

US & Europe Bond Markets

Govt, Equity, FX and Credit Benchmark & Economic Statistics

Benchmarks	Value	Net Change (bps)
UST 5Y	0.29%	(1.11)
UST 10Y	0.64%	(3.12)
UST 30Y	1.38%	(6.12)
Bund 5Y	-0.66%	1.50
Bund 10Y	-0.43%	0.20
Bund 30Y	0.02%	(1.30)
DOW JONES	25890.18	(1.51)%
NASDAQ	10343.89	(0.86)%
S&P 500	3145.32	(1.08)%
DAX	12616.80	(0.92)%
FTSE 100	6189.90	(1.53)%
CAC 40	5043.73	(0.74)%
EUR/USD	1.13	(0.03)%
USD/JPY	107.65	(0.06)%
USD/CNY	7.02	0.13 %
US 5Y CDS	--	--
Germany 5Y CDS	13.76	(0.78)
Italy 5Y CDS	160.27	(1.77)
Spain 5Y CDS	--	--
Portugal 5Y CDS	--	--
France 5Y CDS	21.43	(0.11)
Japan 5Y CDS	18.25	0.13
China 5Y CDS	45.69	0.51
Korea 5Y CDS	26.42	1.78

US & European Bond Markets

US & European Government Bond :

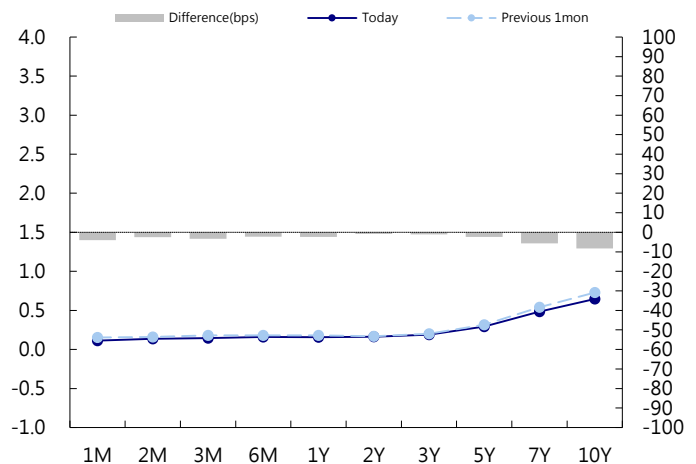
Treasury yields richer by up to ~5bp across long-end of the curve with 30-year dropping as low as 1.379% and back under 50- and 100-DMA' s on a closing basis; long-end gains flattened 2s10s, 5s30s by ~3bp, ~4bp despite looming 10- and 30-year auctions for \$29b and \$19b • Sale of 3-year notes was solid given yields were near lows of the day at the time of bidding deadline; Treasuries extended gains following auction results -- tail of 0.1bp along with solid bidding metrics •

US & European Corporate Bonds:

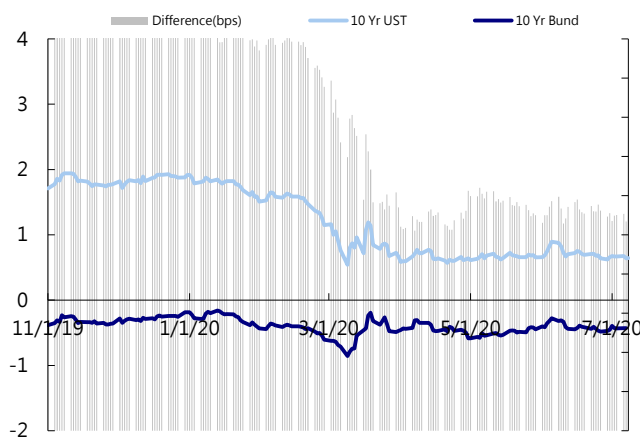
Market turned weaker today as Asia stocks retreated. BCLMHK issued 3yr FXD and 5yr FRN at T+165 and 3mL+170 (IPG +200/+210) while TCL (BOC SBLC) priced new 5yr FXD at CT5+160. Except that BOCAVI curve got lifted again (23n traded up +205), other benchmark names are rather muted. Flow-wise, more RM accounts are taking profit on TMT/Leasing/T2 space.

Date	Event	Forecast	Previous
07/08	MBA Mortgage Applications	--	(0.018)
07/09	Consumer Credit	-\$15,000b	-\$68,779b
07/09	Initial Jobless Claims	--	1427k
07/09	Continuing Claims	--	19290k
07/09	Bloomberg Consumer Comfort	--	43.300
07/09	Wholesale Trade Sales MoM	--	(0.169)
07/09	Wholesale Inventories MoM	(0.012)	(0.012)
07/10	PPI Final Demand MoM	0.004	0.004
07/10	PPI Ex Food and Energy MoM	0.001	(0.001)
07/10	PPI Ex Food, Energy, Trade MoM	0.001	0.001
07/10	PPI Final Demand YoY	(0.002)	(0.008)
07/10	PPI Ex Food and Energy YoY	0.005	0.003
07/10	PPI Ex Food, Energy, Trade YoY	--	(0.004)

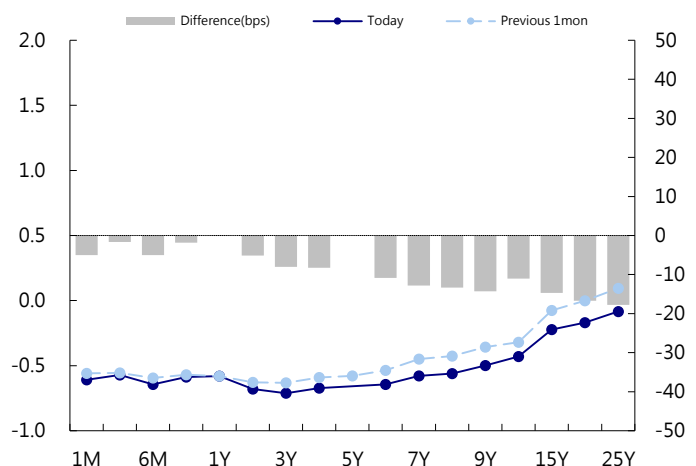
US Treasury Curve



UST V.S. Bund 10Y Yield



Bund Curve



China Bond Market

CNY & CNH Market Data

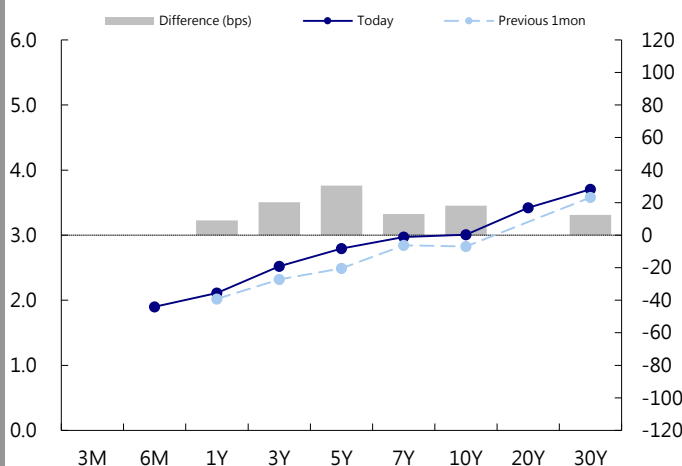
Benchmarks	Value		Net Change (bps)	
	CNY	CNH	CNY	CNH
CGB 5Y	2.79%	2.38%	2.58	(0.14)
CGB 10Y	3.01%	2.83%	(2.17)	(0.05)
CGB 20Y	3.42%	3.17%	--	(0.05)
Chinese Renminbi Spot	7.02	7.02	-0.13%	0.01 %
USDCNY 1M Forward	7.03	7.03	(0.11)%	0.05 %
USDCNY 3M Forward	7.06	7.06	(0.12)%	0.02 %
USDCNY 6M Forward	7.08	7.09	(0.12)%	0.06 %
	7D Repo	3M Shibor	7D Repo	3M Shibor
CNY IRS 1Y	2.31%	2.45%	3.00	3.50
CNY IRS 2Y	2.39%	2.64%	3.00	3.50
CNY IRS 3Y	2.475%	2.8%	2.50	4.50
CNY IRS 4Y	2.565%	2.915%	2.00	1.00
CNY IRS 5Y	2.645%	3.03%	0.50	(0.50)
SDBC 3.03 01/18/22	2.51		1.00	
SDBC 3.68 02/26/26	3.36		4.00	
SDBC 3.48 01/08/29	3.53		1.00	
SDBC 3 1/2 11/04/46	3.85		3.25	
CNH CCS 3M	2.11		(18.95)	
CNH CCS 6M	2.14		(12.03)	
CNH CCS 12M	2.13		(3.34)	
CNH CCS 3Y	2.06		1.41	
CNH CCS 5Y	1.98		(0.99)	

China Bond Market

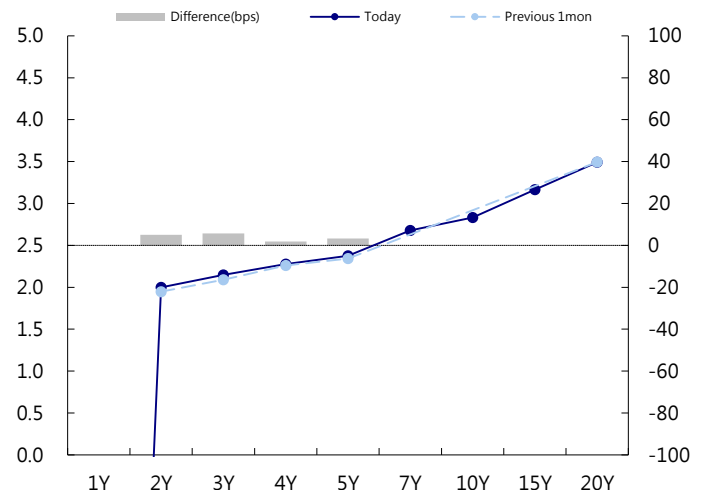
Regarding bond market, the spot of China's bond market declined on Tuesday and then rose, basically following the rise and fall of the stock market. The yield of the main cash bonds in the inter-bank market rose to previous day close, and the decline in the main contract of 10-year Treasury futures also narrowed significantly. Under weak market conditions, the 10-year special Government Bond renewed by the Ministry of Finance in the morning tender was slightly higher than the predicted average. In terms of exchange rate, the spot volume of the RMB against the US dollar rose on Tuesday and continued to hit a new high of more than three and a half months, and the median price also rose to a new high of nearly three months. Traders said that the market sentiment in the early bullish RMB was further released, CNH took the lead to break through 7 and hit a four-month high, and the onshore exchange rate also surged more than 300 points to approach 7; but then A shares' rose slowdown, the risk sentiment weakened in the afternoon, and the renminbi's rise narrowed.

Date	Event	Forecast	Previous
07/09	PPI YoY	(0.032)	(0.037)
07/09	CPI YoY	0.025	0.024
07/10	Money Supply M0 YoY	0.091	0.095
07/10	Money Supply M1 YoY	0.070	0.068
07/10	Money Supply M2 YoY	0.111	0.111
07/10	New Yuan Loans CNY	1800.0b	1480.0b
07/10	Aggregate Financing CNY	3067.5b	3190.0b
07/10	Foreign Direct Investment YoY CNY	--	0.075

Onshore CNY Government Bond Curve



Offshore CNH Government Bond Curve



Taiwan Bond Market

Taiwan Market data

Benchmarks	Value	Net Change (bps)
TWGB 5Y	0.34%	(0.01)
TWGB 10Y	0.45%	(0.07)
USD/TWD	29.44	(0.18)%
EURO/TWD	33.19	(0.28)%
HKD/TWD	3.80	(0.17)%
VNY/TWD	4.19	(0.17)%
TWD Overnight Rate	0.078%	(0.30)
TWD Secondary CP 10D	0.7125%	(1.61)
TWD Secondary CP 30D	0.7544%	(1.35)
TWD Secondary CP 90D	0.8081%	(1.97)

Taiwan Bond Secondary Market

Taiwanese Stock market index continued its rally as well as TWD 5yr IRS, notwithstanding the treasury yield, with 5 year treasury yield closed at 0.3401%, 10 year treasury yield closed at 0.45%. Strong demand for TWD currency continues to drive its rate against USD higher, provided supports for government bonds market.

Taiwan Bond Primary Market

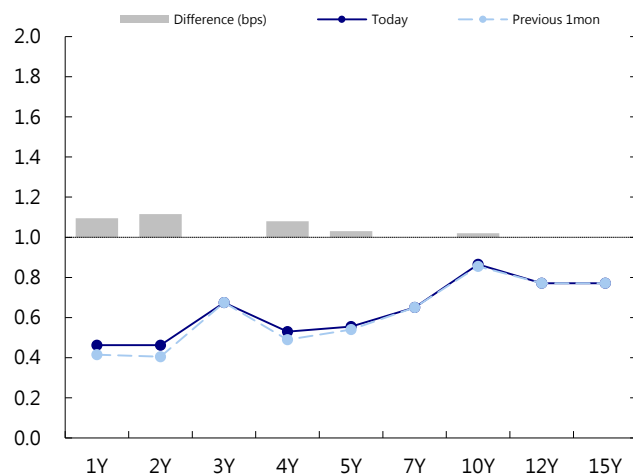
Announcements of Corporate Bonds Issuances approved by the BOD on 7th July : None.
Bonds issued on 8th July : None.

Date	Event	Forecast	Previous
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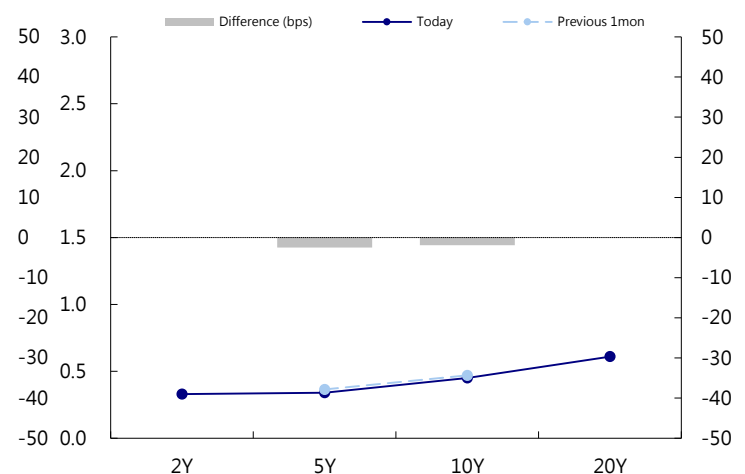
Money Market

With sufficient fund in the market by the end of the last quarter, short term repo rate remains stable. Last month, central bank kept its monetary policy and base rate. We expect repo rates continue to trade within the range, i.e., Govt bond repo rate at 0.23%-0.30%, while corporate bond repo rate at 0.35%-0.37%.

TWD IRS Curve



Taiwan Government Bond Yield curve



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Global Locations

Hong Kong

SinoPac Securities (Asia) Ltd.
7th Floor, Lee Garden Three,
1 Sunning Road,
Causeway Bay, Hong Kong
Tel: +852-2586-8362
Toll Free : 0080-185-6674(Taiwan)
Fax: +852-2586-8399

Shanghai

SinoPac Securities (Asia) Limited
Suite 2405, Hua Xia Bank Tower,
256 South Pudong Road, Shanghai
People's Republic of China
Tel: +86-21-6886-5358
Fax: +86-21-6886-5969

London

SinoPac Securities (Europe) Ltd.
6 Lloyd's Avenue,
London EC3N 3AX,
United Kingdom,
Registered in England and Wales No. 3766464
Tel: +44-20-7614-9999
Fax: +44-20-7614-9979

Taipei

SinoPac Securities Corporation
17F · 2 Chung Ching S. Road · Sec 1
Taipei 100 ·
Taiwan
Tel: +886-2-2382-8219/2312-3866
Fax: +886-2-2382-3464

Contact Us

SinoPac Securities Corp
www.taiwanresearch.com
fixedincome@sinopac.com
Bloomberg page: SIAL