

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									
	Last	Net	Hi	Low	Open	Volume	Yest Volume	SYM NAME	
TUAM8	107.275	0.062	107.317	107.182	107.197	50,688	521,608	2y Futures	
FVAM8	115.105	0.165	115.175	114.195	114.217	106,654	1,121,943	5y Futures	
TYAM8	119.240	0.205	120.010	118.235	119.020	177,203	1,489,567	10y Futures	
USAM8	120.065	0.210	120.160	119.020	119.130	34,322	457,568	30y Futures	

	Last	Net	Hi	Low	Open	Volume	
BUS02P	101.117	12.2	101.142	101.030	101.030	2y	US Cash Treasury Market
BUS05P	102.137	26.2	102.210	101.270	101.270	5y	
BUS10P	101.105	102.5	101.190	100.165	100.165	10y	
BUS30P	101.055	114.0	101.240	100.200	100.200	30y	

	Last	Net	Hi	Low	Open	Volume	
BUS02Y	1.281	(20.20)	1.507	1.236	1.507	2y Yield	US Cash Treasury Market
BUS05Y	2.227	(17.00)	2.41	2.178	2.41	5y Yield	
BUS10Y	3.338	(12.40)	3.47	3.304	3.47	10y Yield	
BUS30Y	4.302	(7.20)	4.381	4.268	4.381	30y Yield	



Decimal								
	Last	Net	Hi	Low	Open	Volume	Yest Volume	SYM NAME
DGM8	105.42	12.00	105.50	105.33	105.44	387,360	1,261,636	Schatz(2Y)
DLM8	112.30	38.50	112.39	112.01	112.16	261,325	992,174	Bobl(5Y)
DBM8	118.40	5.60	118.48	118.02	118.24	450,102	1,576,681	Bund(10Y)

	Price	Yield		Maturity	SYM NAME	
	Last	Last	Coupon			
T.US.DE030P0310***	100.04	2.963	3.000	3.000	2 yr CTD	German Cash Treasury Market
T.US.DE044P0113**	105.75	3.175	4.500	1/4/2013	5 yr CTD	
T.US.DE036P0117**	100.84	3.628	3.750	1/4/2017	10 yr CTD	
DEP2P*	101.42	3.134	4.000	12/11/2009	2yr OTR	
DEP5P*	104.34	3.208	4.250	10/12/2012	5yr OTR	
DEP10P*	102.62	3.675	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
DGM8	105.42	105.42	105.42	105.50	105.33	12.00
DLM8	112.29	112.30	112.30	112.39	112.01	38.50
DBM8	118.39	118.40	118.40	118.48	118.02	5.60

	Y Bid	Y Ask	Y Last	Y Hi	Y Lo
DGM8	3.163	3.161	3.161	3.209	3.123
DLM8	3.294	3.293	3.293	3.352	3.274
DBM8	3.760	3.759	3.760	3.800	3.750

	Y Bid	Y Ask	Y Last	Y Hi	Y Lo	Chng
T.US.DE030P0310***	2.978	2.963	2.963	3.063	2.920	
T.US.DE044P0113**	3.184	3.175	3.175	3.246	3.153	
T.US.DE036P0117**	3.635	3.628	3.628	3.671	3.616	
DEP2P*	3.152	3.134	3.134	3.242	3.116	15
DEP5P*	3.217	3.208	3.208	3.276	3.185	40
DEP10P*	3.681	3.675	3.675	3.736	3.663	46

Decimal						
	Bid	Ask	Last	Hi	Low	Chng
T.US.DE030P0310***	100.04	100.07	100.07	100.15	99.88	3.000
T.US.DE044P0113**	105.75	105.79	105.79	105.89	105.47	44
T.US.DE036P0117**	100.84	100.89	100.89	100.98	100.57	41
DEP2P*	101.39	101.42	101.42	101.45	101.24	15
DEP5P*	104.30	104.34	104.34	104.44	104.05	40
DEP10P*	102.57	102.62	102.62	102.72	102.12	46

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
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 * OTR
 ** CTD
 *** CTD & OTR

Intrinsics & Tic for Tic Matrix'



US Intrinsic's ^				
	M Duration	DV01 32	DV01 \$	DV01(€)
30y	16.63	5.42	\$1,693	€ 2,670
10y	8.31	2.70	\$845	€ 1,332
5y	4.61	1.53	\$477	€ 752
2y	1.91	0.62	\$194	€ 305
ZB	10.49	4.14	\$129	€ 204
ZN	6.67	2.63	\$82	€ 129
ZF	4.08	1.53	\$48	€ 75
ZT	1.92	0.67	\$21	€ 33

^Futures are Based on CTD

German Intrinsic's ^				
	M Duration	DV01(€)	DV01(\$)	CF
Bund	7.34	€ 276	\$175	0
Bobl	0.00	€ 0	\$0	0
Schatz	2.08	€ 72	\$46	0
DE10Y	7.96	€ 1,298	\$823	
DE5Y	0.00	€ 0	\$0	
DE2Y	2.08	€ 309	\$196	

^Futures are Based on CTD

Last
EURUSD 157.66

Tic for Tic Matrix (\$)			
	Bund	Bobl	Schatz
30y			
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)

US Financial Futures / Eurex Bond			
	ZN	ZF	ZT
Bund (H)	1.60	2.80	3.24
Bobl (H)	0.92	1.59	1.79
Shatz (H)	0.38	0.66	0.74

Bloomberg
Ratio's

US Treasuries v Eurex Bonds			
	2y	5y	10y
Bund (H)	1.4	3.4	6.1
Bobl (H)	2.6	6.2	11.1
Shatz (H)	6.2	15.0	26.6

Bloomberg
Ratio's

	Bund (H)	Bobl (H)	Shatz (H)
Bund (H)		1.81	4.37
Bobl (H)	0.55		2.41
Shatz (H)	0.23	0.42	

Bloomberg
Ratio's

Yields & Spreads

US Cash Treasuries (OTR)			
	Bid	Ask	Last
US2y	1.289	1.281	1.281
US5y	2.229	2.227	2.227
US10y	3.341	3.338	3.338

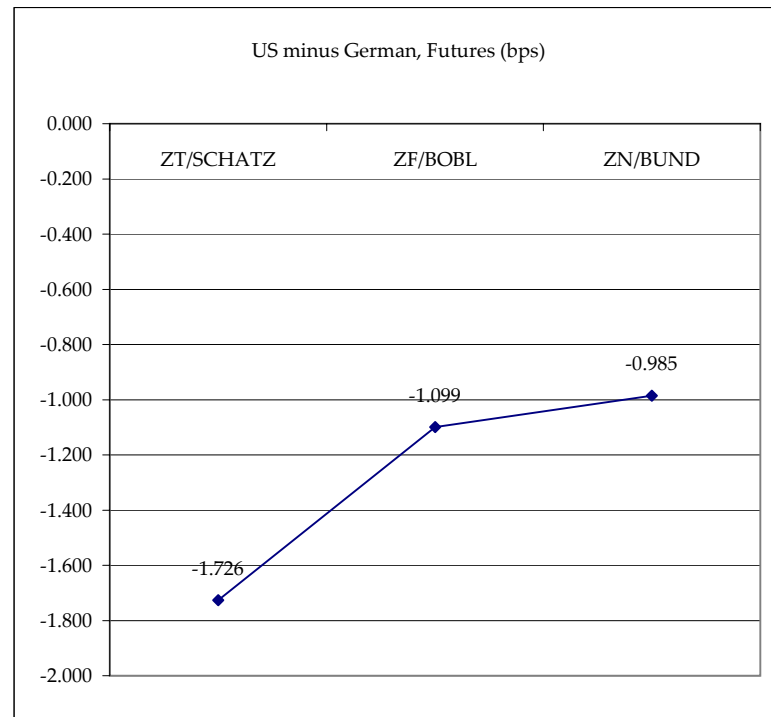
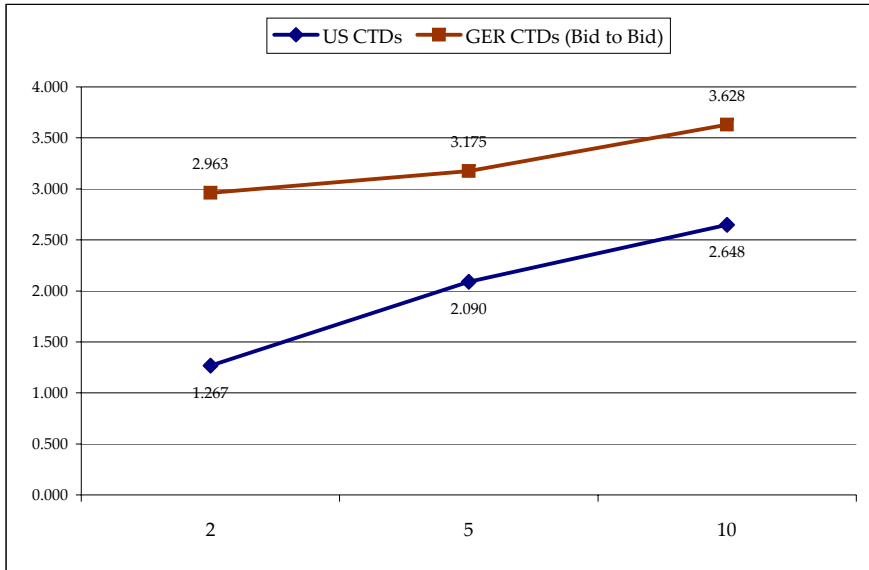
German Cash Treasuries (OTR)			
	Bid	Ask	Last
DE2y	3.152	3.134	3.134
DE5y	3.217	3.208	3.208
DE10y	3.681	3.675	3.675

Spreads Bps	
ZT/SCHATZ	-1.726
ZF/BOBL	-1.099
ZN/BUND	-0.985

US Cash Treasuries (CTD)			
	Bid	Ask	Last
4.000 of 03/10	1.267	1.236	1.236
4.125 of 08/12	2.090	2.076	2.076
4.000 of 02/15	2.648	2.643	2.643

German Futures (CTD)			
	Bid	Ask	Last
3.250 of 04/10	2.978	2.963	2.963
of 01/00	3.184	3.175	3.175
3.750 of 01/17	3.635	3.628	3.628

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

