

## 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	107.230	0.075	107.245	107.147	107.167	11,303	221,906	2y Futures	<b>US Futures Market</b>	
FVAZ8	114.117	0.175	114.117	113.255	113.310	25,088	401,235	5y Futures		
TYAZ8	115.270	0.225	115.305	115.000	115.110	53,310	557,359	10y Futures		
USAZ8	117.285	0.295	117.315	116.285	117.045	8,620	212,022	30y Futures		
		Last	Net	Hi	Low	Open		SYM NAME		
BUS02P	101.022	2.7	101.032	100.280	100.285			2y	<b>US Cash Treasury Market</b>	
BUS05P	102.282	10.7	102.290	102.152	102.180			5y		
BUS10P	103.055	17.0	103.065	102.140	102.140			10y		
BUS30P	108.160	30.5	108.200	107.100	107.100			30y		
		Last	Net	Hi	Low	Open		SYM NAME		
BUS02Y	1.430	(3.80)	1.553	1.405	1.537			2y Yield	<b>US Cash Treasury Market</b>	
BUS05Y	2.496	(6.30)	2.599	2.491	2.586			5y Yield		
BUS10Y	3.607	(6.00)	3.704	3.605	3.689			10y Yield		
BUS30Y	4.005	(4.60)	4.074	3.998	4.071			30y Yield		



		Decimal								
	Last	Net	Hi	Low	Open	Volume	Yest Volume	SYM NAME		
DGZ8	105.90	9.50	105.95	105.83	105.87	113,259	483,801	Schatz(2Y)	<b>German Futures Markets</b>	
DLZ8	112.25	29.50	112.37	112.09	112.13	120,048	541,567	Bobl(5Y)		
DBZ8	117.24	3.20	117.53	117.05	117.22	176,419	886,430	Bund(10Y)		

	Price	Yield				
	Last	Last	Coupon	Maturity	SYM NAME	
T.US.DE040P0910***	102.53	2.592	4/11/1900	9/10/2010	2 yr CTD	<b>German Cash Treasury Market</b>
T.US.DE036P0713**	102.45	3.175	3.750	7/4/2013	5 yr CTD	
T.US.DE042P0718*	103.87	3.718	4.250	7/4/2017	10 yr CTD	
DEP2P*	102.52	2.592	4.000	9/10/2010	2yr OTR	
DEP5P*	102.45	3.175	3.750	7/4/2013	5yr OTR	
DEP10P*	104.06	3.740	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	105.89	105.90	105.90	105.95	105.83	9.50	Schatz(2Y)	German Futures
DLZ8	112.25	112.25	112.25	112.37	112.09	29.50	Bobl(5Y)	
DBZ8	117.23	117.24	117.24	117.53	117.05	3.20	Bund(10Y)	
		Decimal						
	Y Bid	Y Ask	Y Last	Y Hi	Y Lo		SYM NAME	
T.US.DE040P0910***	2.609	2.592	2.592	2.647	2.570		2 yr CTD	German Cash
T.US.DE036P0713**	3.184	3.175	3.175	3.219	3.148		5 yr CTD	
T.US.DE042P0718*	3.724	3.718	3.718	3.747	3.687		10 yr CTD	
DEP2P*	2.609	2.592	2.592	2.647	2.570	11	2yr OTR	
DEP5P*	3.184	3.175	3.175	3.219	3.148	25	5yr OTR	
DEP10P*	3.746	3.740	3.740	3.766	3.699	14	10yr OTR	
		Decimal						
	Bid	Ask	Last	Hi	Low	Chng	SYM NAME	
T.US.DE040P0910***	102.53	102.53	102.53	102.53	102.53	103	2 yr CTD	German Cash
T.US.DE036P0713**	102.41	102.45	102.45	102.57	102.26	25	5 yr CTD	
T.US.DE042P0718*	103.82	103.87	103.87	104.10	103.65	20	10 yr CTD	
DEP2P*	102.49	102.52	102.52	102.56	102.42	11	2yr OTR	
DEP5P*	102.41	102.45	102.45	102.57	102.26	25	5yr OTR	
DEP10P*	104.01	104.06	104.06	104.40	103.85	14	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	1.434	1.430	1.430
US5y	2.499	2.496	2.496
US10y	3.612	3.607	3.607

**German Cash Treasuries (OTR)**

	Bid	Ask	Last
DE2y	2.609	2.592	2.592
DE5y	3.184	3.175	3.175
DE10y	3.746	3.740	3.740

**Spreads (Bps)**

ZT/SCHATZ	-1.164
ZF/BOBL	-0.719
ZN/BUND	-0.179

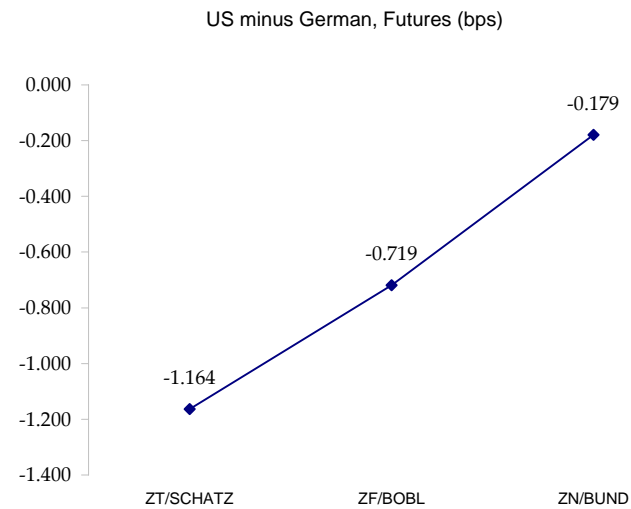
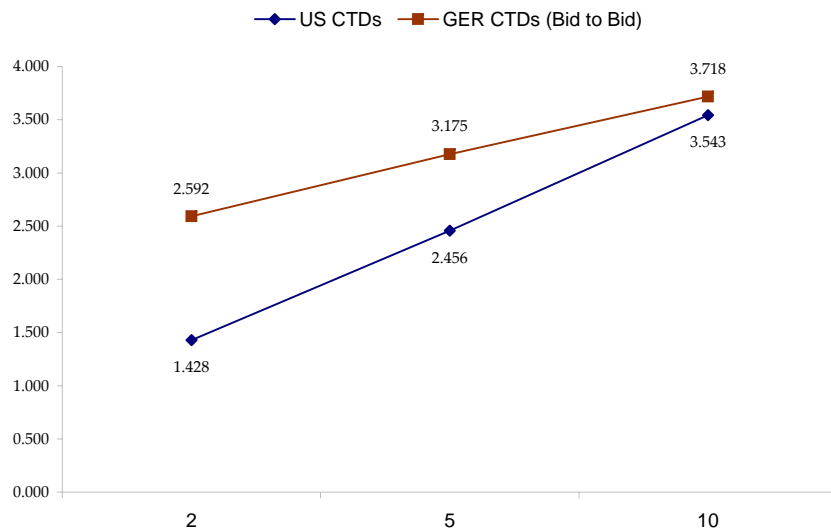
**US Cash Treasuries (CTD)**

	Bid	Ask	Last
2.000 of 09/10	1.428	1.428	1.428
3.500 of 05/13	2.456	2.456	2.456
4.875 of 08/16	3.543	3.539	3.539

**German Futures (CTD)**

	Bid	Ask	Last
102.53 of 09/10	2.609	2.592	2.592
3.750 of 07/13	3.184	3.175	3.175
4.250 of 07/17	3.724	3.718	3.718

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





