

The Morning Email: US & Germany

Table of Contents

Pg 1 Quotes 1

Pg 2 Quotes 2

Pg 3 Hedge Ratios - Bloomberg

Pg 4 Yields & Spreads

Pg 5 Volume Questions & Global Bond Market Characteristics



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

Disclaimer: All information within this newsletter is meant for internal use at GH Trader's LLC, only. All information has been recorded to the best of my ability. This material is based upon information that I consider reliable, but I do not represent that it is accurate or complete.

Quotes 1



		32 nds							
	Last	Net	Hi	Low	Open	Volume	Yest Volume	SYM NAME	
TUAM8	106.092	0.017	106.100	106.072	106.075	15,649	181,105	2y Futures	US Futures Market
FVAM8	111.292	0.045	111.315	111.257	111.270	38,092	427,122	5y Futures	
TYAM8	115.095	0.065	115.125	115.045	115.075	75,220	888,858	10y Futures	
USAM8	116.010	0.085	116.055	115.265	115.300	11,452	277,301	30y Futures	
		Last	Net	Hi	Low	Open		SYM NAME	
BUS02P	99.220	1.5	99.230	99.202	99.207			2y	US Cash Treasury Market
BUS05P	100.082	2.5	100.105	100.050	100.062			5y	
BUS10P	100.035	229.5	100.070	100.010	100.020			10y	
BUS30P	96.100	2.5	96.120	96.045	96.070			30y	
		Last	Net	Hi	Low	Open		SYM NAME	
BUS02Y	2.284	(2.40)	2.329	2.264	2.313			2y Yield	US Cash Treasury Market
BUS05Y	3.066	(1.70)	3.094	3.052	3.074			5y Yield	
BUS10Y	3.858	1.20	3.877	3.83	3.833			10y Yield	
BUS30Y	4.601	(0.30)	4.619	4.596	4.603			30y Yield	



		Decimal							
	Last	Net	Hi	Low	Open	Volume	Yest Volume	SYM NAME	
DGM8	103.85	3.50	103.90	103.81	103.84	212,546	539,207	Schatz(2Y)	German Futures Markets
DLM8	108.85	9.00	108.95	108.79	108.81	189,387	576,455	Bobl(5Y)	
DBM8	113.97	1.30	114.08	113.78	113.88	297,650	797,886	Bund(10Y)	

	Price	Yield			
	Last	Last	Coupon	Maturity	SYM NAME
T.US.DE030P0310***	98.68	3.738	3.000	3/12/2010	2 yr CTD
T.US.DE044P0113**	102.44	3.901	4.500	1/4/2013	5 yr CTD
T.US.DE036P0117**	97.10	4.147	3.750	1/4/2017	10 yr CTD
DEP2P*	98.71	3.738	3.000	3/12/2010	2yr OTR
DEP5P*	98.35	3.874	3.500	4/12/2013	5yr OTR
DEP10P*	98.96	4.131	4.000	1/4/2018	10yr OTR

**German
Cash
Treasury
Market**

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	103.85	103.85	103.85	103.90	103.81	3.50	Schatz(2Y)	German Futures
DLM8	108.84	108.85	108.85	108.95	108.79	9.00	Bobl(5Y)	
DBM8	113.97	113.98	113.97	114.08	113.78	1.30	Bund(10Y)	
	Y Bid	Y Ask	Y Last	Y Hi	Y Lo		SYM NAME	
DGM8	3.962	3.960	3.962	3.983	3.937		Schatz(2Y)	German Futures
DLM8	4.014	4.012	4.014	4.024	3.991		Bobl(5Y)	
DBM8	4.256	4.254	4.254	4.277	4.243		Bund(10Y)	
	Y Bid	Y Ask	Y Last	Y Hi	Y Lo		SYM NAME	
T.US.DE030P0310***	3.755	3.738	3.738	3.778	3.703		2 yr CTD	German Cash
T.US.DE044P0113**	3.910	3.901	3.901	3.922	3.875		5 yr CTD	
T.US.DE036P0117**	4.154	4.147	4.147	4.169	4.127		10 yr CTD	
DEP2P*	3.755	3.738	3.738	3.778	3.703	7	2yr OTR	
DEP5P*	3.883	3.874	3.874	3.890	3.844	15	5yr OTR	
DEP10P*	4.137	4.131	4.131	4.151	4.115	31	10yr OTR	
	Bid	Ask	Last	Hi	Low	Chng	SYM NAME	
T.US.DE030P0310***	98.68	98.71	98.71	98.77	98.64	7	2 yr CTD	German Cash
T.US.DE044P0113**	102.44	102.48	102.48	102.59	102.39	16	5 yr CTD	
T.US.DE036P0117**	97.10	97.15	97.15	97.29	96.99	26	10 yr CTD	
DEP2P*	98.68	98.71	98.71	98.77	98.64	7	2yr OTR	
DEP5P*	98.31	98.35	98.35	98.48	98.28	15	5yr OTR	
DEP10P*	98.91	98.96	98.96	99.08	98.80	31	10yr OTR	

Notes

- Y = Yield
- DE = German Country Code
- CTD = Cheapest to Deliver
- OTR = On the Run
- * OTR
- ** CTD
- *** CTD & OTR

US Financial Futures / Eurex Bond			
	ZN	ZF	ZT
Bund (M)	1.87	2.90	3.34
Bobl (M)	1.03	1.59	1.83
Shatz (M)	0.42	0.65	0.75

US Treasuries v Eurex Bonds			
	2y	5y	10y
Bund (M)	1.5	3.6	6.2
Bobl (M)	2.7	6.5	11.2
Shatz (M)	6.7	16.0	27.6

	Bund (M)	Bobl (M)	Shatz (M)
Bund (M)		1.82	4.48
Bobl (M)	0.55		2.46
Shatz (M)	0.22	0.41	

Note: Eurex products are pulled from Bloomberg and are static. Meaning, I only update them once in a while but always on rolls.

US Cash Treasuries (OTR)

	Bid	Ask	Last
US2y	2.288	2.284	2.284
US5y	3.069	3.066	3.066
US10y	3.862	3.858	3.858

German Cash Treasuries (OTR)

	Bid	Ask	Last
DE2y	3.755	3.738	3.738
DE5y	3.883	3.874	3.874
DE10y	4.137	4.131	4.131

Spreads (Bps)

ZT/SCHATZ	-1.536
ZF/BOBL	-0.962
ZN/BUND	-0.652

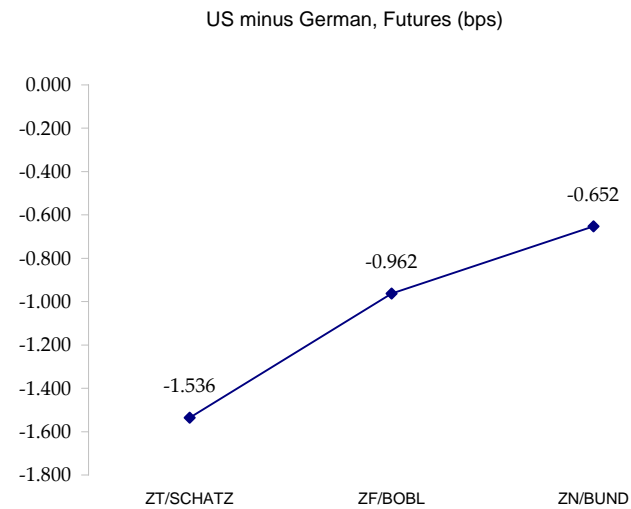
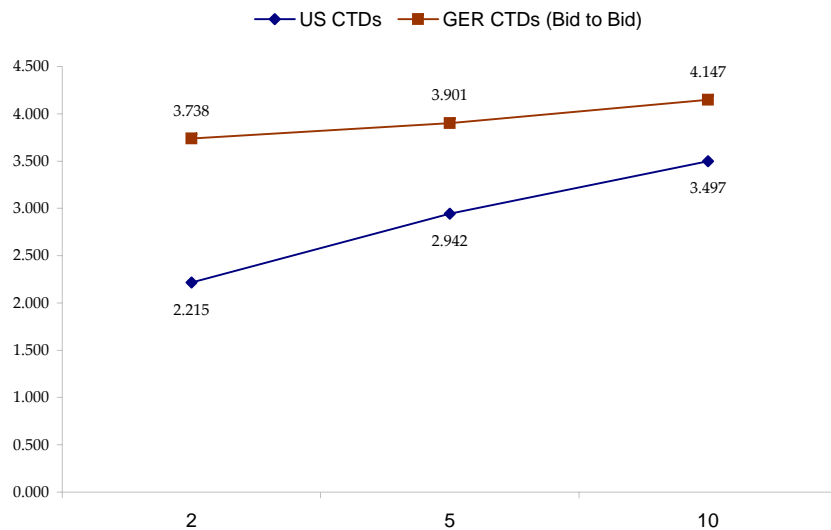
US Cash Treasuries (CTD)

	Bid	Ask	Last
4.000 of 03/10	2.215	2.202	2.202
4.125 of 08/12	2.942	2.939	2.939
4.000 of 02/15	3.497	3.495	3.495

German Futures (CTD)

	Bid	Ask	Last
3.000 of 03/10	3.755	3.738	3.738
4.500 of 01/13	3.910	3.901	3.901
3.750 of 01/17	4.154	4.147	4.147

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

