

The Morning Email: US & Germany

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Want something added? Let me know: jgoulding@ghco.com

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Quotes 1



32 nds								SYM NAME		
Last	Net	Hi	Low	Open	Volume	Yest Volume				
TUAM8	107.077	0.082	107.085	107.022	107.032	92,502	400,169	2y Futures	US Futures Market	
FVAM8	113.270	0.205	113.280	113.180	113.195	101,732	196,541	5y Futures		
TYAM8	116.190	0.260	116.205	116.075	116.080	218,763	337,196	10y Futures		
USAM8	117.190	0.031	117.200	117.030	117.030	42,031	108,675	30y Futures		
US Cash Treasury Market										
Last	Net	Hi	Low	Open	Volume					
BUS02P	100.157	4.0	100.172	100.132	100.145	2y				
BUS05P	100.200	(10.2)	100.215	100.142	100.142	5y				
BUS10P	98.300	12.0	99.010	98.220	98.220	10y				
BUS30P	98.025	19.0	98.050	97.235	98.010	30y				
Last	Net	Hi	Low	Open	Volume					
BUS02Y	1.744	(6.90)	1.828	1.716	1.828	2y Yield				
BUS05Y	2.613	(4.90)	2.706	2.604	2.706	5y Yield				
BUS10Y	3.624	(4.40)	3.674	3.613	3.674	10y Yield				
BUS30Y	4.486	(3.50)	4.541	4.483	4.516	30y Yield				



Decimal								SYM NAME	
Last	Net	Hi	Low	Open	Volume	Yest Volume			
DGH8	104.87	17.50	104.90	104.69	104.71	620,904	1,219,497	Schatz(2Y)	German Futures Markets
DLH8	111.23	45.00	111.27	110.83	110.86	485,815	845,163	Bobl(5Y)	
DBH8	116.75	6.30	116.82	116.21	116.27	901,373	1,371,563	Bund(10Y)	

	Price	Yield		Maturity	SYM NAME	
	Last	Last	Coupon			
T.US.DE040P1209***	101.43	3.131	4.000	12/11/2009	2 yr CTD	German Cash Treasury Market
T.US.DE042P1012***	103.59	3.381	4.250	10/12/2012	5 yr CTD	
T.US.DE036P0117**	99.12	3.861	3.750	1/4/2017	10 yr CTD	
DEP2P*	101.46	3.131	4.000	12/11/2009	2yr OTR	
DEP5P*	103.63	3.381	4.250	10/12/2012	5yr OTR	
DEP10P*	100.59	3.925	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	104.87	104.87	104.87	104.90	104.69	17.50
DLH8	111.23	111.24	111.23	111.27	110.83	45.00
DBH8	116.75	116.76	116.75	116.82	116.21	6.30

	Y Bid	Y Ask	Y Last	Y Hi	Y Lo
DGH8	3.441	3.439	3.441	3.533	3.426
DLH8	3.512	3.511	3.511	3.596	3.504
DBH8	3.941	3.940	3.940	4.001	3.933

	Y Bid	Y Ask	Y Last	Y Hi	Y Lo	Chng
T.US.DE040P1209***	3.149	3.131	3.131	3.230	3.119	
T.US.DE042P1012***	3.390	3.381	3.381	3.484	3.374	
T.US.DE036P0117**	3.868	3.861	3.861	3.934	3.855	
DEP2P*	3.149	3.131	3.131	3.230	3.119	20
DEP5P*	3.390	3.381	3.381	3.484	3.374	44
DEP10P*	3.931	3.925	3.925	3.987	3.916	52

Decimal						
	Bid	Ask	Last	Hi	Low	Chng
T.US.DE040P1209***	101.43	101.46	101.46	101.48	101.29	20
T.US.DE042P1012***	103.59	103.63	103.63	103.66	103.19	44
T.US.DE036P0117**	99.12	99.17	99.17	99.22	98.64	56
DEP2P*	101.43	101.46	101.46	101.48	101.29	20
DEP5P*	103.59	103.63	103.63	103.66	103.19	44
DEP10P*	100.54	100.59	100.59	100.66	100.09	52

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	16.44	5.18	\$1,617	€ 2,459
10y	8.32	2.64	\$824	€ 1,253
5y	4.64	1.51	\$471	€ 716
2y	1.95	0.63	\$196	€ 297
ZB	10.45	4.01	\$125	€ 191
ZN	6.06	2.29	\$72	€ 109
ZF	4.11	1.51	\$47	€ 72
ZT	1.92	0.68	\$21	€ 32

^Futures are Based on CTD

German Intrinsic's ^				
	M Duration	DV01(€)	DV01(\$)	CF
Bund	7.35	€ 262	\$173	0.849146
Bobl	4.08	€ 140	\$92	0.931197
Schatz	1.93	€ 64	\$42	0.947563
DE10Y	7.96	€ 1,225	\$806	
DE5Y	4.08	€ 653	\$430	
DE2Y	1.93	€ 307	\$202	

^Futures are Based on CTD

Last
EURUSD 152.02

Tic for Tic Matrix (\$)			
	Bund	Bobl	Schatz
30y	9.37	17.53	38.38
10y	4.78	8.93	19.56
5y	2.73	5.10	11.18
2y	1.13	2.12	4.64
ZB	0.73	1.36	2.98
ZN	0.41	1.34	1.70
ZF	0.27	0.51	1.12
ZT	0.12	0.23	0.50

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	1.748	1.744	1.744
US5y	2.614	2.613	2.613
US10y	3.628	3.624	3.624

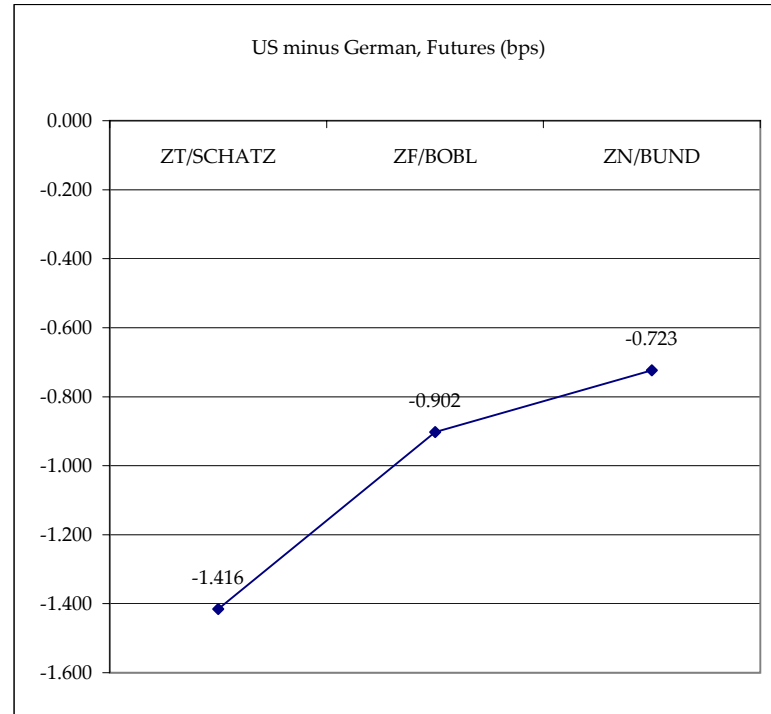
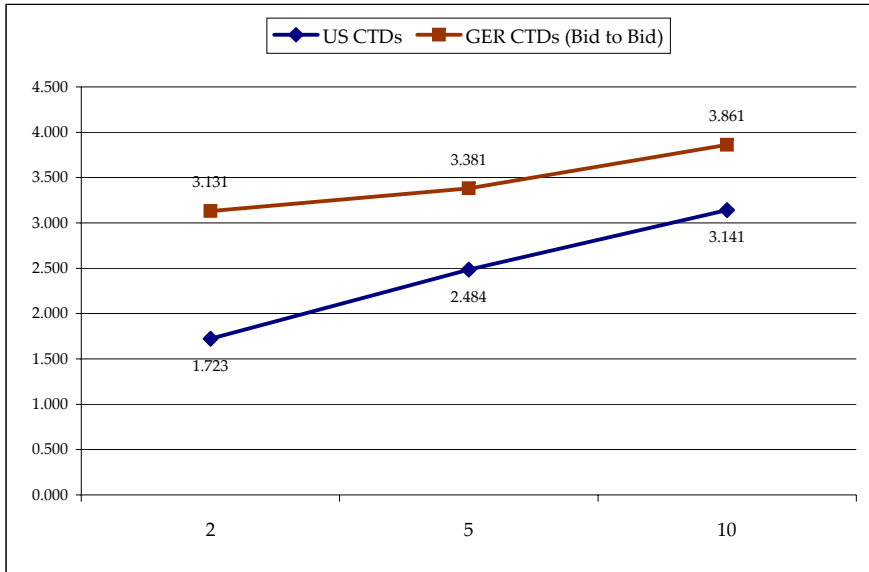
German Cash Treasuries (OTR)			
	Bid	Ask	Last
DE2y	3.149	3.131	3.131
DE5y	3.390	3.381	3.381
DE10y	3.931	3.925	3.925

Spreads	
	Bps
ZT/SCHATZ	-1.416
ZF/BOBL	-0.902
ZN/BUND	-0.723

US Cash Treasuries (CTD)			
	Bid	Ask	Last
4.000 of 03/10	1.723	1.715	1.715
4.125 of 08/12	2.484	2.479	2.479
4.000 of 02/15	3.141	3.138	3.138

German Futures (CTD)			
	Bid	Ask	Last
5.375 of 04/10	3.149	3.131	3.131
4.250 of 10/12	3.390	3.381	3.381
3.750 of 01/17	3.868	3.861	3.861

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

