

## 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](mailto: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	108.162	(0.057)	108.205	108.132	108.182	12,156	198,542	2y Futures	<b>US Futures Market</b>	
FVAZ8	117.312	(0.160)	118.150	117.260	118.052	28,904	370,704	5y Futures		
TYAZ8	119.295	(0.180)	120.120	119.235	120.015	54,307	621,209	10y Futures		
USAZ8	125.290	(0.125)	126.160	125.140	125.275	15,950	329,729	30y Futures		
		Last	Net	Hi	Low	Open		SYM NAME		
BUS02P	100.202	(2.7)	100.242	100.192	100.230			2y	<b>US Cash Treasury Market</b>	
BUS05P	103.010	(3.7)	103.190	102.310	103.190			5y		
BUS10P	104.080	(4.5)	104.270	104.095	104.270			10y		
BUS30P	114.130	(3.0)	114.305	114.055	114.290			30y		
		Last	Net	Hi	Low	Open		SYM NAME		
BUS02Y	1.160	8.10	1.197	1.082	1.095			2y Yield		
BUS05Y	2.044	(0.70)	2.098	2.026	2.036			5y Yield		
BUS10Y	3.228	(0.50)	3.257	3.161	3.161			10y Yield		
BUS30Y	3.712	2.50	3.716	3.692	3.694			30y Yield		



		Decimal								
	Last	Net	Hi	Low	Open	Volume	Yest Volume	SYM NAME		
DGZ8	106.60	(13.00)	106.76	106.57	106.75	194,936	470,947	Schatz(2Y)	<b>German Futures Markets</b>	
DLZ8	114.33	(24.00)	114.63	114.22	114.57	166,100	536,451	Bobl(5Y)		
DBZ8	120.43	(3.20)	120.96	120.26	120.71	288,482	921,884	Bund(10Y)		

	Price	Yield				
	Last	Last	Coupon	Maturity	SYM NAME	
T.US.DE040P0910***	103.29	2.167	4/12/1900	9/10/2010	2 yr CTD	<b>German Cash Treasury Market</b>
T.US.DE036P0713***	104.35	2.729	3.750	7/4/2013	5 yr CTD	
T.US.DE042P0718*	106.67	3.343	4.250	7/4/2017	10 yr CTD	
DEP2P*	103.17	2.167	4.000	9/10/2010	2yr OTR	
DEP5P*	104.35	2.729	3.750	7/4/2013	5yr OTR	
DEP10P*	102.88	3.408	3.750	1/4/2019	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	106.60	106.60	106.60	106.76	106.57	-13.00	Schatz(2Y)	German Futures
DLZ8	114.33	114.34	114.33	114.63	114.22	-24.00	Bobl(5Y)	
DBZ8	120.43	120.44	120.43	120.96	120.26	-3.20	Bund(10Y)	
		Decimal						
	Y Bid	Y Ask	Y Last	Y Hi	Y Lo		SYM NAME	
T.US.DE040P0910***	2.184	2.167	2.167	2.207	2.072		2 yr CTD	German Cash
T.US.DE036P0713***	2.738	2.729	2.729	2.763	2.670		5 yr CTD	
T.US.DE042P0718*	3.349	3.343	3.343	3.371	3.284		10 yr CTD	
DEP2P*	2.184	2.167	2.167	2.207	2.072	-15	2yr OTR	
DEP5P*	2.738	2.729	2.729	2.763	2.670	-18	5yr OTR	
DEP10P*	3.413	3.408	3.408	3.430	3.356	-24	10yr OTR	
		Decimal						
	Bid	Ask	Last	Hi	Low	Chng	SYM NAME	
T.US.DE040P0910***	103.29	103.29	103.29	103.29	103.29	103	2 yr CTD	German Cash
T.US.DE036P0713***	104.31	104.35	104.35	104.61	104.20	-18	5 yr CTD	
T.US.DE042P0718*	106.62	106.67	106.67	107.12	106.45	-28	10 yr CTD	
DEP2P*	103.14	103.17	103.17	103.34	103.10	-15	2yr OTR	
DEP5P*	104.31	104.35	104.35	104.61	104.20	-18	5yr OTR	
DEP10P*	102.83	102.88	102.88	103.32	102.69	-24	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	1.176	1.160	1.160
US5y	2.047	2.044	2.044
US10y	3.248	3.228	3.228

**German Cash Treasuries (OTR)**

	Bid	Ask	Last
DE2y	2.184	2.167	2.167
DE5y	2.738	2.729	2.729
DE10y	3.413	3.408	3.408

**Spreads (Bps)**

ZT/SCHATZ	-1.243
ZF/BOBL	-0.968
ZN/BUND	-0.148

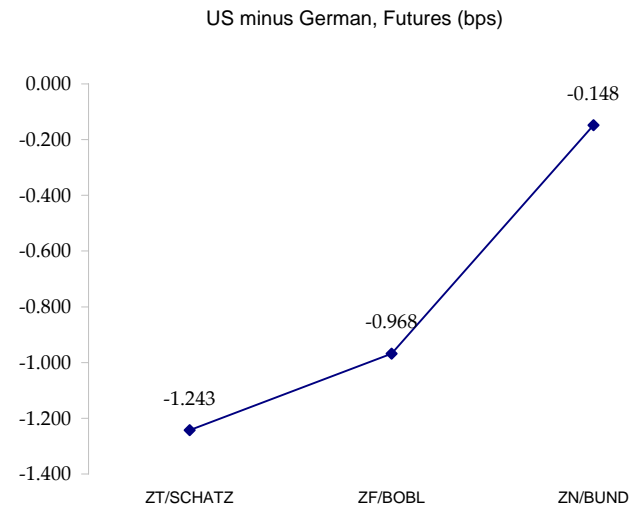
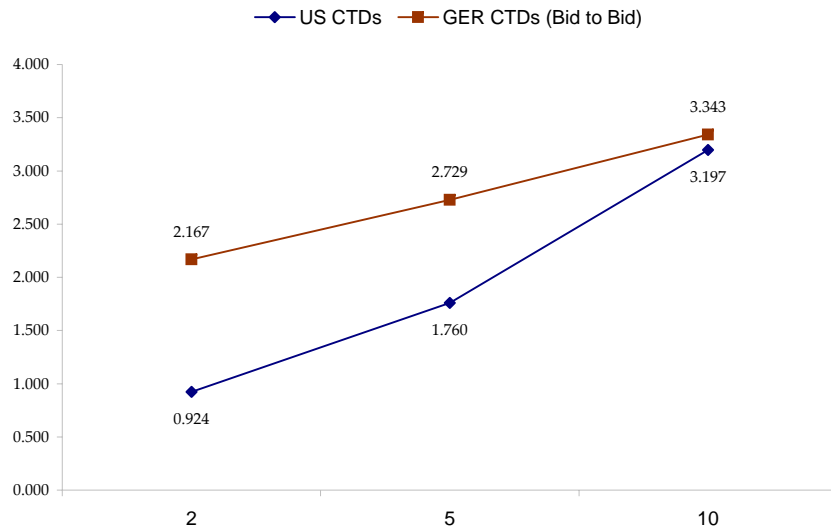
**US Cash Treasuries (CTD)**

	Bid	Ask	Last
3.875 of 09/10	0.924	0.924	0.924
2.750 of 02/13	1.760	1.760	1.760
4.875 of 05/16	3.197	3.195	3.195

**German Futures (CTD)**

	Bid	Ask	Last
103.29 of 09/10	2.184	2.167	2.167
3.750 of 07/13	2.738	2.729	2.729
4.250 of 07/17	3.349	3.343	3.343

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





