

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	108.085	0.005	108.102	108.070	108.070	8,574	18,418	2y Futures	US Futures Market	
FVAZ8	115.275	0.002	115.312	115.225	115.245	16,021	38,046	5y Futures		
TYAZ8	115.260	(0.060)	115.310	115.190	115.235	45,294	98,396	10y Futures		
USAZ8	117.285	(0.175)	118.090	117.275	118.075	6,362	38,067	30y Futures		
		Last	Net	Hi	Low	Open		SYM NAME		
BUS02P	100.175	2.7	100.187	100.165	100.172			2y	US Cash Treasury Market	
BUS05P	101.107	5.7	101.137	101.062	101.062			5y		
BUS10P	102.055	6.5	102.115	102.020	102.030			10y		
BUS30P	105.010	5.5	105.155	105.035	105.120			30y		
		Last	Net	Hi	Low	Open		SYM NAME		
BUS02Y	1.214	(4.10)	1.274	1.19	1.274			2y Yield	US Cash Treasury Market	
BUS05Y	2.458	(3.80)	2.506	2.439	2.504			5y Yield		
BUS10Y	3.726	(2.50)	3.755	3.705	3.755			10y Yield		
BUS30Y	4.198	(0.20)	4.204	4.173	4.203			30y Yield		



		Decimal								
	Last	Net	Hi	Low	Open	Volume	Yest Volume	SYM NAME		
DGZ8	106.35	5.50	106.39	106.25	106.30	200,415	362,495	Schatz(2Y)	German Futures Markets	
DLZ8	113.56	5.50	113.65	113.38	113.52	156,840	270,895	Bobl(5Y)		
DBZ8	118.12	2.50	118.27	117.66	117.84	413,901	461,930	Bund(10Y)		

	Price	Yield				
	Last	Last	Coupon	Maturity	SYM NAME	
T.US.DE040P0910***	102.89	2.311	4/11/1900	9/10/2010	2 yr CTD	German Cash Treasury Market
T.US.DE036P0713**	103.66	2.891	3.750	7/4/2013	5 yr CTD	
T.US.DE042P0718*	104.63	3.614	4.250	7/4/2017	10 yr CTD	
DEP2P*	102.96	2.311	4.000	9/10/2010	2yr OTR	
DEP5P*	103.66	2.891	3.750	7/4/2013	5yr OTR	
DEP10P*	104.66	3.665	4.250	7/4/2018	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	SYM NAME	
DGZ8	106.35	106.35	106.35	106.39	106.25	5.50	Schatz(2Y)	German Futures
DLZ8	113.56	113.56	113.56	113.65	113.38	5.50	Bobl(5Y)	
DBZ8	118.11	118.12	118.12	118.27	117.66	2.50	Bund(10Y)	
	Y Bid	Y Ask	Y Last	Y Hi	Y Lo		SYM NAME	
T.US.DE040P0910***	2.328	2.311	2.311	2.372	2.289		2 yr CTD	German Cash
T.US.DE036P0713**	2.900	2.891	2.891	2.939	2.875		5 yr CTD	
T.US.DE042P0718*	3.620	3.614	3.614	3.672	3.595		10 yr CTD	
DEP2P*	2.328	2.311	2.311	2.372	2.289	0	2yr OTR	
DEP5P*	2.900	2.891	2.891	2.939	2.875	3	5yr OTR	
DEP10P*	3.671	3.665	3.665	3.710	3.638	0	10yr OTR	
	Bid	Ask	Last	Hi	Low	Chng	SYM NAME	
T.US.DE040P0910***	102.89	102.89	102.89	102.89	102.89	103	2 yr CTD	German Cash
T.US.DE036P0713**	103.62	103.66	103.66	103.73	103.45	3	5 yr CTD	
T.US.DE042P0718*	104.58	104.63	104.63	104.77	104.19	10	10 yr CTD	
DEP2P*	102.93	102.96	102.96	103.00	102.85	0	2yr OTR	
DEP5P*	103.62	103.66	103.66	103.73	103.45	3	5yr OTR	
DEP10P*	104.61	104.66	104.66	104.88	104.29	0	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	1.218	1.214	1.214
US5y	2.464	2.458	2.458
US10y	3.734	3.726	3.726

German Cash Treasuries (OTR)

	Bid	Ask	Last
DE2y	2.328	2.311	2.311
DE5y	2.900	2.891	2.891
DE10y	3.671	3.665	3.665

Spreads (Bps)

ZT/SCHATZ	-1.261
ZF/BOBL	-0.574
ZN/BUND	-0.064

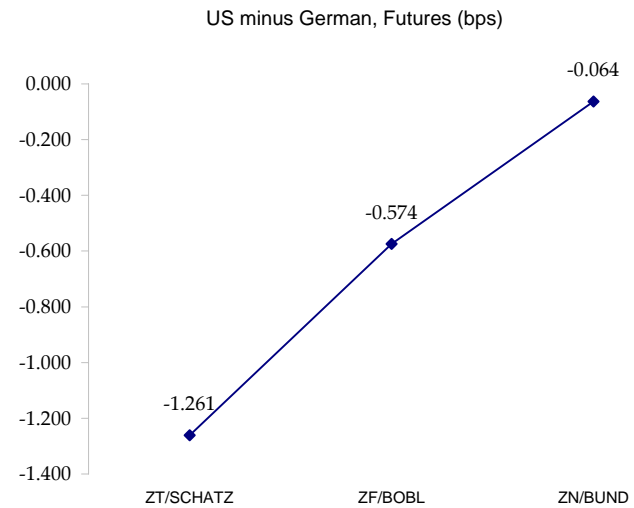
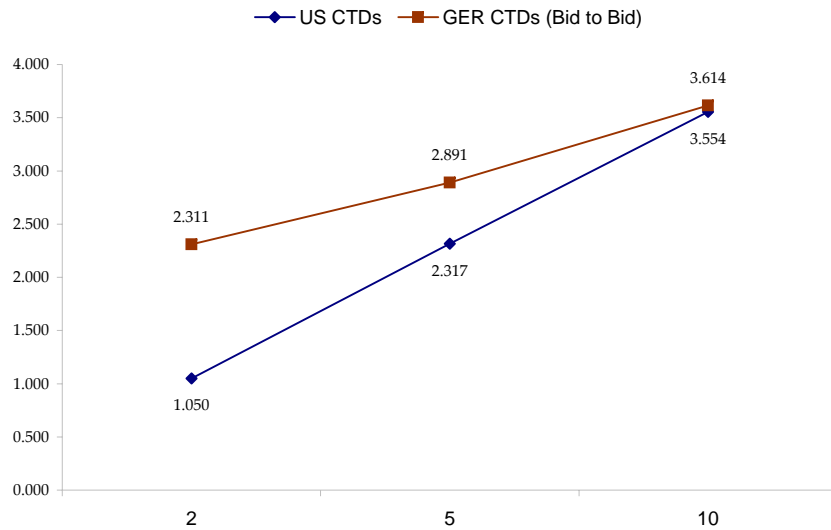
US Cash Treasuries (CTD)

	Bid	Ask	Last
3.875 of 09/10	1.050	1.050	1.050
3.375 of 07/13	2.317	2.317	2.317
4.875 of 08/16	3.554	3.550	3.550

German Futures (CTD)

	Bid	Ask	Last
102.89 of 09/10	2.328	2.311	2.311
3.750 of 07/13	2.900	2.891	2.891
4.250 of 07/17	3.620	3.614	3.614

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

