

US & Europe Bond Markets

Govt, Equity, FX and Credit Benchmark & Economic Statistics

Benchmarks	Value	Net Change (bps)
UST 5Y	0.32%	(1.44)
UST 10Y	0.75%	(2.00)
UST 30Y	1.55%	(2.56)
Bund 5Y	-0.74%	(1.20)
Bund 10Y	-0.55%	(1.80)
Bund 30Y	-0.12%	(2.30)
DOW JONES	28837.52	0.88 %
NASDAQ	11876.26	2.56 %
S&P 500	3534.22	1.64 %
DAX	13138.41	0.67 %
FTSE 100	6001.38	(0.25)%
CAC 40	4979.29	0.66 %
EUR/USD	1.18	0.02 %
USD/JPY	105.35	(0.14)%
USD/CNY	6.75	0.76 %
US 5Y CDS	--	--
Germany 5Y CDS	11.05	(0.34)
Italy 5Y CDS	135.76	--
Spain 5Y CDS	--	--
Portugal 5Y CDS	--	--
France 5Y CDS	18.82	0.71
Japan 5Y CDS	17.00	(0.04)
China 5Y CDS	37.98	(0.01)
Korea 5Y CDS	24.01	(0.08)

US & European Bond Markets

US & European Government Bond :

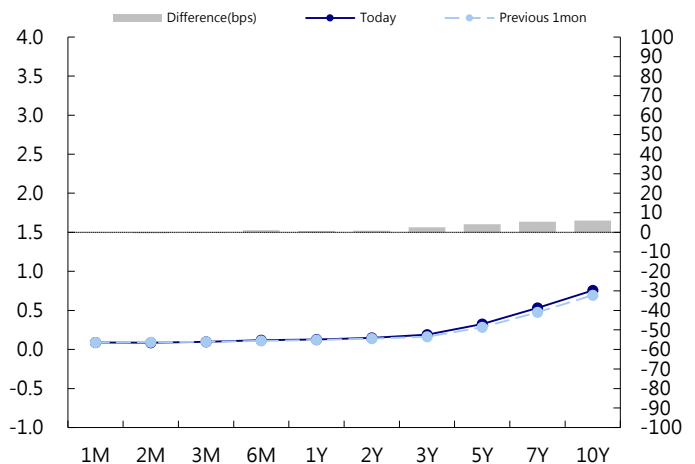
Treasury yields edged cheaper over the U.S. session, erasing a sharp bull-flattening move in European trading that was led by the U.K. and German curves. Once European cash markets closed, Treasuries' gains eroded as U.S. stocks recovered, leaving yields slightly cheaper on the day. Yields ended within about a basis point of Wednesday's closing levels after declining by as much as 4.5bp at long end in early U.S. trading; 10-year rose less than 1bp to 0.734% while German 10-year shed 2.9bp, U.K. 4bp.

US & European Corporate Bonds:

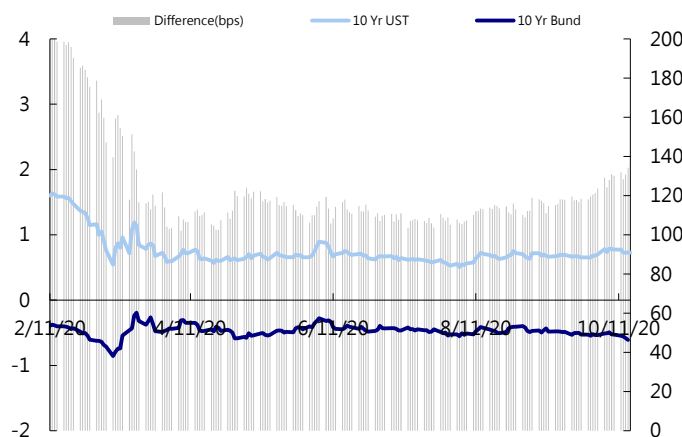
Quiet morning as focus was on new China sov deal. But afternoon brought a round of risk off with spreads in benchmarks 2-6 wider mostly. Recent outperformers such as hrinth 10yr and CDBFLC 30 T2 both 6 wider. Recent rates rally resulting in decent amount of PB selling in AIA 40s too, traded in-house a few times closing 139.5/137.5 (+3). Decent performance in the China sovs today. we were largely stable during morning session, but as Europe came in, bonds were first given wider, before tightening back 3bp or so in the 10yrs. We are about 6-7bp tighter in 3yrs, 1 tighter in 5s, 2 tighter in 10s and 2 wider in 30s.

Date	Event	Forecast	Previous
10/16	Retail Sales Advance MoM	0.008	0.006
10/16	Retail Sales Ex Auto MoM	0.004	0.007
10/16	Retail Sales Ex Auto and Gas	0.004	0.007
10/16	Retail Sales Control Group	0.003	(0.001)
10/16	Industrial Production MoM	0.006	0.004
10/16	Capacity Utilization	0.718	0.714
10/16	Manufacturing (SIC) Production	0.007	0.010
10/16	Business Inventories	0.004	0.001
10/16	U. of Mich. Sentiment	80.500	80.400
10/16	U. of Mich. Current Conditions	88.500	87.800
10/16	U. of Mich. Expectations	77.000	75.600
10/16	U. of Mich. 1 Yr Inflation	--	0.026
10/16	U. of Mich. 5-10 Yr Inflation	--	0.027

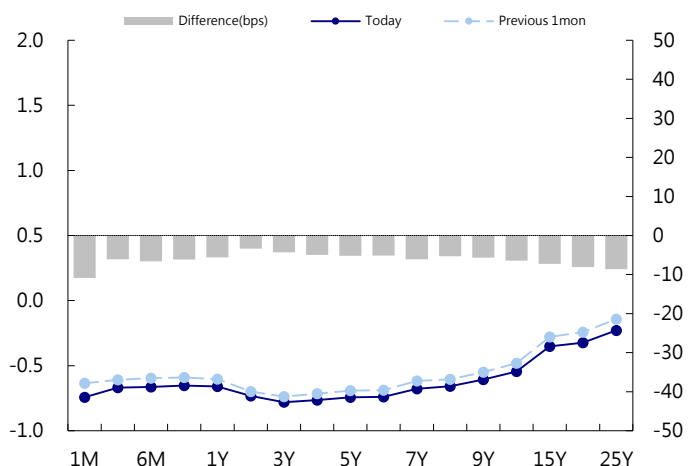
US Treasury Curve



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%	2.71%	(0.76)	--
CGB 10Y	3.18%	2.87%	0.24	--
CGB 20Y	3.64%	3.13%	--	(0.01)
Chinese Renminbi Spot	6.75	6.76	-0.76%	(0.22)%
USDCNY 1M Forward	6.77	6.78	(0.04)%	(0.27)%
USDCNY 3M Forward	6.80	6.81	(0.04)%	(0.27)%
USDCNY 6M Forward	6.84	6.85	(0.04)%	(0.26)%
	7D Repo	3M Shibor	7D Repo	3M Shibor
CNY IRS 1Y	2.515%	2.99%	0.00	1.50
CNY IRS 2Y	2.64%	3.175%	1.00	0.50
CNY IRS 3Y	2.75%	3.325%	0.00	5.00
CNY IRS 4Y	2.83%	3.425%	(0.50)	5.00
CNY IRS 5Y	2.9%	3.54%	(1.00)	0.00

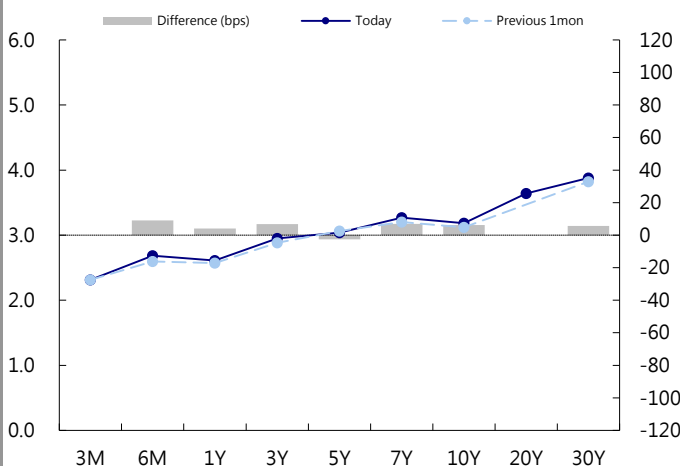
Benchmarks	Value	Net Change (bps)
SDBC 3.03 01/18/22	2.89%	1.252
SDBC 3.68 02/26/26	3.54%	-2.259
SDBC 3.48 01/08/29	3.74%	0.000
SDBC 3 1/2 11/04/46	4.19%	0.003
CNH CCS 3M	3.06%	17.00
CNH CCS 6M	2.89%	10.08
CNH CCS 12M	2.75%	4.94
CNH CCS 3Y	2.67%	3.24
CNH CCS 5Y	2.61%	(1.51)

Date	Event	Forecast	Previous
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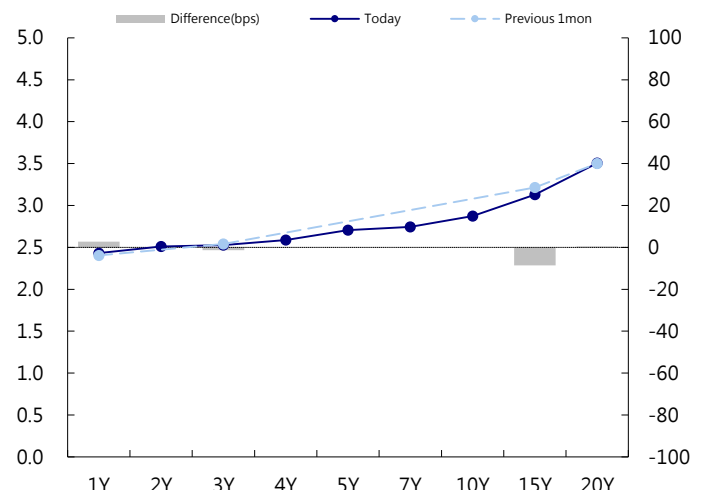
China Bond Market

Regarding bond market, China's bond market on Thursday is difficult to change. The central bank's October MLF operation has no surprises. The net increase after hedging maturity is lower than last month. The pressure on banks' debt shortage is still difficult to alleviate in the short term. Although the results of the early MLF operation were released, the CPI rise in September fell below 2%, and the spot bond and Treasury bond futures once improved. However, the bearish mentality still dominated the market, and the spot futures weakened again. The 10-year Treasury bond yield continued to rise and hit another 11 New month high. In terms of exchange rate, Reuters calculated according to the central parity announced by the CFETS, the CFETS RMB exchange rate index rose slightly by 0.14% from the previous day to 94.84, after two consecutive days of adjustment; the SDR basket index rose slightly to 93.29, and the BIS basket index slightly increased to 98.6

Onshore CNY Government Bond Curve



Offshore CNH Government Bond Curve



Taiwan Bond Market

Taiwan Market data

Benchmarks	Value	Net Change (bps)
TWGB 5Y	0.24%	(0.97)
TWGB 10Y	0.33%	(1.80)
USD/TWD	28.64	(0.40)%
EUR/TWD	33.79	(0.56)%
HKD/TWD	3.70	(0.42)%
VNY/TWD	4.25	(0.13)%
TWD Overnight Rate	0.078%	(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

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 moved lower and closed at 0.301%.

Taiwan Bond Primary Market

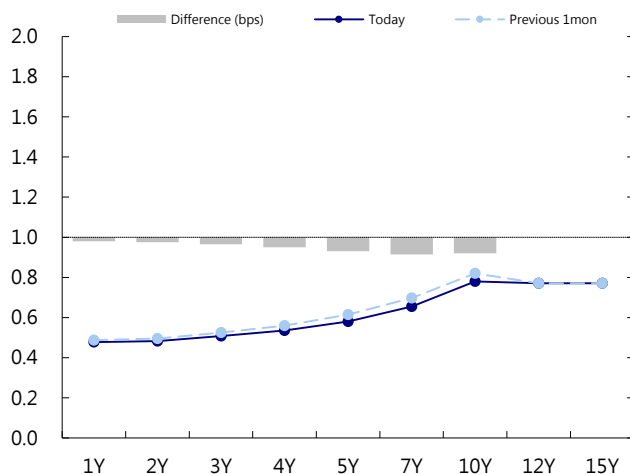
Announcements of Corporate Bonds Issuances approved by the Board of Directors on 15th October : None.
Bonds issued on 16th October : None.

Date	Event	Forecast	Previous
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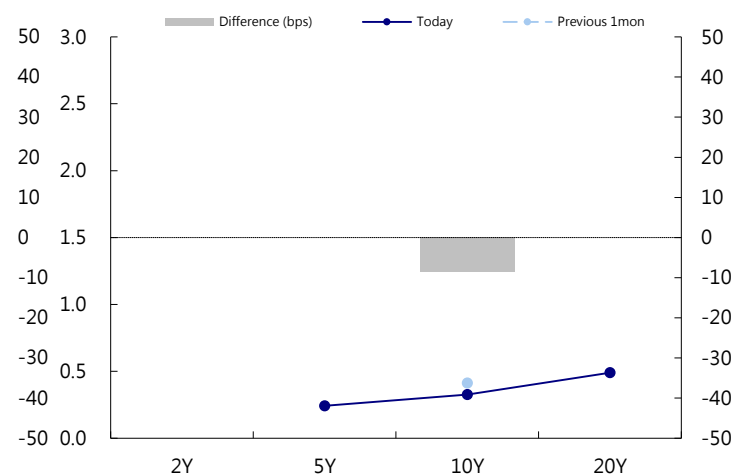
Money Market

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 0.21%-0.27%, while corporate bond repo rate at 0.32%-0.35%.

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