

US & Europe Bond Markets

Govt, Equity, FX and Credit Benchmark & Economic Statistics

Benchmarks	Value	Net Change (bps)
UST 5Y	0.29%	0.80
UST 10Y	0.64%	1.81
UST 30Y	1.33%	2.05
Bund 5Y	-0.64%	(1.90)
Bund 10Y	-0.45%	(3.00)
Bund 30Y	-0.03%	(4.20)
DOW JONES	26642.59	2.13 %
NASDAQ	10488.58	0.94 %
S&P 500	3197.52	1.34 %
DAX	12697.36	(0.80)%
FTSE 100	6179.75	0.06 %
CAC 40	5007.46	(0.96)%
EUR/USD	1.14	0.39 %
USD/JPY	107.29	(0.10)%
USD/CNY	7.00	(0.15)%
US 5Y CDS	--	--
Germany 5Y CDS	14.50	(0.49)
Italy 5Y CDS	161.46	(0.39)
Spain 5Y CDS	--	--
Portugal 5Y CDS	--	--
France 5Y CDS	22.04	0.11
Japan 5Y CDS	18.29	(0.00)
China 5Y CDS	45.06	0.03
Korea 5Y CDS	26.13	0.95

US & European Bond Markets

US & European Government Bond :

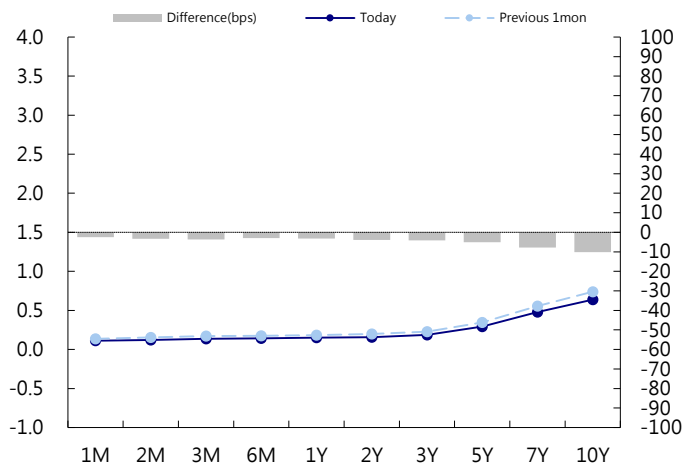
Treasuries ended narrowly mixed Tuesday after erasing most declines, trailing gains for most European bond markets, as focus remained on the economic consequences of latest measures aimed at controlling the spread of the virus. Hong Kong imposed strict social distancing measures while Philadelphia banned large public gatherings through February.

US & European Corporate Bonds:

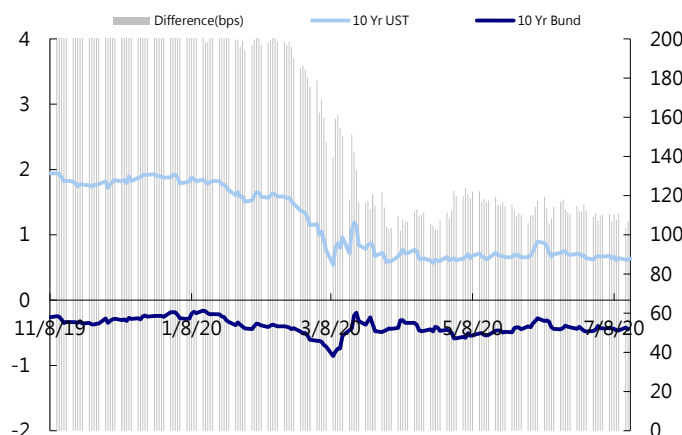
Asia IG retreated yesterday on soft macro sentiment and spread of benchmark name have 1~3 bps wider overall . Flows are mainly focus on the new issue such as ICBCAS/BOCOM/MUFG/NACF, and Chinese name are underperformed among them . Moreover , Q2 result of biggest US banks are in the spotlight . JPM/CITI reoported a record trading revenue , which offset the skyrocket loan-loss provision , and WFC underperformed by more skew to lending business . However , relying on volatile trading revenue to withstand the raising non-performing loans is not a good situation . Therefore , I will underweight the financial sector in the near future definitely .

Date	Event	Forecast	Previous
07/15	MBA Mortgage Applications	--	0.022
07/15	Import Price Index MoM	0.010	0.010
07/15	Import Price Index ex Petroleum MoM	(0.001)	0.001
07/15	Import Price Index YoY	(0.035)	(0.060)
07/15	Export Price Index MoM	0.008	0.005
07/15	Empire Manufacturing	8.400	(0.200)
07/15	Export Price Index YoY	--	(0.060)
07/15	Capacity Utilization	0.677	0.648
07/15	Industrial Production MoM	0.043	0.014
07/15	Manufacturing (SIC) Production	0.058	0.038
07/16	U.S. Federal Reserve Releases Beige B		
07/16	Retail Sales Advance MoM	0.050	0.177
07/16	Retail Sales Ex Auto MoM	0.051	0.124
07/16	Retail Sales Ex Auto and Gas	0.050	0.124
07/16	Retail Sales Control Group	0.039	0.110
07/16	Philadelphia Fed Business Outlook	19.100	27.500
07/16	Initial Jobless Claims	1250k	1314k
07/16	Continuing Claims	17550k	18062k

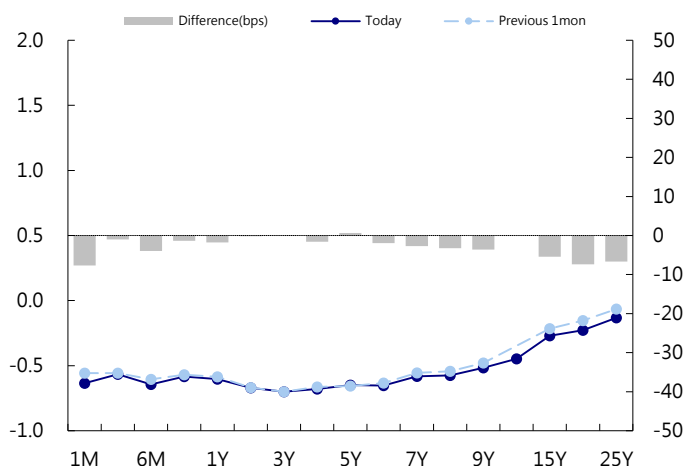
US Treasury Curve



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	2.78%	2.51%	(3.21)	(0.12)
CGB 10Y	3.01%	2.93%	1.37	(0.07)
CGB 20Y	3.42%	3.3%	--	(0.03)
Chinese Renminbi Spot	7.00	7.00	0.17%	0.21 %
USDCNY 1M Forward	7.01	7.01	0.18 %	0.30 %
USDCNY 3M Forward	7.03	7.03	0.18 %	0.19 %
USDCNY 6M Forward	7.06	7.07	0.18 %	0.22 %
	7D Repo	3M Shibor	7D Repo	3M Shibor
CNY IRS 1Y	2.4%	2.645%	0.00	7.00
CNY IRS 2Y	2.485%	2.875%	(1.00)	7.00
CNY IRS 3Y	2.57%	3.01%	(1.00)	4.50
CNY IRS 4Y	2.65%	3.14%	(1.00)	6.00
CNY IRS 5Y	2.765%	3.27%	(3.50)	(2.00)

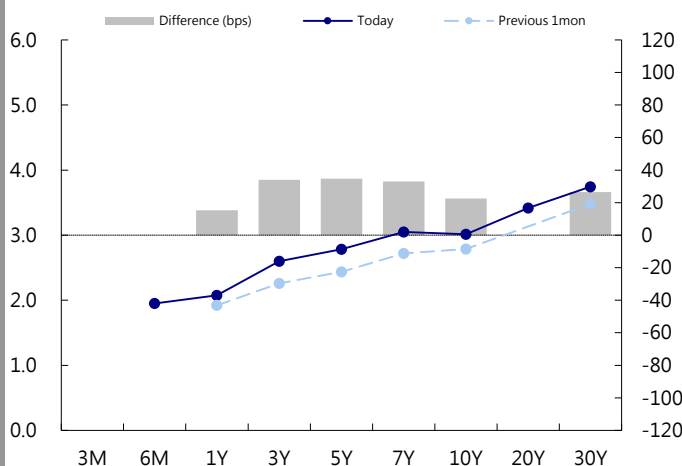
Benchmarks	Value	Net Change (bps)
SDBC 3.03 01/18/22	2.77%	-3.500
SDBC 3.68 02/26/26	3.50%	-4.001
SDBC 3.48 01/08/29	3.73%	0.500
SDBC 3 1/2 11/04/46	3.84%	-0.760
CNH CCS 3M	2.19%	(5.31)
CNH CCS 6M	2.21%	(4.98)
CNH CCS 12M	2.23%	(3.10)
CNH CCS 3Y	2.12%	(2.40)
CNH CCS 5Y	2.10%	(1.27)

Date	Event	Forecast	Previous
07/16	New Home Prices MoM	--	0.005
07/16	Industrial Production YoY	0.048	0.044
07/16	GDP YoY	0.022	(0.068)
07/16	Industrial Production YTD YoY	(0.015)	(0.028)
07/16	GDP SA QoQ	0.095	(0.098)
07/16	Retail Sales YoY	0.005	(0.028)
07/16	GDP YTD YoY	(0.024)	(0.068)
07/16	Retail Sales YTD YoY	(0.110)	(0.135)
07/16	Property Investment YTD YoY	0.010	(0.003)
07/16	Fixed Assets Ex Rural YTD YoY	(0.033)	(0.063)
07/16	Surveyed Jobless Rate	0.059	0.059
07/17	FX Net Settlement - Clients CNY	--	142.9b

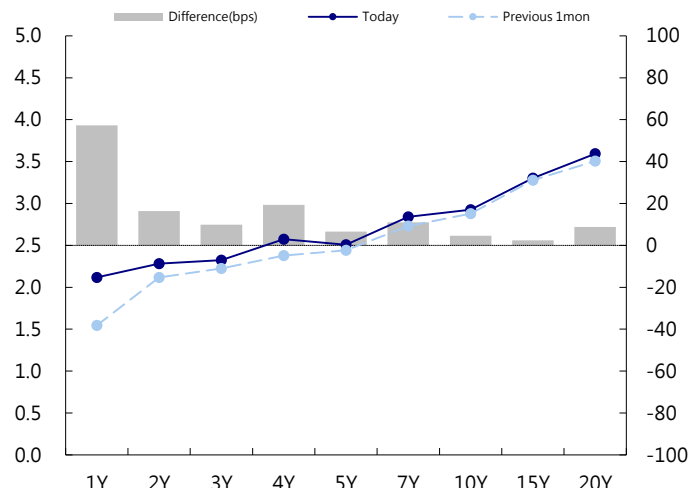
China Bond Market

Regarding bond market, China's bond market rebounded on Tuesday, as the stock market readjusted. Although the trade data in June was relatively bright, the impact was also limited. The trend of government bonds in the inter-bank market is still stronger than that of financial bonds, and the 10-year Treasury futures of China Securities Exchange rose more than 0.2%. At the close, Reuters reported that some small and medium-sized banks' MPA assessment has been relaxed, leading to a sharp decline in bond yields, but then the decline has converged. In terms of exchange rate, The RMB against the US dollar spot volume on Tuesday received a week-low, while the median price continued to fall by 31 points, approaching 7. Traders said that the outflow of funds from A shares has affected market sentiment, and the willingness to buy foreign exchange from customers has picked up, suppressing the downward trend of the renminbi.

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%	0.33
TWGB 10Y	0.45%	(0.18)
USD/TWD	29.45	(0.29)%
EUR/TWD	33.62	0.44 %
HKD/TWD	3.80	(0.34)%
VNY/TWD	4.21	0.10 %
TWD Overnight Rate	0.08%	(0.40)
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. Taiwanese Treasury Department auctioned off TWD 25 billion on 5 year notes yesterday at a yield of 0.333%, surpassing the previous low. The strong demand reflected excess liquidity in the market. Strong demand for TWD currency continues to drive its rate against USD higher, provided supports for government bonds market.

Taiwan Bond Primary Market

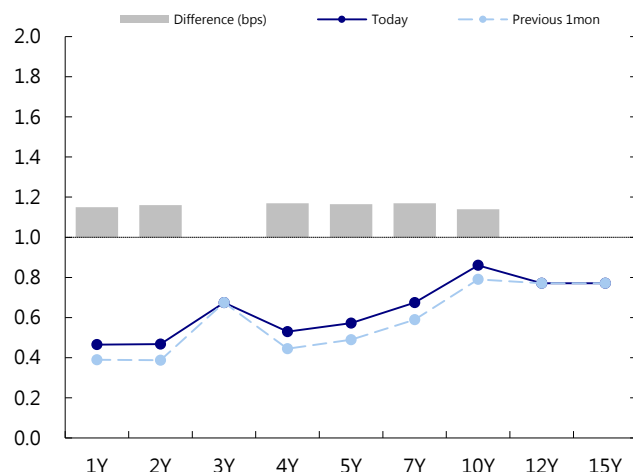
Announcements of Corporate Bonds Issuances approved by the Board of Directors on 14th July : None.
Bonds issued on 15th July : None.

Date	Event	Forecast	Previous
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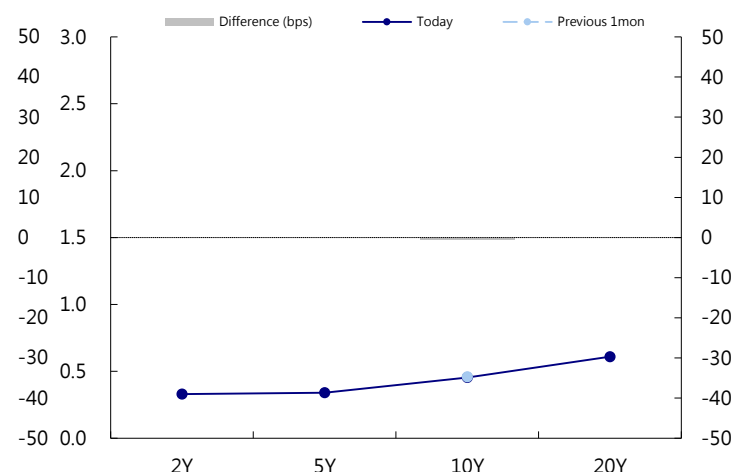
Money Market

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 0.34%-0.37%.

TWD IRS Curve



Taiwan Government Bond Yield curve



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