

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	106.145	0.002	106.162	106.137	106.142	43,588	228,235	2y Futures	US Futures Market
FVAU8	112.175	0.007	112.217	112.162	112.172	97,413	640,030	5y Futures	
TYAU8	116.270	0.010	117.005	116.245	116.280	86,443	633,640	10y Futures	
USAU8	118.200	0.030	118.265	118.170	118.220	11,988	197,383	30y Futures	
	Last	Net	Hi	Low	Open	SYM NAME			
BUS02P	100.257	0.0	100.275	100.252	100.252	2y			US Cash Treasury Market
BUS05P	101.170	0.2	101.207	101.160	101.165	5y			
BUS10P	101.240	(2.0)	101.290	101.220	101.250	10y			
BUS30P	101.215	(2.0)	101.255	101.165	101.170	30y			
	Last	Net	Hi	Low	Open	SYM NAME			
BUS02Y	2.317	0.40	2.341	2.283	2.341	2y Yield			
BUS05Y	3.036	0.30	3.048	3.009	3.043	5y Yield			
BUS10Y	3.786	1.00	3.799	3.765	3.784	10y Yield			
BUS30Y	4.396	0.60	4.41	4.384	4.388	30y Yield			



		Decimal							
	Last	Net	Hi	Low	Open	Volume	Yest Volume	SYM NAME	
DGU8	103.41	4.50	103.50	103.29	103.30	302,445	251,730	Schatz(2Y)	German Futures Markets
DLU8	108.81	12.00	109.03	108.55	108.62	276,817	242,874	Bobl(5Y)	
DBU8	114.77	1.50	114.96	114.46	114.60	395,988	358,473	Bund(10Y)	

	Price	Yield			
	Last	Last	Coupon	Maturity	SYM NAME
T.US.DE046P0610***	101.30	3.971	4.750	6/11/2010	2 yr CTD
T.US.DE034P0413***	98.11	3.952	3.500	4/12/2013	5 yr CTD
T.US.DE042P0718***	101.14	4.106	4.250	7/4/2018	10 yr CTD
DEP2P*	101.30	3.971	4.750	6/11/2010	2yr OTR
DEP5P*	98.11	3.952	3.500	4/12/2013	5yr OTR
DEP10P*	101.14	4.106	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				SYM NAME	
	Bid	Ask	Last	Hi	Low	Chng		
DGU8	103.41	103.41	103.41	103.50	103.29	4.50	Schatz(2Y)	German Futures
DLU8	108.81	108.82	108.81	109.03	108.55	12.00	Bobl(5Y)	
DBU8	114.77	114.78	114.77	114.96	114.46	1.50	Bund(10Y)	
	Y Bid	Y Ask	Y Last	Y Hi	Y Lo		SYM NAME	German Futures
DGU8	4.190	4.187	4.190	4.249	4.141		Schatz(2Y)	
DLU8	4.020	4.019	4.020	4.075	3.973		Bobl(5Y)	
DBU8	4.164	4.163	4.164	4.199	4.142		Bund(10Y)	
	Y Bid	Y Ask	Y Last	Y Hi	Y Lo		SYM NAME	German Cash
T.US.DE046P0610***	3.989	3.971	3.971	4.053	3.925		2 yr CTD	
T.US.DE034P0413***	3.962	3.952	3.952	4.018	3.901		5 yr CTD	
T.US.DE042P0718***	4.112	4.106	4.106	4.145	4.084		10 yr CTD	
DEP2P*	3.989	3.971	3.971	4.053	3.925	15	2yr OTR	
DEP5P*	3.962	3.952	3.952	4.018	3.901	41	5yr OTR	
DEP10P*	4.112	4.106	4.106	4.145	4.084	47	10yr OTR	
	Bid	Ask	Last	Hi	Low	Chng	SYM NAME	German Cash
T.US.DE046P0610***	101.27	101.30	101.30	101.38	101.16	15	2 yr CTD	
T.US.DE034P0413***	98.07	98.11	98.11	98.32	97.84	41	5 yr CTD	
T.US.DE042P0718***	101.09	101.14	101.14	101.31	100.82	47	10 yr CTD	
DEP2P*	101.27	101.30	101.30	101.38	101.16	15	2yr OTR	
DEP5P*	98.07	98.11	98.11	98.32	97.84	41	5yr OTR	
DEP10P*	101.09	101.14	101.14	101.31	100.82	47	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	2.321	2.317	2.317
US5y	3.038	3.036	3.036
US10y	3.787	3.786	3.786

German Cash Treasuries (OTR)

	Bid	Ask	Last
DE2y	3.989	3.971	3.971
DE5y	3.962	3.952	3.952
DE10y	4.112	4.106	4.106

Spreads (Bps)

ZT/SCHATZ	-1.791
ZF/BOBL	-1.067
ZN/BUND	-0.563

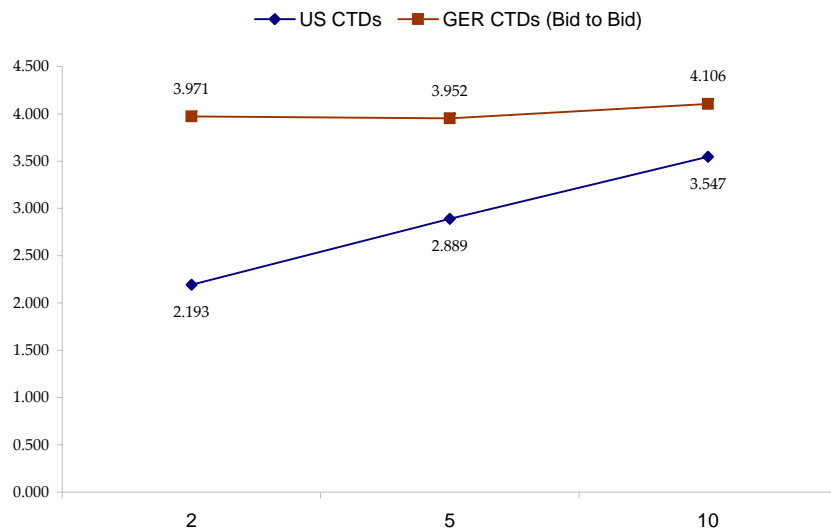
US Cash Treasuries (CTD)

	Bid	Ask	Last
3.625 of 06/10	2.193	2.180	2.180
3.375 of 11/12	2.889	2.885	2.885
4.875 of 08/16	3.547	3.543	3.543

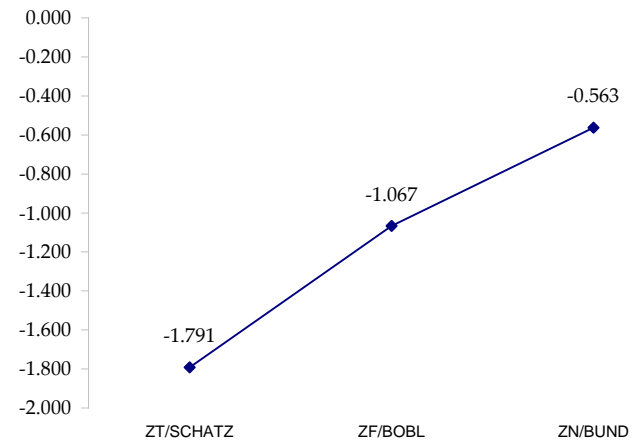
German Futures (CTD)

	Bid	Ask	Last
4.750 of 06/10	3.989	3.971	3.971
3.500 of 04/13	3.962	3.952	3.952
4.250 of 07/18	4.112	4.106	4.106

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

