

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	106.170	0.012	106.195	106.152	106.182	24,597	386,574	2y Futures	US Futures Market	
FVAZ8	111.317	(0.035)	112.087	111.277	112.000	53,974	732,181	5y Futures		
TYAZ8	115.070	(0.135)	115.205	115.015	115.090	110,424	1,087,358	10y Futures		
USAZ8	117.200	(0.170)	118.130	117.175	118.110	28,763	333,097	30y Futures		
		Last	Net	Hi	Low	Open		SYM NAME		
BUS02P	100.142	2.7	100.170	100.125	100.125	2y			US Cash Treasury Market	
BUS05P	100.152	(1.2)	100.245	100.140	100.190	5y				
BUS10P	101.155	(0.5)	101.300	101.140	101.225	10y				
BUS30P	101.045	(19.5)	102.080	101.060	101.310	30y				
		Last	Net	Hi	Low	Open		SYM NAME		
BUS02Y	2.131	(3.80)	2.193	2.082	2.193	2y Yield				
BUS05Y	3.019	(1.70)	3.048	2.952	3.048	5y Yield				
BUS10Y	3.814	(0.20)	3.828	3.759	3.809	10y Yield				
BUS30Y	4.422	5.30	4.434	4.359	4.398	30y Yield				



		Decimal								
	Last	Net	Hi	Low	Open	Volume	Yest Volume	SYM NAME		
DGZ8	103.50	4.00	103.56	103.37	103.48	204,569	887,754	Schatz(2Y)	German Futures Markets	
DLZ8	108.35	16.50	108.49	108.17	108.30	195,949	775,794	Bobl(5Y)		
DBZ8	113.51	1.30	113.80	113.47	113.51	286,689	1,318,475	Bund(10Y)		

	Price	Yield			
	Last	Last	Coupon	Maturity	SYM NAME
T.US.DE024P1010**	97.02	4.005	4/6/1900	10/8/2010	2 yr CTD
T.US.DE036P0713**	98.65	4.064	3.750	7/4/2013	5 yr CTD
T.US.DE042P0718*	100.45	4.186	4.250	7/4/2017	10 yr CTD
DEP2P*	100.01	3.993	4.000	9/10/2010	2yr OTR
DEP5P*	97.56	4.095	3.500	4/12/2013	5yr OTR
DEP10P*	100.30	4.210	4.250	7/4/2018	10yr OTR

**German
Cash
Treasury
Market**

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	103.49	103.50	103.50	103.56	103.37	4.00	Schatz(2Y)	German Futures
DLZ8	108.35	108.36	108.35	108.49	108.17	16.50	Bobl(5Y)	
DBZ8	113.50	113.51	113.51	113.80	113.47	1.30	Bund(10Y)	
		Decimal						
	Y Bid	Y Ask	Y Last	Y Hi	Y Lo		SYM NAME	
T.US.DE024P1010**	4.021	4.005	4.005	4.091	3.973		2 yr CTD	German Cash
T.US.DE036P0713**	4.073	4.064	4.064	4.121	4.026		5 yr CTD	
T.US.DE042P0718*	4.192	4.186	4.186	4.198	4.150		10 yr CTD	
DEP2P*	4.009	3.993	3.993	4.080	3.960	1	2yr OTR	
DEP5P*	4.105	4.095	4.095	4.150	4.062	5	5yr OTR	
DEP10P*	4.216	4.210	4.210	4.223	4.181	-1	10yr OTR	
		Decimal						
	Bid	Ask	Last	Hi	Low	Chng	SYM NAME	
T.US.DE024P1010**	97.02	97.02	97.02	97.02	97.02	97	2 yr CTD	German Cash
T.US.DE036P0713**	98.61	98.65	98.65	98.81	98.41	5	5 yr CTD	
T.US.DE042P0718*	100.40	100.45	100.45	100.71	100.36	-7	10 yr CTD	
DEP2P*	99.98	100.01	100.01	100.07	99.85	1	2yr OTR	
DEP5P*	97.52	97.56	97.56	97.69	97.34	5	5yr OTR	
DEP10P*	100.25	100.30	100.30	100.53	100.20	-1	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	2.135	2.131	2.131
US5y	3.020	3.019	3.019
US10y	3.818	3.814	3.814

German Cash Treasuries (OTR)

	Bid	Ask	Last
DE2y	4.009	3.993	3.993
DE5y	4.105	4.095	4.095
DE10y	4.216	4.210	4.210

Spreads (Bps)

ZT/SCHATZ	-1.976
ZF/BOBL	-1.132
ZN/BUND	-0.604

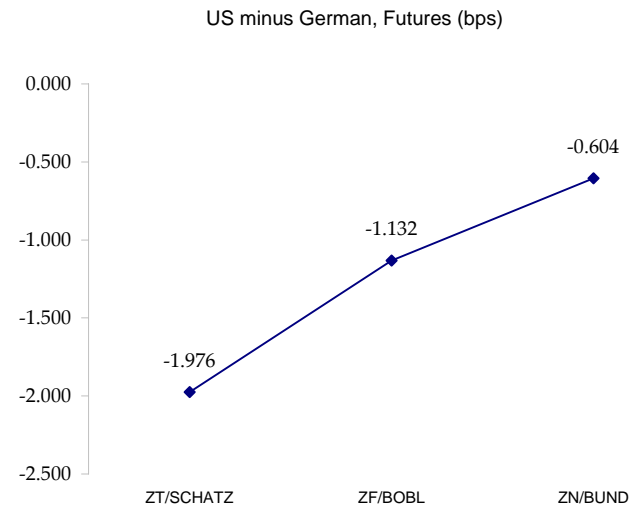
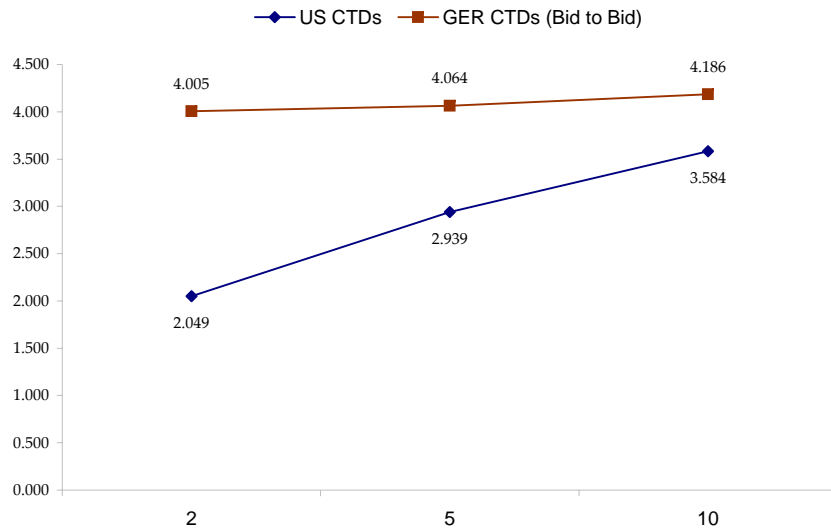
US Cash Treasuries (CTD)

	Bid	Ask	Last
3.875 of 09/10	2.049	2.030	2.030
2.750 of 02/13	2.939	2.932	2.932
5.125 of 05/16	3.584	3.581	3.581

German Futures (CTD)

	Bid	Ask	Last
97.02 of 10/10	4.021	4.005	4.005
3.750 of 07/13	4.073	4.064	4.064
4.250 of 07/17	4.192	4.186	4.186

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

