

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		
TUAH9	108.140	0.010	108.152	108.105	108.152	125,189	75,170	2y Futures	US Futures Market	
FVAH9	117.067	0.160	117.132	116.180	116.180	196,906	122,859	5y Futures		
TYAH9	124.040	1.015	122.160	120.255	120.285	238,554	164,201	10y Futures		
USAH9	129.040	1.205	129.315	127.100	127.200	89,045	82,289	30y Futures		
	Last	Net	Hi	Low	Open	SYM NAME				
BUS02P	100.197	2.7	100.202	100.145	100.147	2y			US Cash Treasury Market	
BUS05P	100.272	13.5	101.007	100.077	100.082	5y				
BUS10P	107.315	29.5	108.110	106.250	106.260	10y				
BUS30P	121.295	209.5	122.280	119.125	119.220	30y				
	Last	Net	Hi	Low	Open	SYM NAME				
BUS02Y	0.934	(5.90)	1.06	0.922	1.017	2y Yield				
BUS05Y	1.819	(9.10)	1.974	1.782	1.951	5y Yield				
BUS10Y	2.822	(9.40)	2.962	2.781	2.925	10y Yield				
BUS30Y	3.325	(11.00)	3.509	3.277	3.438	30y Yield				



		Decimal								
	Last	Net	Hi	Low	Open	Volume	Yest Volume	SYM NAME		
DGZ8	106.73	13.50	106.79	106.57	106.58	517,432	408,523	Schatz(2Y)	German Futures Markets	
DLZ8	115.27	65.00	115.35	114.66	114.67	498,054	313,877	Bobl(5Y)		
DBZ8	122.51	10.50	122.62	121.53	121.69	657,293	488,070	Bund(10Y)		

	Price	Yield				
	Last	Last	Coupon	Maturity	SYM NAME	
T.US.DE040P0910***	103.10	2.085	4.000	9/10/2010	2 yr CTD	German Cash Treasury Market
T.US.DE036P0713***	105.16	2.540	3.750	7/4/2013	5 yr CTD	
T.US.DE042P0718*	108.42	3.115	4.250	7/4/2017	10 yr CTD	
DEP2P*	103.28	2.085	4.000	9/10/2010	2yr OTR	
DEP5P*	105.16	2.540	3.750	7/4/2013	5yr OTR	
DEP10P*	105.04	3.158	3.750	1/4/2019	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	
DGZ8	106.73	106.74	106.73	106.79	106.57	13.50	Schatz(2Y)	German Futures
DLZ8	115.27	115.27	115.27	115.35	114.66	65.00	Bobl(5Y)	
DBZ8	122.51	122.52	122.51	122.62	121.53	10.50	Bund(10Y)	
	Y Bid	Y Ask	Y Last	Y Hi	Y Lo		SYM NAME	
T.US.DE040P0910***	2.102	2.085	2.085	2.188	2.046		2 yr CTD	German Cash
T.US.DE036P0713***	2.550	2.540	2.540	2.665	2.527		5 yr CTD	
T.US.DE042P0718*	3.121	3.115	3.115	3.228	3.098		10 yr CTD	
DEP2P*	2.102	2.085	2.085	2.188	2.046	19	2yr OTR	
DEP5P*	2.550	2.540	2.540	2.665	2.527	68	5yr OTR	
DEP10P*	3.164	3.158	3.158	3.267	3.142	79	10yr OTR	
		Decimal						
	Bid	Ask	Last	Hi	Low	Chng	SYM NAME	
T.US.DE040P0910***	103.10	103.10	103.10	103.10	103.10	103	2 yr CTD	German Cash
T.US.DE036P0713***	105.12	105.16	105.16	105.22	104.61	68	5 yr CTD	
T.US.DE042P0718*	108.37	108.42	108.42	108.55	107.54	74	10 yr CTD	
DEP2P*	103.25	103.28	103.28	103.35	103.10	19	2yr OTR	
DEP5P*	105.12	105.16	105.16	105.22	104.61	68	5yr OTR	
DEP10P*	104.99	105.04	105.04	105.18	104.09	79	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 (Z)	1.41	2.23	2.57
Bobl (Z)	0.78	1.22	1.41
Shatz (Z)	0.29	0.46	0.53

US Treasuries v Eurex Bonds			
	2y	5y	10y
Bund (Z)	1.8	4.3	7.5
Bobl (Z)	3.2	7.6	13.3
Shatz (Z)	8.1	19.2	33.6

	Bund (Z)	Bobl (Z)	Shatz (Z)
Bund (Z)		1.82	4.84
Bobl (Z)	0.55		2.65
Shatz (Z)	0.21	0.38	

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	0.938	0.934	0.934
US5y	1.821	1.819	1.819
US10y	2.824	2.822	2.822

German Cash Treasuries (OTR)

	Bid	Ask	Last
DE2y	2.102	2.085	2.085
DE5y	2.550	2.540	2.540
DE10y	3.164	3.158	3.158

Spreads (Bps)

ZT/SCHATZ	-1.319
ZF/BOBL	-1.002
ZN/BUND	-0.558

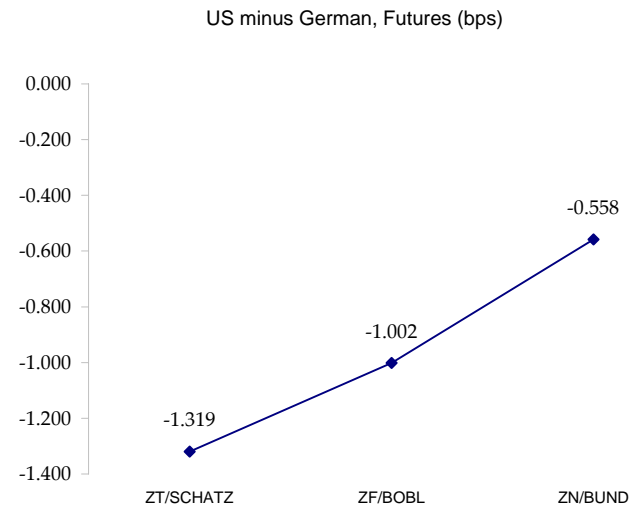
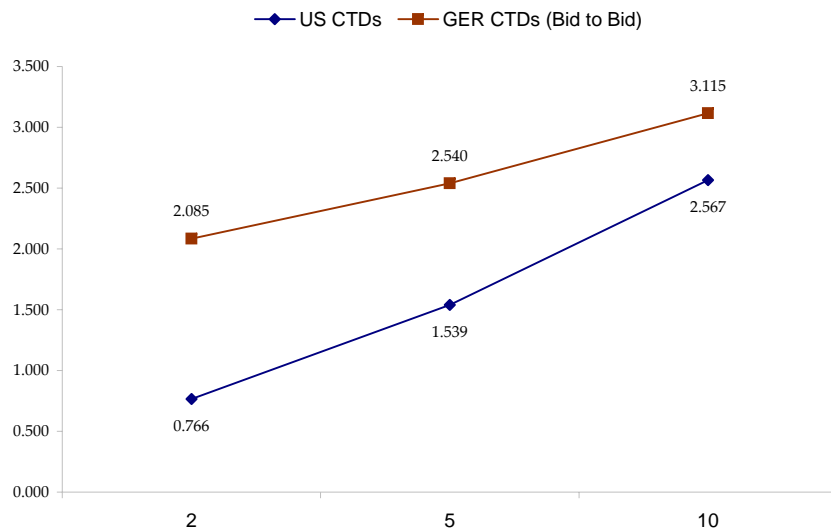
US Cash Treasuries (CTD)

	Bid	Ask	Last
4.375 of 12/10	0.766	0.766	0.766
3.375 of 06/13	1.539	1.539	1.539
4.875 of 08/16	2.567	2.557	2.557

German Futures (CTD)

	Bid	Ask	Last
4.000 of 09/10	2.102	2.085	2.085
3.750 of 07/13	2.550	2.540	2.540
4.250 of 07/17	3.121	3.115	3.115

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

