

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		
TUAZ8	107.255	(0.037)	107.282	107.237	107.280	14,267	123,964	2y Futures	US Futures Market	
FVAZ8	115.000	(0.020)	115.080	114.282	115.047	31,205	330,568	5y Futures		
TYAZ8	114.305	(0.055)	115.135	114.275	115.075	71,511	430,878	10y Futures		
USAZ8	115.100	(0.015)	116.015	115.080	115.260	11,939	139,205	30y Futures		
		Last	Net	Hi	Low	Open		SYM NAME		
BUS02P	100.040	(4.5)	100.062	100.035	100.060			2y	US Cash Treasury Market	
BUS05P	100.237	(9.2)	100.295	100.215	100.295			5y		
BUS10P	101.245	(17.0)	102.045	101.215	102.045			10y		
BUS30P	104.160	(17.0)	105.280	104.150	104.300			30y		
		Last	Net	Hi	Low	Open		SYM NAME		
BUS02Y	1.429	5.60	1.449	1.372	1.38			2y Yield	US Cash Treasury Market	
BUS05Y	2.587	6.30	2.609	2.535	2.549			5y Yield		
BUS10Y	3.780	6.50	3.797	3.723	3.732			10y Yield		
BUS30Y	4.223	3.20	4.235	4.149	4.189			30y Yield		



		Decimal								
	Last	Net	Hi	Low	Open	Volume	Yest Volume	SYM NAME		
DGZ8	105.86	(18.00)	106.13	105.80	106.01	203,295	391,436	Schatz(2Y)	German Futures Markets	
DLZ8	112.19	(60.00)	112.87	112.06	112.62	186,524	336,179	Bobl(5Y)		
DBZ8	116.31	(7.50)	117.11	116.21	116.84	267,872	473,472	Bund(10Y)		

	Price	Yield			
	Last	Last	Coupon	Maturity	SYM NAME
T.US.DE040P0910***	102.63	2.582	4/11/1900	9/10/2010	2 yr CTD
T.US.DE036P0713**	102.36	3.193	3.750	7/4/2013	5 yr CTD
T.US.DE042P0718*	103.02	3.831	4.250	7/4/2017	10 yr CTD
DEP2P*	102.50	2.582	4.000	9/10/2010	2yr OTR
DEP5P*	102.36	3.193	3.750	7/4/2013	5yr OTR
DEP10P*	103.14	3.852	4.250	7/4/2018	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						
	Bid	Ask	Last	Hi	Low	Chng	SYM NAME	
DGZ8	105.86	105.86	105.86	106.13	105.80	-18.00	Schatz(2Y)	German Futures
DLZ8	112.18	112.19	112.19	112.87	112.06	-60.00	Bobl(5Y)	
DBZ8	116.31	116.32	116.31	117.11	116.21	-7.50	Bund(10Y)	
		Decimal						
	Y Bid	Y Ask	Y Last	Y Hi	Y Lo		SYM NAME	
T.US.DE040P0910***	2.599	2.582	2.582	2.627	2.439		2 yr CTD	German Cash
T.US.DE036P0713**	3.202	3.193	3.193	3.225	3.036		5 yr CTD	
T.US.DE042P0718*	3.838	3.831	3.831	3.851	3.728		10 yr CTD	
DEP2P*	2.599	2.582	2.582	2.627	2.439	-10	2yr OTR	
DEP5P*	3.202	3.193	3.193	3.225	3.036	-35	5yr OTR	
DEP10P*	3.858	3.852	3.852	3.872	3.751	-42	10yr OTR	
		Decimal						
	Bid	Ask	Last	Hi	Low	Chng	SYM NAME	
T.US.DE040P0910***	102.63	102.63	102.63	102.63	102.63	103	2 yr CTD	German Cash
T.US.DE036P0713**	102.32	102.36	102.36	103.04	102.22	-35	5 yr CTD	
T.US.DE042P0718*	102.97	103.02	103.02	103.78	102.87	-34	10 yr CTD	
DEP2P*	102.47	102.50	102.50	102.76	102.42	-10	2yr OTR	
DEP5P*	102.32	102.36	102.36	103.04	102.22	-35	5yr OTR	
DEP10P*	103.09	103.14	103.14	103.96	102.98	-42	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 (U)	1.50	2.20	2.60
Bobl (U)	0.85	1.25	1.50
Shatz (U)	0.34	0.49	0.59

US Treasuries v Eurex Bonds			
	2y	5y	10y
Bund (U)	1.8	4.3	7.5
Bobl (U)	3.2	7.6	13.3
Shatz (U)	8.1	19.2	33.6

	Bund (U)	Bobl (U)	Shatz (U)
Bund (U)		1.76	4.46
Bobl (U)	0.57		2.54
Shatz (U)	0.22	0.39	

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	1.437	1.429	1.429
US5y	2.591	2.587	2.587
US10y	3.782	3.780	3.780

German Cash Treasuries (OTR)

	Bid	Ask	Last
DE2y	2.599	2.582	2.582
DE5y	3.202	3.193	3.193
DE10y	3.858	3.852	3.852

Spreads (Bps)

ZT/SCHATZ	-1.257
ZF/BOBL	-0.867
ZN/BUND	-1.505

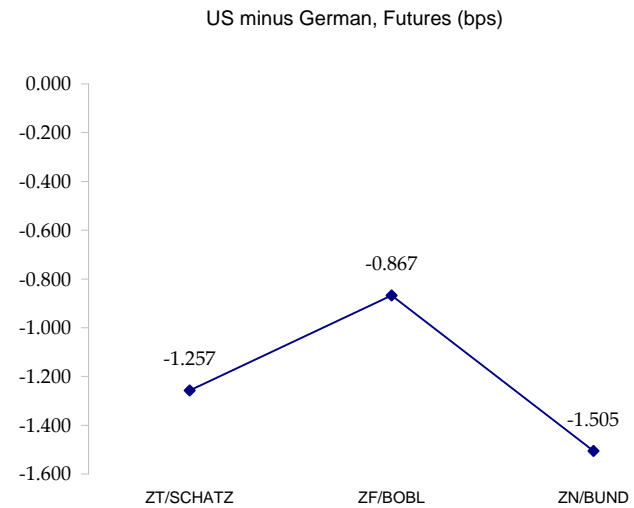
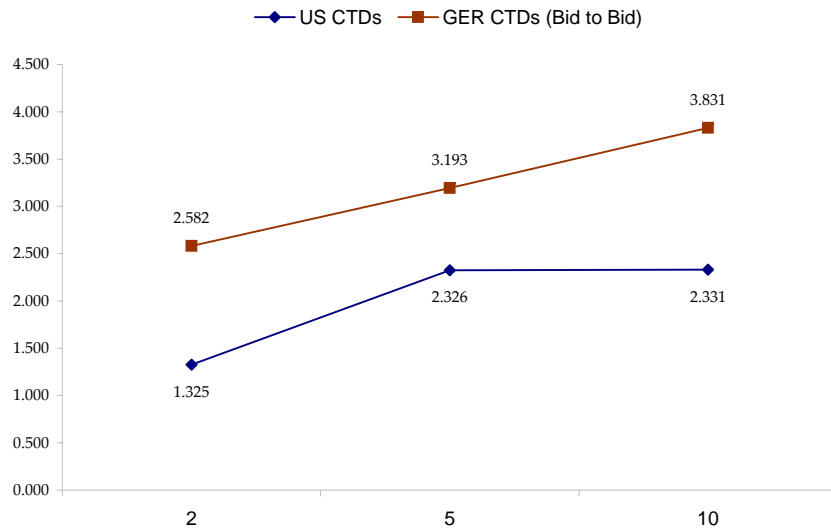
US Cash Treasuries (CTD)

	Bid	Ask	Last
2.000 of 09/10	1.325	1.325	1.325
3.500 of 05/13	2.326	2.326	2.326
3.500 of 05/13	2.331	2.326	2.326

German Futures (CTD)

	Bid	Ask	Last
102.63 of 09/10	2.599	2.582	2.582
3.750 of 07/13	3.202	3.193	3.193
4.250 of 07/17	3.838	3.831	3.831

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

