

# US & Europe Bond Markets

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

Benchmarks	Value	Net Change (bps)
UST 5Y	0.28%	0.32
UST 10Y	0.62%	0.49
UST 30Y	1.32%	1.54
Bund 5Y	-0.64%	2.50
Bund 10Y	-0.45%	1.80
Bund 30Y	0%	2.20
DOW JONES	26671.95	(0.23)%
NASDAQ	10503.19	0.28 %
S&P 500	3224.73	0.28 %
DAX	12919.61	0.35 %
FTSE 100	6290.30	0.63 %
CAC 40	5069.42	(0.31)%
EUR/USD	1.14	(0.09)%
USD/JPY	107.38	0.34 %
USD/CNY	6.99	0.03 %
US 5Y CDS	--	--
Germany 5Y CDS	14.04	(0.26)
Italy 5Y CDS	166.27	(1.05)
Spain 5Y CDS	--	--
Portugal 5Y CDS	--	--
France 5Y CDS	21.66	0.31
Japan 5Y CDS	18.36	0.17
China 5Y CDS	44.17	(0.30)
Korea 5Y CDS	24.44	(0.10)

## US & European Bond Markets

### US & European Government Bond :

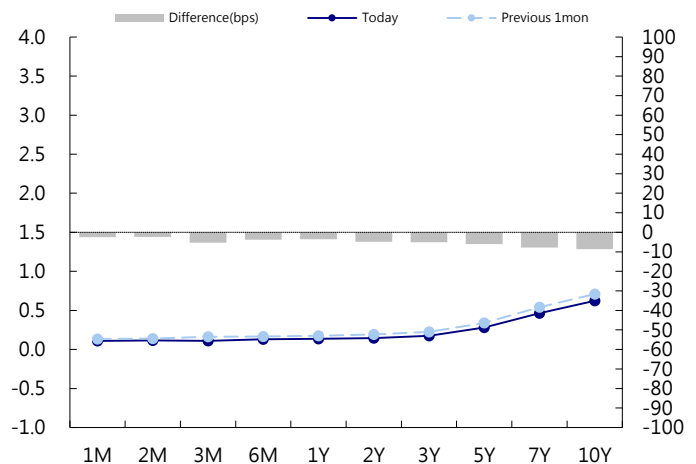
Treasuries drifted lower over U.S. afternoon Friday as stocks advanced, pushing S&P 500 toward its weekly high in late trading. Yields ended within 2bp of Thursday's closing levels, inside narrow weekly ranges, and participants said volumes were light, guided by mix of U.S. data, corporate earnings and virus-spread metrics. Front-end yields were little changed with long end cheaper, steepening 2s10s and 5s30s by ~1bp each; 10-year yields ended around 0.623%, about 1bp higher on the day, paring weekly drop to 2bp; its 6.4bp weekly range was smallest since November 2018.

### US & European Corporate Bonds:

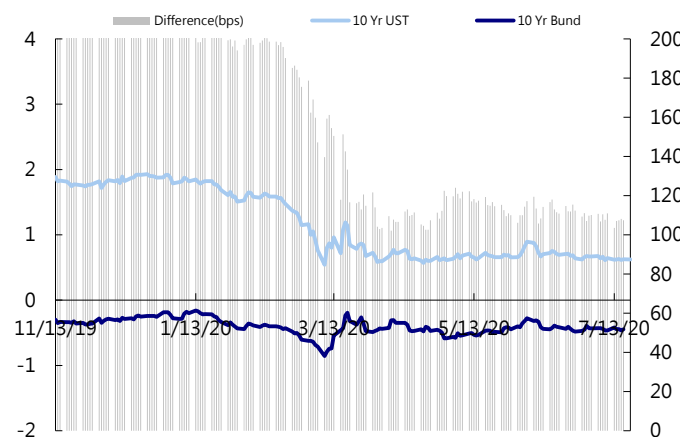
Firm day in China IG with regional equities ticking up. Spreads were unch to 4bps tighter led by tech names, including TENCENT 30 and WB 30. Overall flows were skewed to better buying. In HY, largely light Friday until a mini-wave of short covering in beaten recent issues (GRNLGR/ KAISAG/ SUNAC) drove property bonds up to 0.25pts higher, as GRNLGR 23N and 25N rebounded 0.5-1pts from yesterday's weakness and returned to around respective RO levels.

Date	Event	Forecast	Previous
07/21	Chicago Fed Nat Activity Index	4.000	2.610
07/22	MBA Mortgage Applications	--	0.051
07/22	FHFA House Price Index MoM	0.003	0.002
07/22	Existing Home Sales	4.80m	3.91m
07/22	Existing Home Sales MoM	0.228	(0.097)
07/23	Initial Jobless Claims	1293k	1300k
07/23	Continuing Claims	16900k	17338k
07/23	Bloomberg Economic Expectations	--	38.000
07/23	Bloomberg Consumer Comfort	--	44.300
07/23	Leading Index	0.021	0.028
07/23	Kansas City Fed Manf. Activity	5.000	1.000
07/24	Markit US Manufacturing PMI	52.000	49.800
07/24	Markit US Services PMI	51.000	47.900
07/24	Markit US Composite PMI	--	47.900
07/24	New Home Sales	700k	676k
07/24	New Home Sales MoM	0.036	0.166

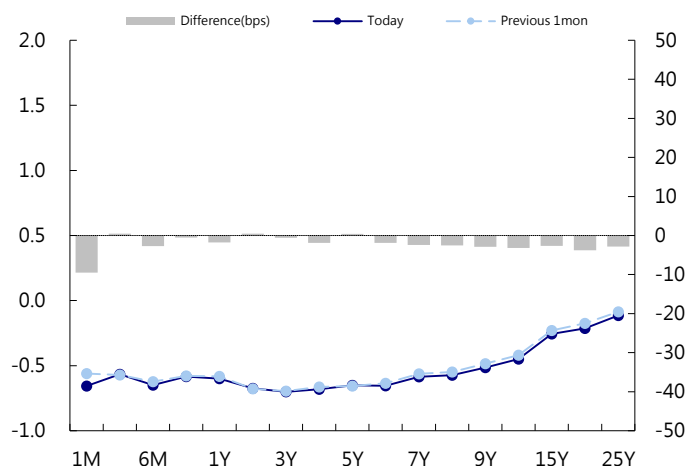
### US Treasury Curve



### UST V.S. Bund 10Y Yield



### Bund Curve



# China Bond Market

## CNY & CNH Market Data

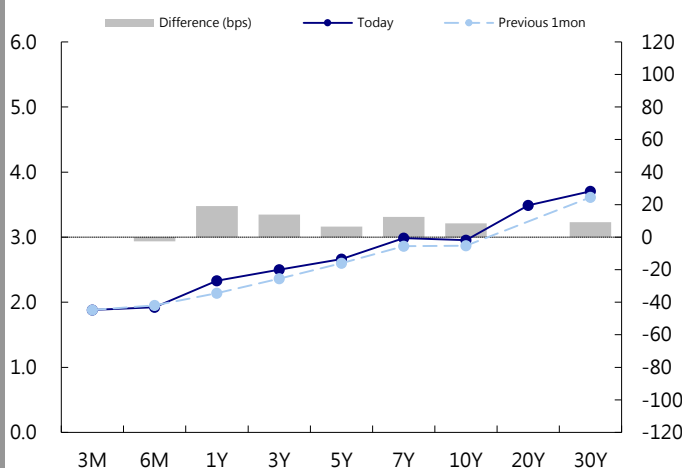
Benchmarks	Value		Net Change (bps)	
	CNY	CNH	CNY	CNH
CGB 5Y	2.66%	2.52%	(2.01)	(0.04)
CGB 10Y	2.95%	2.88%	0.49	(0.02)
CGB 20Y	3.49%	3.2%	--	(0.01)
Chinese Renminbi Spot	6.99	6.99	-0.04%	(0.01)%
USDCNY 1M Forward	7.01	7.01	0.01 %	(0.05)%
USDCNY 3M Forward	7.03	7.03	0.01 %	(0.05)%
USDCNY 6M Forward	7.06	7.06	0.01 %	(0.04)%
	7D Repo	3M Shibor	7D Repo	3M Shibor
CNY IRS 1Y	2.395%	2.66%	(0.50)	3.00
CNY IRS 2Y	2.355%	2.85%	(12.50)	1.00
CNY IRS 3Y	2.555%	2.99%	(0.50)	0.00
CNY IRS 4Y	2.64%	3.1%	1.00	1.00
CNY IRS 5Y	2.705%	3.2%	0.50	1.00
Benchmarks	Value		Net Change (bps)	
SDBC 3.03 01/18/22	2.70%		-5.001	
SDBC 3.68 02/26/26	3.40%		-0.013	
SDBC 3.48 01/08/29	3.60%		-0.010	
SDBC 3 1/2 11/04/46	3.80%		0.240	
CNH CCS 3M	2.27%		7.68	
CNH CCS 6M	2.25%		5.63	
CNH CCS 12M	2.24%		3.97	
CNH CCS 3Y	2.14%		3.95	
CNH CCS 5Y	2.06%		4.72	

Date	Event	Forecast	Previous
07/20	1-Year Loan Prime Rate	0.039	0.039
07/20	5-Year Loan Prime Rate	0.047	0.047
07/23	Swift Global Payments CNY	--	0.018
07/24	Bloomberg July China Economic Surv		

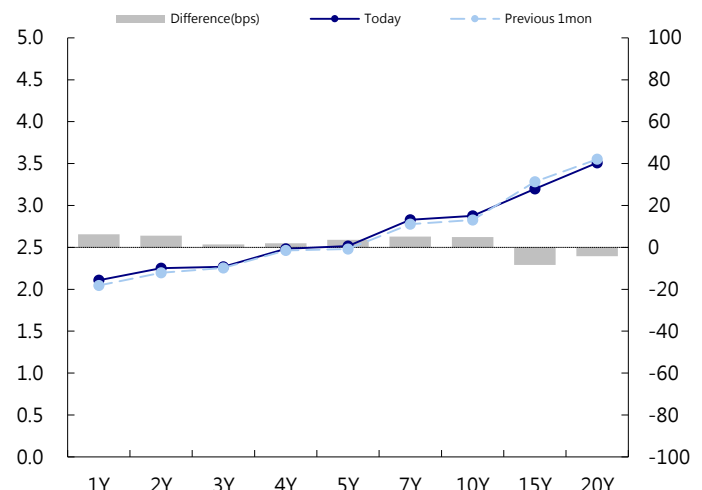
## China Bond Market

Regarding bond market, the central bank's open market on Friday finally released its strength, and the tightness of funds was eased. The bond market also showed strong performance in this morning. The 10-year interest rate bond yield of the inter-bank bond market fell by about 2-3 basis bp. However, the market optimism is still limited. In addition, the stock market showed signs of stabilization after a major adjustment in the afternoon. The pressure on the bond market was gradually increasing. The treasury bond futures took the lead in diving and the yield on cash bonds also rebounded. In terms of exchange rate, The RMB closed slightly against the US dollar on Friday and fell back to the 7 which fell to a new low of more than a week. Traders said that the U.S. virus continued to worsen, partly boosting risk aversion, the US index rose slightly, and the yuan was slightly under pressure. The market is waiting for the results of the EU summit. Before this, the yuan is expected to continue to consolidate around the 6.98-7.02 range

## Onshore CNY Government Bond Curve



## Offshore CNH Government Bond Curve



# Taiwan Bond Market

## Taiwan Market data

Benchmarks	Value	Net Change (bps)
TWGB 5Y	0.33%	(0.90)
TWGB 10Y	0.44%	(0.14)
USD/TWD	29.50	(0.10)%
EUR/TWD	33.68	0.14 %
HKD/TWD	3.80	(0.20)%
VNY/TWD	4.22	(0.12)%
TWD Overnight Rate	0.08%	(0.80)
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

Taiwanese Stock market index continued its rally as well as TWD 5yr IRS. 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. 5YR treasury yields closed at 0.3265%, 10YR treasury yields closed at 0.4414%.

## Taiwan Bond Primary Market

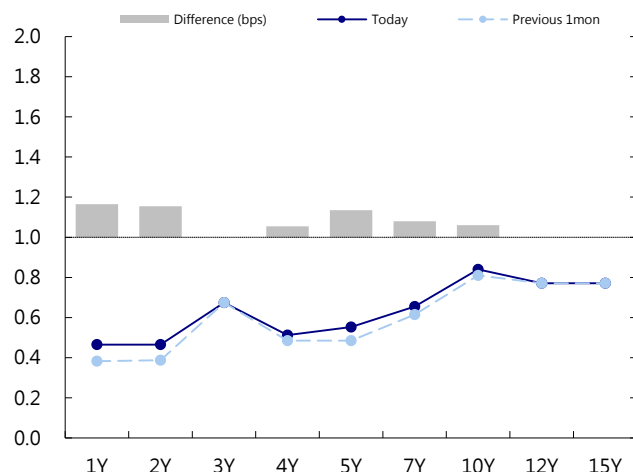
Announcements of Corporate Bonds Issuances approved by the Board of Directors on 17th July : None.  
Bonds issued on 20th July : Taiwan Power Company issued NTD 11.7 BN of senior unsecured corporate bonds in 3 tranches: NTD 4.7BN of 5-year bond at a coupon rate of 0.55%, NTD 5.6BN of 7-year bond at a coupon rate of 0.60%, NTD 1.4BN of 10-year bond at a coupon rate of 0.66%.

Date	Event	Forecast	Previous
07/20	Export Orders YoY	1.2%	0.4%
07/22	Unemployment Rate	4.2%	4.2%
07/23	Industrial Production YoY	2.4%	1.5%
07/24	Money Supply M2 Daily Avg YoY	--	4.2%
07/24	Money Supply M1B Daily Avg YoY	--	7.8%

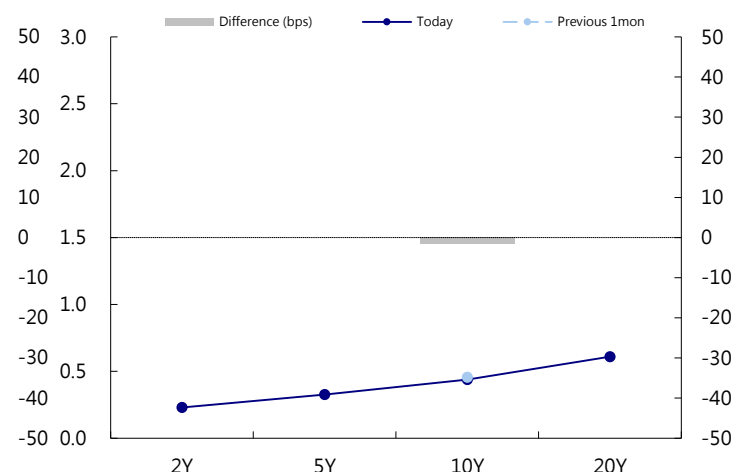
## Money Market

With sufficient fund in the market by the end of the last quarter, short term repo rate remains stable. Last month, central bank kept its monetary policy and base rate. We expect repo rates continue to trade within the range, i.e., Govt bond repo rate at 0.23%-0.30%, while corporate bond repo rate at 0.34%-0.37%.

## TWD IRS Curve



## Taiwan Government Bond Yield curve



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