

US & Europe Bond Markets

Govt, Equity, FX and Credit Benchmark & Economic Statistics

Benchmarks	Value	Net Change (bps)
UST 5Y	0.4%	0.31
UST 10Y	0.92%	0.49
UST 30Y	1.67%	0.80
Bund 5Y	-0.79%	0.10
Bund 10Y	-0.61%	0.20
Bund 30Y	-0.18%	0.60
DOW JONES	30068.81	(0.35)%
NASDAQ	12338.95	(1.94)%
S&P 500	3672.82	(0.79)%
DAX	13340.26	0.47 %
FTSE 100	6564.29	0.08 %
CAC 40	5546.82	(0.25)%
EUR/USD	1.21	(0.33)%
USD/JPY	104.27	0.16 %
USD/CNY	6.55	0.10 %
US 5Y CDS	--	--
Germany 5Y CDS	11.06	0.26
Italy 5Y CDS	--	--
Spain 5Y CDS	--	--
Portugal 5Y CDS	--	--
France 5Y CDS	17.15	0.38
Japan 5Y CDS	15.14	(0.39)
China 5Y CDS	29.03	0.23
Korea 5Y CDS	21.44	0.66

US & European Bond Markets

US & European Government Bond :

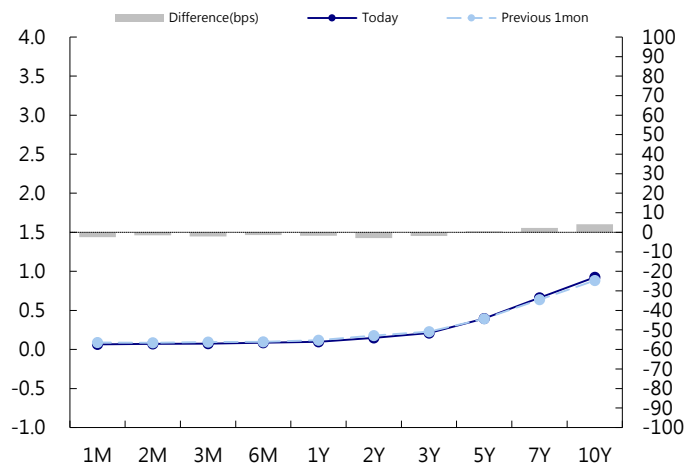
Treasuries bear-steepened Wednesday despite paring declines during U.S. afternoon as equities fell, the S&P 500 from a record. A reopening auction of 10-year notes tailed slightly, although bidder participation firmed. Widening of 30-year swap spreads suggested that paying flows contributed to the Treasury selloff. Yields ended higher by 2bp-3bp across long end of the curve, 10-year by 2bp at ~0.94% vs session high 0.958%; 2s10s curve steepened by ~2bp, 5s30s by ~1bp

US & European Corporate Bonds:

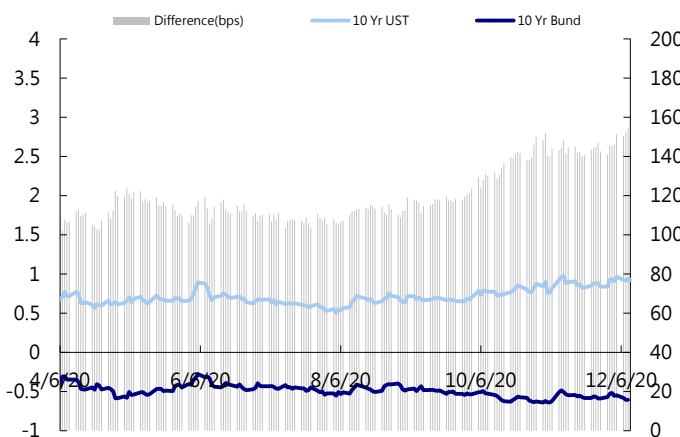
Sentiment was still firm in the Chinese financials. In the AT1 space momentum is still building and some laggards got higher e.g. BOCOM/TMBTB. Meanwhile the HK corp space bonds moved a bit lower, as the new CKPH 3.5 PERP didn't really perform with lack of PB chasing despite strong book. Most of the time bonds traded 99.9-100.05 range but heading into close some RM selling put he bonds lower 99.75/99.875. The NWDEVL 4.8 PERP also 0.2PT lower with HF selling. In the Corp space the CHCOMU/HAOHUA/CNBG perps were still well-demanded and we saw active RM adding and bonds were 0.125PT higher.

Date	Event	Forecast	Previous
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
12/10	Bloomberg Consumer Comfort	--	49.300
12/11	Household Change in Net Worth	--	\$7607b
12/11	Monthly Budget Statement	-\$199.0b	-\$284.1b
12/11	PPI Final Demand MoM	0.001	0.003
12/11	PPI Ex Food and Energy MoM	0.002	0.001
12/11	PPI Ex Food, Energy, Trade MoM	0.002	0.002
12/11	PPI Final Demand YoY	0.007	0.005
12/11	PPI Ex Food and Energy YoY	0.015	0.011

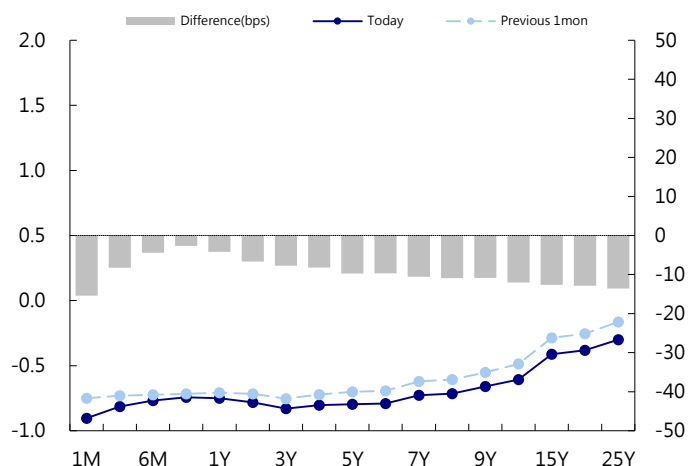
US Treasury Curve



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	3.1%	2.57%	(1.50)	0.03
CGB 10Y	3.27%	3.03%	(1.25)	(0.09)
CGB 20Y	3.75%	3.07%	--	(0.01)
Chinese Renminbi Spot	6.55	6.53	-0.1%	(0.02)%
USDCNY 1M Forward	6.56	6.54	(0.09)%	0.08 %
USDCNY 3M Forward	6.59	6.56	(0.08)%	0.12 %
USDCNY 6M Forward	6.62	6.60	(0.10)%	0.01 %
	7D Repo	3M Shibor	7D Repo	3M Shibor
CNY IRS 1Y	2.6%	3.04%	(2.00)	(4.00)
CNY IRS 2Y	2.7%	3.19%	(3.00)	(6.00)
CNY IRS 3Y	2.79%	3.32%	(2.50)	(6.00)
CNY IRS 4Y	2.88%	3.43%	(2.00)	(5.00)
CNY IRS 5Y	2.965%	3.52%	(1.50)	(5.00)

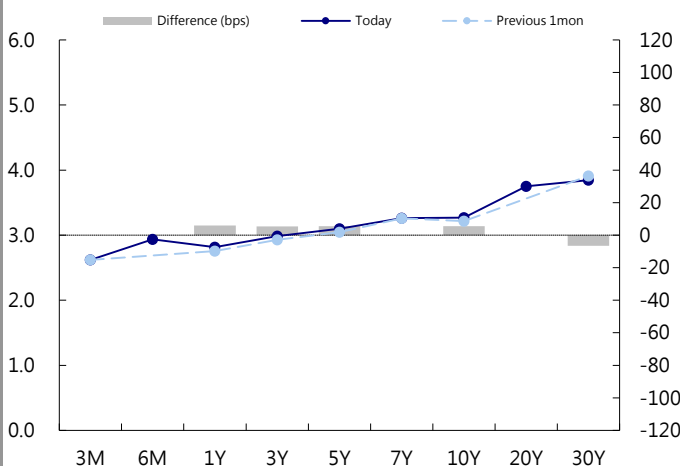
Benchmarks	Value	Net Change (bps)
SDBC 3.03 01/18/22	2.91%	1.494
SDBC 3.68 02/26/26	3.35%	0.003
SDBC 3.48 01/08/29	3.63%	1.280
SDBC 3 1/2 11/04/46	3.98%	398.140
CNH CCS 3M	2.20%	(53.46)
CNH CCS 6M	2.28%	(45.98)
CNH CCS 12M	2.32%	(36.05)
CNH CCS 3Y	2.30%	(25.29)
CNH CCS 5Y	2.52%	(12.06)

Date	Event	Forecast	Previous
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

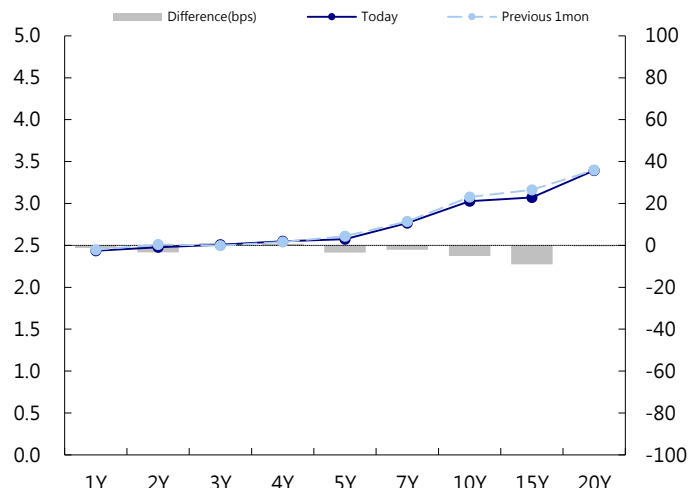
China Bond Market

Regarding bond market, China's bond market and spot futures were calm for most of the time on Wednesday. The unexpected negative CPI data did not cause a significant impact. The fluctuation of spot bond yields was basically around 1 basis point (bp); under the continuous loose funding, the interbank deposit rate continued to decline. One-year quotations of joint-stock banks fell to 3.22%. In terms of exchange rate, the RMB against the U.S. dollar rose slightly in early trading on Wednesday, and the half-day volatility was still small, while the central parity continued to hit a high of nearly two and a half years. Traders said that the progress of the US fiscal stimulus plan is intertwined with the uncertainty of Brexit and the continued deterioration of Sino-US tensions. The US index has no direction for the time being, and the yuan continues its original trend and steadily rises.

Onshore CNY Government Bond Curve



Offshore CNH Government Bond Curve



Taiwan Bond Market

Taiwan Market data

Benchmarks	Value	Net Change (bps)
TWGB 5Y	0.2%	(0.10)
TWGB 10Y	0.33%	1.39
USD/TWD	28.23	(0.98)%
EUR/TWD	34.10	(0.83)%
HKD/TWD	3.64	0.10 %
VNY/TWD	4.31	(0.15)%
TWD Overnight Rate	0.078%	(0.10)
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 0.330%.

Taiwan Bond Primary Market

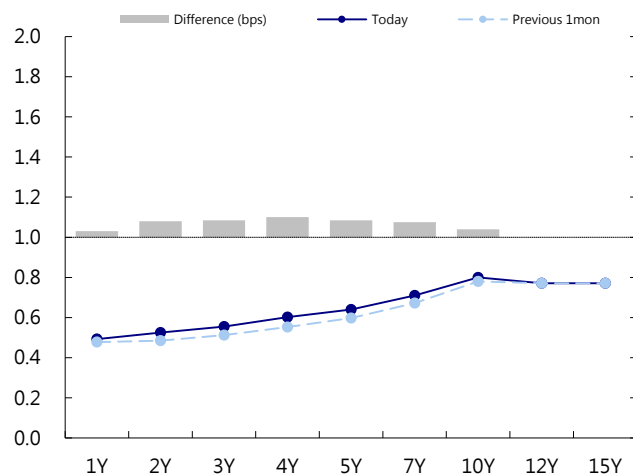
Announcements of Corporate Bonds Issuances approved by the Board of Directors on 9th December : None.
Bonds issued on 10th December : None.

Date	Event	Forecast	Previous
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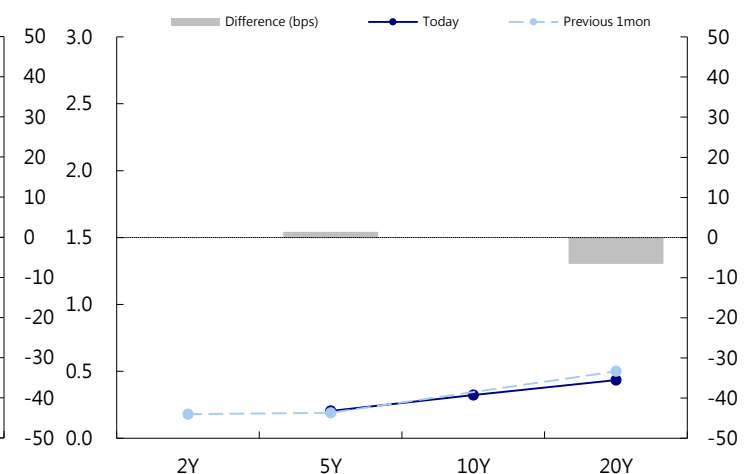
Money Market

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

TWD IRS Curve



Taiwan Government Bond Yield curve



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