0.43	0.60	0.69

US Treasuries v Eurex Bonds			
	2y	5y	10y
Bund (U)	1.5	3.7	6.6
Bobl (U)	2.8	6.7	12.0
Shatz (U)	7.2	17.1	30.7

	Bund (U)	Bobl (U)	Shatz (U)
Bund (U)		1.82	4.64
Bobl (U)	0.55		2.56
Shatz (U)	0.22	0.39	

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	2.449	2.445	2.445
US5y	3.159	3.155	3.155
US10y	3.899	3.897	3.897

**German Cash Treasuries (OTR)**

	Bid	Ask	Last
DE2y	4.029	4.011	4.011
DE5y	4.025	4.015	4.015
DE10y	4.203	4.197	4.197

**Spreads (Bps)**

ZT/SCHATZ	-1.708
ZF/BOBL	-1.007
ZN/BUND	-0.517

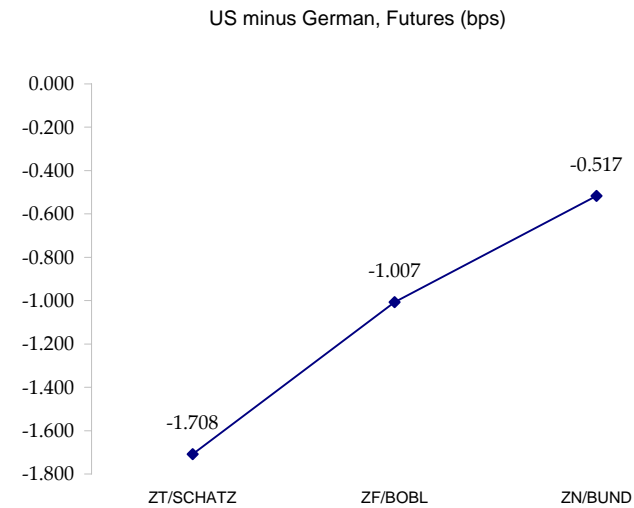
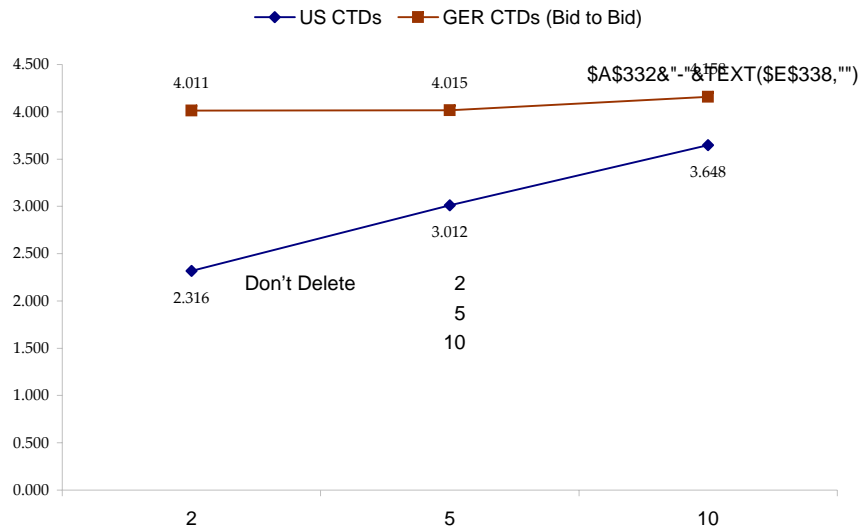
**US Cash Treasuries (CTD)**

	Bid	Ask	Last
3.625 of 06/10	2.316	2.303	2.303
3.375 of 11/12	3.012	3.008	3.008
4.875 of 08/16	3.648	3.641	3.641

**German Futures (CTD)**

	Bid	Ask	Last
4.750 of 06/10	4.029	4.011	4.011
3.500 of 04/13	4.025	4.015	4.015
4.250 of 07/17	4.165	4.158	4.158

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





