

# US & Europe Bond Markets

## Govt, Equity, FX and Credit Benchmark & Economic Statistics

Benchmarks	Value	Net Change (bps)
UST 5Y	0.29%	(2.70)
UST 10Y	0.7%	(1.63)
UST 30Y	1.44%	1.42
Bund 5Y	-0.63%	(0.70)
Bund 10Y	-0.42%	(0.90)
Bund 30Y	0.02%	(1.00)
DOW JONES	27931.02	0.12 %
NASDAQ	11019.30	(0.21)%
S&P 500	3372.85	(0.02)%
DAX	12901.34	(0.71)%
FTSE 100	6090.04	(1.55)%
CAC 40	4962.93	(1.58)%
EUR/USD	1.19	0.14 %
USD/JPY	106.54	(0.06)%
USD/CNY	6.94	(0.12)%
US 5Y CDS	--	--
Germany 5Y CDS	11.20	(0.39)
Italy 5Y CDS	143.20	1.14
Spain 5Y CDS	--	--
Portugal 5Y CDS	--	--
France 5Y CDS	18.67	1.33
Japan 5Y CDS	16.13	(0.11)
China 5Y CDS	40.31	0.32
Korea 5Y CDS	21.81	(0.08)

## US & European Bond Markets

### US & European Government Bond :

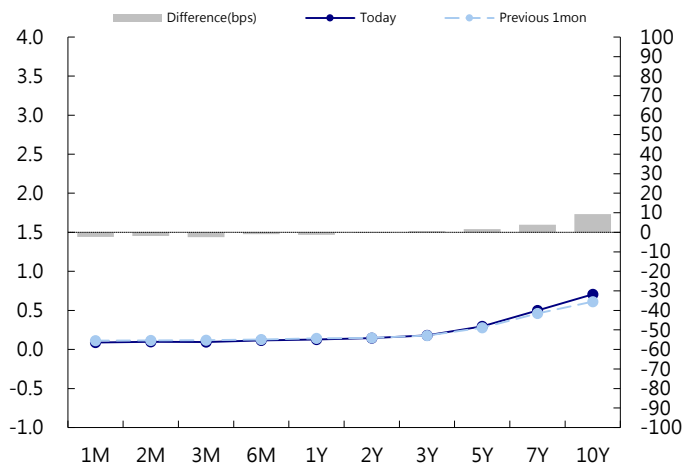
Treasuries continued bear steepening after a weak bond auction and better than expected Initial Jobless Claims. Overnight treasuries rallied over the Asia session before paring back into the morning open off of strong data out of Europe. On the US front, Initial Jobless Claims hit the tape at 963k vs an expected 1100k with Continuing Claims coming in at 15800k vs 15486k. Treasuries were lower after the data and into the 30yr auction as the Treasury sold a record \$26b of bonds at a yield of 1.406% vs 1.382% WI, tailing a whopping 2.4bps. Unsurprisingly bidding metrics were weak with a bid/cover of 2.14 vs 2.28 average and high dealer participation.

### US & European Corporate Bonds:

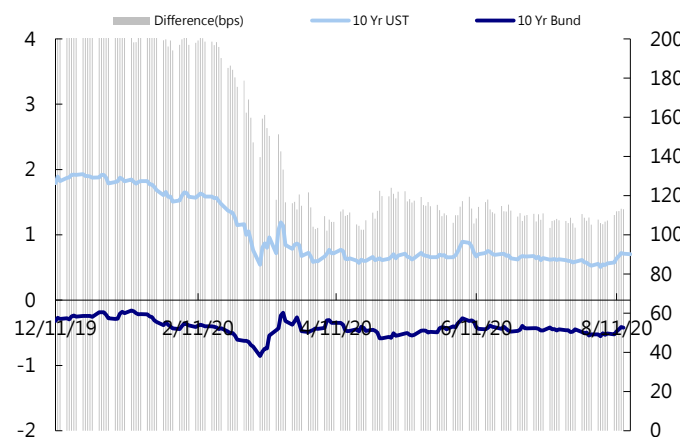
Mixed day in China IG. Overall relative quiet going into the weekend, China IG started 1-2bps better at upon but finished the day +3/-3. Recent new issues wise YUNDHL 25s further performed with 3bps tighter, MTRC 30 about 1bp tighter and GRWALL 30s first tightend 1bp then leaked 3bps. Elsewhere seen some profit taking vs yield buyers adding.

Date	Event	Forecast	Previous
08/17	Empire Manufacturing	15.000	17.200
08/17	NAHB Housing Market Index	74.000	72.000
08/17	Mortgage Delinquencies	--	0.044
08/17	MBA Mortgage Foreclosures	--	0.007
08/18	Net Long-term TIC Flows	--	\$127.0b
08/18	Total Net TIC Flows	--	-\$4.5b
08/18	Building Permits	1320k	1241k
08/18	Building Permits MoM	0.049	0.021
08/18	Housing Starts	1240k	1186k
08/18	Housing Starts MoM	0.046	0.173
08/19	MBA Mortgage Applications	--	0.068
08/20	FOMC Meeting Minutes	--	--
08/20	Philadelphia Fed Business Outlook	21.000	24.100
08/20	Initial Jobless Claims	920k	963k
08/20	Continuing Claims	15000k	15486k
08/20	Bloomberg Economic Expectations	--	38.500
08/20	Bloomberg Consumer Comfort	--	43.700
08/20	Leading Index	0.010	0.020

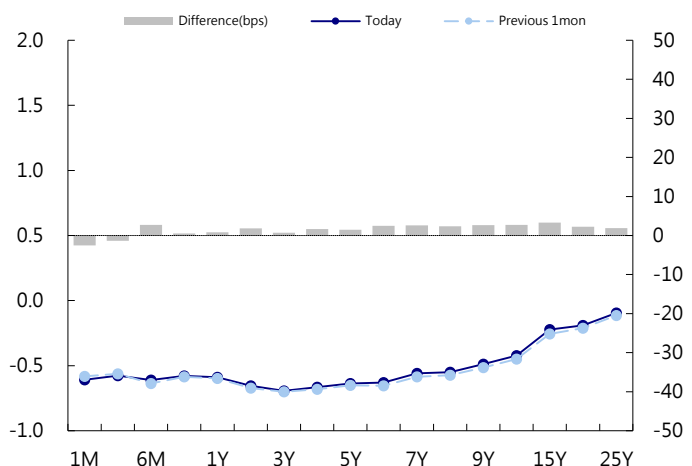
### US Treasury Curve



### 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%	2.43%	(9.55)	(0.03)
CGB 10Y	2.92%	2.85%	(1.00)	(0.02)
CGB 20Y	3.48%	3.17%	--	(0.01)
Chinese Renminbi Spot	6.94	6.94	0.12%	0.10 %
USDCNY 1M Forward	6.96	6.95	0.12 %	0.08 %
USDCNY 3M Forward	6.98	6.98	0.13 %	0.11 %
USDCNY 6M Forward	7.02	7.02	0.12 %	0.11 %
	7D Repo	3M Shibor	7D Repo	3M Shibor
CNY IRS 1Y	2.4%	2.74%	(1.00)	(1.50)
CNY IRS 2Y	2.48%	2.865%	(1.50)	(3.00)
CNY IRS 3Y	2.56%	3.02%	(2.00)	(2.50)
CNY IRS 4Y	2.635%	3.15%	(2.00)	(2.50)
CNY IRS 5Y	2.695%	3.245%	(2.00)	(3.00)

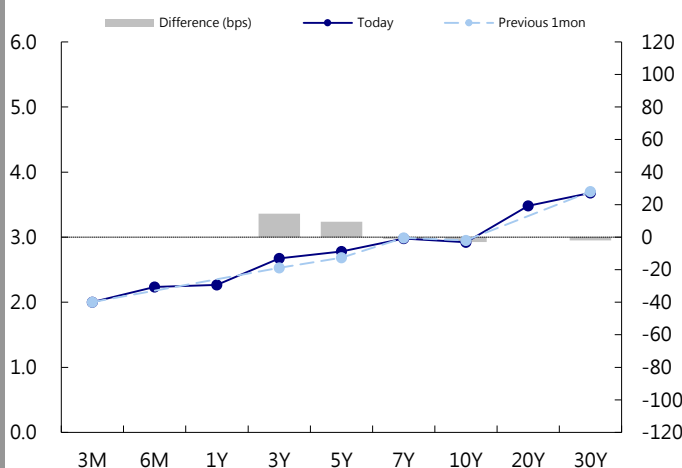
Benchmarks	Value	Net Change (bps)
SDBC 3.03 01/18/22	2.74%	-2.497
SDBC 3.68 02/26/26	3.33%	0.000
SDBC 3.48 01/08/29	3.54%	-1.000
SDBC 3 1/2 11/04/46	3.65%	365.021
CNH CCS 3M	2.66%	(9.86)
CNH CCS 6M	2.58%	(5.49)
CNH CCS 12M	2.46%	(4.72)
CNH CCS 3Y	2.36%	(1.16)
CNH CCS 5Y	2.37%	6.83

Date	Event	Forecast	Previous
08/20	Swift Global Payments CNY	--	0.018
08/20	1-Year Loan Prime Rate	0.039	0.039
08/20	5-Year Loan Prime Rate	0.047	0.047
08/21	FX Net Settlement - Clients CNY	--	-21.7b

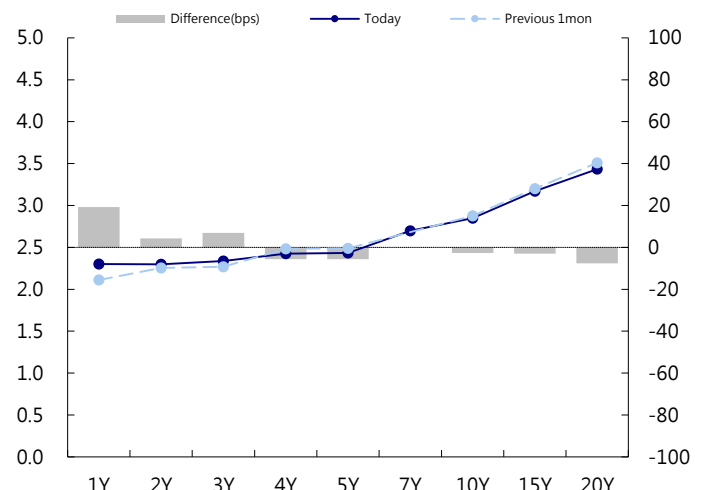
## China Bond Market

Regarding bond market, Boosted by weaker-than-expected China's industrial and consumption data in July, the Chinese bond market's spot bond yields fell on Friday, and government bond futures also closed higher. Traders said that weak economic data has clearly boosted risk aversion. Treasury bond futures rose sharply after the data was released, and then fluctuated within a narrow range, and the yield of spot bonds also declined. In terms of exchange rate, The RMB against the US dollar closed down slightly on Friday, the effective intraday volatility was still small, and the central parity rose slightly to a new high in more than five months. Traders said that China's economic data was slightly worse than expected. In addition, the China-US trade assessment meeting is coming on the weekend. Currently, the market expects that the China-US agreement is likely to be safe, but before the release of key risks, there is a strong wait-and-see atmosphere.

### Onshore CNY Government Bond Curve



### Offshore CNH Government Bond Curve



# Taiwan Bond Market

## Taiwan Market data

Benchmarks	Value	Net Change (bps)
TWGB 5Y	0.32%	0.90
TWGB 10Y	0.4%	(0.30)
USD/TWD	29.40	(0.24)%
EUR/TWD	34.87	0.26 %
HKD/TWD	3.79	(0.18)%
VNY/TWD	4.23	(0.06)%
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

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. 10YR treasury yields closed at 0.40%. 5YR treasury yields closed at 0.319%.

## Taiwan Bond Primary Market

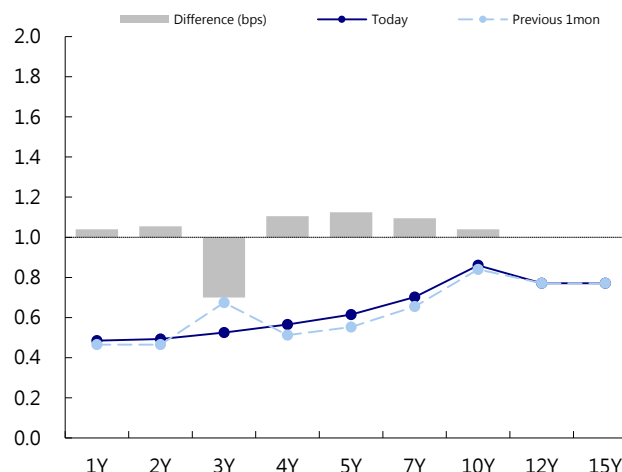
Announcements of Corporate Bonds Issuances approved by the Board of Directors on 14th August : E. Sun Bank plans to issue its senior financial debentures, with the total size not exceeding NTD 10BN and tenor not exceeding 40 years. Bonds issued on 17th August : None.

Date	Event	Forecast	Previous
08/20	Export Orders YoY	3.1%	6.5%
08/20	BoP Current Account Balance	--	\$18160m

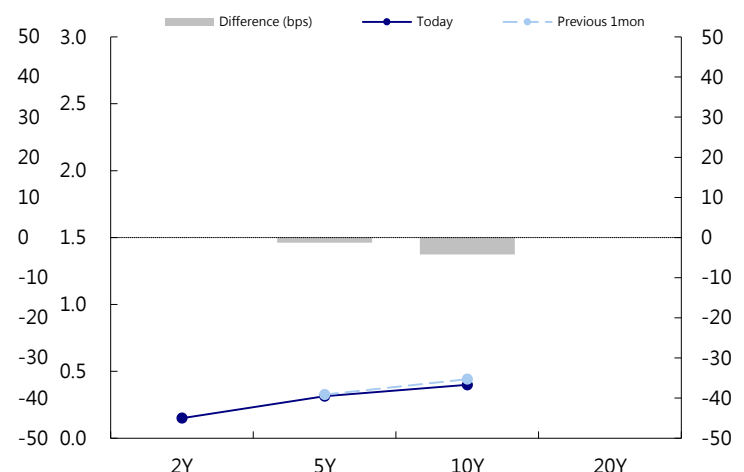
## Money Market

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%-0.29%, while corporate bond repo rate at 0.33%-0.36%.

## TWD IRS Curve



## Taiwan Government Bond Yield curve



## Disclaimer

Sinopac Securities Corp ("Sinopac Sec") does and seeks to do business with companies covered in its research reports. As a result, investors should be aware that Sinopac Sec may have a conflict of interest that could affect the objectivity of this report. Sinopac Sec regularly trades, generally deals as principal and generally provides liquidity (as market maker or otherwise) in the debt securities that are the subject of this research report (and related derivatives thereof). Sinopac Sec trading desks may have either a long and / or short position in such securities, other financial instruments and / or derivatives, which may pose a conflict with the interests of investing customers. To the extent that any historical pricing information was obtained from Sinopac Sec trading desks, the firm makes no representation that it is accurate or complete. All levels, prices and spreads are historical and do not necessarily represent current market levels, prices or spreads, some or all of which may have changed since the publication of this document. Sinopac Sec makes no guarantee that any recommendation and information provided is accurate or complete.

## 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](http://www.taiwanresearch.com)  
[fixedincome@sinopac.com](mailto:fixedincome@sinopac.com)  
Bloomberg page: SIAL