

US & Europe Bond Markets

Govt, Equity, FX and Credit Benchmark & Economic Statistics

Benchmarks	Value	Net Change (bps)
UST 5Y	0.25%	0.15
UST 10Y	0.66%	(1.30)
UST 30Y	1.39%	(3.48)
Bund 5Y	-0.7%	(4.10)
Bund 10Y	-0.47%	(5.30)
Bund 30Y	-0.02%	(5.90)
DOW JONES	29100.50	1.59 %
NASDAQ	12056.44	0.98 %
S&P 500	3580.84	1.54 %
DAX	13243.43	2.07 %
FTSE 100	5940.95	1.35 %
CAC 40	5031.74	1.90 %
EUR/USD	1.18	(0.25)%
USD/JPY	106.24	0.05 %
USD/CNY	6.83	(0.18)%
US 5Y CDS	--	--
Germany 5Y CDS	10.51	(0.66)
Italy 5Y CDS	132.09	(1.27)
Spain 5Y CDS	--	--
Portugal 5Y CDS	--	--
France 5Y CDS	17.58	(0.26)
Japan 5Y CDS	17.15	0.00
China 5Y CDS	33.07	0.00
Korea 5Y CDS	21.55	(0.10)

US & European Bond Markets

US & European Government Bond :

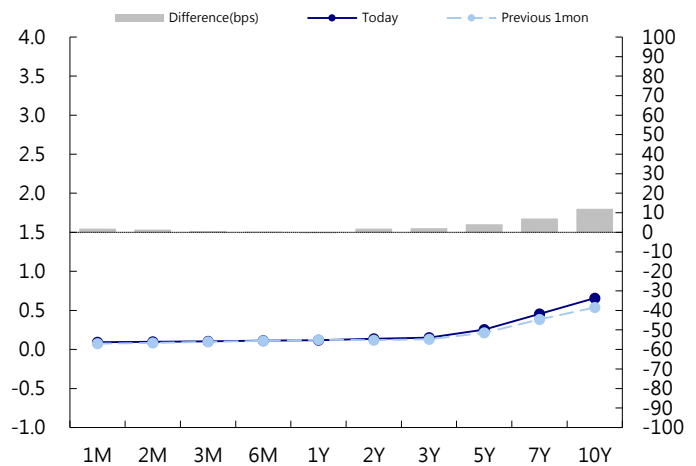
Treasuries ended mixed with front end and belly slightly cheaper on the day while long end richened. The yield curve flattened, extending a streak in place since Fed Chair Powell's Aug. 27 comments on average inflation targeting. Most long-end gains occurred during U.S. morning, helped by flurry of futures activity including a large flattener done via block trades, and were sustained through the afternoon. Yields ended richer by as much as 4bp in 30-year sector, flattening 5s30s curve by 4.5bp, while 2s10s tightened 1.8bp; 10-year yields ended around 0.655% while gilts and bunds outperformed, supporting Treasuries during U.S. morning.

US & European Corporate Bonds:

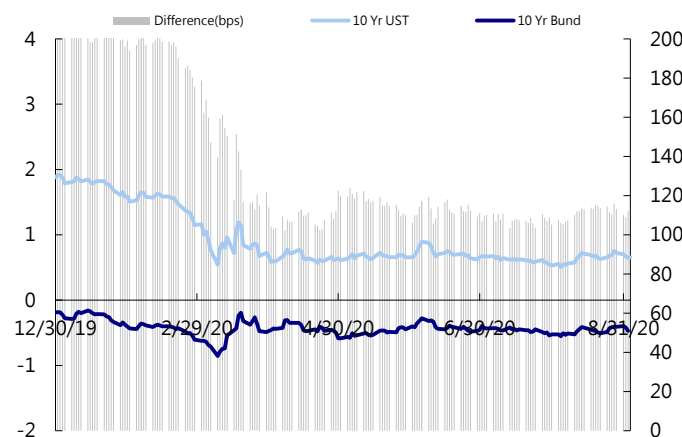
Tone was weak in the China IG as flows have been skewed to more selling especially in the 10Y space. Not a lot of support in the 10Y space and spreads +3 to +6 bps to end the day. A few accounts are taking the widening to pick up bonds in the 5Y space and spreads didn't move much fro 5Y or below. HAOHUA curve is heavy and we see multiple sellers on the curve. Curve +5 to +7 bps to end the day. OCTOWN 4.5 Perps were active. Mutiple accounts taking profit at above 101 but bonds are easily absorbed. We closed 101.25/101.5 for the day. NANFUN 5 Perps are still heavy without much buying. Bonds closed 99.75/100 to end the day.

Date	Event	Forecast	Previous
09/03	U.S. Federal Reserve Releases Beige Br		
09/03	Challenger Job Cuts YoY	--	5.761
09/03	Nonfarm Productivity	0.074	0.073
09/03	Unit Labor Costs	0.121	0.122
09/03	Initial Jobless Claims	950k	1006k
09/03	Continuing Claims	14000k	14535k
09/03	Trade Balance	-\$57.0b	-\$50.7b
09/03	Bloomberg Consumer Comfort	--	44.300
09/03	Markit US Services PMI	54.700	54.800
09/03	Markit US Composite PMI	--	54.700
09/03	ISM Services Index	57.000	58.100
09/04	Change in Nonfarm Payrolls	1400k	1763k
09/04	Two-Month Payroll Net Revision	--	17k
09/04	Change in Private Payrolls	1275k	1462k
09/04	Change in Manufact. Payrolls	63k	26k
09/04	Unemployment Rate	0.098	0.102
09/04	Average Hourly Earnings MoM		0.002
09/04	Average Hourly Earnings YoY	0.045	0.048

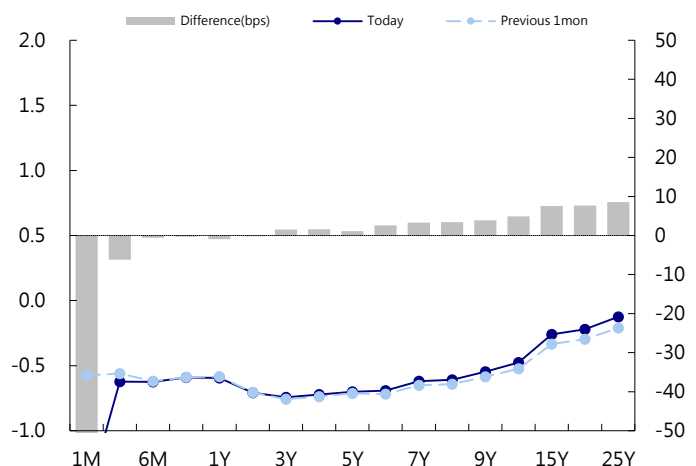
US Treasury Curve



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	3.05%	2.61%	2.41	(0.04)
CGB 10Y	3.11%	2.89%	2.99	(0.02)
CGB 20Y	3.61%	3.15%	--	(0.01)
Chinese Renminbi Spot	6.83	6.83	0.18%	0.10 %
USDCNY 1M Forward	6.84	6.84	0.20 %	0.14 %
USDCNY 3M Forward	6.87	6.87	0.18 %	0.12 %
USDCNY 6M Forward	6.91	6.91	0.19 %	0.13 %
	7D Repo	3M Shibor	7D Repo	3M Shibor
CNY IRS 1Y	2.58%	3.01%	4.50	1.00
CNY IRS 2Y	2.695%	3.185%	6.50	4.50
CNY IRS 3Y	2.795%	3.355%	6.50	6.00
CNY IRS 4Y	2.875%	3.485%	6.50	7.00
CNY IRS 5Y	2.94%	3.58%	7.00	6.50

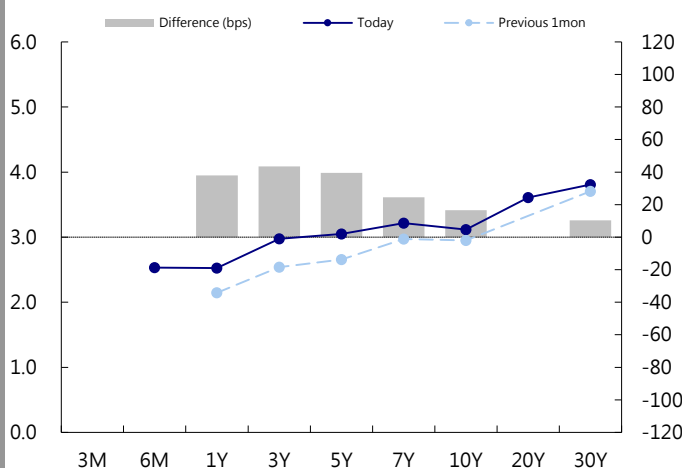
Benchmarks	Value	Net Change (bps)
SDBC 3.03 01/18/22	2.91%	-0.005
SDBC 3.68 02/26/26	3.55%	-1.500
SDBC 3.48 01/08/29	3.71%	3.000
SDBC 3 1/2 11/04/46	4.18%	0.007
CNH CCS 3M	2.53%	(15.50)
CNH CCS 6M	2.60%	(9.90)
CNH CCS 12M	2.60%	(4.44)
CNH CCS 3Y	2.60%	2.43
CNH CCS 5Y	2.51%	(1.87)

Date	Event	Forecast	Previous
09/03	Caixin China PMI Composite	--	54.500
09/03	Caixin China PMI Services	54.000	54.100

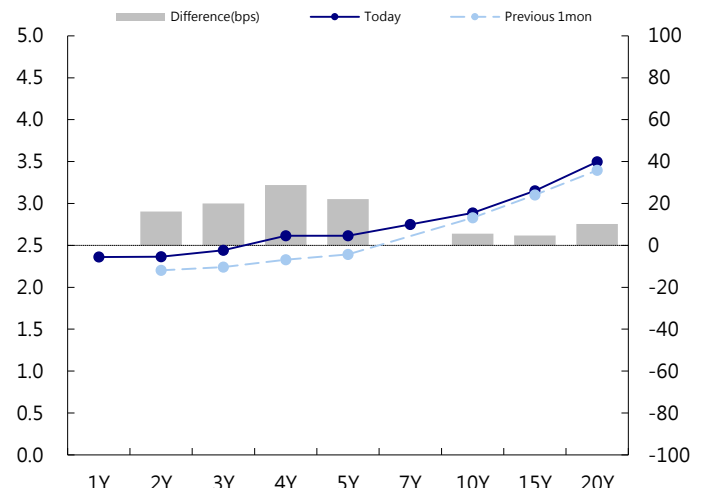
China Bond Market

Regarding bond market, the Chinese bond market's spot bond yields rose slightly on Tuesday, while treasury bond futures fluctuated and closed lower. Traders said that the central bank's open market today largely withdraws liquidity from circulation, and tomorrow will usher in a huge amount of treasury bond tenders, which will pressure market sentiment. In terms of exchange rate, the RMB against the US dollar closed sharply by nearly 300 points on Tuesday, setting a new high in nearly 16 months. The increase has reached 2.09% during the year, and the central parity rate has also reached a new high in over 14 months. Traders said that the U.S. dollar index continued to break down and boosted the market's willingness to do more RMB. After a series of breakthroughs at several key points, foreign exchange purchases continued to wait and see, foreign exchange settlement customers flooded, and exchange rates accelerated.

Onshore CNY Government Bond Curve



Offshore CNH Government Bond Curve



Taiwan Bond Market

Taiwan Market data

Benchmarks	Value	Net Change (bps)
TWGB 5Y	0.32%	(0.94)
TWGB 10Y	0.41%	(0.30)
USD/TWD	29.34	(0.33)%
EUR/TWD	34.71	(0.68)%
HKD/TWD	3.79	(0.47)%
VNY/TWD	4.30	(0.38)%
TWD Overnight Rate	0.08%	0.10
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. However, due to selling pressure from leveraged money in the market, 10YR treasury yields moved higher and closed at 0.4074%.

Taiwan Bond Primary Market

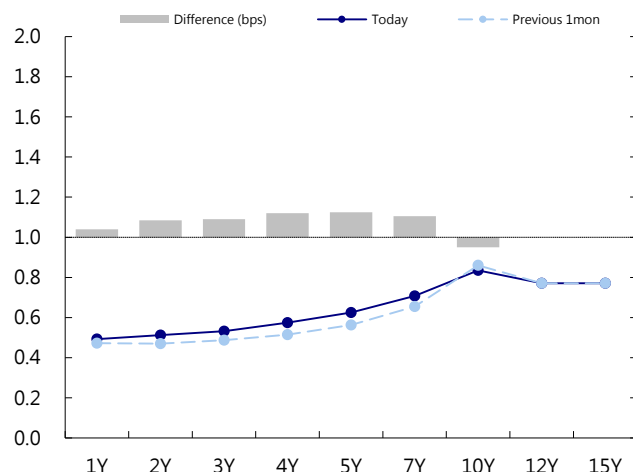
Announcements of Corporate Bonds Issuances approved by the Board of Directors on 3rd September : None.
Bonds issued on 2nd September : Formosa Chemicals & Fibre Corporation issued NTD 10BN of senior unsecured corporate bonds in 3 tranches: NTD 2.9BN of 5-year bond at a coupon rate of 0.52%, NTD 5.2BN of 7-year bond at a coupon rate of 0.60%, NTD 1.9BN of 10-year bond at a coupon rate of 0.67%. Taiwan Semiconductor Manufacturing Co., Ltd. issued NTD 15.6BN of senior unsecured corporate bonds in 3 tranches: NTD 4.8BN of 5-year bond at a coupon rate of 0.50%, NTD 8BN of 7-year bond at a coupon rate of 0.58%, NTD 2.8BN of 10-year bond at a coupon rate of 0.60%. Ta Ching Securities Co., Ltd. issued NTD 0.2BN of senior secured corporate bonds

Money Market

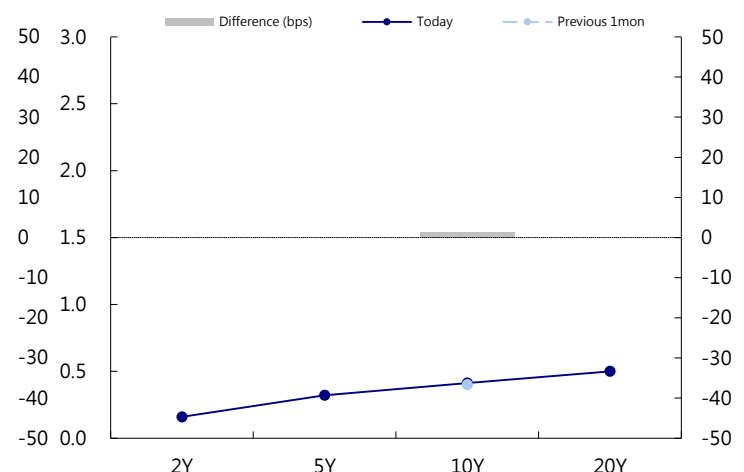
With sufficient fund in the market due to loose monetary policy supported by central bank, we expect repo rates continue to trade within the range, i.e., Govt bond repo rate at 0.22%-0.28%, while corporate bond repo rate at 0.33%-0.37%.

Date	Event	Forecast	Previous
09/04	Foreign Reserves	--	\$496.17b

TWD IRS Curve



Taiwan Government Bond Yield curve



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