

US & Europe Bond Markets

Govt, Equity, FX and Credit Benchmark & Economic Statistics

Benchmarks	Value	Net Change (bps)
UST 5Y	0.28%	(0.95)
UST 10Y	0.62%	(0.98)
UST 30Y	1.31%	(1.86)
Bund 5Y	-0.67%	(2.30)
Bund 10Y	-0.47%	(2.10)
Bund 30Y	-0.03%	(0.10)
DOW JONES	26734.71	(0.50)%
NASDAQ	10473.83	(0.73)%
S&P 500	3215.57	(0.34)%
DAX	12874.97	(0.43)%
FTSE 100	6250.69	(0.67)%
CAC 40	5085.28	(0.46)%
EUR/USD	1.14	(0.08)%
USD/JPY	107.25	0.11 %
USD/CNY	7.00	0.15 %
US 5Y CDS	--	--
Germany 5Y CDS	13.45	(0.88)
Italy 5Y CDS	166.20	1.46
Spain 5Y CDS	--	--
Portugal 5Y CDS	--	--
France 5Y CDS	22.16	0.31
Japan 5Y CDS	18.26	(0.00)
China 5Y CDS	44.77	0.30
Korea 5Y CDS	26.05	1.30

US & European Bond Markets

US & European Government Bond :

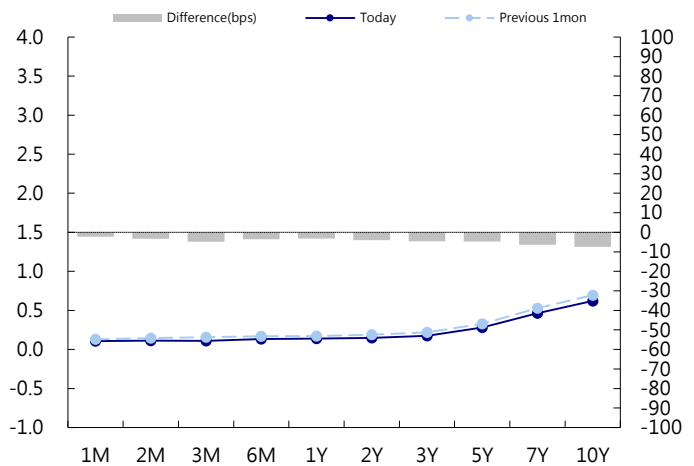
Treasuries price action was muted in another low-volume session, which again lacked a significant price catalyst. Stocks were lower at the cash open and then stabilized, which saw yields drift off lowest levels of the session over U.S. afternoon. Options activity included a large block buyer of bond put options, paying \$13.2m premium. Yields lower by 1bp to 3bp across the curve with long-end led gains flattening 2s10s, 5s30s by 1.1bp and 1.5bp; 10-year yields ended around 0.61%, toward middle of 0.599% to 0.633% daily range.

US & European Corporate Bonds:

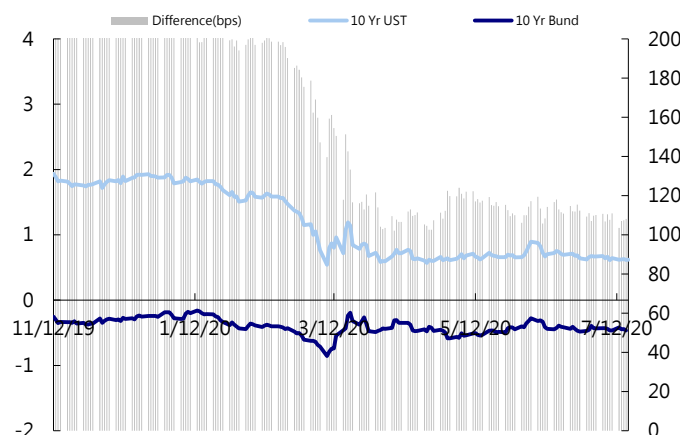
Asia credit retreated with equity underperformed, which met a pressure of profit taking after brilliant China Q2 GDP. Flow is light but some 10YR bond like WB 30s / CNPCCH 30s got hit, otherwise, 2~5 YR bonds are hold up firm, still better buyer on street. GOODMAN 30's have a stellar performance amid volatile market, generous pricing attract real money and long term buyer to buy and drive spread to 12 bps tighter. Meanwhile, Q2 results of biggest US banks are still in the spotlight. MS reported a 73% increase in trading revenue, showing that its business matrix which mainly made by wealth management and IB is doing well on COVID-19. However, the bank more rely on traditional lending business.

Date	Event	Forecast	Previous
07/17	Net Long-term TIC Flows	--	-\$128.4b
07/17	Total Net TIC Flows	--	\$125.3b
07/17	Building Permits	1300k	1220k
07/17	Building Permits MoM	0.069	0.144
07/17	Housing Starts	1178k	974k
07/17	Housing Starts MoM	0.209	0.043
07/17	U. of Mich. Sentiment	79.000	78.100
07/17	U. of Mich. Current Conditions	--	87.100
07/17	U. of Mich. Expectations	--	72.300
07/17	U. of Mich. 1 Yr Inflation	--	0.030
07/17	U. of Mich. 5-10 Yr Inflation	--	0.025

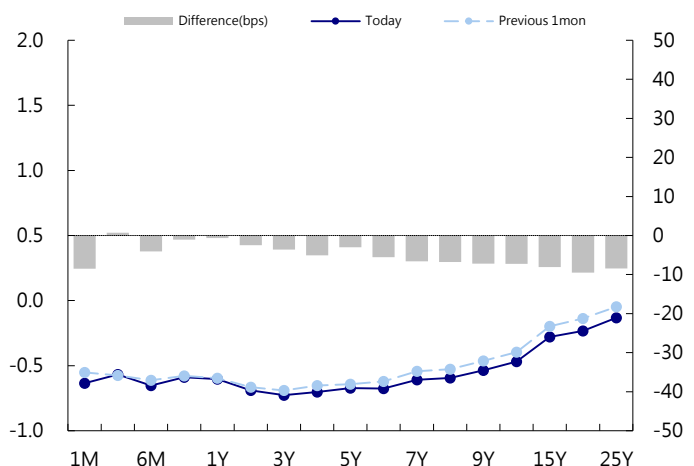
US Treasury Curve



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	2.69%	2.56%	0.50	(3.28)
CGB 10Y	2.94%	2.87%	0.12	(0.02)
CGB 20Y	3.55%	3.2%	(0.01)	(0.01)
Chinese Renminbi Spot	7.00	7.00	-0.16%	(0.06)%
USDCNY 1M Forward	7.01	7.01	(0.16)%	(0.03)%
USDCNY 3M Forward	7.04	7.03	(0.16)%	(0.02)%
USDCNY 6M Forward	7.07	7.07	(0.17)%	(0.07)%
	7D Repo	3M Shibor	7D Repo	3M Shibor
CNY IRS 1Y	2.385%	2.635%	0.50	0.50
CNY IRS 2Y	2.46%	2.83%	(0.50)	(1.00)
CNY IRS 3Y	2.54%	2.965%	(1.50)	(2.50)
CNY IRS 4Y	2.615%	3.075%	(0.50)	(1.50)
CNY IRS 5Y	2.685%	3.175%	(1.00)	(1.50)

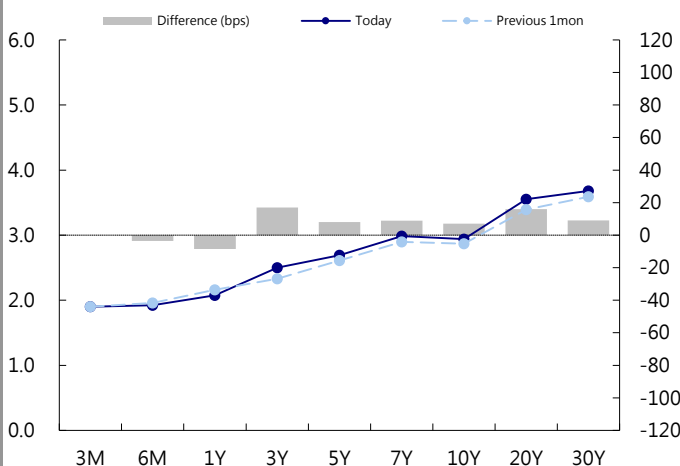
Benchmarks	Value	Net Change (bps)
SDBC 3.03 01/18/22	2.75%	3.498
SDBC 3.68 02/26/26	3.40%	-2.839
SDBC 3.48 01/08/29	3.64%	-1.499
SDBC 3 1/2 11/04/46	3.80%	-0.240
CNH CCS 3M	2.22%	7.26
CNH CCS 6M	2.21%	3.03
CNH CCS 12M	2.21%	1.33
CNH CCS 3Y	2.10%	(2.41)
CNH CCS 5Y	2.02%	(7.77)

Date	Event	Forecast	Previous
07/17	FX Net Settlement - Clients CNY	--	142.9b

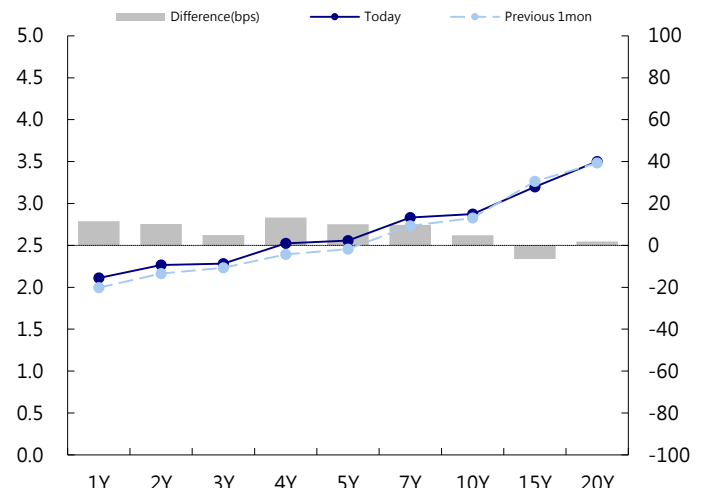
China Bond Market

Regarding bond market, although China's GDP growth rate exceeded expectations in the second quarter, the reaction of the Chinese bond market on Thursday was bearish. The current bond Treasury futures continued to be strong. In addition, the stock market's sharp drop in power was also more obvious. The size of the open market was still limited, and the decline in the yield of cash bonds significantly narrowed after the close of Treasury futures. In terms of exchange rate, The RMB against the US dollar spot down on Thursday, the market was active and the median price rose slightly by nearly 70 points to a new high of more than four months; traders said that after China announced better-than-expected economic data for the second quarter, the fall of A shares dragged the renminbi, but the US index fell in the afternoon, and the decline of the renminbi narrowed.

Onshore CNY Government Bond Curve



Offshore CNH Government Bond Curve



Taiwan Bond Market

Taiwan Market data

Benchmarks	Value	Net Change (bps)
TWGB 5Y	0.33%	(0.55)
TWGB 10Y	0.44%	(0.62)
USD/TWD	29.49	(0.13)%
EUR/TWD	33.57	(0.32)%
HKD/TWD	3.80	(0.18)%
VNY/TWD	4.21	(0.08)%
TWD Overnight Rate	0.082%	(0.70)
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. With recent auction results surpassing historical records, treasury yield continues to trade at the lower bound of range. 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. 5YR treasury yields closed at 0.3355%, 10YR treasury yields closed at 0.4492%.

Taiwan Bond Primary Market

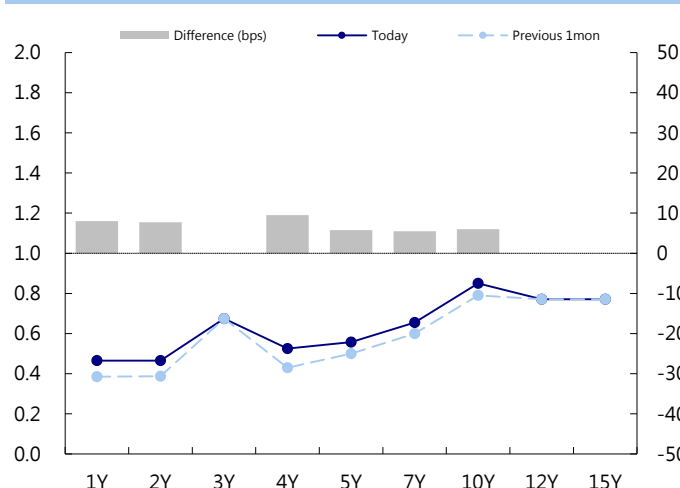
Announcements of Corporate Bonds Issuances approved by the Board of Directors on 16th July : None.
Bonds issued on 17th July : Sercomm Corporation issued NTD 1.4BN of 5-year senior unsecured corporate bond at a coupon rate of 1.00%. Credit Agricole Corporate and Investment Bank, Taipei Branch issued NTD 1BN of 5-year senior bank debenture at a coupon rate of 0.55%.

Date	Event	Forecast	Previous
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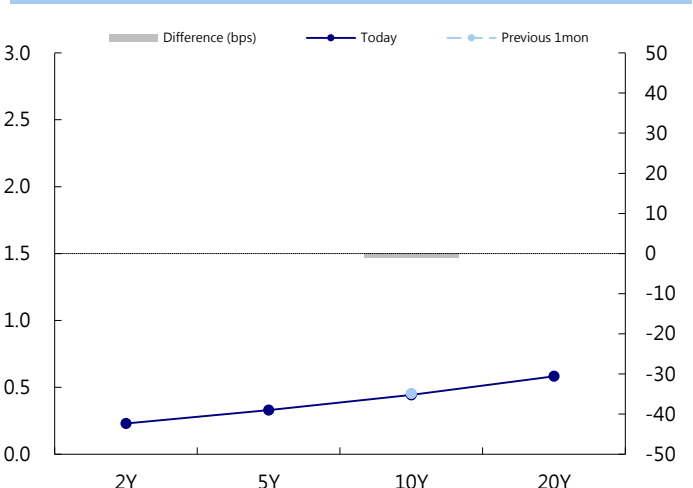
Money Market

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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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