

US & Europe Bond Markets

Govt, Equity, FX and Credit Benchmark & Economic Statistics

Benchmarks	Value	Net Change (bps)
UST 5Y	0.28%	(3.62)
UST 10Y	0.74%	(1.63)
UST 30Y	1.52%	1.06
Bund 5Y	-0.65%	(0.80)
Bund 10Y	-0.41%	(0.20)
Bund 30Y	0.07%	0.50
DOW JONES	28653.87	0.57 %
NASDAQ	11695.63	0.60 %
S&P 500	3508.01	0.67 %
DAX	13033.20	(0.48)%
FTSE 100	5963.57	(0.61)%
CAC 40	5002.94	(0.26)%
EUR/USD	1.19	0.03 %
USD/JPY	105.49	0.11 %
USD/CNY	6.86	(0.12)%
US 5Y CDS	--	--
Germany 5Y CDS	11.24	0.33
Italy 5Y CDS	133.36	0.00
Spain 5Y CDS	--	--
Portugal 5Y CDS	--	--
France 5Y CDS	18.44	0.02
Japan 5Y CDS	17.04	(0.93)
China 5Y CDS	35.29	(0.10)
Korea 5Y CDS	21.95	--

US & European Bond Markets

US & European Government Bond :

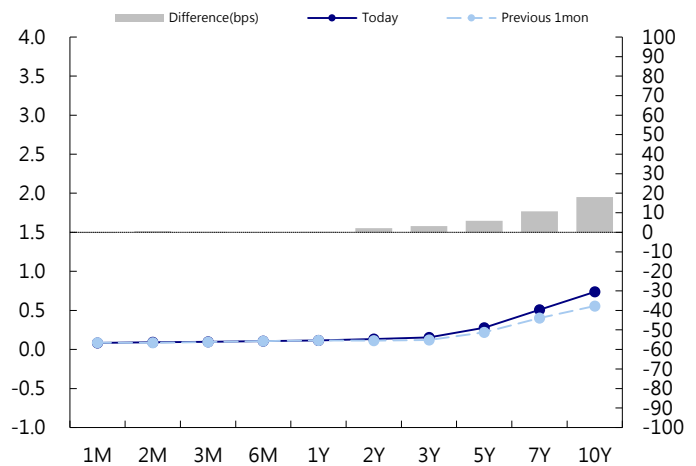
Treasuries ended mixed Friday with the curve steeper after paring declines that pushed 10- and 30-year yields to highest levels since June before U.S. trading began. Curve extended steepening unleashed Thursday by Fed Chair Powell's confirmation that monetary policy will target a 2% average inflation rate, despite biggest expected Treasury Index duration extension in a decade for Monday's month-end. Yields out to the 10-year ended lower by 2bp-4bp, with 2-year touching lowest level since Aug. 11, while 20- and 30-year yields rose, steepening 5s30s by more than 4bp; spread topped at 125.4bp, vs 128.5bp YTD high; 16.5bp increase on the week was biggest since 2012.

US & European Corporate Bonds:

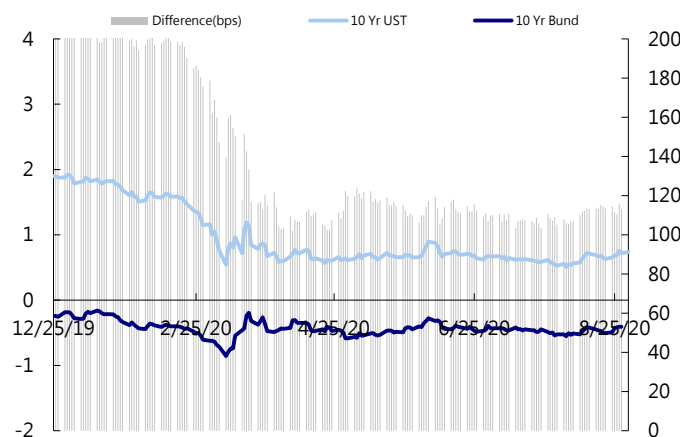
Asia credit performed weak yesterday with intensified tension between US and China, and market were PT before Powell speech. Spread widen 1~3 bps in general with long-end more suffered. On new issues, TME 25's performed well by under allocated asia account lifting, lead spread to 7 bps tighter, however, TME 30s were more quiet and trade around reoffer. LGFV fairly upbeat tone in the space recently amid balanced two-way flows among RM and AM. Because that LGFV wouldnt affect by UST and provide yield enhance with other SOEs. HY also performed stable with RM/PB buying and short cover from dealers therefore price increase 0.25~0.5 pts overall. To sum up, All asset sectors were volatile amid Powell

Date	Event	Forecast	Previous
08/31	Dallas Fed Manf. Activity		(3.000)
09/01	Markit US Manufacturing PMI	53.600	53.600
09/01	ISM Manufacturing	54.500	54.200
09/01	ISM New Orders	--	61.500
09/01	ISM Prices Paid	54.500	53.200
09/01	ISM Employment	--	44.300
09/01	Construction Spending MoM	0.011	(0.007)
09/01	Wards Total Vehicle Sales	14.80m	14.52m
09/02	MBA Mortgage Applications	--	(0.065)
09/02	ADP Employment Change	950k	167k
09/02	Factory Orders	0.060	0.062
09/02	Factory Orders Ex Trans	--	0.044
09/02	Durable Goods Orders	0.112	0.112
09/02	Durables Ex Transportation	0.024	0.024
09/02	Cap Goods Orders Nondef Ex Air	--	0.019
09/02	Cap Goods Ship Nondef Ex Air	--	0.024
09/03	U.S. Federal Reserve Releases Beige B		
09/03	Challenger Job Cuts YoY	--	5.761

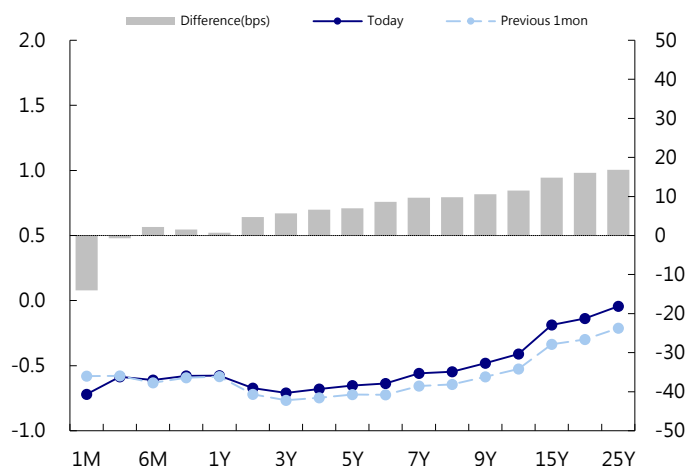
US Treasury Curve



UST V.S. Bund 10Y Yield



Bund Curve



China Bond Market

CNY & CNH Market Data

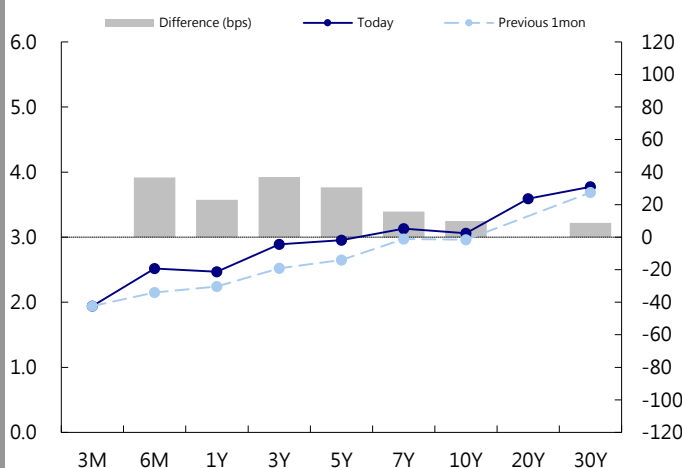
Benchmarks	Value		Net Change (bps)	
	CNY	CNH	CNY	CNH
CGB 5Y	2.95%	2.53%	(0.75)	(0.04)
CGB 10Y	3.06%	2.88%	(1.50)	(0.02)
CGB 20Y	3.59%	3.12%	--	(0.01)
Chinese Renminbi Spot	6.86	6.85	0.12%	0.07%
USDCNY 1M Forward	6.88	6.87	0.12%	0.09%
USDCNY 3M Forward	6.90	6.90	0.12%	0.07%
USDCNY 6M Forward	6.93	6.94	0.13%	0.09%
	7D Repo	3M Shibor	7D Repo	3M Shibor
CNY IRS 1Y	2.515%	2.92%	0.00	2.00
CNY IRS 2Y	2.615%	3.08%	1.50	4.00
CNY IRS 3Y	2.715%	3.235%	1.50	5.50
CNY IRS 4Y	2.795%	3.355%	2.00	5.50
CNY IRS 5Y	2.855%	3.465%	1.00	5.00
Benchmarks	Value		Net Change (bps)	
SDBC 3.03 01/18/22	2.91%		0.487	
SDBC 3.68 02/26/26	3.52%		-0.669	
SDBC 3.48 01/08/29	3.68%		-0.011	
SDBC 3 1/2 11/04/46	4.20%		0.008	
CNH CCS 3M	2.66%		8.07	
CNH CCS 6M	2.64%		5.47	
CNH CCS 12M	2.58%		6.58	
CNH CCS 3Y	2.47%		2.25	
CNH CCS 5Y	2.43%		4.90	

Date	Event	Forecast	Previous
08/31	Composite PMI	--	54.100
08/31	Manufacturing PMI	51.200	51.100
08/31	Non-manufacturing PMI	54.200	54.200
09/01	Caixin China PMI Mfg	52.500	52.800
09/03	Caixin China PMI Composite	--	54.500
09/03	Caixin China PMI Services	54.000	54.100

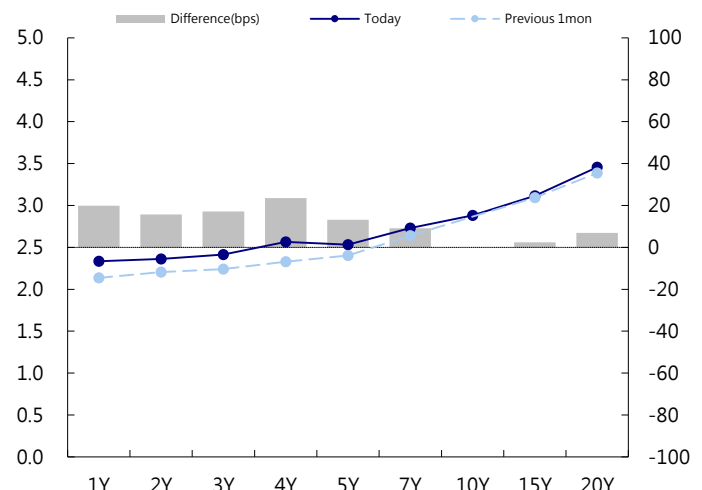
China Bond Market

Regarding bond market, the Chinese bond market was still bleak on Friday. The 10-year Treasury bond yield in the inter-bank market was approaching the next threshold of 3.1%. During the same period, the CDB bond yield also hit an intraday high of nearly 10 months. The trader said that in the absence of obvious negative conditions, the easing of the capital side also failed to save the spot, indicating a serious lack of market confidence. This weak market is expected to be difficult to change for a while. In terms of exchange rate, The RMB against the U.S. dollar closed at the spot on Friday to a new high in more than seven months, and the central parity also set a new high in more than seven months; Fed Chairman Powell's speech overnight was basically in line with expectations, and the market's expectations for the mid to long-term decline in the U.S. dollar were more consistent; the U.S. dollar index in the afternoon accelerated the downward trend, the RMB is rising along the trend, and it is still expected to continue the upward trend in the short term.

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%	0.20
TWGB 10Y	0.42%	1.50
USD/TWD	29.35	(0.31)%
EUR/TWD	34.95	(0.16)%
HKD/TWD	3.79	(0.22)%
VNY/TWD	4.28	(0.09)%
TWD Overnight Rate	0.08%	(0.80)
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. However, due to selling pressure from leveraged money in the market, 10YR treasury yields moved higher and closed at 0.422%.

Taiwan Bond Primary Market

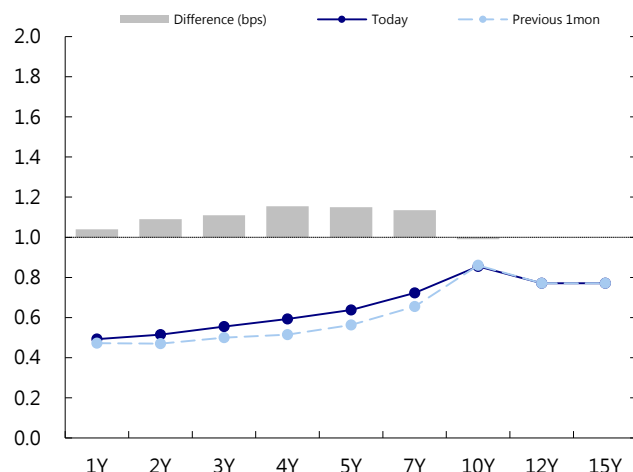
Announcements of Corporate Bonds Issuances approved by the Board of Directors on 28th August : None.
Bonds issued on 31st August : None.

Date	Event	Forecast	Previous
09/01	Markit Taiwan PMI Mfg	--	5060.0%
09/04	Foreign Reserves	--	\$496.17b

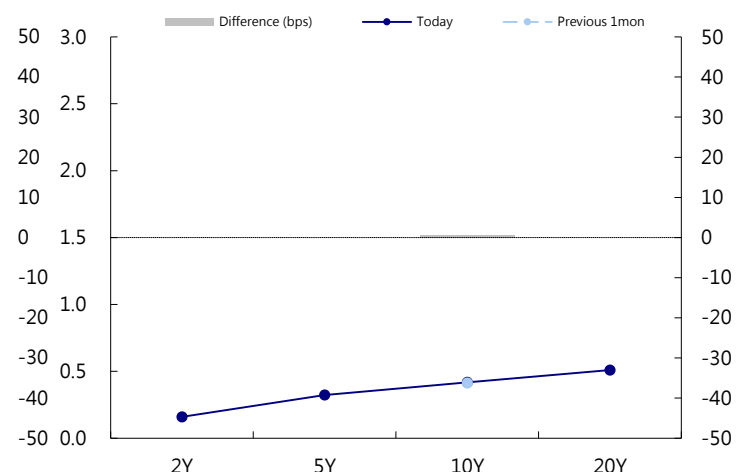
Money Market

With sufficient fund in the market due to loose monetary policy supported by central bank, we expect repo rates continue to trade within the range, i.e., Govt bond repo rate at 0.22%-0.28%, while corporate bond repo rate at 0.33%-0.37%.

TWD IRS Curve



Taiwan Government Bond Yield curve



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