

The Morning Email: US & Germany

Table of Contents

Pg 1 Quotes 1

Pg 2 Quotes 2

Pg 3 Intrinsic & Tic for Tic Matrix'

Pg 4 Hedge Ratios - Bloomberg

Pg 5 Yields & Spreads

Pg 6 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								SYM NAME		
Last	Net	Hi	Low	Open	Volume	Yest Volume				
TUAH8	106.300	0.002	107.002	106.265	106.270	35,783	362,155	2y Futures	US Futures Market	
FVAH8	113.105	0.020	113.140	113.025	113.030	81,995	924,738	5y Futures		
TYAH8	116.220	0.045	116.250	116.075	116.075	201,642	1,487,252	10y Futures		
USAH8	118.010	0.006	118.070	117.150	117.150	45,358	596,007	30y Futures		
32 nds								SYM NAME		
Last	Net	Hi	Low	Open	Volume	Yest Volume				
BUS02P	100.077	3.5	100.105	100.055	100.055	2y			US Cash Treasury Market	
BUS05P	100.167	10.5	100.217	100.095	100.107	5y				
BUS10P	98.110	16.0	98.170	97.300	97.315	10y				
BUS30P	98.060	(914.0)	98.225	97.255	97.310	30y				
32 nds								SYM NAME		
Last	Net	Hi	Low	Open	Volume	Yest Volume				
BUS02Y	1.996	(5.70)	2.069	1.951	2.069	2y Yield				
BUS05Y	2.758	(6.30)	2.833	2.726	2.833	5y Yield				
BUS10Y	3.696	(5.70)	3.778	3.673	3.778	10y Yield				
BUS30Y	4.475	(4.40)	4.515	4.441	4.443	30y Yield				



Decimal								SYM NAME	
Last	Net	Hi	Low	Open	Volume	Yest Volume			
DGH8	104.95	9.50	104.97	104.82	104.89	478,643	1,109,679	Schatz(2Y)	German Futures Markets
DLH8	111.36	11.50	111.41	111.13	111.29	378,440	1,038,732	Bobl(5Y)	
DBH8	117.05	3.00	117.12	116.54	116.80	688,717	1,324,825	Bund(10Y)	

	Price	Yield		Maturity	SYM NAME	
	Last	Last	Coupon			
T.US.DE040P1209***	101.53	3.104	4.000	12/11/2009	2 yr CTD	German Cash Treasury Market
T.US.DE042P1012***	103.67	3.373	4.250	10/12/2012	5 yr CTD	
T.US.DE036P0117**	99.35	3.830	3.750	1/4/2017	10 yr CTD	
DEP2P*	101.56	3.104	4.000	12/11/2009	2yr OTR	
DEP5P*	103.71	3.373	4.250	10/12/2012	5yr OTR	
DEP10P*	100.88	3.890	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
DGH8	104.94	104.95	104.95	104.97	104.82	9.50
DLH8	111.35	111.36	111.36	111.41	111.13	11.50
DBH8	117.05	117.06	117.05	117.12	116.54	3.00

	Y Bid	Y Ask	Y Last	Y Hi	Y Lo
DGH8	3.403	3.401	3.401	3.467	3.391
DLH8	3.487	3.485	3.487	3.534	3.475
DBH8	3.908	3.906	3.906	3.964	3.900

	Y Bid	Y Ask	Y Last	Y Hi	Y Lo	Chng
T.US.DE040P1209***	3.121	3.104	3.104	3.189	3.093	
T.US.DE042P1012***	3.382	3.373	3.373	3.431	3.360	
T.US.DE036P0117**	3.837	3.830	3.830	3.901	3.822	
DEP2P*	3.121	3.104	3.104	3.189	3.093	-2
DEP5P*	3.382	3.373	3.373	3.431	3.360	-15
DEP10P*	3.896	3.890	3.890	3.958	3.880	-15

Decimal						
	Bid	Ask	Last	Hi	Low	Chng
T.US.DE040P1209***	101.53	101.56	101.56	101.58	101.41	-2
T.US.DE042P1012***	103.67	103.71	103.71	103.77	103.46	-15
T.US.DE036P0117**	99.35	99.40	99.40	99.46	98.88	-10
DEP2P*	101.53	101.56	101.56	101.58	101.41	-2
DEP5P*	103.67	103.71	103.71	103.77	103.46	-15
DEP10P*	100.83	100.88	100.88	100.96	100.33	-15

SYM NAME	
Schatz(2Y)	German Futures
Bobl(5Y)	
Bund(10Y)	

Schatz(2Y)	German Futures
Bobl(5Y)	
Bund(10Y)	

2 yr CTD	German Cash
5 yr CTD	
10 yr CTD	
2yr OTR	
5yr OTR	
10yr OTR	

SYM NAME	
2 yr CTD	German Cash
5 yr CTD	
10 yr CTD	
2yr OTR	
5yr OTR	
10yr OTR	

Notes
 Y = Yield
 DE = German Country Code
 CTD = Cheapest to Deliver
 OTR = On the Run
 * OTR
 ** CTD
 *** CTD & OTR

Intrinsics & Tic for Tic Matrix'



US Intrinsic's ^				
	M Duration	DV01 32	DV01 \$	DV01(€)
30y	16.14	5.07	\$1,585	€ 2,297
10y	8.22	2.63	\$823	€ 1,192
5y	4.60	1.49	\$466	€ 675
2y	1.92	0.62	\$193	€ 279
ZB	10.22	3.97	\$124	€ 180
ZN	5.82	2.20	\$69	€ 100
ZF	3.87	1.42	\$44	€ 64
ZT	1.77	0.61	\$19	€ 28

^Futures are Based on CTD

Tic for Tic Matrix (\$)			
	Bund	Bobl	Schatz
30y	9.11	16.97	36.68
10y	4.73	8.80	19.03
5y	2.68	4.99	10.78
2y	1.11	2.06	4.45
ZB	0.71	1.33	2.87
ZN	0.40	1.34	1.59
ZF	0.26	0.48	1.03
ZT	0.11	0.20	0.44

Notes

1) CF = Conversion Factor

2) MDuration = Modified Macaulay Duration

3) MDuration & DV01s for Futures are based on proxy issue (CTD)



German Intrinsic's ^				
	M Duration	DV01(€)	DV01(\$)	CF
Bund	7.41	€ 252	\$174	0.849146
Bobl	4.14	€ 135	\$93	0.931197
Schatz	1.99	€ 63	\$43	0.947563
DE10Y	8.02	€ 1,177	\$813	
DE5Y	4.14	€ 630	\$435	
DE2Y	1.99	€ 301	\$208	

^Futures are Based on CTD

Last
EURUSD 144.86

US Financial Futures / Eurex Bond			
	ZN	ZF	ZT
Bund (H)	1.80	2.80	3.10
Bobl (H)	1.00	1.54	1.69
Shatz (H)	0.41	0.63	0.69

Bloomberg
Ratio's

US Treasuries v Eurex Bonds			
	2y	5y	10y
Bund (H)	1.7	3.9	7.1
Bobl (H)	3.1	7.1	12.8
Shatz (H)	7.8	15.9	28.8

Bloomberg
Ratio's

	Bund (H)	Bobl (H)	Shatz (H)
Bund (H)	1.00	1.85	4.55
Bobl (H)	0.54	1.00	2.46
Shatz (H)	0.22	0.41	1.00

Bloomberg
Ratio's

Yields & Spreads

US Cash Treasuries (OTR)			
	Bid	Ask	Last
US2y	2.000	1.996	1.996
US5y	2.762	2.758	2.758
US10y	3.700	3.696	3.696

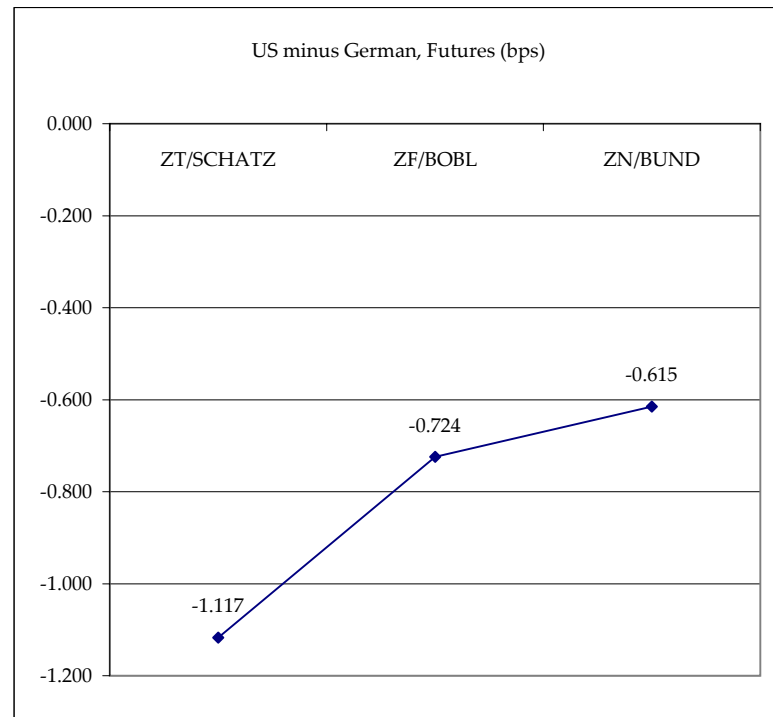
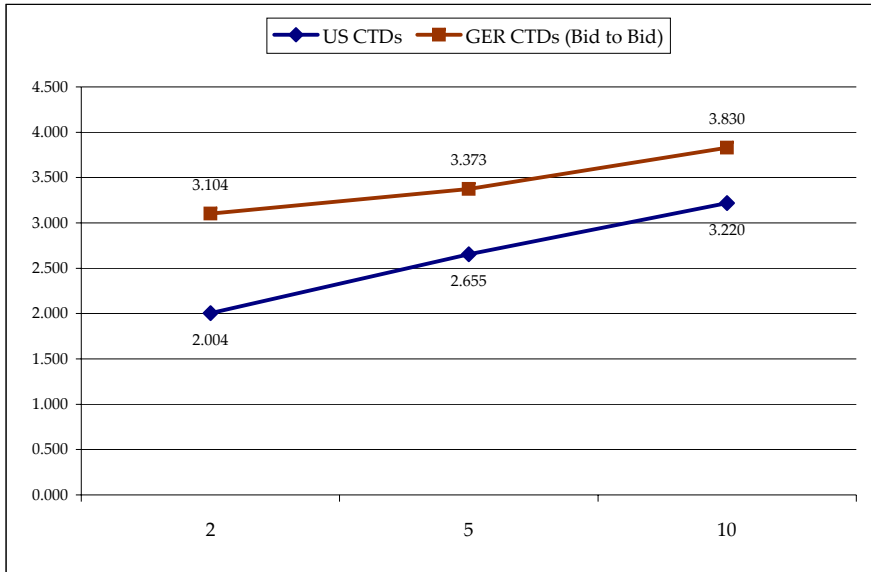
German Cash Treasuries (OTR)			
	Bid	Ask	Last
DE2y	3.121	3.104	3.104
DE5y	3.382	3.373	3.373
DE10y	3.896	3.890	3.890

Spreads Bps	
ZT/SCHATZ	-1.117
ZF/BOBL	-0.724
ZN/BUND	-0.615

US Cash Treasuries (CTD)			
	Bid	Ask	Last
3.250 of 12/09	2.004	1.987	1.987
4.750 of 05/12	2.655	2.649	2.649
4.250 of 11/14	3.220	3.215	3.215

German Futures (CTD)			
	Bid	Ask	Last
5.375 of 04/10	3.121	3.104	3.104
4.250 of 10/12	3.382	3.373	3.373
3.750 of 01/17	3.837	3.830	3.830

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

