

# US & Europe Bond Markets

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

Benchmarks	Value	Net Change (bps)
UST 5Y	0.26%	(3.49)
UST 10Y	0.67%	(4.74)
UST 30Y	1.41%	(6.37)
Bund 5Y	-0.7%	(1.10)
Bund 10Y	-0.5%	(3.20)
Bund 30Y	-0.04%	(3.60)
DOW JONES	27500.89	(2.25)%
NASDAQ	10847.69	(4.11)%
S&P 500	3331.84	(2.78)%
DAX	12968.33	(1.01)%
FTSE 100	5930.30	(0.12)%
CAC 40	4973.52	(1.59)%
EUR/USD	1.18	(0.22)%
USD/JPY	105.93	(0.36)%
USD/CNY	6.85	0.08 %
US 5Y CDS	--	--
Germany 5Y CDS	10.95	(0.33)
Italy 5Y CDS	135.76	1.34
Spain 5Y CDS	--	--
Portugal 5Y CDS	--	--
France 5Y CDS	16.36	(0.76)
Japan 5Y CDS	16.97	(0.33)
China 5Y CDS	37.00	0.94
Korea 5Y CDS	22.61	(0.02)

## US & European Bond Markets

### US & European Government Bond :

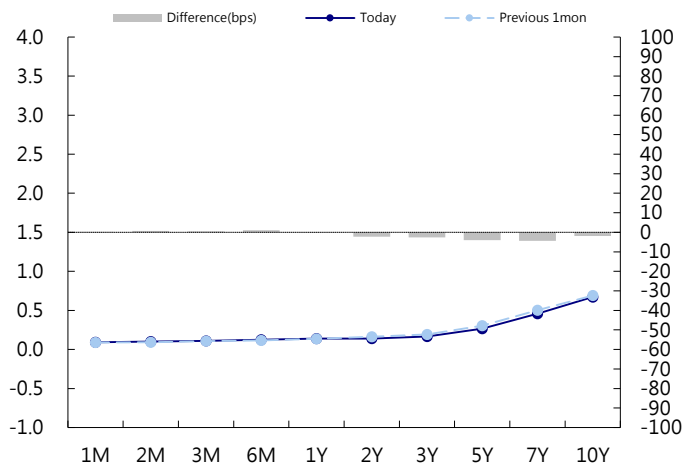
Treasuries rallied led by long end of the curve despite an IG credit issuance slate that included fifteen names and several multi-tranche offerings. Treasury coupon supply also failed to dent the rally, though the 3-year note auction tailed 0.4bp. Long-end faces a more difficult test Wednesday and Thursday with \$35b 10-year and \$23b 30-year reopenings (+\$6b and +\$4b vs previous reopenings). Gains were pared slightly after the Fed's daily purchase operation, however bull-flattening was sustained through the close. Yields ended richer by 0.5bp to 5.5bp across the curve with 2s10s, 5s30s flatter by 3.3bp and 2.6bp on the day; 10-year yields settled ~0.68% after touching 0.662%

### US & European Corporate Bonds:

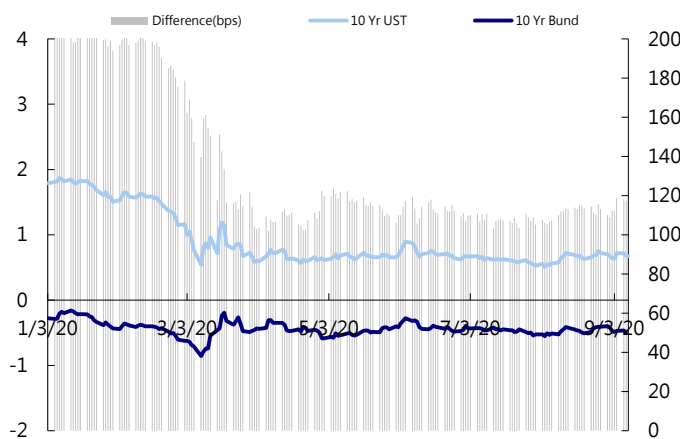
The U.S. equity rout continued after the long weekend, dragged down by tech stocks again, while the Nasdaq 100 plummeted over 4% along with the dollar rose and Treasury yields slid 3.9 to 5 basis points. Credit market open at widen 3~5 bps yesterday, as market still in cautious mood for US market open after labor day, even though Asia stock mostly rallied. TMT name traded heavily in concern about SMIC will be put on blacklist, spread widen 5~7 bps overall especially in 10yr tenor. Otherwise, 5yr tranche and quality LGFV / SOE still have buyer and performed stably while HY and AT1 drop about 0.5~1 pts. In general, flows were skewed to profit taking the bond with stellar perform before and long end

Date	Event	Forecast	Previous
09/09	Consumer Credit	\$12.900b	\$8.948b
09/09	MBA Mortgage Applications	--	(0.020)
09/09	JOLTS Job Openings	6000.000	5889.000
09/10	PPI Final Demand MoM	0.002	0.006
09/10	PPI Ex Food and Energy MoM	0.002	0.005
09/10	PPI Ex Food, Energy, Trade MoM	0.002	0.003
09/10	PPI Final Demand YoY	(0.003)	(0.004)
09/10	PPI Ex Food and Energy YoY	0.003	0.003
09/10	PPI Ex Food, Energy, Trade YoY	--	0.001
09/10	Initial Jobless Claims	845k	881k
09/10	Continuing Claims	12904k	13254k
09/10	Bloomberg Consumer Comfort	--	45.100
09/10	Wholesale Inventories MoM	(0.001)	(0.001)
09/10	Wholesale Trade Sales MoM	--	0.088
09/11	Real Avg Weekly Earnings YoY	--	0.043
09/11	CPI MoM	0.003	0.006
09/11	CPI Ex Food and Energy MoM	0.002	0.006
09/11	CPI YoY	0.012	0.010

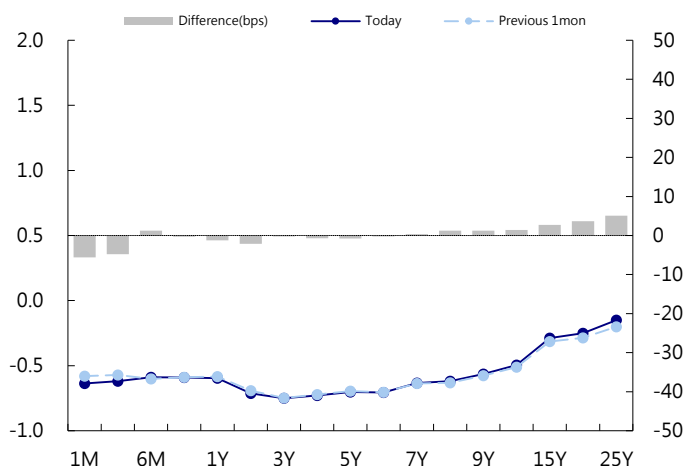
### US Treasury Curve



### 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	3.04%	2.68%	(2.26)	(0.09)
CGB 10Y	3.1%	2.89%	(2.25)	(0.07)
CGB 20Y	3.64%	3.21%	--	(0.03)
Chinese Renminbi Spot	6.85	6.86	-0.08%	(0.03)%
USDCNY 1M Forward	6.87	6.87	(0.07)%	(0.03)%
USDCNY 3M Forward	6.89	6.90	(0.07)%	(0.02)%
USDCNY 6M Forward	6.93	6.94	(0.05)%	(0.02)%
	7D Repo	3M Shibor	7D Repo	3M Shibor
CNY IRS 1Y	2.545%	2.94%	(4.00)	(4.50)
CNY IRS 2Y	2.645%	3.135%	(4.50)	(3.00)
CNY IRS 3Y	2.75%	3.3%	(5.00)	(2.00)
CNY IRS 4Y	2.825%	3.445%	(5.50)	(1.00)
CNY IRS 5Y	2.885%	3.545%	(6.50)	(1.00)

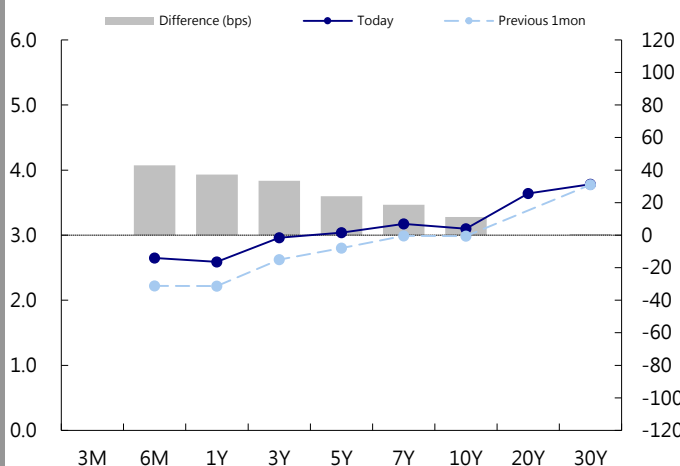
Benchmarks	Value	Net Change (bps)
SDBC 3.03 01/18/22	2.96%	0.499
SDBC 3.68 02/26/26	3.60%	-0.001
SDBC 3.48 01/08/29	3.69%	-1.749
SDBC 3 1/2 11/04/46	4.17%	0.002
CNH CCS 3M	2.52%	(6.37)
CNH CCS 6M	2.60%	(5.71)
CNH CCS 12M	2.61%	(4.34)
CNH CCS 3Y	2.61%	(0.81)
CNH CCS 5Y	2.52%	(3.31)

Date	Event	Forecast	Previous
09/09	PPI YoY	(0.019)	(0.024)
09/09	CPI YoY	0.024	0.027
09/10	Money Supply M0 YoY	--	0.099
09/10	Money Supply M1 YoY	0.070	0.069
09/10	Money Supply M2 YoY	0.107	0.107
09/10	New Yuan Loans CNY	1265.0b	992.7b
09/10	Aggregate Financing CNY	2600.0b	1690.0b
09/10	Foreign Direct Investment YoY CNY	--	0.158

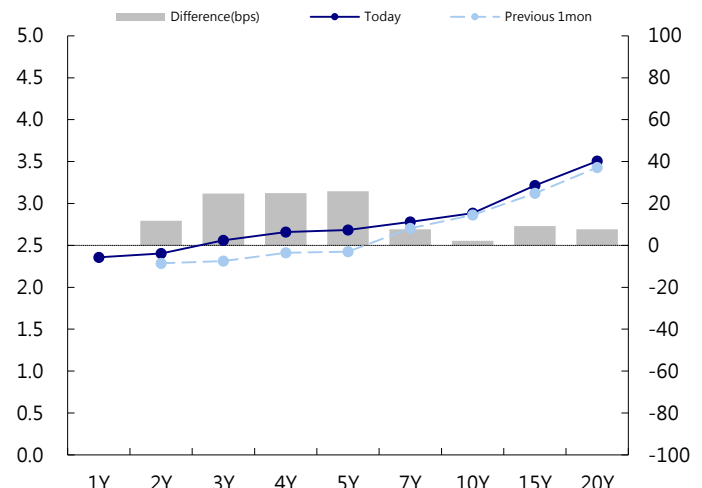
## China Bond Market

Regarding bond market, China's central bank's open market's net investment on Tuesday eased the pessimism of the domestic bond market. The yield of spot bonds continued to fall slightly by the end of yesterday. The yield of 10-year Treasury bonds deviated from the high point of the year, and Treasury bond futures made up the trend even stronger, the 10-year main contract closed up 0.36%. However, tomorrow will usher in a tender for Treasury bonds for the second consecutive week, and market doubts remain under supply pressure. In terms of exchange rate, the RMB against the US dollar closed slightly lower on Tuesday. Traders said that the recent decline in the US dollar has slowed down, and the renminbi has also declined in its inertia to the 200-week moving average. The follow-up needs more positives to break through the key resistance.

### 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%	1.00
TWGB 10Y	0.42%	(0.32)
USD/TWD	29.29	(0.34)%
EUR/TWD	34.49	(0.66)%
HKD/TWD	3.78	(0.12)%
VNY/TWD	4.27	(0.29)%
TWD Overnight Rate	0.076%	(0.50)
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 0.4242%.

## Taiwan Bond Primary Market

Announcements of Corporate Bonds Issuances approved by the Board of Directors on 8th September : Chailease Finance Bo., Ltd. plans to issue its second corporate bonds in 2020, with the total size not exceeding NTD 1.5BN and tenor not exceeding 10 years .

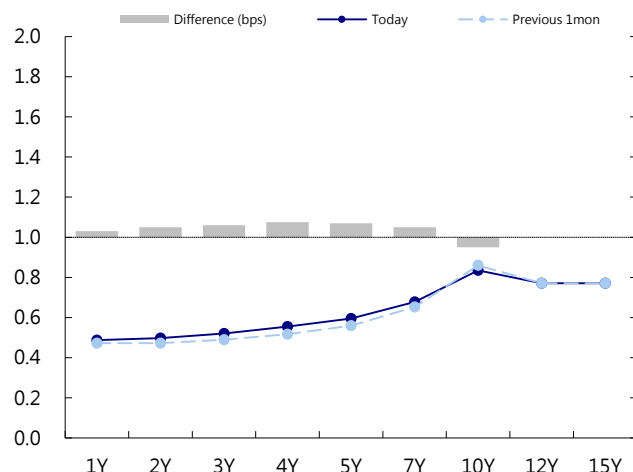
Bonds issued on 9th September : Cathay Financial Holding Co., Ltd. issued NTD 8.25BN of senior unsecured corporate bonds in 4 tranches: NTD 2.85BN of 5-year bond at a coupon rate of 0.69%, NTD 3.7BN of 7-year bond at a coupon rate of 0.79%, NTD 1.4BN of 10-year bond at a coupon rate of 0.90%, NTD 0.3BN of 12-year bond at a coupon rate of 1.00%.

## Money Market

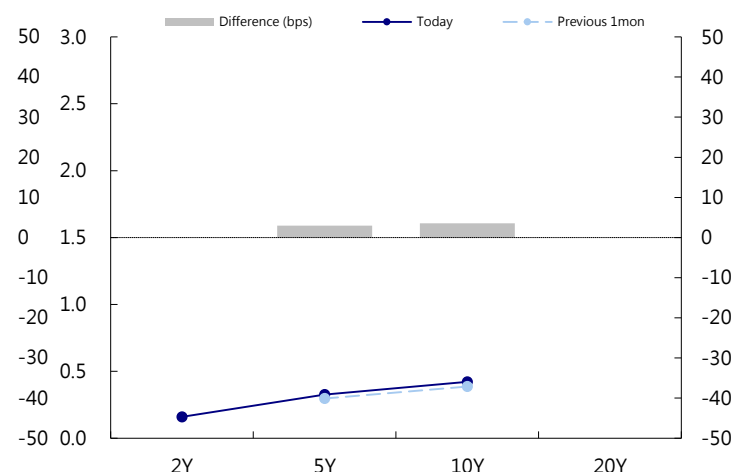
With sufficient fund in the market due to loose monetary policy supported by central bank, we expect repo rates continue to trade within the range, i.e., Govt bond repo rate at 0.22%-0.28%, while corporate bond repo rate at 0.33%-0.36%.

Date	Event	Forecast	Previous
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## TWD IRS Curve



## Taiwan Government Bond Yield curve



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