# US & Europe Bond Markets

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

| Benchmarks | Value | Net Change (bps) |
|---|---|---|
| UST 5Y | 0.28% | 4.27 |
| UST 10Y | 0.64% | 6.77 |
| UST 30Y | 1.33% | 7.72 |
| Bund 5Y | -0.68% | 3.60 |
| Bund 10Y | -0.48% | 4.80 |
| Bund 30Y | -0.04% | 5.90 |
| | | |
| DOW JONES | 27686.91 | (0.38)% |
| NASDAQ | 10782.82 | (1.69)% |
| S&P 500 | 3333.69 | (0.80)% |
| DAX | 12946.89 | 2.04 % |
| FTSE 100 | 6154.34 | 1.71 % |
| CAC 40 | 5027.99 | 2.41 % |
| | | |
| EUR/USD | 1.17 | (0.58)% |
| USD/JPY | 106.67 | 0.52 % |
| USD/CNY | 6.96 | 0.15 % |
| | | |
| US 5Y CDS | -- | -- |
| Germany 5Y CDS | 11.47 | 0.02 |
| Italy 5Y CDS | 143.56 | (0.50) |
| Spain 5Y CDS | -- | -- |
| Portugal 5Y CDS | -- | -- |
| France 5Y CDS | 17.37 | (1.09) |
| Japan 5Y CDS | 17.21 | 0.18 |
| China 5Y CDS | 40.60 | 0.04 |
| Korea 5Y CDS | 22.15 | (0.10) |

## US & European Bond Markets

### US & European Government Bond :

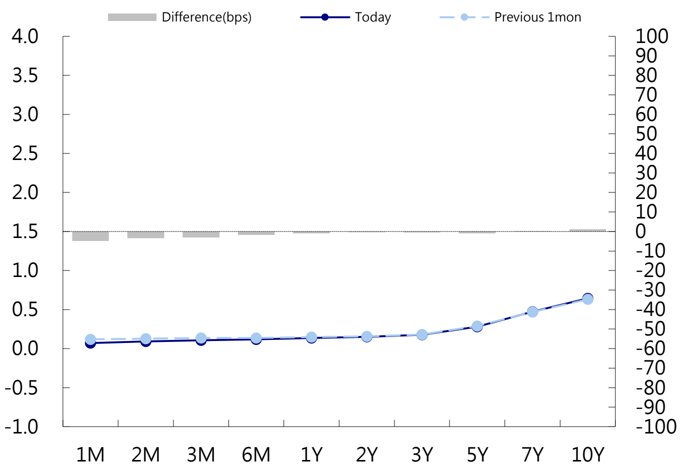
Treasuries sold-off sharply Tuesday with losses led by long-end of the curve, though declines were pared in late trading as U.S. equities faded. IG credit issuance remained elevated with 11 issuers pricing $18 billion, while dealers prepare to underwrite record-size 10- and 30-year auctions over the next two days. Treasury 3-year note sale was average; small tail knocked 2-year yields cheaper on the follow. Yields ended cheaper by 2bp-7bp, steepening 2s10s by nearly 4bp, 5s30s by ~3bp; 10-year yields were ~6bp higher at 0.635% shortly after 3pm ET, after breaching 50-DMA in move to session high 0.66%.

### US & European Corporate Bonds:

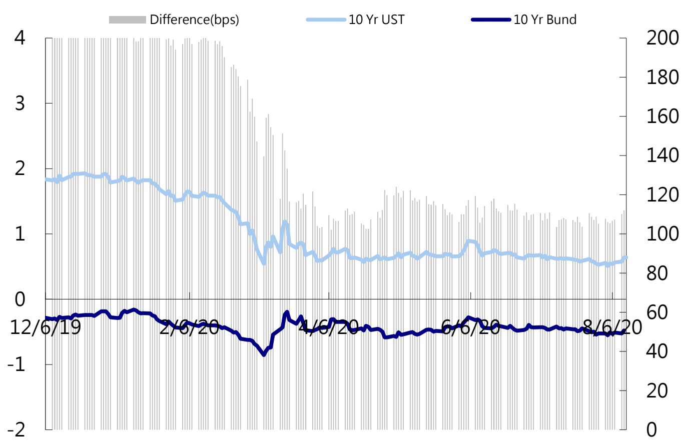
Market extended yesterday loss led by Tech tension as US moves to ban business with Chinese app and tighten regulation for China stock listings. As a result, TMT names led the wave of selling followed by T2/Leasing/SOE. TENCNT 30 dn 7bp, XIAOMI 30s dn +210, WB 30 dn +216. QDHTCO 23n (FPG 3.35%) was trading two-way today. Investors were also trimming risk ahead of NFP and employment data tonight.

| Date | Event | Forecast | Previous |
|---|---|---|---|
| 08/12 | MBA Mortgage Applications | -- | (0.051) |
| 08/12 | Real Avg Weekly Earnings YoY | -- | 0.046 |
| 08/12 | Real Avg Hourly Earning YoY | -- | 0.043 |
| 08/12 | CPI MoM | 0.003 | 0.006 |
| 08/12 | CPI Ex Food and Energy MoM | 0.002 | 0.002 |
| 08/12 | CPI YoY | 0.007 | 0.006 |
| 08/12 | CPI Ex Food and Energy YoY | 0.011 | 0.012 |
| 08/12 | CPI Index NSA | 258.545 | 257.797 |
| 08/12 | CPI Core Index SA | 266.585 | 266.065 |
| 08/13 | Monthly Budget Statement | -$151.5b | -$119.7b |
| 08/13 | Import Price Index MoM | 0.006 | 0.014 |
| 08/13 | Import Price Index ex Petroleum MoM | 0.001 | 0.003 |
| 08/13 | Import Price Index YoY | (0.031) | (0.038) |
| 08/13 | Export Price Index MoM | 0.004 | 0.014 |
| 08/13 | Export Price Index YoY | -- | (0.044) |
| 08/13 | Initial Jobless Claims | 1100k | 1186k |
| 08/13 | Continuing Claims | 15800k | 16107k |
| 08/13 | Bloomberg Consumer Comfort | -- | 44.900 |

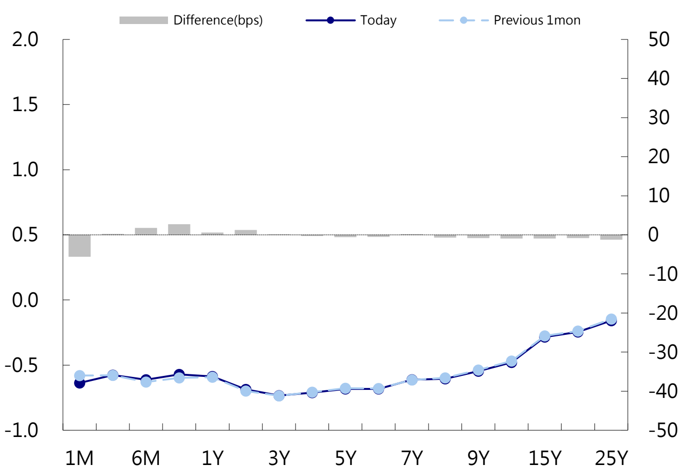
## US Treasury Curve




## UST V.S. Bund 10Y Yield




## Bund Curve

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# China Bond Market

## CNY & CNH Market Data

| Benchmarks | Value | | Net Change (bps) | |
|---|---|---|---|---|
| | CNY | CNH | CNY | CNH |
| CGB 5Y | 2.8% | 2.42% | 0.99 | (0.13) |
| CGB 10Y | 2.96% | 2.87% | 1.00 | (0.07) |
| CGB 20Y | 3.5% | 3.12% | -- | (0.04) |
| | CNY | CNH | CNY | CNH |
| Chinese Renminbi Spot | 6.96 | 6.95 | -0.15% | (0.18)% |
| USDCNY 1M Forward | 6.97 | 6.97 | (0.14)% | (0.14)% |
| USDCNY 3M Forward | 7.00 | 7.00 | (0.15)% | (0.17)% |
| USDCNY 6M Forward | 7.04 | 7.04 | (0.13)% | (0.12)% |
| | 7D Repo | 3M Shibor | 7D Repo | 3M Shibor |
| CNY IRS 1Y | 2.405% | 2.74% | 3.00 | 1.00 |
| CNY IRS 2Y | 2.485% | 2.885% | 3.00 | 1.50 |
| CNY IRS 3Y | 2.57% | 3.04% | 2.50 | 1.00 |
| CNY IRS 4Y | 2.645% | 3.155% | 2.50 | 0.50 |
| CNY IRS 5Y | 2.71% | 3.255% | 2.50 | 0.50 |

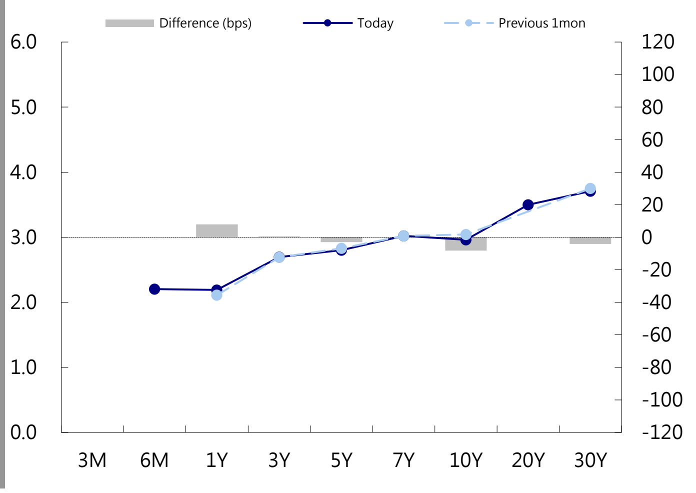
| Benchmarks | Value | Net Change (bps) |
|---|---|---|
| SDBC 3.03 01/18/22 | 2.78% | 1.001 |
| SDBC 3.68 02/26/26 | 3.33% | 0.000 |
| SDBC 3.48 01/08/29 | 3.57% | 2.000 |
| SDBC 3 1/2 11/04/46 | 3.65% | 365.013 |
| CNH CCS 3M | 2.80% | 4.75 |
| CNH CCS 6M | 2.69% | 5.05 |
| CNH CCS 12M | 2.55% | 2.61 |
| CNH CCS 3Y | 2.39% | 5.55 |
| CNH CCS 5Y | 2.27% | 5.14 |

| Date | Event | Forecast | Previous |
|---|---|---|---|
| 08/14 | New Home Prices MoM | -- | 0.006 |
| 08/14 | Industrial Production YoY | 0.052 | 0.048 |
| 08/14 | Industrial Production YTD YoY | (0.004) | (0.013) |
| 08/14 | Retail Sales YoY | 0.001 | (0.018) |
| 08/14 | Retail Sales YTD YoY | (0.090) | (0.114) |
| 08/14 | Fixed Assets Ex Rural YTD YoY | (0.016) | (0.031) |
| 08/14 | Property Investment YTD YoY | 0.025 | 0.019 |
| 08/14 | Surveyed Jobless Rate | 0.057 | 0.057 |

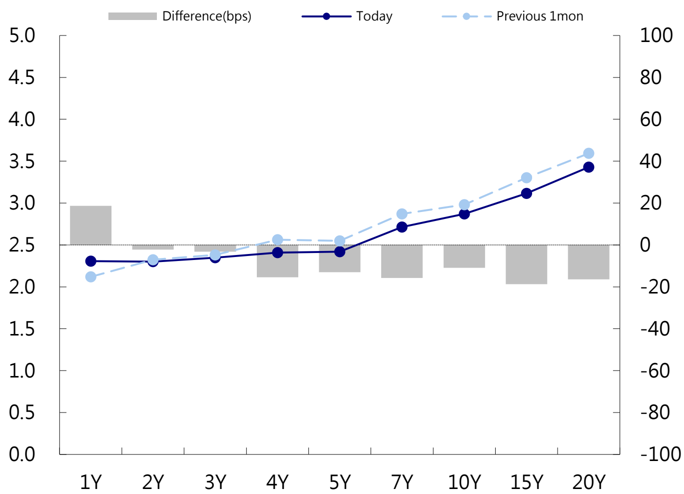
## China Bond Market

Regarding bond market, The Chinese bond market's spot bond yields fluctuated and were nearly flat on Tuesday, and Treasury bond futures rebounded from daily lows and nearly flattened. Traders said that due to the tightening of funds and the pressure of new debt supply, futures and spot bonds tended to be weak for most of the day. However, as the domestic stock market plunged in the afternoon, treasury bond futures began to rebound from the low point in the day. In terms of exchange rate, The RMB against the US dollar closed up in volume on Tuesday, while the central parity dropped slightly to a new low in the past week. Traders said that the U.S. index's decline in the renminbi has also been blocked; however, the tightening of offshore renminbi liquidity in the day pushed up the CNH exchange rate and led to a rebound in the onshore exchange rate. However, the tension in China-US relations is difficult to change, and the renminbi is expected to remain wide in the short term. Amplitude shock.

## Onshore CNY Government Bond Curve




## Offshore CNH Government Bond Curve

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# Taiwan Bond Market

## Taiwan Market data

| Benchmarks | Value | Net Change (bps) |
|---|---|---|
| TWGB 5Y | 0.31% | 0.50 |
| TWGB 10Y | 0.38% | 1.23 |
| | | |
| USD/TWD | 29.42 | (0.14)% |
| EUR/TWD | 34.50 | (0.23)% |
| HKD/TWD | 3.80 | (0.23)% |
| VNY/TWD | 4.23 | (0.32)% |
| | | |
| TWD Overnight Rate | 0.078% | (0.50) |
| TWD Secondary CP 10D | 0.7125% | (1.61) |
| TWD Secondary CP 30D | 0.7544% | (1.35) |
| TWD Secondary CP 90D | 0.8081% | (1.97) |

| Date | Event | Forecast | Previous |
|---|---|---|---|
| 08/14 | GDP YoY | -- | -0.7% |

## Taiwan Bond Secondary Market

The ten-year note auction drew a high yield of 0.37 percent, surpassing the historical low. 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 rateagainst USD higher, provided supports for government bondsmarket. 10YR treasury yields closed at 0.3701%.

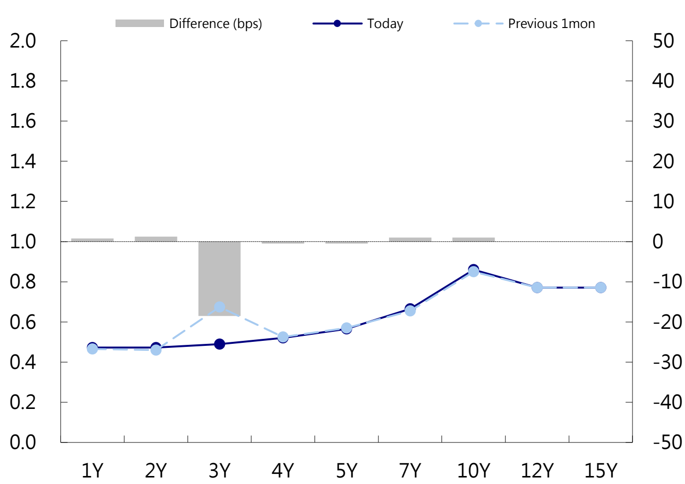
## Taiwan Bond Primary Market

Annoucements of Corporate Bonds Issuances approved by the Board of Directors on 11th August：Shinkong Synthetic Fibers Corporation plans to issue senior secured corporate bonds with the total size not exceeding NTD 0.3BN and tenor not exceeding 10 years. Kindom Development Co., Ltd. plans to issue its NTD 0.1BN 5-year senior secured corporate bonds at a coupon rate of 0.6%. Taiwan Semiconductor Manufacturing Co., Ltd. plans to issue senior unsecured corporate bonds with the total size not exceeding USD 1BN. Bonds issued on 12th August：None.

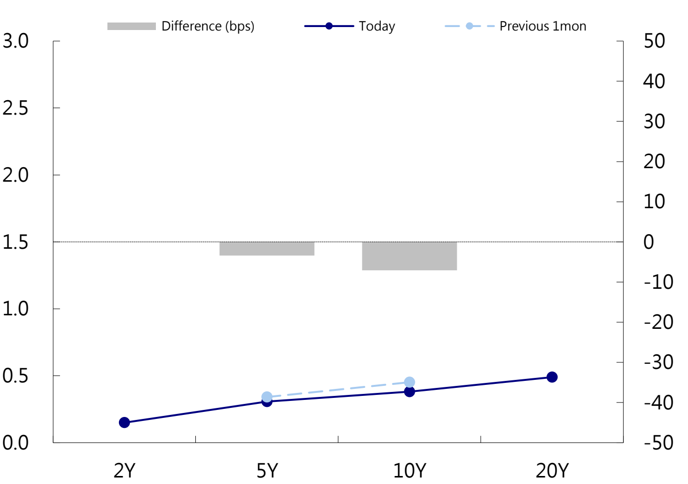
## Money Market

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%-0.29%, while corporate bond repo rate at 0.33%-0.36%.

## TWD IRS Curve




## Taiwan Government Bond Yield curve

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# Disclaimer



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