

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 | 108.095 | 0.017 | 108.117 | 108.065 | 108.105 | 7,228 | 157,283 | 2y Futures | US Futures Market | |
| FVAZ8 | 116.230 | 0.060 | 116.282 | 116.175 | 116.235 | 12,814 | 256,082 | 5y Futures | | |
| TYAZ8 | 117.085 | 0.110 | 117.165 | 116.305 | 117.125 | 35,826 | 471,246 | 10y Futures | | |
| USAZ8 | 118.200 | 0.025 | 119.040 | 118.090 | 118.250 | 7,489 | 174,699 | 30y Futures | | |
| | Last | Net | Hi | Low | Open | SYM NAME | | | | |
| BUS02P | 100.172 | (1.2) | 100.190 | 100.157 | 100.190 | 2y | | | US Cash Treasury Market | |
| BUS05P | 101.312 | (1.2) | 102.035 | 101.270 | 102.032 | 5y | | | | |
| BUS10P | 100.085 | 3.0 | 100.120 | 100.015 | 100.120 | 10y | | | | |
| BUS30P | 104.120 | 24.0 | 105.060 | 104.075 | 105.060 | 30y | | | | |
| | Last | Net | Hi | Low | Open | SYM NAME | | | | |
| BUS02Y | 1.212 | 1.60 | 1.252 | 1.163 | 1.216 | 2y Yield | | | | |
| BUS05Y | 2.325 | 1.00 | 2.355 | 2.274 | 2.313 | 5y Yield | | | | |
| BUS10Y | 3.714 | (1.00) | 3.75 | 3.684 | 3.727 | 10y Yield | | | | |
| BUS30Y | 4.216 | (1.40) | 4.252 | 4.178 | 4.211 | 30y Yield | | | | |



| | | Decimal | | | | | | | |
|------|--------|---------|--------|--------|--------|---------|-------------|------------|---------------------------------------|
| | Last | Net | Hi | Low | Open | Volume | Yest Volume | SYM NAME | |
| DGZ8 | 106.60 | 6.50 | 106.63 | 106.50 | 106.52 | 186,386 | 374,246 | Schatz(2Y) | German Futures Markets |
| DLZ8 | 113.90 | 10.50 | 114.04 | 113.70 | 113.80 | 143,602 | 333,454 | Bobl(5Y) | |
| DBZ8 | 118.59 | (0.60) | 118.74 | 118.39 | 118.61 | 165,156 | 583,696 | Bund(10Y) | |

| | Price | Yield | | | |
|--------------------|--------|-------|-----------|-----------|-----------|
| | Last | Last | Coupon | Maturity | SYM NAME |
| T.US.DE040P0910*** | 103.10 | 2.164 | 4/12/1900 | 9/10/2010 | 2 yr CTD |
| T.US.DE036P0713** | 103.97 | 2.819 | 3.750 | 7/4/2013 | 5 yr CTD |
| T.US.DE042P0718* | 105.04 | 3.559 | 4.250 | 7/4/2017 | 10 yr CTD |
| DEP2P* | 103.21 | 2.164 | 4.000 | 9/10/2010 | 2yr OTR |
| DEP5P* | 103.97 | 2.819 | 3.750 | 7/4/2013 | 5yr OTR |
| DEP10P* | 105.10 | 3.611 | 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 | 106.60 | 106.60 | 106.60 | 106.63 | 106.50 | 6.50 | Schatz(2Y) | German Futures |
| DLZ8 | 113.89 | 113.90 | 113.90 | 114.04 | 113.70 | 10.50 | Bobl(5Y) | |
| DBZ8 | 118.58 | 118.59 | 118.59 | 118.74 | 118.39 | -0.60 | Bund(10Y) | |
| | Y Bid | Y Ask | Y Last | Y Hi | Y Lo | | SYM NAME | |
| T.US.DE040P0910*** | 2.181 | 2.164 | 2.164 | 2.242 | 2.153 | | 2 yr CTD | German Cash |
| T.US.DE036P0713** | 2.828 | 2.819 | 2.819 | 2.874 | 2.799 | | 5 yr CTD | |
| T.US.DE042P0718* | 3.565 | 3.559 | 3.559 | 3.589 | 3.541 | | 10 yr CTD | |
| DEP2P* | 2.181 | 2.164 | 2.164 | 2.242 | 2.153 | 7 | 2yr OTR | |
| DEP5P* | 2.828 | 2.819 | 2.819 | 2.874 | 2.799 | 3 | 5yr OTR | |
| DEP10P* | 3.617 | 3.611 | 3.611 | 3.641 | 3.593 | -7 | 10yr OTR | |
| | Bid | Ask | Last | Hi | Low | Chng | SYM NAME | |
| T.US.DE040P0910*** | 103.10 | 103.10 | 103.10 | 103.10 | 103.10 | 103 | 2 yr CTD | German Cash |
| T.US.DE036P0713** | 103.93 | 103.97 | 103.97 | 104.06 | 103.73 | 3 | 5 yr CTD | |
| T.US.DE042P0718* | 104.99 | 105.04 | 105.04 | 105.17 | 104.81 | -7 | 10 yr CTD | |
| DEP2P* | 103.18 | 103.21 | 103.21 | 103.23 | 103.07 | 7 | 2yr OTR | |
| DEP5P* | 103.93 | 103.97 | 103.97 | 104.06 | 103.73 | 3 | 5yr OTR | |
| DEP10P* | 105.05 | 105.10 | 105.10 | 105.25 | 104.85 | -7 | 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 | 1.220 | 1.212 | 1.212 |
| US5y | 2.325 | 2.320 | 2.325 |
| US10y | 3.718 | 3.714 | 3.714 |

German Cash Treasuries (OTR)

| | Bid | Ask | Last |
|-------|-------|-------|-------|
| DE2y | 2.181 | 2.164 | 2.164 |
| DE5y | 2.828 | 2.819 | 2.819 |
| DE10y | 3.617 | 3.611 | 3.611 |

Spreads (Bps)

| | |
|-----------|--------|
| ZT/SCHATZ | -1.160 |
| ZF/BOBL | -0.695 |
| ZN/BUND | -0.145 |

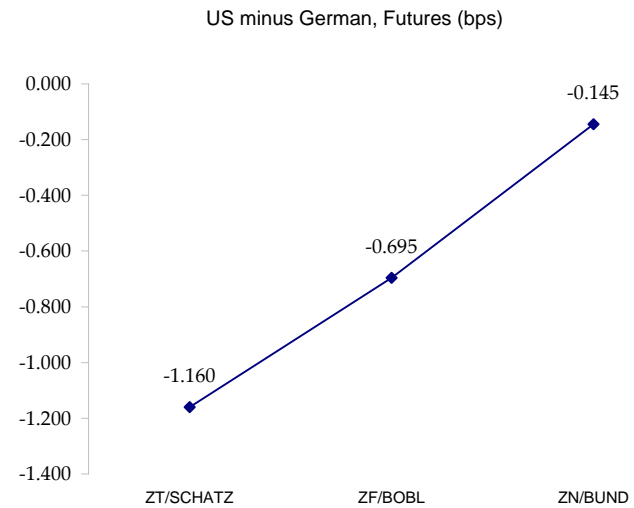
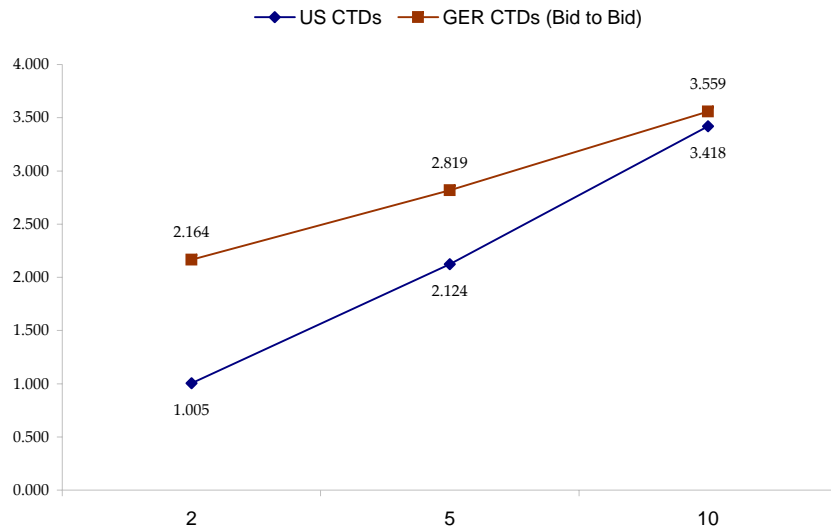
US Cash Treasuries (CTD)

| | Bid | Ask | Last |
|----------------|-------|-------|-------|
| 3.875 of 09/10 | 1.005 | 1.005 | 1.005 |
| 3.375 of 06/13 | 2.124 | 2.124 | 2.124 |
| 4.875 of 08/16 | 3.418 | 3.414 | 3.414 |

German Futures (CTD)

| | Bid | Ask | Last |
|----------------|-------|-------|-------|
| 103.1 of 09/10 | 2.181 | 2.164 | 2.164 |
| 3.750 of 07/13 | 2.828 | 2.819 | 2.819 |
| 4.250 of 07/17 | 3.565 | 3.559 | 3.559 |

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 |

