



Trade Radar

Thoughts coming into December

Trades & Fades

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25th Jan

Bespoke Trading Strategies
& Modelling



Eurex Basis Trades

**Credit Perspective – which issuers
and which tenors**

Supply events

Italy default pricing

Eurex Basis Trades

DE							
Trade Type	Contract	Bond	Notional (mm)	DV01 (k)	Spread	Mid-Spread	Direction Guess
Curve	FGBLH2	DBR 0 02/15/32	250	256.12	7.4	7.4	
Curve	FGBLH2	DBR 0 02/15/32	250	253.80	7.4	7.4	
Curve	FGBLH2	DBR 0 08/15/31	100	184.07	3.9	3.8	
Curve	FGBMH2	DBR 0.25 08/15/31	200	136.50	10.2	10.0	Steepener
Curve	FGBLH2	DBR 4.75 07/04/31	40	108.31	13.8	13.8	
Curve	FGBLH2	DBR 0 08/15/31	93	90.02	3.7	3.7	
Curve	FGBLH2	DBR 0 08/15/31	80	77.47	3.9	3.8	
Curve	FGBLH2	DBR 0 08/15/31	88	76.85	4.0	4.1	
Curve	FGBLH2	DBR 0.25 02/15/31	100	72.98	13.2	13.4	
Curve	FGBLH2	DBR 0 08/15/31	75	72.67	3.7	3.7	
Curve	FGBLH2	DBR 0 02/15/31	64	64.92	7.4	7.5	
Curve	FGBLH2	DBR 0 08/15/31	46	44.62	3.8	3.7	
Curve	FGBMH2	OBL 0 04/15/31	100	43.01	4.8	4.8	
Curve	FGBMH2	DBR 0 02/15/31		0.05	5.4	5.4	
Curve	FGBMH2	DBR 0 02/15/31		0.05	22.0	29.2	Flattener
Curve	FGBLH2	DBR 0 02/15/31		9.59	4.1	4.1	
Curve	FGBMH2	DBR 0 02/15/31		8.92	4.5	4.5	
Curve	FGBMH2	DBR 0 02/15/31		8.92	4.5	4.4	
Curve	FGBMH2	DBR 0 02/15/31		6.72	5.5	5.4	
Curve	FGBMH2	DBR 0 02/15/31		1.50	4.8	5.0	

German 10 years have done well of late - / still cheap but tap tomorrow

Country Spreads									
Trade Type	Contract	Bond	Notional (mm)	DV01 (k)	Spread	Mid-Spread	Basis	Direction Guess	
Country Spread	FGBXH2	NETHER 0 01/15/52	40	107.5	26.0	26.6		Tightener	
Country Spread	FGBLH2	SPGB 0.7 04/30/32	87	88.0	86.8	86.6			
Country Spread	FOATH2	IRISH 0 11/18/31	50	47.1	11.5	11.4			
Country Spread	FGBMH2	RFBG 0 01/15/26	100	47.0	13.8	13.8			
Country Spread	FGBMH2	FRTR 0.5 07/25/25	30.2	34.1	0.7	0.4		Widener	
Country Spread	FBTPH2	DBR 0 02/15/31	30.2	54.0	127.1			Tightener	
Country Spread	FGBXH2	NETHER 0 01/15/52	10	24.0					
Country Spread	FGBMH2	RAGB 0 02/20/29	37						
Country Spread	FOATH2	SPGB 0 01/29	33						
Country Spread	FOATH2	SPGB 0 10/30	31						
Country Spread	FGBMH2	FRTR 0.5 05/26	50	22.0					
Country Spread	FGBMH2	NETHER 0 05/26	50	20.0					
Country Spread	FGBSH2	FRTR 0.5 05/26	50	15.0					
Country Spread	FGBLH2	DBR 0 02/15/31	11						
Country Spread	FGBLH2	DBR 0 02/15/31	10						
Country Spread	FGBLH2	DBR 0 02/15/31	10.1	5.3	5.1			Widener	
Country Spread	FGBLH2	DBR 0 02/15/31	9.9	6.8	6.7				
Country Spread	FGBLH2	DBR 0 02/15/31	8.5	34.5	34.3				
Country Spread	FBTPH2	DBR 0 02/15/31	8.5	96.3	96.5				
Country Spread	FGBLH2	DBR 0 02/15/31	6.0	12.0	11.8			Widener	
Country Spread	FGBLH2	DBR 0 02/15/31	6.0	12.0	11.8			Widener	

Holland cheap to Dbr - even ok vs Nether 52 vs Buxl

Look ok with 30% hedge in - OAT / RX

Spgb 32s cheap bond vs Spgb 35s Nothing to say on the credit

FR							
Trade Type	Contract	Bond	Notional (mm)	DV01 (k)	Spread	Mid-Spread	Direction Guess
Curve	FOATH2	FRTR 1.25 05/25/36	95	138.09			
Curve	FOATH2	FRTR 1.25 05/25/36	15	21.63			
Curve	FOATH2	FRTR 1.25 05/25/36					
Curve	FOATH2	FRTR 0 11/25/31	15				
Curve	FOATH2	FRTR 0 05/25/32	13	13.32			

Frtr 36 Have cheapened a little but 15 yrs no longer shine now that subsequent 10y issuance seems to extrapolate ever cheaper up the curve

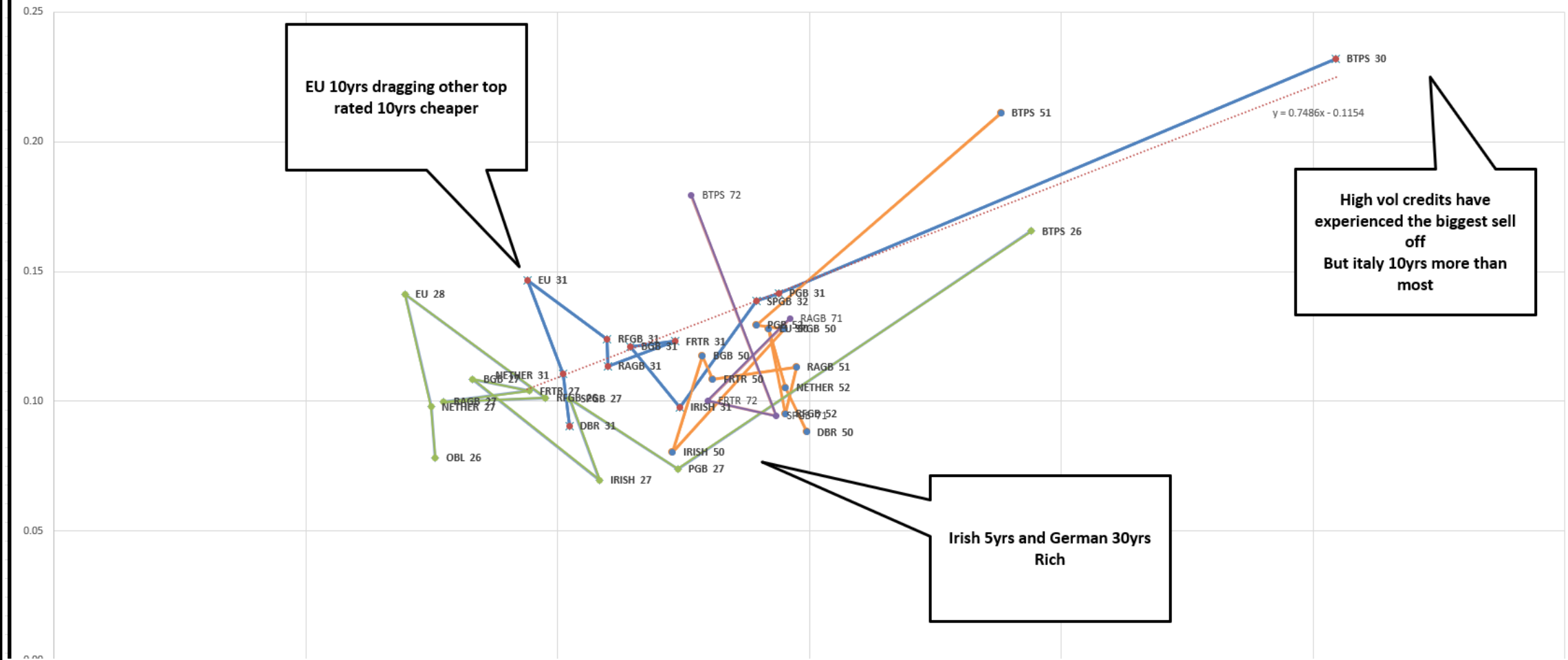
CTD										
Trade Type	Contract	Bond	Notional (mm)	DV01 (k)	Spread	Mid-Spread	Basis	Direction Guess	Implied Repo	
CTD	FOATH2	FRTR 1.5 05/25/31	400	394.5	0.3	0.1	0.26995		(0.74)	
CTD	FOATH2	FRTR 1.5 05/25/31	350	345.2	0.3	0.1	0.27099		(0.75)	
CTD	FBTPH2	BTPS 1.65 12/01/30	200	170.9	0.3	0.1	0.251062	Seller	(0.50)	
CTD	FOATH2	FRTR 1.5 05/25/31	163	160.9	0.3	0.1	0.27099	Seller	(0.75)	
CTD	FOATH2	FRTR 1.5 05/25/31	150	148.0	0.3	0.1	0.26995		(0.74)	
CTD	FOATH2	FRTR 1.5 05/25/31	50	148.0	0.3	0.1	0.269955		(0.74)	
CTD	FOATH2	FRTR 1.5 05/25/31	100	98.7	0.3	0.1	0.270015	Seller	(0.74)	
CTD	FOATH2	FRTR 1.5 05/25/31	100	98.6	0.3	0.1	0.27099		(0.75)	
CTD	FBTPH2	BTPS 1.65 12/01/30	83	70.7	0.3	0.3	0.252509	Buyer	(0.51)	
CTD	FGBLH2	DBR 0 02/15/31	60	55.2	0.1	0.2	0.109038		(0.92)	
CTD	FOATH2	FRTR 1.5 05/25/31	50	49.3	0.3	0.2	0.269955	Buyer	(0.74)	
CTD	FOATH2	FRTR 1.5 05/25/31	50	49.3	0.3	0.1	0.27099		(0.75)	
CTD	FGBLH2	DBR 0 02/15/31	53	48.3	0.1	0.2	0.112042		(0.95)	
CTD	FGBLH2	DBR 0 02/15/31	47	43.5	0.1	0.2	0.112042		(0.95)	
CTD	FBTPH2	BTPS 1.65 12/01/30	32	27.1	0.2	0.1	0.249961		(0.49)	
CTD	FBTPH2	BTPS 1.65 12/01/30	25	21.3	0.3	0.2	0.252514	Buyer	(0.51)	
CTD	FBTPH2	BTPS 1.65 12/01/30	25	21.3	0.3	0.3	0.252509	Buyer	(0.51)	
CTD	FBTPH2	BTPS 1.65 12/01/30	20	17.0	0.3	0.0	0.252463	Seller	(0.51)	
CTD	FBTPH2	BTPS 1.65 12/01/30	17	14.7	0.3	0.1	0.252509		(0.51)	
CTD	FBTSH2	BTPS 0 04/15/24	65	14.4	0.1	0.3	0.062541	Buyer	(0.54)	
CTD	FOATH2	FRTR 1.5 05/25/31	132	13.0	0.3	0.1	0.269965		(0.74)	
CTD	FGBSH2	BKO 0 12/15/23	50	9.6	0.1	0.6	0.109991		(0.93)	
CTD	FGBSH2	BKO 0 12/15/23	50	9.6	0.1	0.5	0.108491		(0.92)	
CTD	FGBSH2	BKO 0 12/15/23	25	4.8	0.1	0.6	0.109956		(0.93)	
CTD	FGBSH2	BKO 0 12/15/23	25	4.8	0.1	0.6	0.109956		(0.93)	
CTD	FGBSH2	BKO 0 12/15/23	25	4.8	0.1	0.6	0.109956		(0.93)	

Btps Apr 31 - i really like this bond CTD to Jun - the argument runs that CTA's wanna be short - but as a low coupon i like it vs 8y and 12y

* DV01 is calculated using the posted futures size, not the bond size. This is because of posting errors that frequently occur with the cash
 * Mids are taken at the time the trade is posted, not necessarily at the time the trade was executed
 * Every day there are some mis-postings. These tend not to be corrected but we are leaving them in.

We guess at directions based which side of mid the trade was dealt on, specifically these levels through mid:
 For Curve (Basis Points) 0.2
 For Spreads (Basis Points) 0.2
 For CTDs (Cents) 0.2

changes over 105 trading days



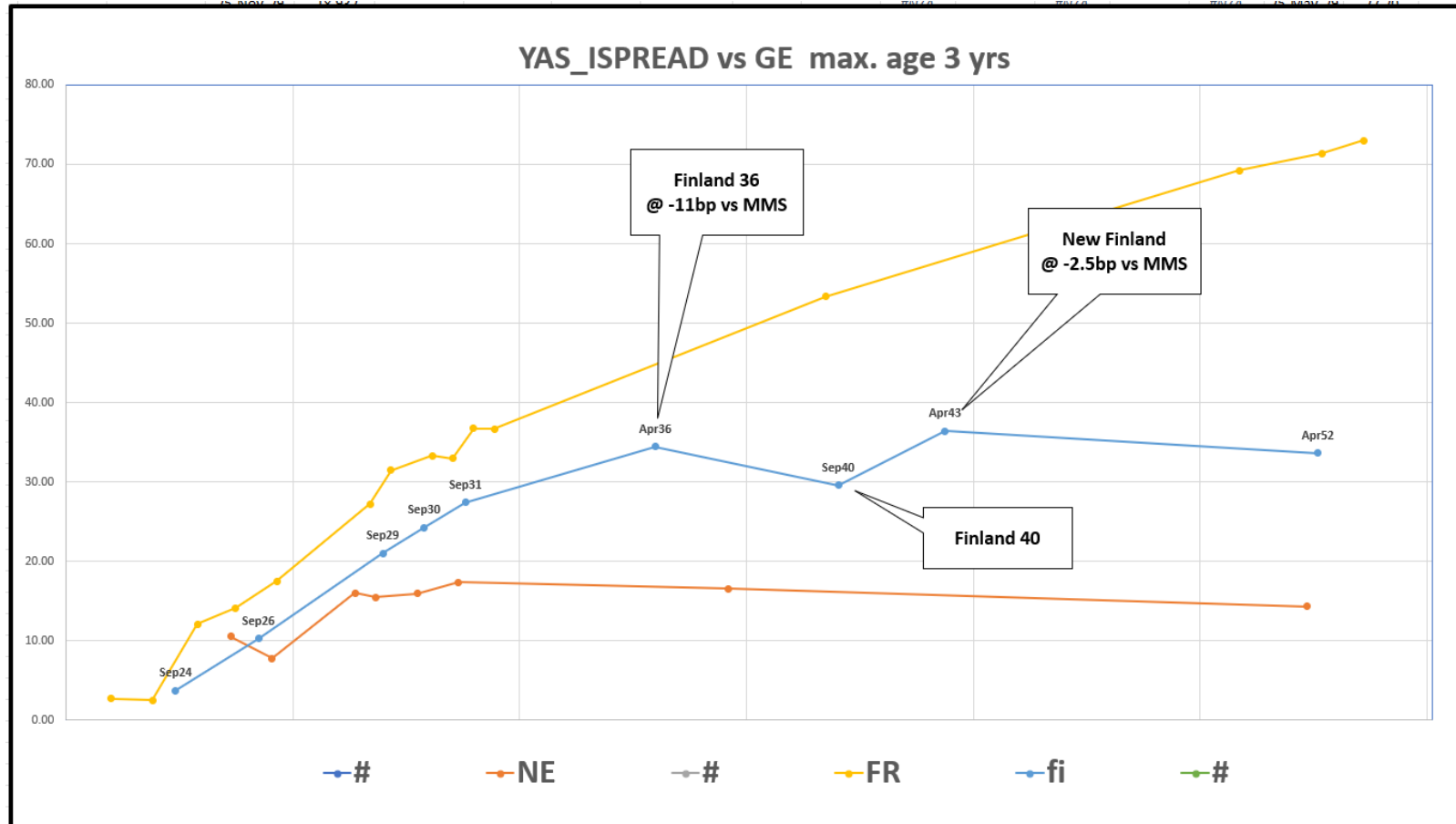
Credit Perspective –changes in yield (y axis) over 105 days vs Vol (x axis)

Supply

- German 10y tap – swap spreads looking topy – the roll is still positive but feel that spreads could weaken a touch



Finland new syndic 43s @ -2.5bp look 'fair' to recent issues – only the 40s give it value





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