

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	106.120	(0.022)	106.172	106.090	106.160	57,442	367,181	2y Futures	US Futures Market	
FVAZ8	112.212	(0.062)	113.017	112.162	112.317	83,251	757,403	5y Futures		
TYAZ8	116.230	(0.070)	117.050	116.140	117.025	158,263	1,083,494	10y Futures		
USAZ8	120.020	(0.040)	120.155	119.250	120.130	26,113	351,935	30y Futures		
	Last	Net	Hi	Low	Open	SYM NAME				
BUS02P	100.087	(4.5)	100.137	100.062	100.135	2y		US Cash Treasury Market		
BUS05P	100.307	(10.2)	101.100	100.255	101.100	5y				
BUS10P	103.060	(12.5)	103.190	102.300	103.185	10y				
BUS30P	105.030	(17.0)	105.070	104.160	105.020	30y				
	Last	Net	Hi	Low	Open	SYM NAME				
BUS02Y	2.229	8.50	2.278	2.135	2.233	2y Yield				
BUS05Y	2.914	7.70	2.955	2.835	2.896	5y Yield				
BUS10Y	3.613	4.60	3.646	3.563	3.604	10y Yield				
BUS30Y	4.195	2.60	4.225	4.187	4.192	30y Yield				



		Decimal								
	Last	Net	Hi	Low	Open	Volume	Yest Volume	SYM NAME		
DGZ8	103.72	(5.50)	103.73	103.61	103.72	430,848	511,264	Schatz(2Y)	German Futures Markets	
DLZ8	109.27	(25.00)	109.39	109.17	109.39	309,949	592,249	Bobl(5Y)		
DBZ8	114.94	(2.60)	115.07	114.74	115.04	376,277	1,035,996	Bund(10Y)		

	Price	Yield				
	Last	Last	Coupon	Maturity	SYM NAME	
T.US.DE024P1010**	97.21	3.901	4/6/1900	10/8/2010	2 yr CTD	German Cash Treasury Market
T.US.DE036P0713**	99.50	3.863	3.750	7/4/2013	5 yr CTD	
T.US.DE042P0718*	101.71	4.014	4.250	7/4/2017	10 yr CTD	
DEP2P*	101.22	3.999	4.750	6/11/2010	2yr OTR	
DEP5P*	98.41	3.882	3.500	4/12/2013	5yr OTR	
DEP10P*	101.50	4.060	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	103.71	103.72	103.72	103.73	103.61	-5.50	Schatz(2Y)	German Futures
DLZ8	109.27	109.28	109.27	109.39	109.17	-25.00	Bobl(5Y)	
DBZ8	114.93	114.94	114.94	115.07	114.74	-2.60	Bund(10Y)	
	Y Bid	Y Ask	Y Last	Y Hi	Y Lo		SYM NAME	
T.US.DE024P1010**	3.917	3.901	3.901	3.964	3.896		2 yr CTD	German Cash
T.US.DE036P0713**	3.873	3.863	3.863	3.896	3.847		5 yr CTD	
T.US.DE042P0718*	4.021	4.014	4.014	4.049	4.002		10 yr CTD	
DEP2P*	4.017	3.999	3.999	4.065	3.987	-4	2yr OTR	
DEP5P*	3.892	3.882	3.882	3.914	3.867	-8	5yr OTR	
DEP10P*	4.066	4.060	4.060	4.088	4.044	-18	10yr OTR	
	Bid	Ask	Last	Hi	Low	Chng	SYM NAME	
T.US.DE024P1010**	97.21	97.21	97.21	97.21	97.21	97	2 yr CTD	German Cash
T.US.DE036P0713**	99.46	99.50	99.50	99.57	99.36	-11	5 yr CTD	
T.US.DE042P0718*	101.66	101.71	101.71	101.80	101.45	-11	10 yr CTD	
DEP2P*	101.19	101.22	101.22	101.24	101.11	-4	2yr OTR	
DEP5P*	98.37	98.41	98.41	98.47	98.28	-8	5yr OTR	
DEP10P*	101.45	101.50	101.50	101.63	101.27	-18	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	2.233	2.229	2.229
US5y	2.916	2.914	2.914
US10y	3.615	3.613	3.613

German Cash Treasuries (OTR)

	Bid	Ask	Last
DE2y	4.017	3.999	3.999
DE5y	3.892	3.882	3.882
DE10y	4.066	4.060	4.060

Spreads (Bps)

ZT/SCHATZ	-1.772
ZF/BOBL	-1.046
ZN/BUND	-0.701

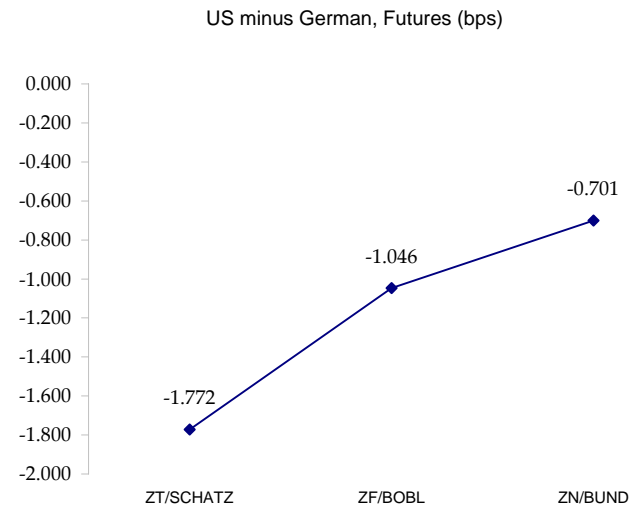
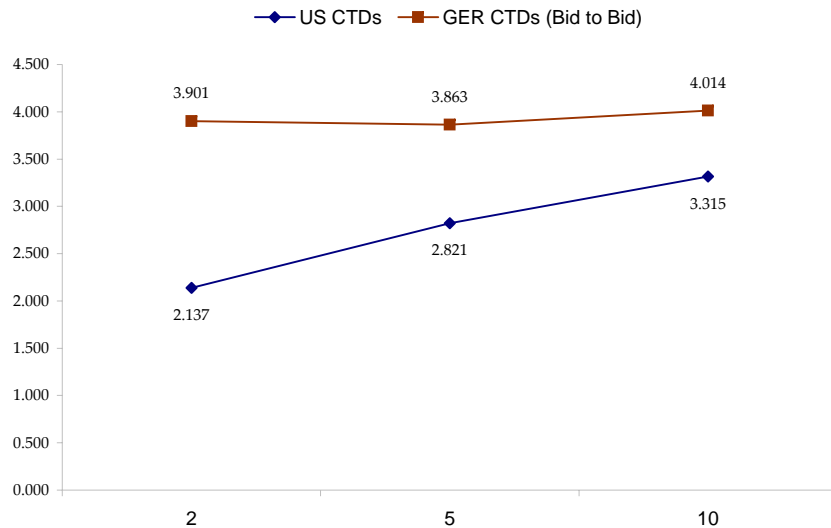
US Cash Treasuries (CTD)

	Bid	Ask	Last
3.875 of 09/10	2.137	2.129	2.129
2.750 of 02/13	2.821	2.817	2.817
5.125 of 05/16	3.315	3.313	3.313

German Futures (CTD)

	Bid	Ask	Last
97.21 of 10/10	3.917	3.901	3.901
3.750 of 07/13	3.873	3.863	3.863
4.250 of 07/17	4.021	4.014	4.014

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

