The Morning Email: US & Germany

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Quotes 1

32 nds

	Last	Net	Hi	Low	Open	Volume	Yest Volume	SYM NAME	
TUAM8	107.022	(0.032)	107.092	107.007	107.045	42,365	496,742	2y Futures	US Futures Market
FVAM8	113.130	(0.052)	113.237	113.092	113.152	57,898	1,199,350	5y Futures	
TYAM8	116.280	(0.005)	117.070	116.230	116.280	93,253	1,321,290	10y Futures	
USAM8	117.065	0.075	117.170	116.300	117.030	25,692	472,272	30y Futures	

	Last	Net	Hi	Low	Open	Volume	
BUS02P	100.152	(0.2)	100.210	100.142	100.162	2y	US Cash Treasury Market
BUS05P	100.172	(1.2)	100.265	100.150	100.180	5y	
BUS10P	99.065	1.0	99.155	99.045	99.080	10y	
BUS30P	97.240	7.0	98.000	97.160	98.000	30y	
	Last	**Net**	**Hi**	**Low**	**Open**	**Volume**	
BUS02Y	1.749	1.20	1.789	1.652	1.789	2y Yield	
BUS05Y	2.630	0.50	2.664	2.566	2.664	5y Yield	
BUS10Y	3.594	0.00	3.609	3.558	3.609	10y Yield	
BUS30Y	4.506	(0.30)	4.53	4.482	4.515	30y Yield	

Decimal

	Last	Net	Hi	Low	Open	Volume	Yest Volume	SYM NAME	
DGM8	104.92	(8.00)	105.04	104.86	105.04	469,150	1,077,164	Schatz(2Y)	German Futures Markets
DLM8	111.39	(14.00)	111.63	111.25	111.61	260,450	905,004	Bobl(5Y)	
DBM8	117.25	(1.50)	117.55	117.09	117.55	428,845	1,516,609	Bund(10Y)	

	Price	Yield				
	Last	Last	Coupon	Maturity	SYM NAME	
T.US.DE052P0710**	104.28	3.264	5.250	7/4/2010	2 yr CTD	German Cash Treasury Market
T.US.DE044P0113**	104.90	3.365	4.500	1/4/2013	5 yr CTD	
T.US.DE036P0117**	99.87	3.759	3.750	1/4/2017	10 yr CTD	
DEP2P*	101.03	3.370	4.000	12/11/2009	2yr OTR	
DEP5P*	103.51	3.403	4.250	10/12/2012	5yr OTR	
DEP10P*	101.52	3.810	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						SYM NAME	
	Bid	Ask	Last	Hi	Low	Chng		
DGM8	104.92	104.92	104.92	105.04	104.86	-8.00	Schatz(2Y)	German Futures
DLM8	111.38	111.39	111.39	111.63	111.25	-14.00	Bobl(5Y)	
DBM8	117.24	117.25	117.25	117.55	117.09	-1.50	Bund(10Y)	

	Y Bid	Y Ask	Y Last	Y Hi	Y Lo		
DGM8	3.416	3.413	3.413	3.444	3.353	Schatz(2Y)	German Futures
DLM8	3.481	3.480	3.480	3.509	3.429	Bobl(5Y)	
DBM8	3.886	3.885	3.886	3.903	3.852	Bund(10Y)	

	Y Bid	Y Ask	Y Last	Y Hi	Y Lo	Chng		
T.US.DE052P0710**	3.277	3.264	3.264	3.304	3.220		2 yr CTD	German Cash
T.US.DE044P0113**	3.374	3.365	3.365	3.405	3.318		5 yr CTD	
T.US.DE036P0117**	3.766	3.759	3.759	3.786	3.727		10 yr CTD	
DEP2P*	3.388	3.370	3.370	3.412	3.323	-8	2yr OTR	
DEP5P*	3.413	3.403	3.403	3.443	3.361	-21	5yr OTR	
DEP10P*	3.816	3.810	3.810	3.832	3.780	-21	10yr OTR	

	Decimal						SYM NAME	
	Bid	Ask	Last	Hi	Low	Chng		
T.US.DE052P0710**	104.28	104.31	104.31	104.41	104.22	-14	2 yr CTD	German Cash
T.US.DE044P0113**	104.90	104.94	104.94	105.15	104.76	-24	5 yr CTD	
T.US.DE036P0117**	99.87	99.92	99.92	100.16	99.72	-22	10 yr CTD	
DEP2P*	101.00	101.03	101.03	101.11	100.96	-8	2yr OTR	
DEP5P*	103.47	103.51	103.51	103.69	103.34	-21	5yr OTR	
DEP10P*	101.47	101.52	101.52	101.76	101.34	-21	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	16.40	5.16	$1,613	€ 2,494
10y	8.29	2.64	$825	€ 1,276
5y	4.61	1.50	$468	€ 724
2y	1.92	0.62	$193	€ 298
ZB	10.41	3.96	$124	€ 191
ZN	6.66	2.57	$80	€ 124
ZF	4.08	1.50	$47	€ 72
ZT	1.90	0.67	$21	€ 32

^Futures are Based on CTD

	German Intrinsic's ^			
	M Duration	DV01(€)	DV01($)	CF
Bund	7.33	€ 268	$173	0
Bobl	0.00	€ 0	$0	0
Schatz	2.09	€ 71	$46	0
DE10Y	7.95	€ 1,258	$813	
DE5Y	0.00	€ 0	$0	
DE2Y	2.09	€ 303	$196	

^Futures are Based on CTD

	Last
EURUSD	154.65

Tic for Tic Matrix ($)	Bund	Bobl	Schatz
30y	[redacted]		
10y			
5y			
2y			
ZB			
ZN			
ZF			
ZT			

This matrix needs to be updated now that the CME has changed the tic size. I'll get to this in the next few days.
Thanks,
Jim

Notes

1) CF = Conversion Factor

2) MDuration = Modified Macaulay Duration

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

Hedge Ratios - Bloomberg

US Financial Futures / Eurex Bond

	ZN	ZF	ZT	
Bund (H)	1.60	2.80	3.12	Bloomberg
Bobl (H)	0.91	1.56	1.73	Ratio's
Shatz (H)	0.40	0.68	0.76	

US Treasuries v Eurex Bonds

	2y	5y	10y	
Bund (H)	1.5	3.6	6.4	Bloomberg
Bobl (H)	2.8	6.7	11.8	Ratio's
Shatz (H)	7.1	17.2	30.4	

	Bund (H)	Bobl (H)	Shatz (H)	
Bund (H)		1.79	4.12	Bloomberg
Bobl (H)	0.55		2.30	Ratio's
Shatz (H)	0.24	0.43		

Yields & Spreads

US Cash Treasuries (OTR)	Bid	Ask	Last
US2y	1.753	1.749	1.749
US5y	2.634	2.630	2.630
US10y	3.596	3.594	3.594

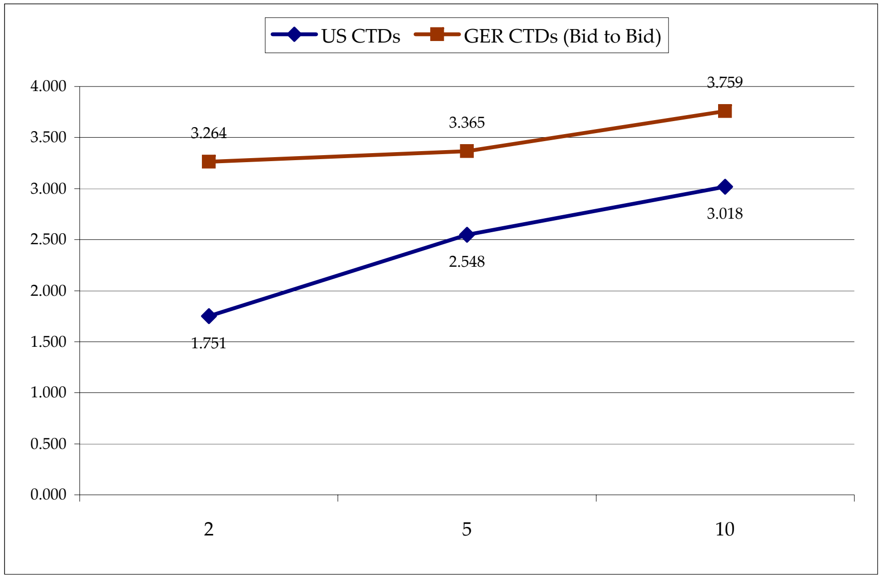
German Cash Treasuries (OTR)	Bid	Ask	Last
DE2y	3.388	3.370	3.370
DE5y	3.413	3.403	3.403
DE10y	3.816	3.810	3.810

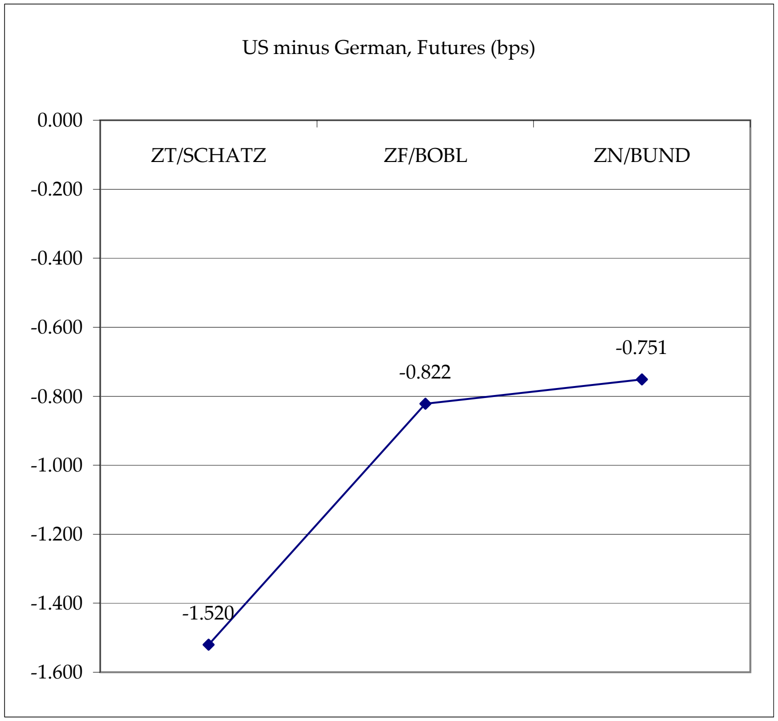
Spreads	Bps
ZT/SCHATZ	-1.520
ZF/BOBL	-0.822
ZN/BUND	-0.751

US Cash Treasuries (CTD)	Bid	Ask	Last
4.000 of 03/10	1.751	1.744	1.744
4.125 of 08/12	2.548	2.543	2.543
4.000 of 02/15	3.018	3.008	3.008

German Futures (CTD)	Bid	Ask	Last
3.250 of 04/10	3.277	3.264	3.264
of 01/00	3.374	3.365	3.365
3.750 of 01/17	3.766	3.759	3.759

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.





Volume Questions & Global Bond Market Characteristics

When does the volume trade? Between what ours 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	Volume 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