

## 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	107.155	0.022	107.172	107.115	107.165	17,719	169,988	2y Futures	<b>US Futures Market</b>	
FVAZ8	113.265	(0.002)	113.300	113.167	113.267	33,953	276,913	5y Futures		
TYAZ8	115.065	(0.015)	115.100	114.220	115.060	87,027	521,956	10y Futures		
USAZ8	116.090	0.135	116.110	115.240	116.035	14,426	182,510	30y Futures		
	Last	Net	Hi	Low	Open	SYM NAME				
BUS02P	100.300	(0.2)	100.310	100.265	100.287	2y			<b>US Cash Treasury Market</b>	
BUS05P	102.222	(2.2)	102.232	102.135	102.217	5y				
BUS10P	103.110	1.5	103.140	102.315	103.040	10y				
BUS30P	107.225	6.5	108.000	107.060	107.060	30y				
	Last	Net	Hi	Low	Open	SYM NAME				
BUS02Y	1.499	0.40	1.572	1.482	1.527	2y Yield				
BUS05Y	2.537	2.10	2.602	2.519	2.532	5y Yield				
BUS10Y	3.586	(0.60)	3.639	3.577	3.6	10y Yield				
BUS30Y	4.046	(0.90)	4.081	4.032	4.061	30y Yield				



		Decimal								
	Last	Net	Hi	Low	Open	Volume	Yest Volume	SYM NAME		
DGZ8	105.66	10.00	105.69	105.42	105.50	244,723	472,838	Schatz(2Y)	<b>German Futures Markets</b>	
DLZ8	111.72	10.50	111.79	111.32	111.51	232,467	487,942	Bobl(5Y)		
DBZ8	116.81	(0.20)	116.89	116.38	116.76	365,981	864,310	Bund(10Y)		

	Price	Yield				
	Last	Last	Coupon	Maturity	SYM NAME	
T.US.DE040P0910***	102.10	2.705	4/11/1900	9/10/2010	2 yr CTD	<b>German Cash Treasury Market</b>
T.US.DE036P0713**	101.96	3.289	3.750	7/4/2013	5 yr CTD	
T.US.DE042P0718*	103.53	3.764	4.250	7/4/2017	10 yr CTD	
DEP2P*	102.32	2.705	4.000	9/10/2010	2yr OTR	
DEP5P*	101.96	3.289	3.750	7/4/2013	5yr OTR	
DEP10P*	103.80	3.772	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	105.66	105.66	105.66	105.69	105.42	10.00	Schatz(2Y)	German Futures
DLZ8	111.72	111.72	111.72	111.79	111.32	10.50	Bobl(5Y)	
DBZ8	116.80	116.81	116.81	116.89	116.38	-0.20	Bund(10Y)	
	Y Bid	Y Ask	Y Last	Y Hi	Y Lo		SYM NAME	
T.US.DE040P0910***	2.722	2.705	2.705	2.853	2.694		2 yr CTD	German Cash
T.US.DE036P0713**	3.298	3.289	3.289	3.365	3.275		5 yr CTD	
T.US.DE042P0718*	3.770	3.764	3.764	3.821	3.753		10 yr CTD	
DEP2P*	2.722	2.705	2.705	2.853	2.694	18	2yr OTR	
DEP5P*	3.298	3.289	3.289	3.365	3.275	18	5yr OTR	
DEP10P*	3.778	3.772	3.772	3.830	3.762	19	10yr OTR	
	Bid	Ask	Last	Hi	Low	Chng	SYM NAME	
T.US.DE040P0910***	102.10	102.10	102.10	102.10	102.10	102	2 yr CTD	German Cash
T.US.DE036P0713**	101.92	101.96	101.96	102.02	101.63	18	5 yr CTD	
T.US.DE042P0718*	103.48	103.53	103.53	103.61	103.10	14	10 yr CTD	
DEP2P*	102.29	102.32	102.32	102.34	102.05	18	2yr OTR	
DEP5P*	101.92	101.96	101.96	102.02	101.63	18	5yr OTR	
DEP10P*	103.75	103.80	103.80	103.88	103.33	19	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)	1.56	2.50	2.83
Bobl (U)	0.88	1.36	1.57
Shatz (U)	0.34	0.61	0.69

US Treasuries v Eurex Bonds			
	2y	5y	10y
Bund (U)	1.6	3.9	7.1
Bobl (U)	2.9	6.9	12.6
Shatz (U)	6.7	16.0	29.1

	Bund (U)	Bobl (U)	Shatz (U)
Bund (U)		1.76	4.09
Bobl (U)	0.57		2.32
Shatz (U)	0.25	0.43	

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	1.507	1.499	1.499
US5y	2.540	2.537	2.537
US10y	3.594	3.586	3.586

**German Cash Treasuries (OTR)**

	Bid	Ask	Last
DE2y	2.722	2.705	2.705
DE5y	3.298	3.289	3.289
DE10y	3.778	3.772	3.772

**Spreads (Bps)**

ZT/SCHATZ	-1.210
ZF/BOBL	-0.989
ZN/BUND	-0.213

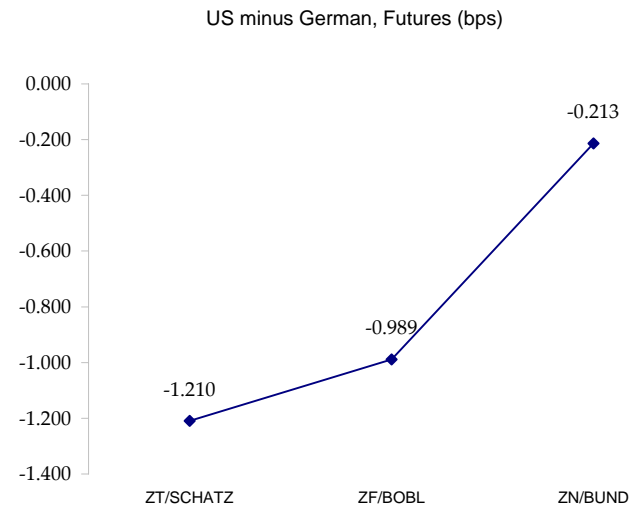
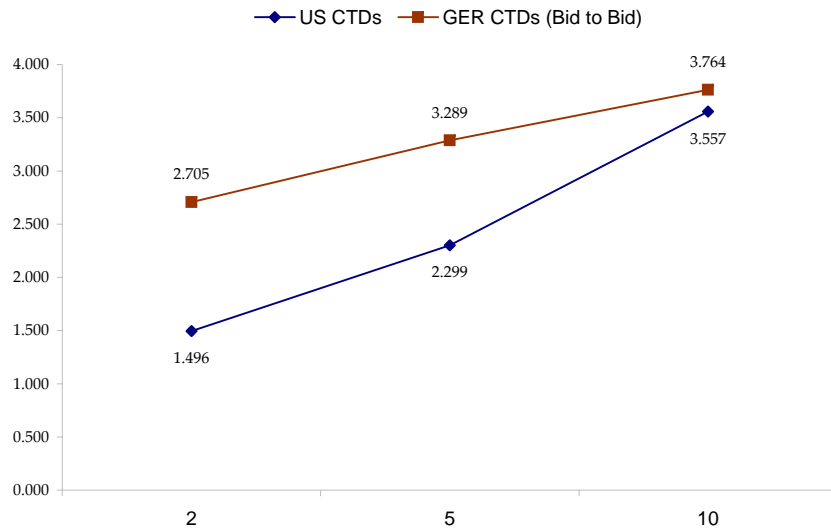
**US Cash Treasuries (CTD)**

	Bid	Ask	Last
2.000 of 09/10	1.496	1.496	1.496
3.500 of 05/13	2.299	2.299	2.299
4.875 of 08/16	3.557	3.550	3.550

**German Futures (CTD)**

	Bid	Ask	Last
102.1 of 09/10	2.722	2.705	2.705
3.750 of 07/13	3.298	3.289	3.289
4.250 of 07/17	3.770	3.764	3.764

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





