

# US & Europe Bond Markets

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

Benchmarks	Value	Net Change (bps)
UST 5Y	0.19%	(2.83)
UST 10Y	0.51%	(4.58)
UST 30Y	1.19%	(4.49)
Bund 5Y	-0.73%	(1.70)
Bund 10Y	-0.55%	(3.00)
Bund 30Y	-0.14%	(4.20)
DOW JONES	26828.47	0.62 %
NASDAQ	10941.17	0.35 %
S&P 500	3306.51	0.36 %
DAX	12600.87	(0.36)%
FTSE 100	6036.00	0.05 %
CAC 40	4889.52	0.28 %
EUR/USD	1.18	0.38 %
USD/JPY	105.55	(0.54)%
USD/CNY	6.96	(0.16)%
US 5Y CDS	--	--
Germany 5Y CDS	12.00	(0.03)
Italy 5Y CDS	149.39	(0.45)
Spain 5Y CDS	--	--
Portugal 5Y CDS	--	--
France 5Y CDS	18.68	(0.17)
Japan 5Y CDS	17.66	(0.24)
China 5Y CDS	42.36	(0.19)
Korea 5Y CDS	23.48	--

## US & European Bond Markets

### US & European Government Bond :

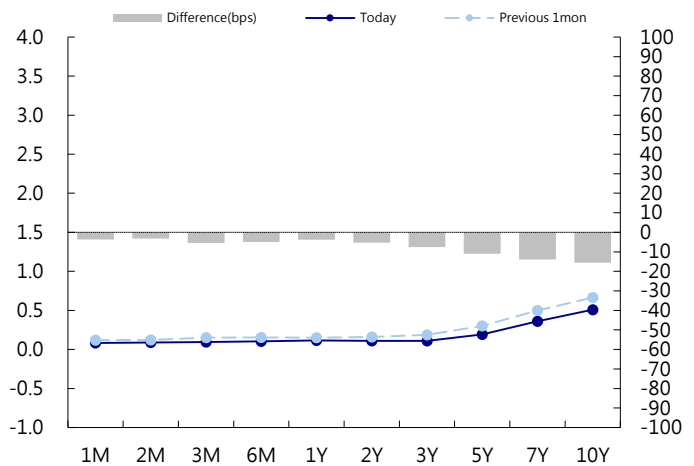
Treasuries rallied Tuesday with gains led by long-end of the curve, pushing 10-year yields close to 0.50% and 5-year onto fresh record lows. The decline in yields came amid the latest round of negotiations by lawmakers on a new virus relief package. Price action also was consistent with some profit taking in bear steepening trades positioned for Wednesday's refunding announcement. Eurodollar flows saw aggressive negative rate hedges while rates volatility picked up in ATM 3m10y tenor, which picks up the November 3 U.S. election risk event.

### US & European Corporate Bonds:

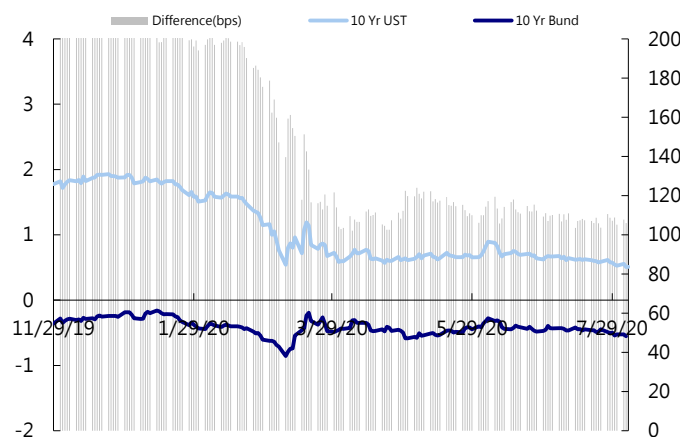
Asia credit have a stellar day with strong overnight session and regional stock market rally, overall spread tighten 8~10 bps by almost one-way buying. Tech names such as SMIZCH 25s/TENCNT 30/WB 30s outperformed and tightened by 10-15 bps after NASDAQ hit record high. Other sector with higher spread like AMC/Leasing/CCB T2 even the new deal of CICCHK, are also tighten 8~12 bps after TW/HK real money account chasing. Moreover, HY finally caught up with the strong performance in IG recently, driven by HK had reported <100 new Covid-19 cases, property and AT1 bonds jumped ~0.25-0.5pts. However, though the buying quite strong recently, there's still some risk event like the pass of new

Date	Event	Forecast	Previous
08/05	MBA Mortgage Applications	--	(0.008)
08/05	ADP Employment Change	1200k	2369k
08/05	Trade Balance	-\$50.2b	-\$54.6b
08/05	Markit US Services PMI	49.600	49.600
08/05	Markit US Composite PMI	--	50.000
08/05	ISM Services Index	55.000	57.100
08/06	Challenger Job Cuts YoY	--	3.055
08/06	Initial Jobless Claims	1400k	1434k
08/06	Continuing Claims	16900k	17018k
08/06	Bloomberg Consumer Comfort	--	44.300
08/07	Two-Month Payroll Net Revision	--	--
08/07	Change in Nonfarm Payrolls	1500k	4800k
08/07	Change in Private Payrolls	1500k	4767k
08/07	Change in Manufact. Payrolls	280k	356k
08/07	Unemployment Rate	0.105	0.111
08/07	Average Weekly Hours All Employees	34.400	34.500
08/07	Average Hourly Earnings YoY	0.042	0.050
08/07	Average Hourly Earnings MoM	(0.005)	(0.012)

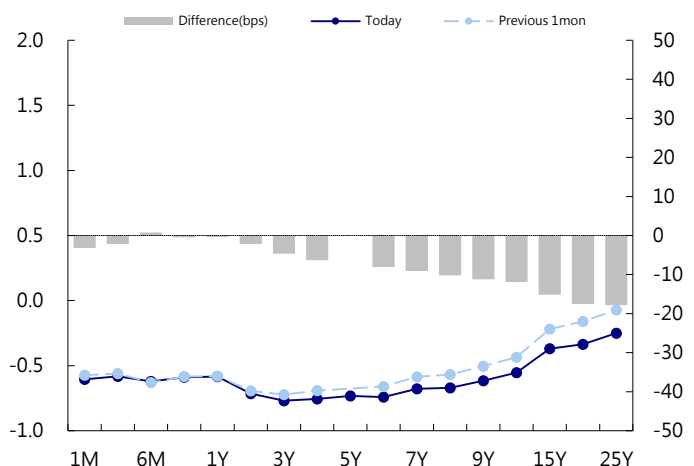
### US Treasury Curve



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



### Bund Curve



# China Bond Market

## CNY & CNH Market Data

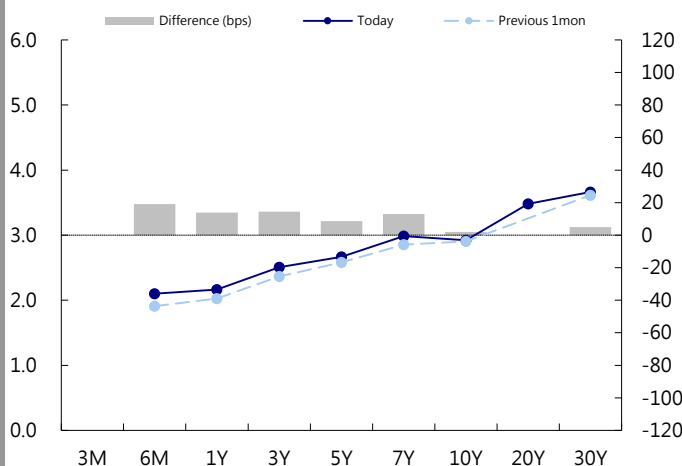
Benchmarks	Value		Net Change (bps)	
	CNY	CNH	CNY	CNH
CGB 5Y	2.67%	2.43%	(0.35)	--
CGB 10Y	2.92%	2.83%	(1.51)	(0.08)
CGB 20Y	3.48%	3.08%	--	--
Chinese Renminbi Spot	6.96	6.97	0.16%	0.14%
USDCNY 1M Forward	6.98	6.98	0.23%	0.16%
USDCNY 3M Forward	7.01	7.01	0.24%	0.15%
USDCNY 6M Forward	7.04	7.05	0.24%	0.17%
	7D Repo	3M Shibor	7D Repo	3M Shibor
CNY IRS 1Y	2.375%	2.73%	(0.50)	2.50
CNY IRS 2Y	2.445%	2.87%	(1.50)	2.00
CNY IRS 3Y	2.53%	3.025%	(2.00)	2.50
CNY IRS 4Y	2.605%	3.14%	(2.00)	2.00
CNY IRS 5Y	2.67%	3.235%	(2.50)	1.00
Benchmarks	Value		Net Change (bps)	
SDBC 3.03 01/18/22	2.75%		-0.998	
SDBC 3.68 02/26/26	3.30%		-4.750	
SDBC 3.48 01/08/29	3.57%		-2.999	
SDBC 3 1/2 11/04/46	3.82%		-0.620	
CNH CCS 3M	2.54%		2.91	
CNH CCS 6M	2.47%		2.57	
CNH CCS 12M	2.38%		2.37	
CNH CCS 3Y	2.23%		4.95	
CNH CCS 5Y	2.15%		5.38	

## China Bond Market

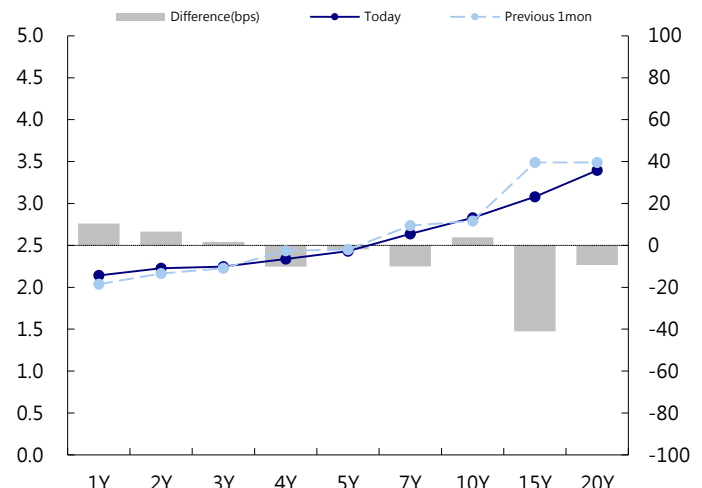
Regarding bond market, China's inter-bank market closed down on Tuesday, and the main repurchase interest rate rebounded suppressed the short end. The five-year spot performance was slightly worse than that of the 10-year one. Among the 10-year interest rate bonds, affected by the recent continued selling pressure from funds, the spread between China Development Bank bonds and Treasury bonds has expanded significantly since July, doubling to more than 50bp in about a month. In terms of exchange rate, The RMB against the US dollar closed down slightly on Tuesday, with very narrow intraday volatility, and the central parity rose to a new high in the past two weeks. According to traders, frictions between China and the United States in various fields continue, but the U.S. index has rebounded weakly after stabilizing, and the renminbi is expected to continue to fluctuate within a range in the short term; and tensions in China-US relations may intensify before the U.S. election, and the RMB's rise is expected to be limited.

Date	Event	Forecast	Previous
08/05	Caixin China PMI Composite	--	55.700
08/05	Caixin China PMI Services	58.000	58.400
08/07	Exports YoY CNY	0.009	0.043
08/07	Imports YoY CNY	0.023	0.062
08/07	Exports YoY	(0.006)	0.005
08/07	Imports YoY	0.010	0.027
08/07	Trade Balance CNY	286.75b	328.94b
08/07	Trade Balance	\$42.60b	\$46.42b
08/07	BoP Current Account Balance	--	-\$33.7b
08/07	Foreign Reserves	\$3142.00b	\$3112.33b

## Onshore CNY Government Bond Curve



## Offshore CNH Government Bond Curve



# Taiwan Bond Market

## Taiwan Market data

Benchmarks	Value	Net Change (bps)
TWGB 5Y	0.3%	(1.20)
TWGB 10Y	0.4%	(0.88)
USD/TWD	29.35	(0.42)%
EUR/TWD	34.68	(0.18)%
HKD/TWD	3.79	(0.34)%
VNY/TWD	4.22	(0.04)%
TWD Overnight Rate	0.077%	(0.30)
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 bond market. 10YR treasury yields closed at 0.4087%.

## Taiwan Bond Primary Market

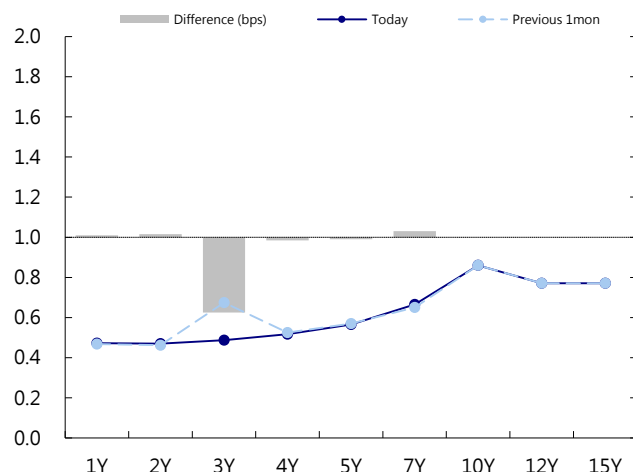
Announcements of Corporate Bonds Issuances approved by the Board of Directors on 4th August : None.  
Bonds issued on 5th August : Agricultural Bank of Taiwan issued NTD 7.5BN of senior financial debentures in 2 tranches: NTD 4.1BN of 4-year bond at a coupon rate of 0.52%, NTD 3.4BN of 5-year bond at a coupon rate of 0.52%.

Date	Event	Forecast	Previous
08/05	Foreign Reserves	--	\$488.69b
08/06	WPI YoY	-8.9%	-10.4%
08/06	CPI Core YoY	0.1%	0.1%
08/06	CPI YoY	-0.5%	-0.8%
08/07	Trade Balance	\$4.24b	\$4.84b

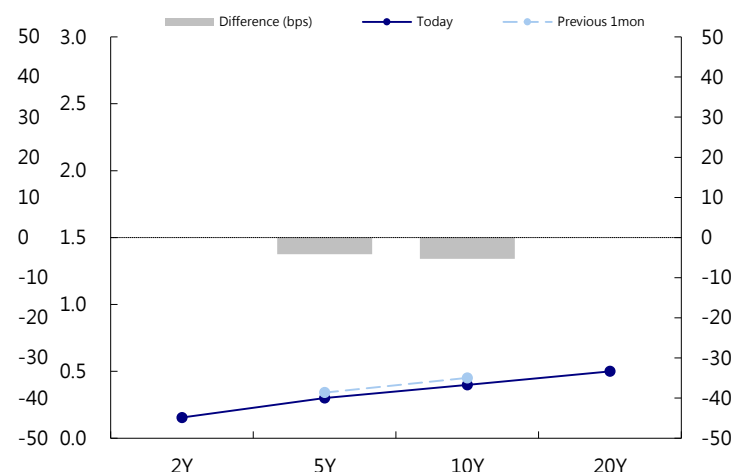
## Money Market

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%-0.29%, while corporate bond repo rate at 0.34%-0.36%.

## TWD IRS Curve



## Taiwan Government Bond Yield curve



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