

US & Europe Bond Markets

Govt, Equity, FX and Credit Benchmark & Economic Statistics

Benchmarks	Value	Net Change (bps)
UST 5Y	0.41%	4.58
UST 10Y	0.91%	7.39
UST 30Y	1.65%	8.56
Bund 5Y	-0.72%	3.50
Bund 10Y	-0.53%	4.30
Bund 30Y	-0.12%	4.90
DOW JONES	29823.92	0.63 %
NASDAQ	12355.11	1.28 %
S&P 500	3662.45	1.13 %
DAX	13382.30	0.69 %
FTSE 100	6384.73	1.89 %
CAC 40	5581.64	1.14 %
EUR/USD	1.21	0.86 %
USD/JPY	104.42	0.04 %
USD/CNY	6.56	(0.17)%
US 5Y CDS	--	--
Germany 5Y CDS	10.89	0.01
Italy 5Y CDS	--	--
Spain 5Y CDS	--	--
Portugal 5Y CDS	--	--
France 5Y CDS	17.25	0.00
Japan 5Y CDS	16.40	0.63
China 5Y CDS	29.69	(0.71)
Korea 5Y CDS	21.03	(0.23)

US & European Bond Markets

US & European Government Bond :

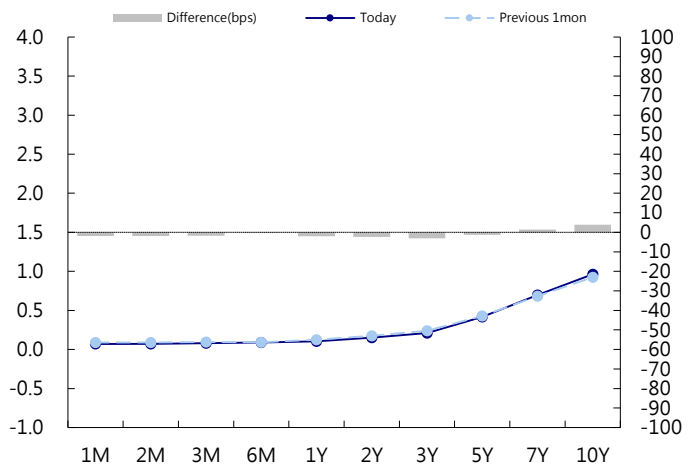
Treasuries tumbled Friday with losses led by long end of the curve after a mixed jobs report showed November payrolls change missed estimate, while average hourly earnings rose more than expected. Stocks rallied back to record highs in the aftermath and Treasuries sharply sold off as expectations were bolstered for more federal stimulus. Yields cheaper by up to 7.7bp across long-end of the curve, steepening 2s10s, 5s30s by 6.3bp and 5bp, respectively; 10-year yields ended around 0.969% after topping at 0.984%, highest since March; 30-year yields reached 1.748% before ending a couple of basis points below .

US & European Corporate Bonds:

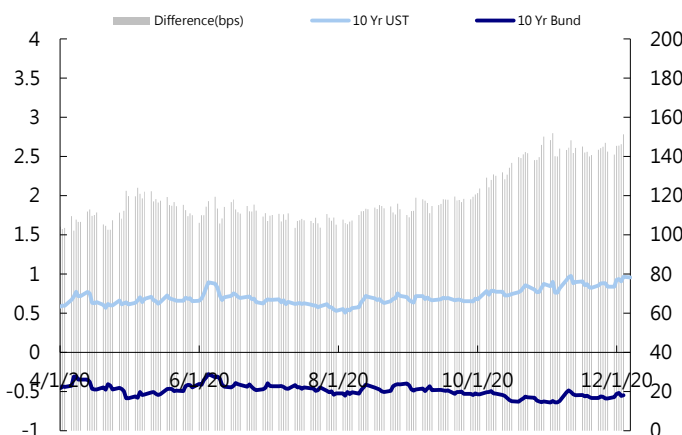
Strong day every day this week in the financials. We saw active buying from Chinese and global RMs on 10Y AMC's lead by the GRWALL 30. Bonds tightened 3-5bps and some cheap offers were quickly cleared. Meanwhile in leasing we also saw better buying in 5y and 10ys. Chinese AT1s were flat to 0.125 PT higher today. Core AT1s gained 0.875-1PT this week with strong buying from Chinese accounts. Recent new issues continued to head higher as bonds went to the right hands and risk sentiment is supportive. In the Chinese AT1 space ZHESHG perp is still the lagging one, THAI TMBTB. In the European AT1s we saw better buying in the longer-dated HSBC/BNPs from Chinese RM and Pbs. While flows were more

Date	Event	Forecast	Previous
12/08	Consumer Credit	\$16.100b	\$16.214b
12/08	NFIB Small Business Optimism	102.500	104.000
12/08	Nonfarm Productivity	0.049	0.049
12/08	Unit Labor Costs	(0.089)	(0.089)
12/09	MBA Mortgage Applications	--	(0.006)
12/09	Wholesale Trade Sales MoM	--	0.001
12/09	Wholesale Inventories MoM	0.009	0.009
12/09	JOLTS Job Openings	6325.000	6436.000
12/10	Initial Jobless Claims	725k	712k
12/10	Continuing Claims	5270k	5520k
12/10	CPI MoM	0.001	
12/10	CPI Ex Food and Energy MoM	0.001	
12/10	CPI YoY	0.011	0.012
12/10	CPI Ex Food and Energy YoY	0.016	0.016
12/10	CPI Index NSA	260.087	260.388
12/10	CPI Core Index SA	269.570	269.296
12/10	Real Avg Hourly Earning YoY	--	0.032
12/10	Real Avg Weekly Earnings YoY	--	0.044

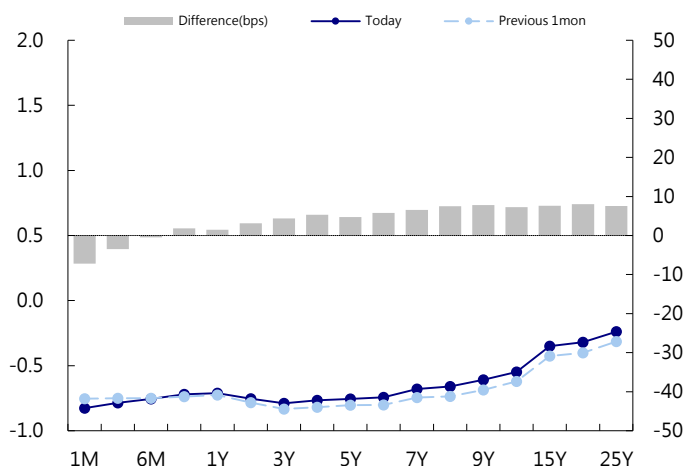
US Treasury Curve



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	3.12%	2.55%	1.25	(0.04)
CGB 10Y	3.29%	2.88%	0.39	(0.02)
CGB 20Y	3.82%	3.06%	--	(0.02)
Chinese Renminbi Spot	6.56	6.55	0.17%	0.01 %
USDCNY 1M Forward	6.58	6.57	0.09 %	0.01 %
USDCNY 3M Forward	6.61	6.60	0.09 %	0.00 %
USDCNY 6M Forward	6.64	6.64	0.08 %	(0.01)%
	7D Repo	3M Shibor	7D Repo	3M Shibor
CNY IRS 1Y	2.645%	3.165%	3.50	4.50
CNY IRS 2Y	2.75%	3.32%	4.00	6.00
CNY IRS 3Y	2.85%	3.46%	5.00	8.00
CNY IRS 4Y	2.92%	3.56%	4.00	8.00
CNY IRS 5Y	3.005%	3.63%	5.00	6.00

Benchmarks	Value	Net Change (bps)
SDBC 3.03 01/18/22	2.98%	3.999
SDBC 3.68 02/26/26	3.37%	-1.751
SDBC 3.48 01/08/29	3.63%	0.249
SDBC 3 1/2 11/04/46	4.03%	403.090

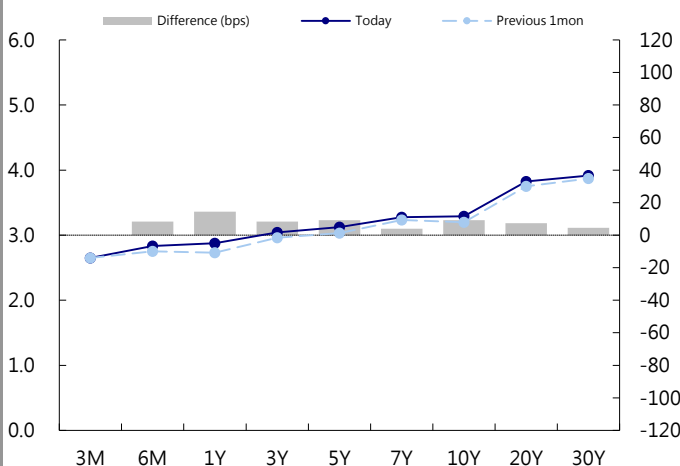
CNH CCS 3M	3.02%	4.39
CNH CCS 6M	2.90%	0.01
CNH CCS 12M	2.77%	(0.15)
CNH CCS 3Y	2.58%	(2.79)
CNH CCS 5Y	2.66%	0.83

Date	Event	Forecast	Previous
12/07	Exports YoY CNY	0.057	0.076
12/07	Imports YoY CNY	0.006	0.009
12/07	Exports YoY	0.120	0.114
12/07	Imports YoY	0.070	0.047
12/07	Trade Balance CNY	373.20b	401.75b
12/07	Trade Balance	\$53.75b	\$58.44b
12/07	Foreign Reserves	\$3150.00b	\$3127.98b
12/08	Manpower Survey	--	0.040
12/09	PPI YoY	(0.018)	(0.021)
12/09	CPI YoY		0.005
12/10	Money Supply M0 YoY	0.103	0.104
12/10	Money Supply M1 YoY	0.094	0.091
12/10	Money Supply M2 YoY	0.105	0.105
12/10	New Yuan Loans CNY	1450.0b	689.8b
12/10	Aggregate Financing CNY	2050.0b	1420.0b
12/10	Foreign Direct Investment YoY CNY	--	0.183

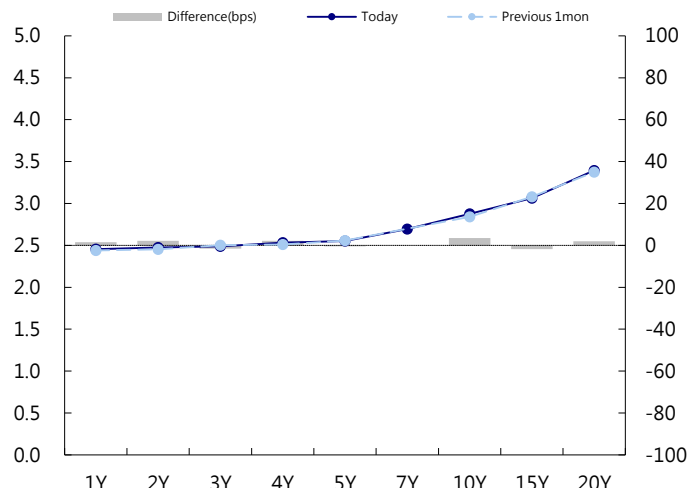
China Bond Market

Regarding bond market, China's bond market spot yields fell slightly on Friday, and treasury bond futures expanded their gains and closed higher in the afternoon. Traders said that spot bonds and futures maintained a relatively strong narrow-range fluctuation trend throughout the day, but in the afternoon market rumours that the size of the 30-year treasury bond tender next week will shrink, which will boost the rise of treasury bond futures, and the yield of cash bonds will follow further decline. In terms of exchange rate, the renminbi against the U.S. dollar on Friday hit a record high of nearly two and a half years, while the central parity hit a record high in more than half a month. Traders said that the progress of the U.S. fiscal stimulus plan continued to increase risk appetite. The U.S. index continued to fall, and the RMB rebounded following the Asian currency. During the period, there were still many foreign exchange purchases by customers. However, this can only ease but it is difficult to reverse the upward trend.

Onshore CNY Government Bond Curve



Offshore CNH Government Bond Curve



Taiwan Bond Market

Taiwan Market data

Benchmarks	Value	Net Change (bps)
TWGB 5Y	0.19%	0.00
TWGB 10Y	0.24%	(1.00)
USD/TWD	28.51	(0.59)%
EUR/TWD	34.42	0.28 %
HKD/TWD	3.68	(0.13)%
VNY/TWD	4.35	0.05 %
TWD Overnight Rate	0.077%	(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. 10YR treasury yields moved lower and closed at 0.3000%.

Taiwan Bond Primary Market

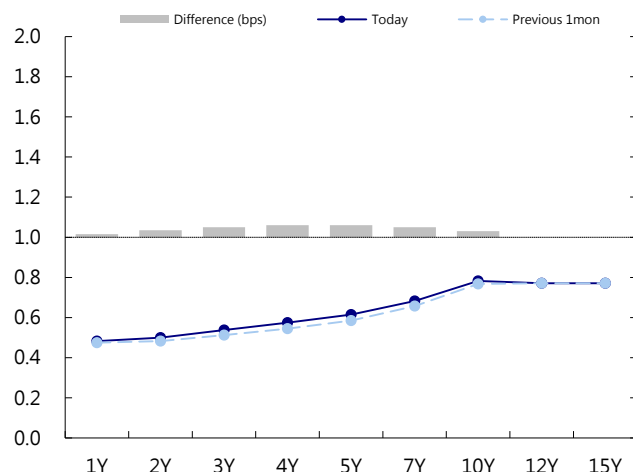
Announcements of Corporate Bonds Issuances approved by the Board of Directors on 3rd December : None.
Bonds issued on 4th December : None.

Date	Event	Forecast	Previous
12/07	Trade Balance	\$6.61b	\$7.46b
12/07	Exports YoY	8.8%	11.2%
12/07	Imports YoY	0.3%	-1.0%
12/08	WPI YoY	--	-7.4%
12/08	CPI Core YoY	0.5%	0.5%

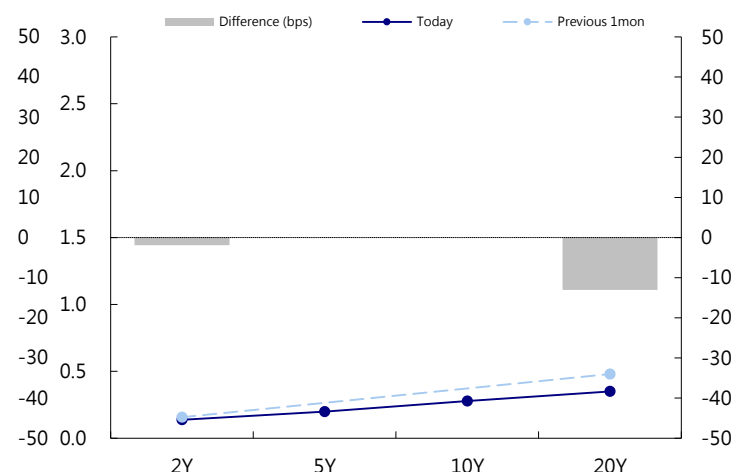
Money Market

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 0.18%-0.23%, while corporate bond repo rate at 0.25%-0.30%.

TWD IRS Curve



Taiwan Government Bond Yield curve



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