

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	107.207	(0.035)	107.240	107.202	107.230	22,100	264,135	2y Futures	
FVAM8	115.020	(0.080)	115.100	114.317	115.080	45,147	712,247	5y Futures	
TYAM8	119.110	(0.150)	119.265	119.095	119.225	94,952	1,003,727	10y Futures	
USAM8	119.150	(0.250)	120.085	119.125	120.060	17,705	300,319	30y Futures	

	Last	Net	Hi	Low	Open	Volume	
BUS02P	101.062	(2.0)	101.090	101.055	101.062	2y	US Cash Treasury Market
BUS05P	102.095	(8.2)	102.180	102.087	102.162	5y	
BUS10P	101.045	(16.0)	101.200	101.045	101.180	10y	
BUS30P	100.235	(100.5)	101.190	100.265	101.140	30y	

	Last	Net	Hi	Low	Open	Volume	
BUS02Y	1.369	4.00	1.397	1.32	1.377	2y Yield	US Cash Treasury Market
BUS05Y	2.250	5.40	2.264	2.197	2.229	5y Yield	
BUS10Y	3.358	6.70	3.367	3.302	3.326	10y Yield	
BUS30Y	4.324	5.90	4.335	4.278	4.29	30y Yield	



Decimal								
	Last	Net	Hi	Low	Open	Volume	Yest Volume	SYM NAME
DGM8	105.35	(8.50)	105.43	105.33	105.43	190,115	863,051	Schatz(2Y)
DLM8	112.02	(14.00)	112.15	111.93	112.12	171,205	793,670	Bobl(5Y)
DBM8	118.02	(1.70)	118.18	117.90	118.15	281,996	1,253,067	Bund(10Y)

	Price	Yield		Maturity	SYM NAME	
	Last	Last	Coupon			
T.US.DE030P0310***	100.00	2.984	3.000	3.000	2 yr CTD	German Cash Treasury Market
T.US.DE044P0113**	105.47	3.236	4.500	1/4/2013	5 yr CTD	
T.US.DE036P0117**	100.52	3.671	3.750	1/4/2017	10 yr CTD	
DEP2P*	101.35	3.175	4.000	12/11/2009	2yr OTR	
DEP5P*	103.97	3.294	4.250	10/12/2012	5yr OTR	
DEP10P*	102.30	3.714	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	105.35	105.35	105.35	105.43	105.33	-8.50
DLM8	112.02	112.02	112.02	112.15	111.93	-14.00
DBM8	118.02	118.03	118.02	118.18	117.90	-1.70

	Y Bid	Y Ask	Y Last	Y Hi	Y Lo
DGM8	3.199	3.196	3.199	3.206	3.158
DLM8	3.350	3.349	3.349	3.368	3.323
DBM8	3.800	3.799	3.800	3.814	3.783

	Y Bid	Y Ask	Y Last	Y Hi	Y Lo	Chng
T.US.DE030P0310***	2.999	2.984	2.984	3.015	2.936	
T.US.DE044P0113**	3.245	3.236	3.236	3.265	3.205	
T.US.DE036P0117**	3.678	3.671	3.671	3.692	3.651	
DEP2P*	3.192	3.175	3.175	3.204	3.127	-7
DEP5P*	3.303	3.294	3.294	3.319	3.254	-22
DEP10P*	3.720	3.714	3.714	3.737	3.697	-20

Decimal						
	Bid	Ask	Last	Hi	Low	Chng
T.US.DE030P0310***	100.00	100.03	100.03	100.12	99.97	3.000
T.US.DE044P0113**	105.47	105.51	105.51	105.65	105.38	-17
T.US.DE036P0117**	100.52	100.57	100.57	100.72	100.42	-19
DEP2P*	101.32	101.35	101.35	101.43	101.30	-7
DEP5P*	103.93	103.97	103.97	104.14	103.86	-22
DEP10P*	102.25	102.30	102.30	102.44	102.11	-20

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	16.58	5.37	\$1,677	€ 2,652
10y	8.30	2.70	\$843	€ 1,333
5y	4.61	1.52	\$476	€ 753
2y	1.91	0.62	\$193	€ 305
ZB	10.45	4.07	\$127	€ 201
ZN	6.67	2.63	\$82	€ 130
ZF	4.07	1.52	\$47	€ 75
ZT	1.92	0.67	\$21	€ 33

^Futures are Based on CTD

German Intrinsic's ^				
	M Duration	DV01(€)	DV01(\$)	CF
Bund	7.33	€ 276	\$174	0
Bobl	0.00	€ 0	\$0	0
Schatz	2.07	€ 72	\$46	0
DE10Y	7.95	€ 1,297	\$820	
DE5Y	0.00	€ 0	\$0	
DE2Y	2.07	€ 309	\$196	

^Futures are Based on CTD

Last
EURUSD 158.17

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	1.377	1.369	1.369
US5y	2.257	2.250	2.250
US10y	3.362	3.358	3.358

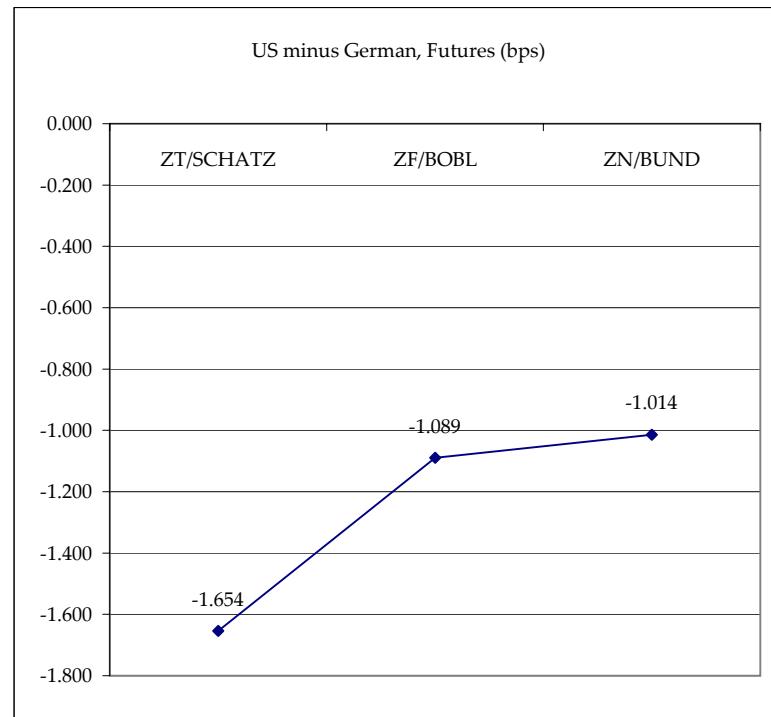
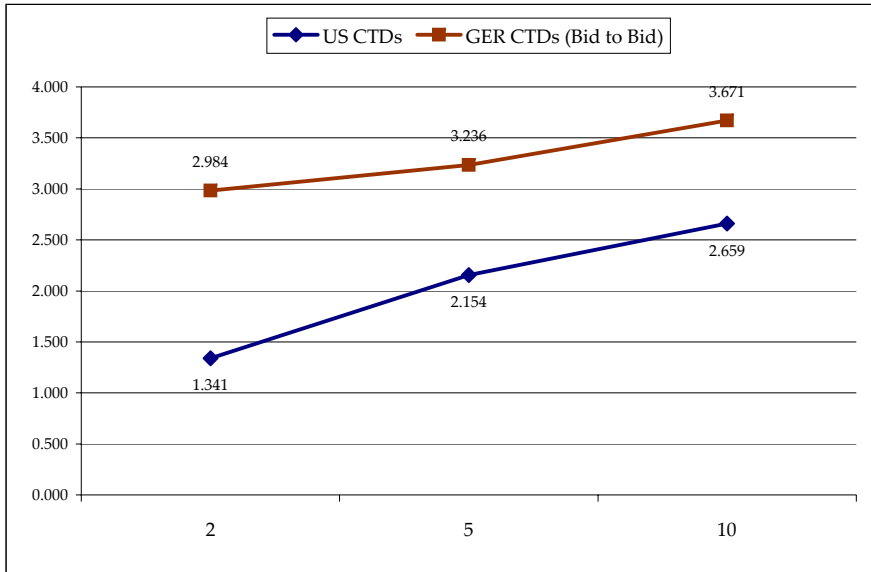
German Cash Treasuries (OTR)			
	Bid	Ask	Last
DE2y	3.192	3.175	3.175
DE5y	3.303	3.294	3.294
DE10y	3.720	3.714	3.714

Spreads Bps	
ZT/SCHATZ	-1.654
ZF/BOBL	-1.089
ZN/BUND	-1.014

US Cash Treasuries (CTD)			
	Bid	Ask	Last
4.000 of 03/10	1.341	1.329	1.329
4.125 of 08/12	2.154	2.147	2.147
4.000 of 02/15	2.659	2.657	2.657

German Futures (CTD)			
	Bid	Ask	Last
3.250 of 04/10	2.999	2.984	2.984
of 01/00	3.245	3.236	3.236
3.750 of 01/17	3.678	3.671	3.671

This chart shows the US futures, ZT, ZF, and ZN quoted in yield, then, comparing them to the German Futures, the Schatz (2yr), the 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

