

The Morning Email: US & Germany



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Want something added?

Let me know: jgoulding@ghco.com

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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.

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Correlation Matrix

SYM NAME	Symbol	US Cash Treasuries			US Bonds/Notes (CBOT)			Symbol	SYM NAME
		2yr	5yr	10yr	ZT	ZF	ZN		
Schatz(2Y)	DGM7	62.89	77.65	60.35	68.21	81.28	80.31	DGM7	Schatz(2Y)
Bobl(5Y)	DLM7	74.43	87.14	70.65	79.00	89.95	89.10	DLM7	Bobl(5Y)
Bund(10Y)	DBM7	79.04	90.76	73.57	82.43	92.67	92.13	DBM7	Bund(10Y)

Correlation is based on 10 day historical

Quotes 1



		32 nds							
	ls	net	high	low	open	Volume	Yest Volume	SYM NAME	
TUAM7	102.037	(0.5)	102.055	102.020	102.035	223,962	94,588	2y Futures	
FVAM7	105.105	(3.0)	105.150	105.065	105.110	586,309	279,949	5y Futures	
TYAM7	107.235	(5.0)	107.305	107.185	107.255	1,702,996	795,272	10y Futures	
USAM7	110.310	(8)	111.110	110.210	111.010	484,184	207,140	30y Futures	
	ls	net	high	low	open			SYM NAME	
BUS02P	99.177	0.0	99.197	99.167	99.182			2y	
BUS05P	99.142	(2.2)	99.197	99.117	99.167			5y	
BUS10P	98.115	(3.0)	98.205	98.070	98.150			10y	
BUS30P	97.300	(8)	98.165	97.215	98.080			30y	
	ls	net	high	low	open			SYM NAME	
BUS02Y	4.732	0.00	4.766	4.698	4.753			2y Yield	
BUS05Y	4.625	1.50	4.646	4.584	4.617			5y Yield	
BUS10Y	4.706	1.40	4.728	4.668	4.698			10y Yield	
BUS30Y	4.876	1.10	4.9	4.842	4.867			30y Yield	



		Decimal							
	ls	net	high	low	open	Volume	Yest Volume	SYM NAME	
DGM7	102.95	(0.60)	103.02	102.92	103.00	851,688	637,301	Schatz(2Y)	
DLM7	107.14	(0.14)	107.33	107.07	107.28	894,978	615,875	Bobl(5Y)	
DBM7	112.94	(0.25)	113.28	112.83	113.18	1,877,225	1,252,871	Bund(10Y)	

German Futures

	Price		Yield		Maturity	Volume	Yest Volume	SYM NAME
	ls	ls	Coupon					
T.US.DE036P0309	99.15	4.227	3.750	3/13/2009				2 yr CTD
T.US.DE050P0112	102.99	4.259	5.000	1/4/2012				5 yr CTD
T.US.DE034P0116	94.44	4.276	3.500	1/4/2016				10 yr CTD
DEP2P	99.17	4.23	3.750	3/13/2009				2yr OTR
DEP5P	98.87	4.26	4.000	4/13/2012				5yr OTR
DEP10P	95.77	4.29	3.750	1/4/2017				10yr OTR

German Cash

Y = Yield
 CTD = Cheapest to Deliver
 DE = German Country Code

Quotes 2

This page provide a more detailed look at the quotes for the German Bonds

German Bonds are quoted in decimal, not 32nds.



	Decimal						SYM NAME	
	bid	ask	Last	hi	lo	Chng		
DGM7	102.93	102.94	102.95	103.02	102.92	-0.60	Schatz(2Y)	German Futures
DLM7	107.14	107.15	107.14	107.33	107.07	-0.14	Bobl(5Y)	
DBM7	112.94	112.95	112.94	113.28	112.83	-0.25	Bund(10Y)	

	Y Bid	Y Ask	Y Last	Y Hi	Y Lo			
DGM7	4.437	4.432	4.429	4.445	4.392		Schatz(2Y)	German Futures
DLM7	4.379	4.377	4.379	4.394	4.338		Bobl(5Y)	
DBM7	4.375	4.374	4.375	4.388	4.335		Bund(10Y)	

	Y Bid	Y Ask	Y Last	Y Hi	Y Lo	Chng		
T.US.DE036P0309	4.239	4.227	4.227	4.256	4.186	-6	2 yr CTD	German Cash
T.US.DE050P0112	4.268	4.259	4.259	4.285	4.221	-12	5 yr CTD	
T.US.DE034P0116	4.282	4.276	4.276	4.302	4.240	-18	10 yr CTD	
DEP2P	4.239	4.227	4.227	4.256	4.186	-6	2yr OTR	
DEP5P	4.268	4.259	4.259	4.282	4.219	-11	5yr OTR	
DEP10P	4.300	4.293	4.293	4.317	4.255	-21	10yr OTR	

	Decimal							
	bid	ask	Last	hi	lo	Chng	SYM NAME	
T.US.DE036P0309	99.15	99.17	99.17	99.24	99.12	-0.06	2 yr CTD	German Cash
T.US.DE050P0112	102.99	103.03	103.03	103.19	102.92	-0.12	5 yr CTD	
T.US.DE034P0116	94.44	94.48	94.48	94.73	94.30	-0.18	10 yr CTD	
DEP2P	99.15	99.17	99.17	99.24	99.12	-6.00	2yr OTR	
DEP5P	98.83	98.87	98.87	99.04	98.77	-11.00	5yr OTR	
DEP10P	95.72	95.77	95.77	96.06	95.59	-21.00	10yr OTR	

Y = Yield

CTD = Cheapest to Deliver

DE = German Country Code



US Intrinsic's				
	M Duration	DV01 32	DV01 \$	DV01(€)
30y	15.54	4.95	\$1,546	
10y	7.95	2.50	\$782	
5y	4.38	1.40	\$438	
2y	1.85	0.59	\$184	
ZB	9.73	3.52	\$110	
ZN	5.77	2.02	\$63	
ZF	3.81	1.30	\$41	
ZT	1.76	1.16	\$36	



German Intrinsic's^				
	M Duration	DV01(€)	DV01(\$)	CF
Bund				0.836007
Bobl				0.960701
Schatz				0.963364
DE10Y				
DE5Y				
DE2Y				

^Futures are Based on CTD

Last

EURUSD 135.99



I'm working on the intrinsic's. It will take some time to complete.
I hope to have it done soon.

Notes

- 1) CF = Conversion Factor
- 2) MDuration = Modified Macaulay Duration
- 3) MDuration & DV01s for Futures are based on proxy issue (CTD)

US Financial Futures / Eurex Bond

	ZN	ZF	ZT
Bund (M)	1.800	2.700	3.000
Bobl (M)	0.950	1.500	1.600
Shatz (M)	0.390	0.600	0.660

US Treasuries v Eurex Bonds

	2y	5y	10y
Bund (M)	1.7	3.9	6.9
Bobl (M)	3.1	7.3	13.0
Shatz (M)	7.6	18.0	31.9

	Bund (M)	Bobl (M)	Shatz (M)
Bund (M)		1.873	4.608
Bobl (M)	0.534		2.460
Shatz (M)	0.210	0.400	



US Cash Treasuries (OTR)			
	Bid	Ask	Last
US2y	4.741	4.732	4.732
US5y	4.626	4.625	4.625
US10y	4.708	4.706	4.706



German Cash Treasuries (OTR)			
	Bid	Ask	Last
DE2y	4.239	4.227	4.227
DE5y	4.268	4.259	4.259
DE10y	4.300	4.293	4.293

Spreads^	
US2y-Schatz	0.303
US5y-Bobl	0.246
US10y-Bund	0.331
US2y- 3.750 of 03/09	0.505
US5y- 4.000 of 01/12	0.366
US10y- 3.500 of 01/16	0.430
US2y-DE2y	0.505
US5y-DE5y	0.366
US10y-DE10y	0.413 ^^
^Last minus Last	
^^Most popular	

German Futures ^			
	Bid	Ask	Last
Schatz	4.432	4.429	4.429
Bobl	4.370	4.368	4.379
Bund	4.362	4.361	4.375

^Interpolated. NOT based on CTD

German Futures (CTD)			
	Bid	Ask	Last
3.750 of 03/09	4.239	4.227	4.227
4.000 of 01/12	4.268	4.259	4.259
3.500 of 01/16	4.282	4.276	4.276

Contract Specs

Price Quotation and Minimum Price Change

The Price Quotation is in percent of the par value.

Contract	Minimum Price Change	
	Percent	Value
Euro-Schatz Futures	0.005	EUR 5
Euro-Bobl Futures	0.01	EUR 10
Euro-Bund Futures	0.01	EUR 10
Euro-Buxl® Futures	0.02	EUR 20

Contract Standards

Notional short-, medium- or long-term debt instruments issued by the Federal Republic of Germany or the Swiss Confederation with remaining terms and a coupon of:

Contract	Product ID	Remaining Term Years	Coupon	Currency
			Percent	
Euro-Schatz Futures	FGBS	1.75 to 2.25	6	EUR
Euro-Bobl Futures	FGBM	4.5 to 5.5	6	EUR
Euro-Bund Futures	FGBL	8.5 to 10.5	6	EUR
Euro-Buxl® Futures	FGBX	24.0 to 35.0	4	EUR

Trading Hours

Eurex operates in three [trading phases](#): pre-trading, trading and post-trading. The [post-trading phase](#) is further split in several periods where different functions are available.

Pre-Trading	Regular Trading Day			Last Trading Day			Exercise/ Notify until
	Trading	Post-Trading		Post-Trading		Exercise/ Notify until	
		Full	Late 1	Restricted	Full		
07:30	08:00	22:00		22:30	12:30		20:00

TIMES ARE CET

Contract Month

Up to 9 months: The three nearest quarterly months of the March, June, September and December cycle.

Delivery Day

The tenth calendar day of the respective quarterly month, if this day is an exchange trading day; otherwise, the exchange trading day immediately succeeding that day.

Last Trading Day

Two exchange trading days prior to the Delivery Day of the relevant maturity month. Close of trading in the maturing futures on the Last Trading Day is at 12:30 CET.

Daily Settlement Price

Standard Method

Volume-weighted average price of all trades during the final minute of trading before 17:15 CET provided that more than five trades occurred during this minute; otherwise the volume-weighted average price of the last five trades before 17:15 CET provided that these are not older than 15 minutes. If such a price cannot be determined, or the price so determined does not reflect the prevailing market conditions, Eurex will establish the official settlement price.

If the price so determined does not reasonably reflect the prevailing market conditions at the close of trading, Eurex may change and redetermine the official settlement price.

When does the volume trade? Between what ours 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	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	