

# US & Europe Bond Markets

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

Benchmarks	Value	Net Change (bps)
UST 5Y	0.41%	(2.08)
UST 10Y	1.04%	(4.41)
UST 30Y	1.8%	(4.35)
Bund 5Y	-0.74%	(2.80)
Bund 10Y	-0.55%	(3.80)
Bund 30Y	-0.14%	(3.90)
DOW JONES	30960.00	(0.12)%
NASDAQ	13635.99	0.69%
S&P 500	3855.36	0.36%
DAX	13643.95	(1.66)%
FTSE 100	6638.85	(0.84)%
CAC 40	5472.36	(1.57)%
EUR/USD	1.21	(0.10)%
USD/JPY	103.71	(0.10)%
USD/CNY	6.47	(0.17)%
US 5Y CDS	--	--
Germany 5Y CDS	10.69	(0.61)
Italy 5Y CDS	--	--
Spain 5Y CDS	--	--
Portugal 5Y CDS	--	--
France 5Y CDS	16.27	0.51
Japan 5Y CDS	14.90	(0.00)
China 5Y CDS	30.77	0.36
Korea 5Y CDS	24.03	(0.66)

## US & European Bond Markets

### US & European Government Bond :

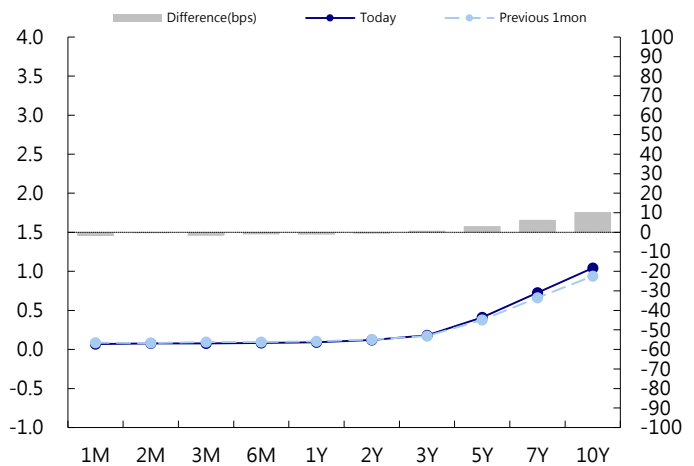
Treasuries held bull flattening move into 3pm ET, leaving yields near lows of the day with gains led by long-end of the curve. Early flurry of futures block trades saw yields shoot lower, extending advance seen over European session as bunds and gilts advanced. Stocks pared sharp selloff but that had little effect on Treasuries. A sale of 2-year notes saw solid results. Yields ended lower by up to 5bp across long-end of the curve with 10s around 1.04%, dropping as low as 1.033% during peak rally and richest levels since Jan. 7

### US & European Corporate Bonds:

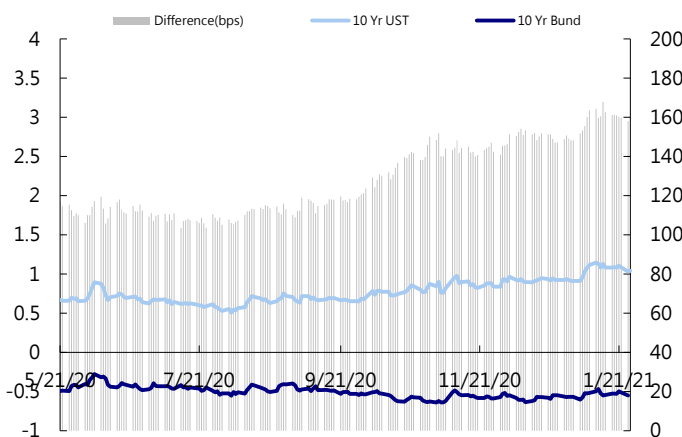
Technology shares led gains in U.S. stocks as investors awaited earnings from some of the biggest companies, while treasuries held bull flattening move and leaving yields near lows of the day with gains led by long-end of the curve. Credit market had a firm start of the week in China IG with stable UST and light-ish primary market better buying along the curve. China credit outperformed by Tencent surged in HSI, and driving almost all sector tighten by 5~10 bps especially in AMC/TMT/SOE Perp. HAOHUA was the best performer with continued buying on 22s / 24s / 27s and spread tighten by 10~20 bps. There were lots of earning release this week and supply on new debts will be a resistance for credit spread

Date	Event	Forecast	Previous
01/26	FHFA House Price Index MoM	0.008	0.015
01/26	S&P CoreLogic CS 20-City YoY NSA	0.087	0.080
01/26	S&P CoreLogic CS 20-City MoM SA	0.010	0.016
01/26	S&P CoreLogic CS US HPI YoY NSA	--	0.084
01/26	Conf. Board Expectations	--	87.500
01/26	Conf. Board Consumer Confidence	89.000	88.600
01/26	Conf. Board Present Situation	--	90.300
01/26	Richmond Fed Manufact. Index	17.000	19.000
01/27	MBA Mortgage Applications	--	(0.019)
01/27	Durable Goods Orders	0.010	0.010
01/27	Durables Ex Transportation	0.005	0.004
01/27	Cap Goods Orders Nondef Ex Air	0.005	0.005
01/27	Cap Goods Ship Nondef Ex Air	0.006	0.005
01/28	FOMC Rate Decision (Upper Bound)	0.003	0.003
01/28	FOMC Rate Decision (Lower Bound)	--	--
01/28	Interest Rate on Excess Reserves	0.001	0.001
01/28	Advance Goods Trade Balance	-\$83.5b	-\$84.8b
01/28	Retail Inventories MoM	--	0.007

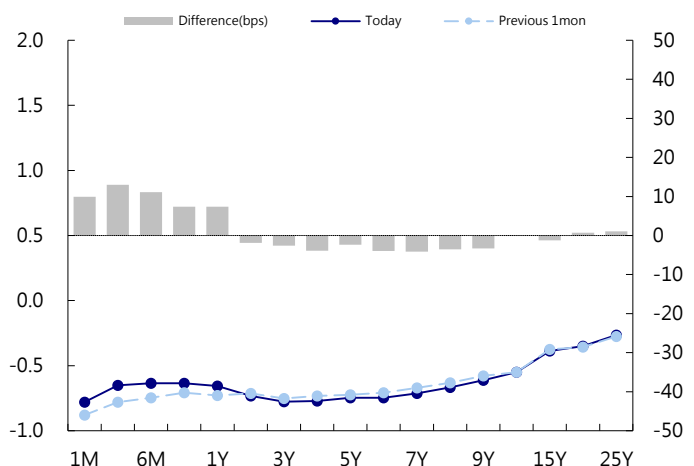
### US Treasury Curve



### 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	2.98%	2.54%	4.00	--
CGB 10Y	3.16%	3.03%	2.75	--
CGB 20Y	3.67%	3.15%	--	(0.01)
Chinese Renminbi Spot	6.47	6.48	0.17%	0.12 %
USDCNY 1M Forward	6.49	6.49	0.17 %	0.12 %
USDCNY 3M Forward	6.51	6.52	0.15 %	0.11 %
USDCNY 6M Forward	6.55	6.55	0.10 %	0.08 %
	7D Repo	3M Shibor	7D Repo	3M Shibor
CNY IRS 1Y	2.57%	3.005%	8.50	9.50
CNY IRS 2Y	2.67%	3.18%	8.50	9.00
CNY IRS 3Y	2.765%	3.305%	7.50	8.50
CNY IRS 4Y	2.84%	3.405%	7.50	8.50
CNY IRS 5Y	2.92%	3.51%	7.50	9.50

Benchmarks	Value	Net Change (bps)
SDBC 3.03 01/18/22	2.55%	11.002
SDBC 3.68 02/26/26	3.29%	0.999
SDBC 3.48 01/08/29	3.55%	3.499
SDBC 3 1/2 11/04/46	3.86%	385.940

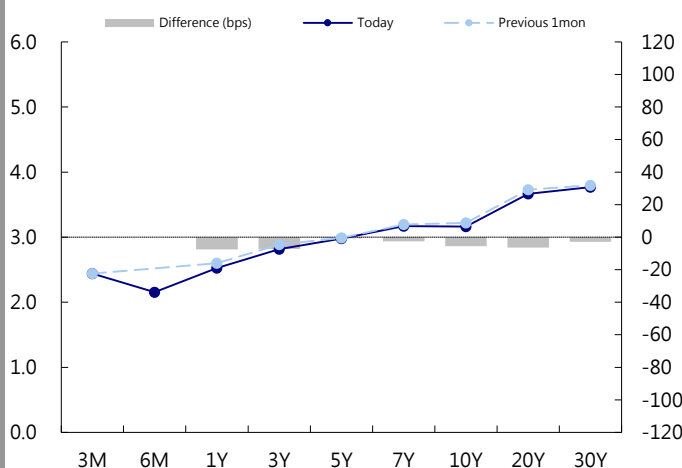
CNH CCS 3M	2.60%	31.33
CNH CCS 6M	2.45%	21.95
CNH CCS 12M	2.37%	16.03
CNH CCS 3Y	2.34%	8.67
CNH CCS 5Y	2.46%	5.87

Date	Event	Forecast	Previous
01/26	Bloomberg Jan. China Economic Surv		
01/27	Industrial Profits YoY	--	0.155

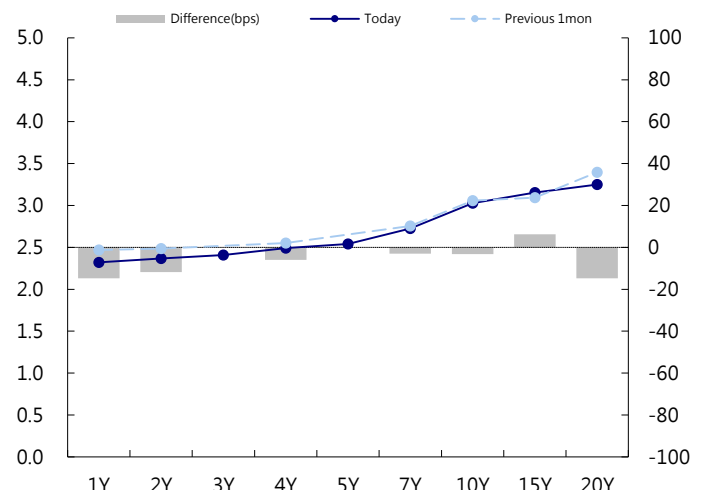
## China Bond Market

Regarding bond market, the Chinese bond market's cash bond yields rose slightly on Monday. The central bank ignored the maturity of TMLF (Mid Term Lending Facility) today. The open market still responded with "land volume" operations, suppressing market sentiment, and short bond adjustments were slightly larger. However, the 10-year Treasury bond futures of the China Financial Exchange continued the trend of opening low and moving high, indicating that institutions still have confidence in the market outlook. In terms of exchange rate, the RMB against the US dollar closed slightly higher on Monday, while the central parity dropped by more than 200 points. Traders said that the new U.S. government came to power to continue its tough remarks on China, superimposed on the signs of the spread of the domestic epidemic, and market sentiment is relatively cautious; however, if the U.S. dollar is boosted, rallies and foreign exchange orders are expected to limit the RMB adjustment space, and it is expected that the short-term exchange rate will maintain range fluctuations.

### 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%	0.16
TWGB 10Y	0.33%	1.00
USD/TWD	28.00	(0.68)%
EUR/TWD	34.01	(0.96)%
HKD/TWD	3.61	(0.00)%
VNY/TWD	4.33	0.14 %
TWD Overnight Rate	0.076%	(0.40)
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 higher 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 higher and closed at 0.3310%. Expect 5 years range trading within 0.17%~0.27% · 10 years within 0.25%~0.35% °

## Taiwan Bond Primary Market

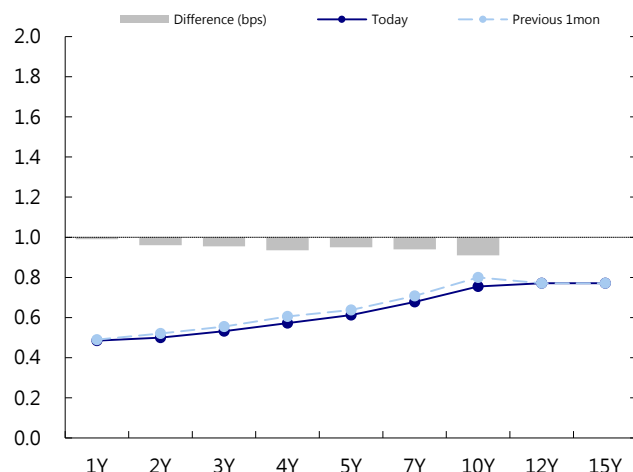
Announcements of Corporate Bonds Issuances approved by the Board of Directors on 25th January : Taiwan Cooperative Bank planned to issue NTD 1BN sustainable bank debentures. Hua Nan Commercial Bank planned to issue NTD 12BN perpetual subordinated bank debentures and NTD 1BN green bank debentures.  
Bonds issued on 26th January:None.

Date	Event	Forecast	Previous
01/27	Monitoring Indicator	--	3000.0%
01/29	GDP Annual YoY	2.6%	--
01/29	GDP YoY	3.6%	3.9%

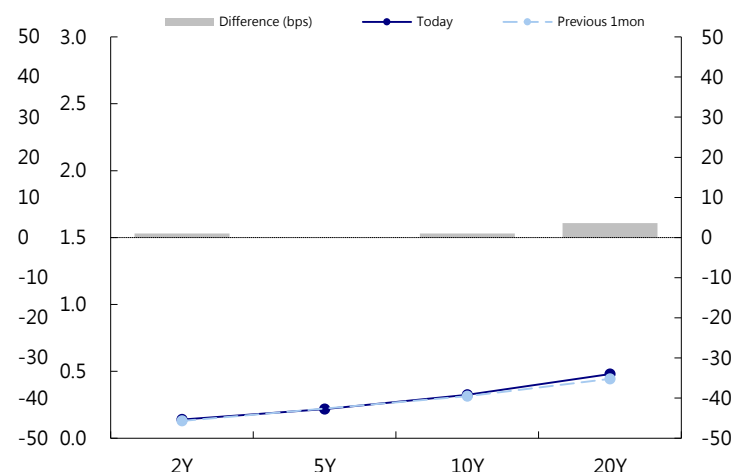
## Money Market

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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