

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 :

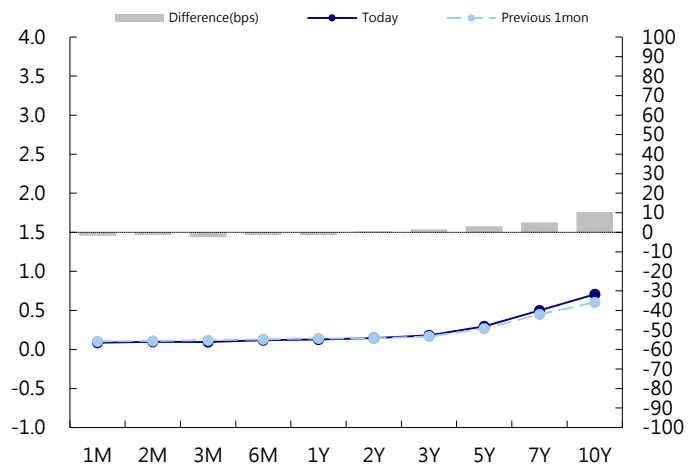
Treasuries ended mixed with 10- to 30-year yields shedding 2bp-3bp while front-end yields cheapened slightly. For 20- and 30-year yields it was the first decline in seven sessions. Focal points included weaker-than-forecast New York State manufacturing gauge and IG credit issuance surpassing the \$1.33t full-year total for 2017. Risk factors ahead include July 29 FOMC minutes and 20-year bond auction, both Wednesday. 10-year yield shed 2.4bp to 0.685%, flattening 2s10s by 3bp; 5s30s narrowed by 1bp, both off tightest levels of the day.

US & European Corporate Bonds:

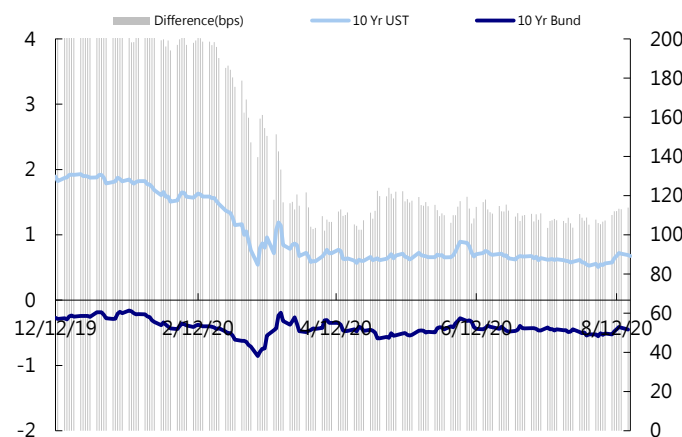
Mixed day in China IG. Overall relative quiet going into the weekend, China IG started 1-2bps better at upon but finished the day +3/-3. Recent new issues wise YUNDHL 25s further performed with 3bps tighter, MTRC 30 about 1bp tighter and GRWALL 30s first tightend 1bp then leaked 3bps. Elsewhere seen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

Date	Event	Forecast	Previous
08/18	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
08/21	Markit US Manufacturing PMI	51.500	50.900
08/21	Markit US Services PMI	50.900	50.000
08/21	Markit US Composite PMI	--	50.300
08/21	Existing Home Sales	5.40m	4.72m

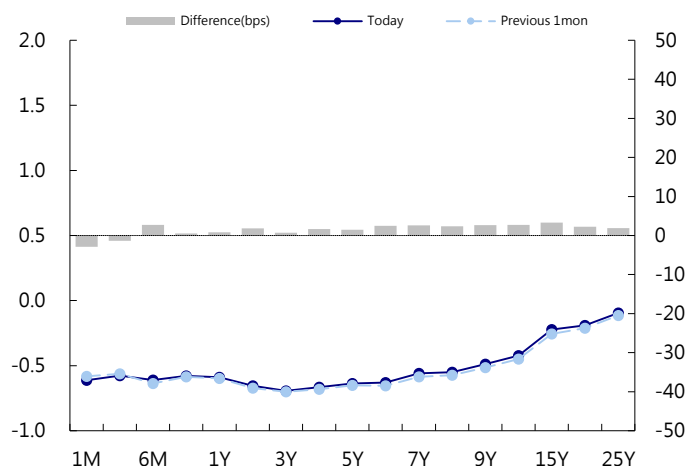
US Treasury Curve



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)

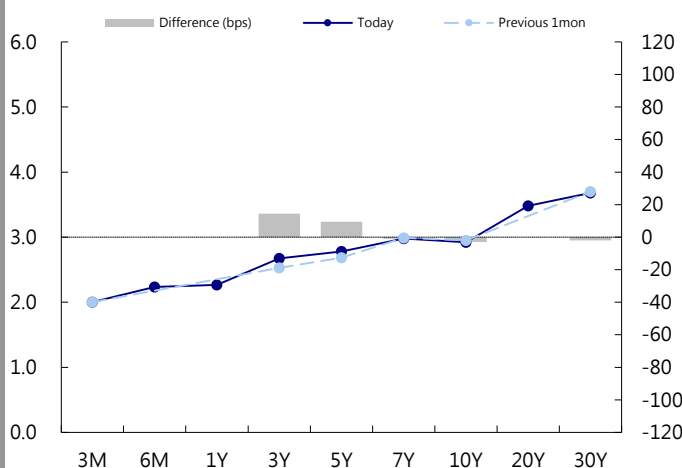
Benchmarks	Value		Net Change (bps)	
	CNY	CNH	CNY	CNH
SDBC 3.03 01/18/22	2.74%		-2.497	
SDBC 3.68 02/26/26	3.33%		0.000	
SDBC 3.48 01/08/29	3.54%		-1.000	
SDBC 3 1/2 11/04/46	3.65%		365.021	
CNH CCS 3M	2.66%		(9.86)	
CNH CCS 6M	2.58%		(5.49)	
CNH CCS 12M	2.46%		(4.72)	
CNH CCS 3Y	2.36%		(1.16)	
CNH CCS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

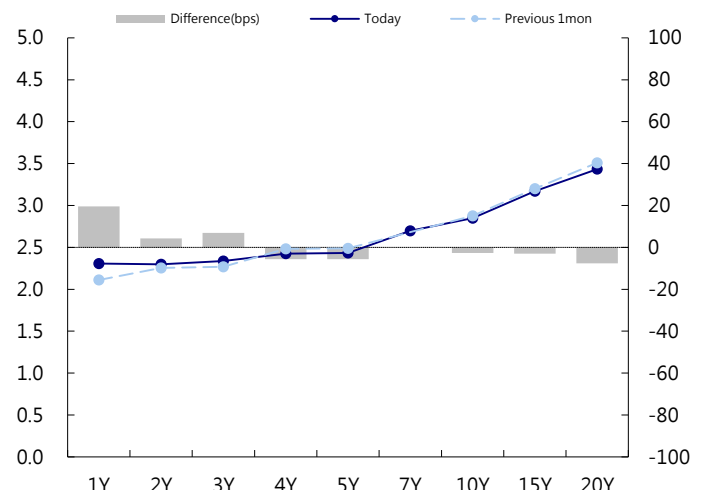
China Bond Market

Local bond defaults in China are poised to hit a five-month high, underscoring the lingering financial stress wrought from the pandemic. The swell in local debt failures is reversing a descending trend in the second quarter as China's bond financing climate has since worsened amid receding hopes of aggressive monetary easing. Worse, bond issuance has also shrunk, boosting the likelihood that defaults will remain elevated. China's benchmark money market rate fell after the central bank injected funds into the financial system, stoking optimism that authorities will supply liquidity to support massive government debt sales. The People's Bank of China offered 700 billion yuan (\$101 billion) of one-year funding via the medium-term lending facility, more than offsetting the 400 billion yuan in loans coming due Monday and another 150 billion yuan maturing on Aug. 26. China-US talks postponed. The market expects that after the progress talks on the implementation of the first phase of the trade agreement on August 15, the US dollar index will rebound during the European session after continuing its downward trend in the day. The overall appreciation of the renminbi in the day, leading the Asian currency, but the upward trend continues to be blocked near 6.93 yuan.

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%.

Taiwan Bond Primary Market

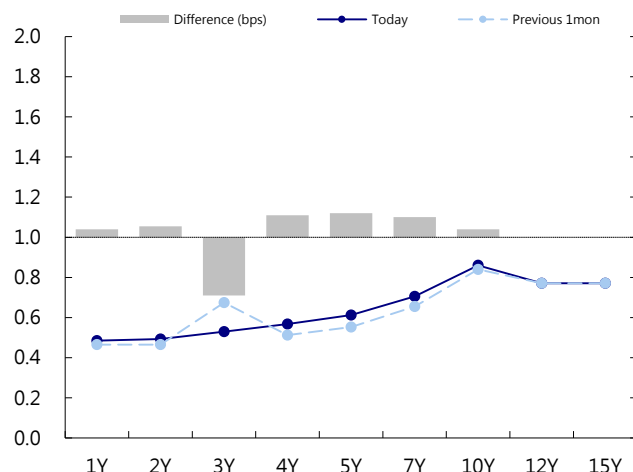
Announcements of Corporate Bonds Issuances approved by the Board of Directors on 17th August : None.
Bonds issued on 18th August : None.

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

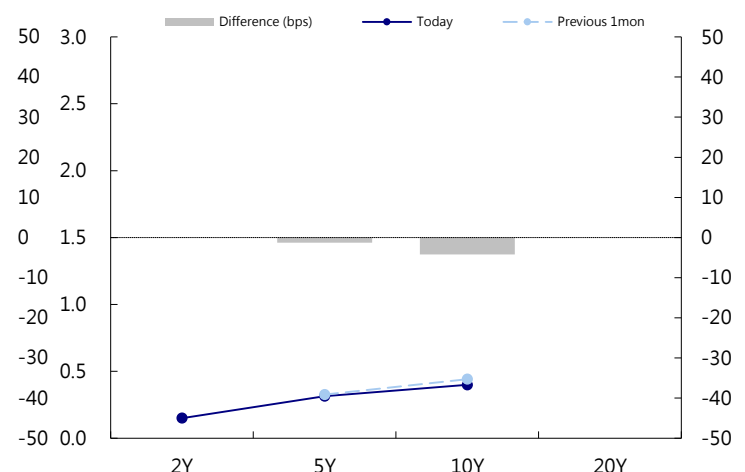
Money Market

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



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