

## The Morning Email: US & Germany

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Quotes 1



32 nds								SYM NAME		
Last	Net	Hi	Low	Open	Volume	Yest Volume				
TUAH8	107.015	0.047	107.017	106.290	106.297	123,258	560,824	2y Futures	<b>US Futures Market</b>	
FVAH8	113.100	0.090	113.110	113.010	113.030	86,592	731,828	5y Futures		
TYAH8	116.085	0.100	116.125	115.290	115.315	160,017	1,158,636	10y Futures		
USAH8	116.120	0.011	116.220	115.290	116.020	51,556	395,972	30y Futures		
US Cash Treasury Market										
Last	Net	Hi	Low	Open	Volume					
BUS02P	100.100	3.0	100.105	100.065	100.067	2y				
BUS05P	100.072	8.0	100.085	99.307	99.310	5y				
BUS10P	97.105	7.5	97.150	96.315	97.010	10y				
BUS30P	95.260	16.0	96.065	95.130	95.130	30y				
Last	Net	Hi	Low	Open	Volume					
BUS02Y	1.951	(4.60)	2.025	1.942	2.005	2y Yield				
BUS05Y	2.822	(5.30)	2.889	2.813	2.87	5y Yield				
BUS10Y	3.823	(2.90)	3.871	3.804	3.854	10y Yield				
BUS30Y	4.629	(2.60)	4.67	4.604	4.656	30y Yield				



Decimal								SYM NAME	
Last	Net	Hi	Low	Open	Volume	Yest Volume			
DGH8	104.54	9.50	104.59	104.45	104.48	362,779	895,226	Schatz(2Y)	<b>German Futures Markets</b>
DLH8	110.41	17.00	110.55	110.22	110.28	313,418	882,077	Bobl(5Y)	
DBH8	115.44	0.60	115.69	115.29	115.38	564,148	1,420,064	Bund(10Y)	

	Price	Yield		Maturity	SYM NAME	
	Last	Last	Coupon			
T.US.DE040P1209***	101.11	3.320	4.000	12/11/2009	2 yr CTD	<b>German Cash Treasury Market</b>
T.US.DE042P1012***	102.77	3.574	4.250	10/12/2012	5 yr CTD	
T.US.DE036P0117**	97.96	4.021	3.750	1/4/2017	10 yr CTD	
DEP2P*	101.14	3.320	4.000	12/11/2009	2yr OTR	
DEP5P*	102.81	3.574	4.250	10/12/2012	5yr OTR	
DEP10P*	99.45	4.068	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	104.54	104.55	104.54	104.59	104.45	9.50
DLH8	110.41	110.42	110.41	110.55	110.22	17.00
DBH8	115.44	115.45	115.44	115.69	115.29	0.60

	Y Bid	Y Ask	Y Last	Y Hi	Y Lo
DGH8	3.606	3.604	3.606	3.655	3.581
DLH8	3.682	3.681	3.681	3.722	3.654
DBH8	4.088	4.087	4.088	4.105	4.060

	Y Bid	Y Ask	Y Last	Y Hi	Y Lo	Chng
T.US.DE040P1209***	3.338	3.320	3.320	3.379	3.285	
T.US.DE042P1012***	3.583	3.574	3.574	3.618	3.536	
T.US.DE036P0117**	4.028	4.021	4.021	4.044	3.985	
DEP2P*	3.338	3.320	3.320	3.379	3.285	11
DEP5P*	3.583	3.574	3.574	3.618	3.536	21
DEP10P*	4.074	4.068	4.068	4.089	4.032	8

Decimal						
	Bid	Ask	Last	Hi	Low	Chng
T.US.DE040P1209***	101.11	101.14	101.14	101.20	101.04	11
T.US.DE042P1012***	102.77	102.81	102.81	102.97	102.62	21
T.US.DE036P0117**	97.96	98.01	98.01	98.27	97.84	6
DEP2P*	101.11	101.14	101.14	101.20	101.04	11
DEP5P*	102.77	102.81	102.81	102.97	102.62	21
DEP10P*	99.40	99.45	99.45	99.73	99.28	8

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	16.29	5.01	\$1,564	€ 2,351
10y	8.30	2.59	\$809	€ 1,216
5y	4.55	1.47	\$461	€ 692
2y	1.87	0.60	\$188	€ 283
ZB	10.39	3.89	\$122	€ 183
ZN	5.77	2.18	\$68	€ 102
ZF	3.83	1.41	\$44	€ 66
ZT	1.73	0.60	\$19	€ 28

^Futures are Based on CTD

German Intrinsic's ^				
	M Duration	DV01(€)	DV01(\$)	CF
Bund	7.34	€ 256	\$170	0.849146
Bobl	4.08	€ 138	\$92	0.931197
Schatz	1.94	€ 63	\$42	0.947563
DE10Y	7.95	€ 1,196	\$795	
DE5Y	4.08	€ 641	\$426	
DE2Y	1.94	€ 303	\$202	

^Futures are Based on CTD

Last  
EURUSD 150.31

Tic for Tic Matrix (\$)			
	Bund	Bobl	Schatz
30y	9.18	17.09	37.16
10y	4.75	8.84	19.22
5y	2.70	5.03	10.94
2y	1.11	2.06	4.47
ZB	0.71	1.33	2.89
ZN	0.40	1.34	1.62
ZF	0.26	0.48	1.04
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)

US Financial Futures / Eurex Bond			
	ZN	ZF	ZT
Bund (H)	1.90	2.90	3.40
Bobl (H)	1.00	1.60	1.80
Shatz (H)	0.39	0.60	0.71

Bloomberg  
Ratio's

US Treasuries v Eurex Bonds			
	2y	5y	10y
Bund (H)	1.5	3.6	6.4
Bobl (H)	2.8	6.7	11.8
Shatz (H)	7.1	17.2	30.4

Bloomberg  
Ratio's

	Bund (H)	Bobl (H)	Shatz (H)
Bund (H)	1.00	1.86	4.80
Bobl (H)	0.54	1.00	2.58
Shatz (H)	0.21	0.39	1.00

Bloomberg  
Ratio's

**Yields & Spreads**

US Cash Treasuries (OTR)			
	Bid	Ask	Last
US2y	1.955	1.951	1.951
US5y	2.825	2.822	2.822
US10y	3.825	3.823	3.823

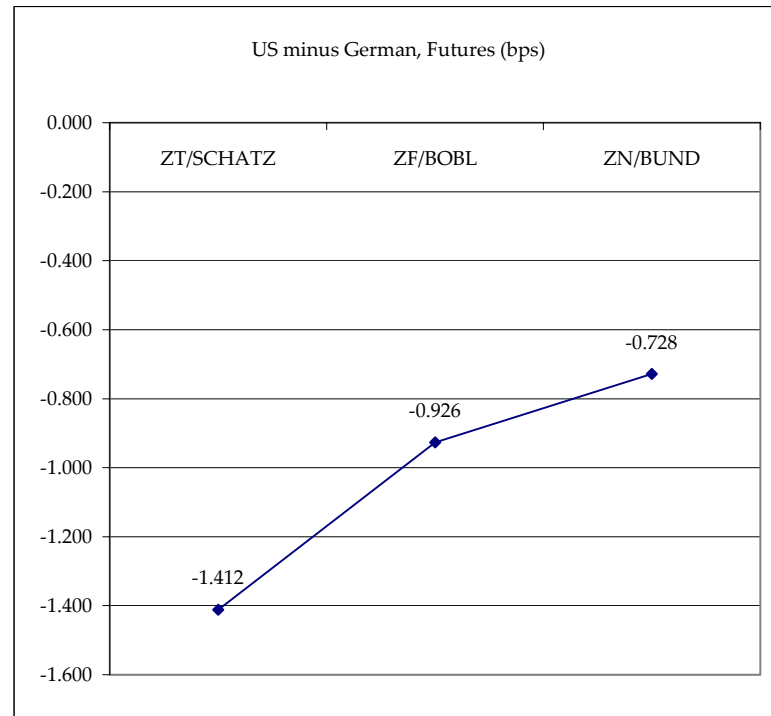
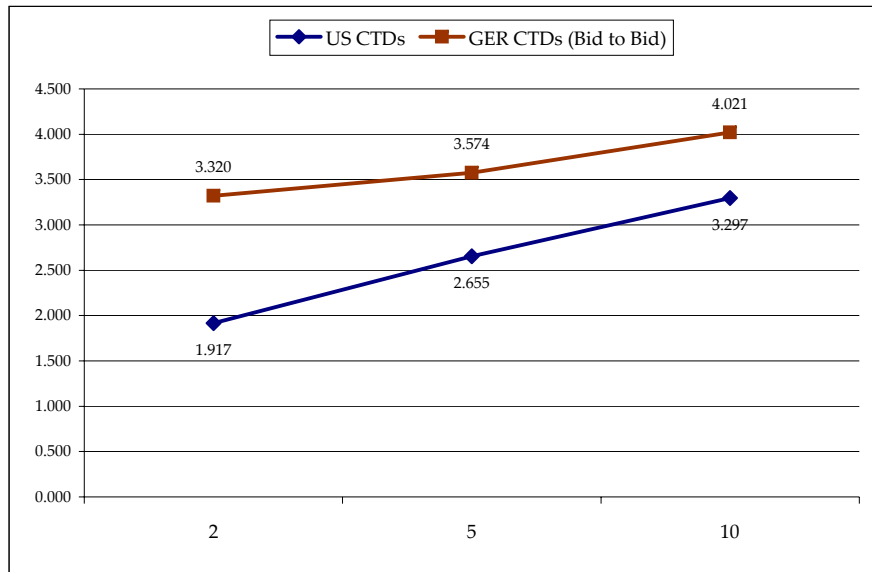
German Cash Treasuries (OTR)			
	Bid	Ask	Last
DE2y	3.338	3.320	3.320
DE5y	3.583	3.574	3.574
DE10y	4.074	4.068	4.068

Spreads Bps	
ZT/SCHATZ	-1.412
ZF/BOBL	-0.926
ZN/BUND	-0.728

US Cash Treasuries (CTD)			
	Bid	Ask	Last
3.500 of 12/09	1.917	1.943	1.909
4.750 of 05/12	2.655	2.647	2.647
4.250 of 11/14	3.297	3.292	3.292

German Futures (CTD)			
	Bid	Ask	Last
5.375 of 04/10	3.338	3.320	3.320
4.250 of 10/12	3.583	3.574	3.574
3.750 of 01/17	4.028	4.021	4.021

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



