

US & Europe Bond Markets

Govt, Equity, FX and Credit Benchmark & Economic Statistics

Benchmarks	Value	Net Change (bps)
UST 5Y	0.22%	(2.99)
UST 10Y	0.53%	(3.93)
UST 30Y	1.19%	(4.49)
Bund 5Y	-0.73%	(4.30)
Bund 10Y	-0.54%	(4.40)
Bund 30Y	-0.13%	(5.00)
DOW JONES	26313.65	(0.85)%
NASDAQ	10587.81	0.43 %
S&P 500	3246.22	(0.38)%
DAX	12379.65	(3.45)%
FTSE 100	5989.99	(2.31)%
CAC 40	4852.94	(2.13)%
EUR/USD	1.19	1.17 %
USD/JPY	104.23	(0.83)%
USD/CNY	6.99	(0.33)%
US 5Y CDS	--	--
Germany 5Y CDS	11.86	(0.25)
Italy 5Y CDS	150.54	0.00
Spain 5Y CDS	--	--
Portugal 5Y CDS	--	--
France 5Y CDS	18.82	(0.64)
Japan 5Y CDS	18.01	(0.01)
China 5Y CDS	43.88	0.01
Korea 5Y CDS	23.60	(0.08)

US & European Bond Markets

US & European Government Bond :

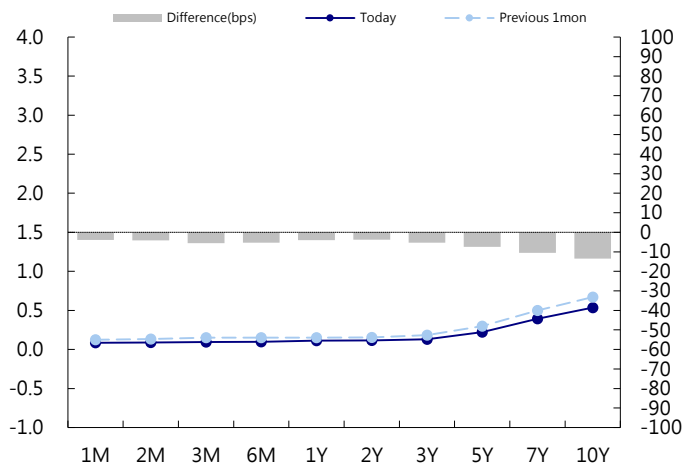
Treasuries surged during U.S. morning and held the gains through a quiet afternoon despite stocks clawing back early losses. Advance was fueled by first estimate of U.S. 2Q GDP showing record contraction and supported by a sharp decline in USD/JPY. The rally pushed 10-year yields through 0.54%, cited as a convexity trigger. Yields ended the day lower by 1bp to 3.5bp across the curve with 10-year around 0.545%; long-end-led gains flattened 5s30s curve by 1.5bp with some key events looming for longer-dated Treasuries.

US & European Corporate Bonds:

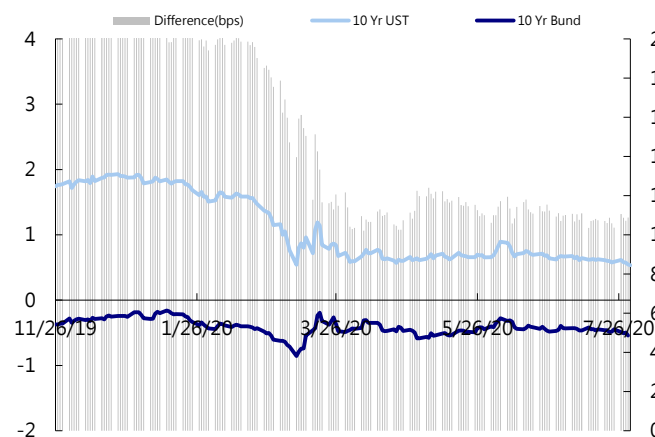
Asia IG still felt firm with overnight rally in US stock , and overall IG Benchmark name were 3-5 bps tighter at opening . RM/PB were chasing front end SOE with wide spread such as high beta AMC / Leasing , brought spreads tighten 8-10 bps at close . Otherwise , performance on CHGRID was mixed, 5Y tranched tighen 8 bps on banking buying with only 300mm outstanding , while 10Y tranche widen 3 bps . However , HY market remained lacklustre as closing to month end , new SUNAC / COGARD fluctuate around reoffer to -0.3 . US IG spread recover a bit last night after FOMC and i think the trend will continue with beat estimate earning result reported by FB/AMZN/GOOG/AAPL . Overall , earning results back to

Date	Event	Forecast	Previous
07/31	Personal Income	(0.006)	(0.042)
07/31	Personal Spending	0.054	0.082
07/31	Real Personal Spending	0.051	0.081
07/31	PCE Deflator MoM	0.005	0.001
07/31	PCE Deflator YoY	0.009	0.005
07/31	PCE Core Deflator MoM	0.002	0.001
07/31	PCE Core Deflator YoY	0.010	0.010
07/31	Employment Cost Index	0.006	0.008
07/31	MNI Chicago PMI	44.000	36.600
07/31	U. of Mich. Sentiment	72.800	73.200
07/31	U. of Mich. Current Conditions	--	84.200
07/31	U. of Mich. Expectations	--	66.200
07/31	U. of Mich. 1 Yr Inflation	--	0.031
07/31	U. of Mich. 5-10 Yr Inflation	--	0.027

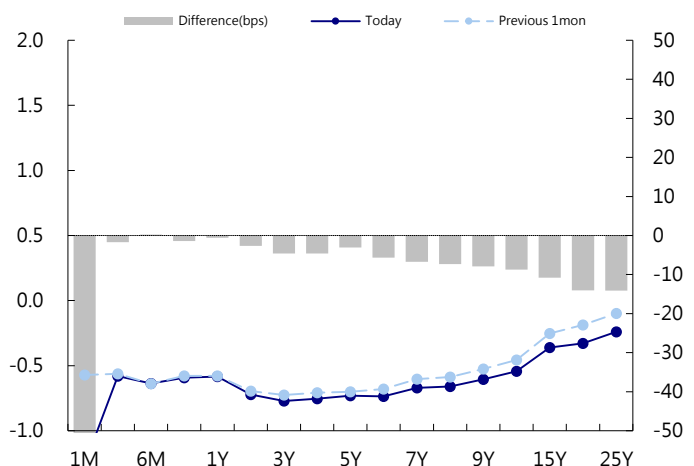
US Treasury Curve



UST V.S. Bund 10Y Yield



Bund Curve



China Bond Market

CNY & CNH Market Data

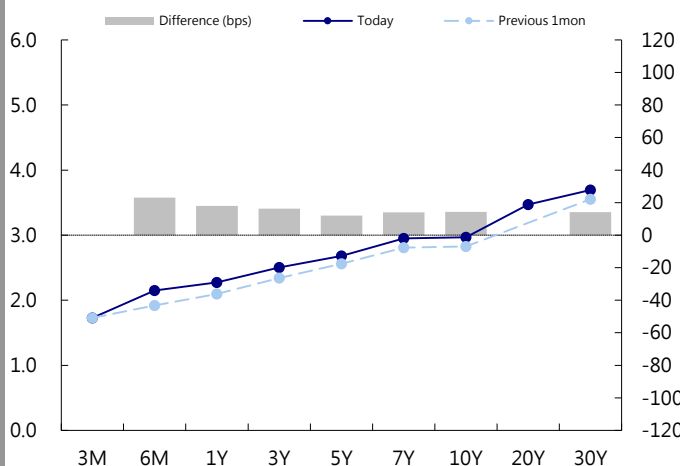
Benchmarks	Value		Net Change (bps)	
	CNY	CNH	CNY	CNH
CGB 5Y	2.68%	2.42%	4.50	1.04
CGB 10Y	2.97%	2.82%	1.74	(0.02)
CGB 20Y	3.47%	3.07%	--	(0.01)
Chinese Renminbi Spot	6.99	6.99	0.33%	0.21 %
USDCNY 1M Forward	7.00	7.00	0.27 %	0.23 %
USDCNY 3M Forward	7.03	7.03	0.27 %	0.23 %
USDCNY 6M Forward	7.06	7.06	0.24 %	0.21 %
	7D Repo	3M Shibor	7D Repo	3M Shibor
CNY IRS 1Y	2.375%	2.68%	1.50	4.50
CNY IRS 2Y	2.45%	2.81%	2.00	4.00
CNY IRS 3Y	2.545%	2.96%	2.50	3.00
CNY IRS 4Y	2.625%	3.09%	2.50	3.50
CNY IRS 5Y	2.7%	3.2%	2.50	4.00
Benchmarks	Value		Net Change (bps)	
SDBC 3.03 01/18/22	2.78%		-0.001	
SDBC 3.68 02/26/26	3.30%		-2.280	
SDBC 3.48 01/08/29	3.62%		3.499	
SDBC 3 1/2 11/04/46	3.77%		-2.250	
CNH CCS 3M	2.32%		4.81	
CNH CCS 6M	2.30%		1.51	
CNH CCS 12M	2.26%		0.12	
CNH CCS 3Y	2.17%		(1.44)	
CNH CCS 5Y	2.08%		(4.61)	

Date	Event	Forecast	Previous
07/31	Composite PMI	--	54.200
07/31	Manufacturing PMI	50.700	50.900
07/31	Non-manufacturing PMI	54.500	54.400

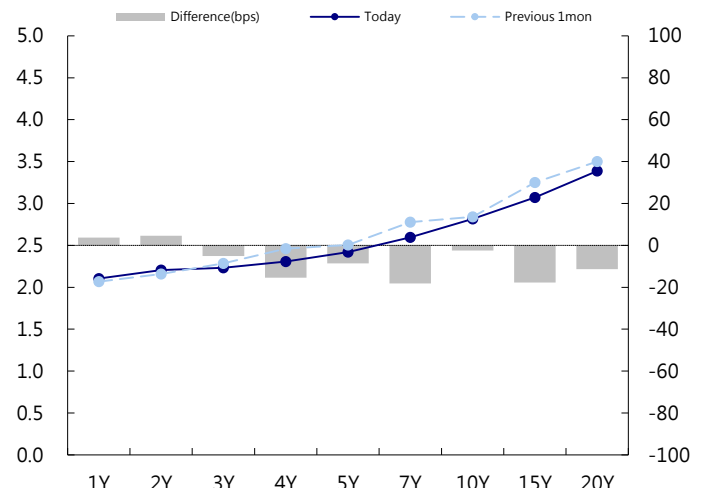
China Bond Market

Regarding bond market, The spot market in China's bond market fluctuated slightly on Thursday, and trading volume was relatively small. Traders said that the pressure on the short-term profit-taking order was relieved after continuous down, and the buyer re-entered. The current bullishness and bearishness factors are intertwined, and the market outlook needs to pay attention to the upcoming Politburo meeting, changes in China-US relations and the official manufacturing PMI data in July. In terms of exchange rate, The RMB against the US dollar closed down slightly on Thursday, while the central parity rose slightly. Traders said that after the Fed meeting, the U.S. index temporarily stabilized and rose slightly, while the demand for intraday foreign exchange purchases is still high, and China-U.S. tensions may still worsen, and the RMB will perform weaker than other non-U.S. currencies; if the U.S. index rebounds slightly in the short term, The RMB may be under slight pressure, and we need to pay attention to changes in the situation in China and the United States.

Onshore CNY Government Bond Curve



Offshore CNH Government Bond Curve



Taiwan Bond Market

Taiwan Market data

Benchmarks	Value	Net Change (bps)
TWGB 5Y	0.31%	(0.57)
TWGB 10Y	0.41%	(0.65)
USD/TWD	29.31	(0.36)%
EUR/TWD	34.83	0.71 %
HKD/TWD	3.78	(0.36)%
VNY/TWD	4.19	(0.11)%
TWD Overnight Rate	0.088%	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

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 closed at 0.4165%. 5YR treasury yields closed at 0.312%.

Taiwan Bond Primary Market

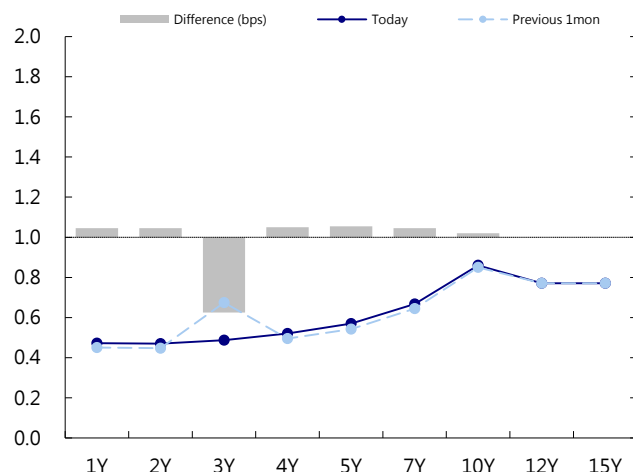
Announcements of Corporate Bonds Issuances approved by the Board of Directors on 30th July : None.
Bonds issued on 31st July : None.

Money Market

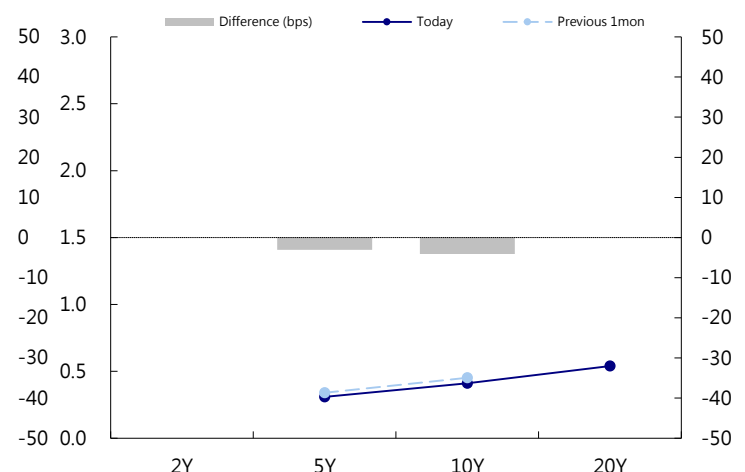
With sufficient fund in the market by the end of the last quarter, short term repo rate remains stable. Last month, central bank kept its monetary policy and base rate. We expect repo rates continue to trade within the range, i.e., Govt bond repo rate at 0.23%-0.30%, while corporate bond repo rate at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

Date	Event	Forecast	Previous
07/31	GDP YoY		1.6%

TWD IRS Curve



Taiwan Government Bond Yield curve



Disclaimer

Sinopac Securities Corp ("Sinopac Sec") does and seeks to do business with companies covered in its research reports. As a result, investors should be aware that Sinopac Sec may have a conflict of interest that could affect the objectivity of this report. Sinopac Sec regularly trades, generally deals as principal and generally provides liquidity (as market maker or otherwise) in the debt securities that are the subject of this research report (and related derivatives thereof). Sinopac Sec trading desks may have either a long and / or short position in such securities, other financial instruments and / or derivatives, which may pose a conflict with the interests of investing customers. To the extent that any historical pricing information was obtained from Sinopac Sec trading desks, the firm makes no representation that it is accurate or complete. All levels, prices and spreads are historical and do not necessarily represent current market levels, prices or spreads, some or all of which may have changed since the publication of this document. Sinopac Sec makes no guarantee that any recommendation and information provided is accurate or complete.

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