

## 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	106.147	0.012	106.152	106.117	106.150	31,491	306,995	2y Futures	<b>US Futures Market</b>	
FVAU8	112.135	0.030	112.135	112.062	112.127	41,942	524,861	5y Futures		
TYAU8	116.130	0.045	116.130	116.030	116.105	80,017	694,083	10y Futures		
USAU8	117.240	0.055	117.240	117.130	117.195	14,952	215,786	30y Futures		
	Last	Net	Hi	Low	Open	SYM NAME				
BUS02P	100.270	0.5	100.272	100.242	100.272	2y			<b>US Cash Treasury Market</b>	
BUS05P	101.152	1.2	101.152	101.080	101.147	5y				
BUS10P	101.130	3.5	101.135	101.045	101.120	10y				
BUS30P	100.205	8.0	100.210	100.095	100.170	30y				
	Last	Net	Hi	Low	Open	SYM NAME				
BUS02Y	2.296	0.00	2.357	2.287	2.324	2y Yield				
BUS05Y	3.049	(1.20)	3.104	3.048	3.066	5y Yield				
BUS10Y	3.827	(1.20)	3.865	3.823	3.839	10y Yield				
BUS30Y	4.458	(1.30)	4.483	4.456	4.467	30y Yield				



		Decimal								
	Last	Net	Hi	Low	Open	Volume	Yest Volume	SYM NAME		
DGU8	103.40	2.50	103.41	103.26	103.41	213,287	467,048	Schatz(2Y)	<b>German Futures Markets</b>	
DLU8	108.77	7.00	108.77	108.38	108.73	227,649	553,875	Bobl(5Y)		
DBU8	114.53	2.60	114.54	113.96	114.31	339,344	757,660	Bund(10Y)		

	Price	Yield				
	Last	Last	Coupon	Maturity	SYM NAME	
T.US.DE046P0610***	101.08	3.970	4.750	6/11/2010	2 yr CTD	<b>German Cash Treasury Market</b>
T.US.DE034P0413***	98.04	3.958	3.500	4/12/2013	5 yr CTD	
T.US.DE042P0717***	101.08	4.094	4.250	7/4/2017	10 yr CTD	
DEP2P*	101.31	3.970	4.750	6/11/2010	2yr OTR	
DEP5P*	98.08	3.958	3.500	4/12/2013	5yr OTR	
DEP10P*	100.96	4.128	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				SYM NAME	
	Bid	Ask	Last	Hi	Low	Chng		
DGU8	103.40	103.40	103.40	103.41	103.26	2.50	Schatz(2Y)	German Futures
DLU8	108.76	108.77	108.77	108.77	108.38	7.00	Bobl(5Y)	
DBU8	114.52	114.53	114.53	114.54	113.96	2.60	Bund(10Y)	
	Y Bid	Y Ask	Y Last	Y Hi	Y Lo		SYM NAME	German Futures
DGU8	4.195	4.192	4.195	4.265	4.190		Schatz(2Y)	
DLU8	4.031	4.030	4.030	4.113	4.030		Bobl(5Y)	
DBU8	4.193	4.191	4.191	4.257	4.190		Bund(10Y)	German Cash
	Y Bid	Y Ask	Y Last	Y Hi	Y Lo		SYM NAME	
T.US.DE046P0610***	3.988	3.970	3.970	4.063	3.970		2 yr CTD	
T.US.DE034P0413***	3.968	3.958	3.958	4.056	3.958		5 yr CTD	
T.US.DE042P0717***	4.101	4.094	4.094	4.170	4.093		10 yr CTD	
DEP2P*	3.988	3.970	3.970	4.063	3.970	1	2yr OTR	
DEP5P*	3.968	3.958	3.958	4.056	3.958	8	5yr OTR	
DEP10P*	4.134	4.128	4.128	4.207	4.126	27	10yr OTR	
	Bid	Ask	Last	Hi	Low	Chng	SYM NAME	German Cash
T.US.DE046P0610***	101.08	101.13	101.13	101.14	100.57	25	2 yr CTD	
T.US.DE034P0413***	98.04	98.08	98.08	98.08	97.68	8	5 yr CTD	
T.US.DE042P0717***	101.08	101.13	101.13	101.14	100.57	25	10 yr CTD	
DEP2P*	101.28	101.31	101.31	101.31	101.15	1	2yr OTR	
DEP5P*	98.04	98.08	98.08	98.08	97.68	8	5yr OTR	
DEP10P*	100.91	100.96	100.96	100.98	100.33	27	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 (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	2.304	2.296	2.296
US5y	3.051	3.049	3.049
US10y	3.829	3.827	3.827

German Cash Treasuries (OTR)

	Bid	Ask	Last
DE2y	3.988	3.970	3.970
DE5y	3.968	3.958	3.958
DE10y	4.134	4.128	4.128

Spreads (Bps)

ZT/SCHATZ	-1.817
ZF/BOBL	-1.062
ZN/BUND	-0.510

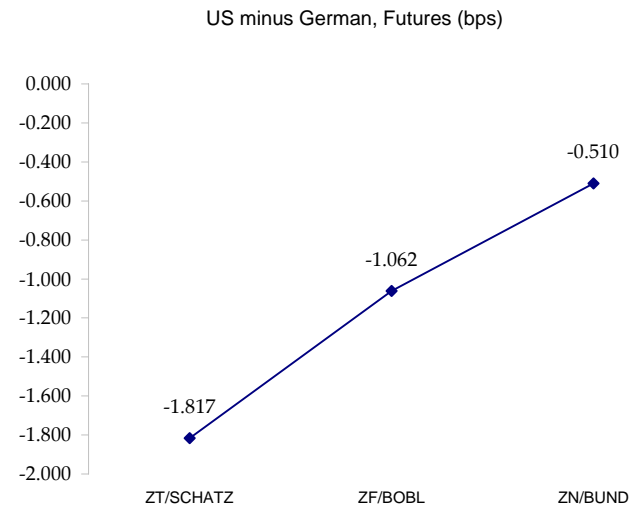
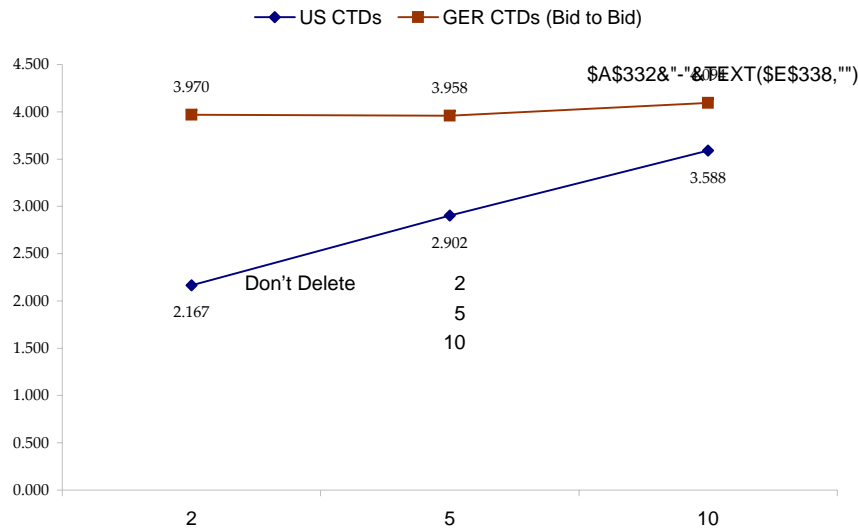
US Cash Treasuries (CTD)

	Bid	Ask	Last
3.625 of 06/10	2.167	2.154	2.154
3.375 of 11/12	2.902	2.897	2.897
4.875 of 08/16	3.588	3.584	3.584

German Futures (CTD)

	Bid	Ask	Last
4.750 of 06/10	3.988	3.970	3.970
3.500 of 04/13	3.968	3.958	3.958
4.250 of 07/17	4.101	4.094	4.094

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





