

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	108.260	0.002	108.287	108.222	108.252	62,081	346,269	2y Futures	US Futures Market	
FVAZ8	118.232	0.070	118.295	118.107	118.155	76,623	551,331	5y Futures		
TYAZ8	121.305	0.250	122.015	120.305	121.040	111,212	811,746	10y Futures		
USAZ8	128.030	1.060	128.120	127.135	127.215	18,564	381,431	30y Futures		
	Last	Net	Hi	Low	Open	SYM NAME				
BUS02P	100.075	4.2	100.090	100.030	100.030	2y		US Cash Treasury Market		
BUS05P	100.020	(307.0)	100.065	99.175	99.205	5y				
BUS10P	106.080	27.5	106.135	105.130	105.150	10y				
BUS30P	117.120	119.0	117.160	116.065	116.065	30y				
	Last	Net	Hi	Low	Open	SYM NAME				
BUS02Y	1.128	(5.90)	1.219	1.1	1.203	2y Yield				
BUS05Y	1.985	(5.80)	2.101	1.951	2.095	5y Yield				
BUS10Y	3.015	(8.90)	3.125	2.996	3.102	10y Yield				
BUS30Y	3.535	(8.90)	3.63	3.533	3.619	30y Yield				



		Decimal								
	Last	Net	Hi	Low	Open	Volume	Yest Volume	SYM NAME		
DGZ8	106.56	8.00	106.58	106.45	106.51	203,767	515,256	Schatz(2Y)	German Futures Markets	
DLZ8	114.55	27.00	114.64	114.29	114.38	211,043	445,525	Bobl(5Y)		
DBZ8	121.08	2.70	121.25	120.70	120.84	315,922	775,234	Bund(10Y)		

	Price	Yield				
	Last	Last	Coupon	Maturity	SYM NAME	
T.US.DE040P0910***	103.01	2.184	4.000	9/10/2010	2 yr CTD	German Cash Treasury Market
T.US.DE036P0713***	104.51	2.690	3.750	7/4/2013	5 yr CTD	
T.US.DE042P0718*	107.21	3.272	4.250	7/4/2017	10 yr CTD	
DEP2P*	103.12	2.184	4.000	9/10/2010	2yr OTR	
DEP5P*	104.51	2.690	3.750	7/4/2013	5yr OTR	
DEP10P*	103.70	3.312	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.



	Bid		Decimal				SYM NAME	
	Ask	Last	Hi	Low	Chng			
DGZ8	106.55	106.56	106.56	106.58	106.45	8.00	Schatz(2Y)	German Futures
DLZ8	114.54	114.55	114.55	114.64	114.29	27.00	Bobl(5Y)	
DBZ8	121.07	121.08	121.08	121.25	120.70	2.70	Bund(10Y)	
	Y Bid	Y Ask	Y Last	Y Hi	Y Lo		SYM NAME	
T.US.DE040P0910***	2.201	2.184	2.184	2.286	2.173		2 yr CTD	German Cash
T.US.DE036P0713***	2.699	2.690	2.690	2.747	2.660		5 yr CTD	
T.US.DE042P0718*	3.278	3.272	3.272	3.324	3.248		10 yr CTD	
DEP2P*	2.201	2.184	2.184	2.286	2.173	18	2yr OTR	
DEP5P*	2.699	2.690	2.690	2.747	2.660	34	5yr OTR	
DEP10P*	3.318	3.312	3.312	3.363	3.288	46	10yr OTR	
	Bid	Ask	Last	Hi	Low	Chng	SYM NAME	
T.US.DE040P0910***	103.01	103.01	103.01	103.01	103.01	103	2 yr CTD	German Cash
T.US.DE036P0713***	104.47	104.51	104.51	104.64	104.26	34	5 yr CTD	
T.US.DE042P0718*	107.16	107.21	107.21	107.39	106.81	42	10 yr CTD	
DEP2P*	103.09	103.12	103.12	103.14	102.94	18	2yr OTR	
DEP5P*	104.47	104.51	104.51	104.64	104.26	34	5yr OTR	
DEP10P*	103.65	103.70	103.70	103.91	103.26	46	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	1.132	1.128	1.128
US5y	1.987	1.985	1.985
US10y	3.019	3.015	3.015

German Cash Treasuries (OTR)

	Bid	Ask	Last
DE2y	2.201	2.184	2.184
DE5y	2.699	2.690	2.690
DE10y	3.318	3.312	3.312

Spreads (Bps)

ZT/SCHATZ	-1.380
ZF/BOBL	-1.207
ZN/BUND	-0.617

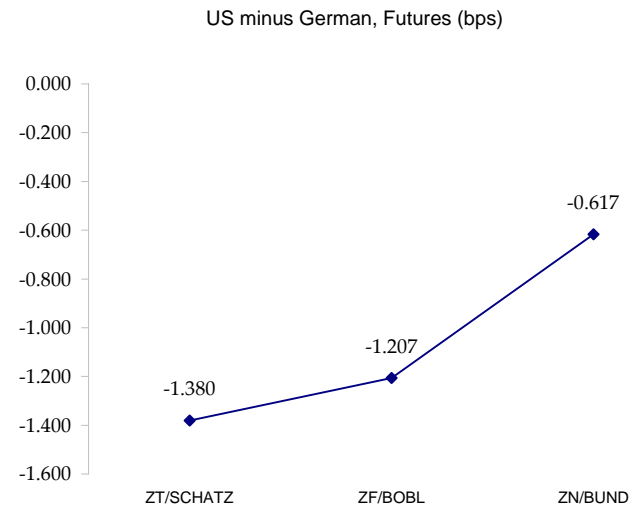
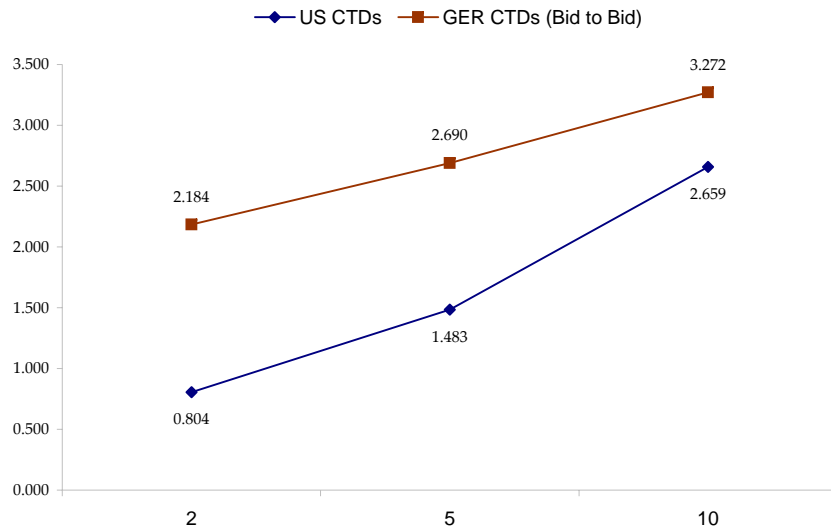
US Cash Treasuries (CTD)

	Bid	Ask	Last
3.875 of 09/10	0.804	0.804	0.804
2.750 of 02/13	1.483	1.483	1.483
4.875 of 05/16	2.659	2.655	2.655

German Futures (CTD)

	Bid	Ask	Last
4.000 of 09/10	2.201	2.184	2.184
3.750 of 07/13	2.699	2.690	2.690
4.250 of 07/17	3.278	3.272	3.272

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

