

# US & Europe Bond Markets

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

Benchmarks	Value	Net Change (bps)
UST 5Y	0.37%	(1.59)
UST 10Y	0.91%	0.00
UST 30Y	1.64%	1.26
Bund 5Y	-0.81%	(2.50)
Bund 10Y	-0.64%	(3.30)
Bund 30Y	-0.24%	(5.30)
DOW JONES	30046.37	0.16 %
NASDAQ	12377.87	(0.23)%
S&P 500	3663.46	(0.13)%
DAX	13114.30	(1.36)%
FTSE 100	6546.75	(0.80)%
CAC 40	5507.55	(0.76)%
EUR/USD	1.21	0.14 %
USD/JPY	103.96	(0.08)%
USD/CNY	6.55	0.03 %
US 5Y CDS	--	--
Germany 5Y CDS	11.08	(0.11)
Italy 5Y CDS	--	--
Spain 5Y CDS	--	--
Portugal 5Y CDS	--	--
France 5Y CDS	16.87	(0.14)
Japan 5Y CDS	16.04	(0.53)
China 5Y CDS	32.44	3.23
Korea 5Y CDS	21.57	0.00

## US & European Bond Markets

### US & European Government Bond :

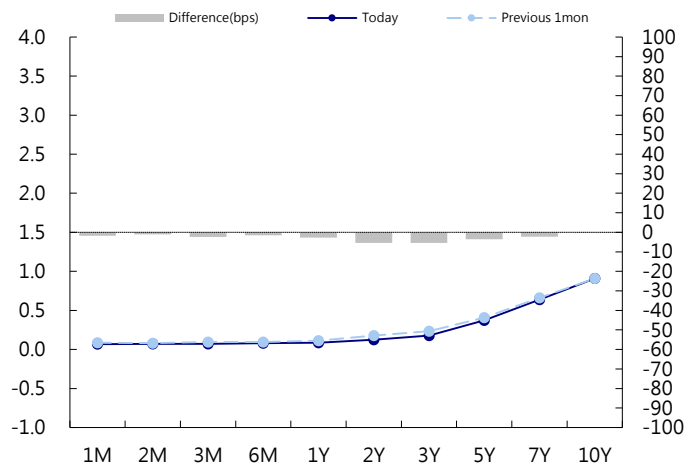
Treasuries rallied across front- and belly of the curve Friday, while long-end underperformed. Yields ended off richest levels as stocks pared losses over U.S. afternoon session. Front-end of the curve was in focus as 2-year yields dropped to lowest levels since August and to within a couple of basis points of record lows.

### US & European Corporate Bonds:

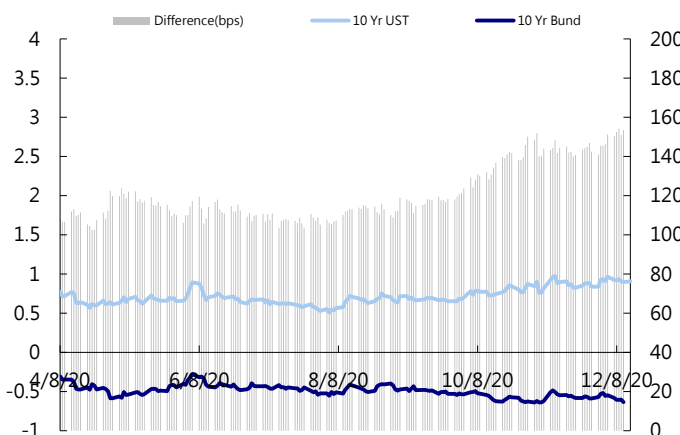
Stocks pared losses as lawmakers passed a stopgap spending bill to avert a federal-government shutdown, but gave no signals of an imminent stimulus deal. Treasuries rallied across front- and belly of the curve Friday, while long-end underperformed. Besides, market are all expect that FED to extend WAL on asset purchase in December FOMC to support economy recovery and constrain the long end rate. However, if FED doesnt do that in minute this week, i think its a buying opportunity when curve steepen. Because curve will be flatten in the end by disappointment on stimulus bills and its hard to pass before christmas for few days left. On IG credit, its a typical year end firday, market remained better buying

Date	Event	Forecast	Previous
12/15	Empire Manufacturing	6.900	6.300
12/15	Import Price Index MoM	0.003	(0.001)
12/15	Import Price Index ex Petroleum MoM	0.002	
12/15	Import Price Index YoY	(0.009)	(0.010)
12/15	Export Price Index MoM	0.002	0.002
12/15	Export Price Index YoY	--	(0.016)
12/15	Industrial Production MoM	0.003	0.011
12/15	Capacity Utilization	0.730	0.728
12/15	Manufacturing (SIC) Production	0.004	0.010
12/16	Net Long-term TIC Flows	--	\$108.9b
12/16	Total Net TIC Flows	--	-\$79.9b
12/16	MBA Mortgage Applications	--	(0.012)
12/16	Retail Sales Advance MoM	(0.003)	0.003
12/16	Retail Sales Ex Auto MoM	0.001	0.002
12/16	Retail Sales Ex Auto and Gas	0.002	0.002
12/16	Retail Sales Control Group	0.002	0.001
12/16	Markit US Manufacturing PMI	55.800	56.700
12/16	Markit US Services PMI	56.000	58.400

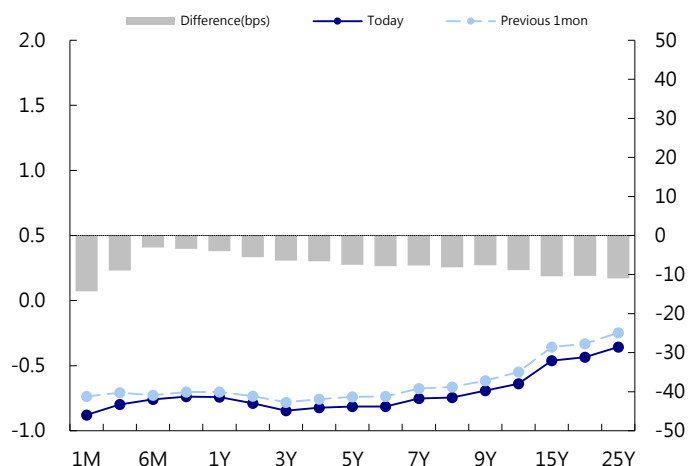
### US Treasury Curve



### 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	3.14%	2.58%	3.34	(0.03)
CGB 10Y	3.3%	3.03%	0.11	(0.02)
CGB 20Y	3.75%	3.07%	--	(0.01)
Chinese Renminbi Spot	6.55	6.53	-0.01%	0.17 %
USDCNY 1M Forward	6.56	6.55	0.00 %	0.05 %
USDCNY 3M Forward	6.59	6.57	0.00 %	0.06 %
USDCNY 6M Forward	6.62	6.61	0.00 %	0.06 %
	7D Repo	3M Shibor	7D Repo	3M Shibor
CNY IRS 1Y	2.625%	3.055%	1.00	0.00
CNY IRS 2Y	2.725%	3.21%	1.00	0.00
CNY IRS 3Y	2.815%	3.335%	1.00	(0.50)
CNY IRS 4Y	2.9%	3.445%	1.00	(0.50)
CNY IRS 5Y	2.99%	3.54%	1.00	0.00

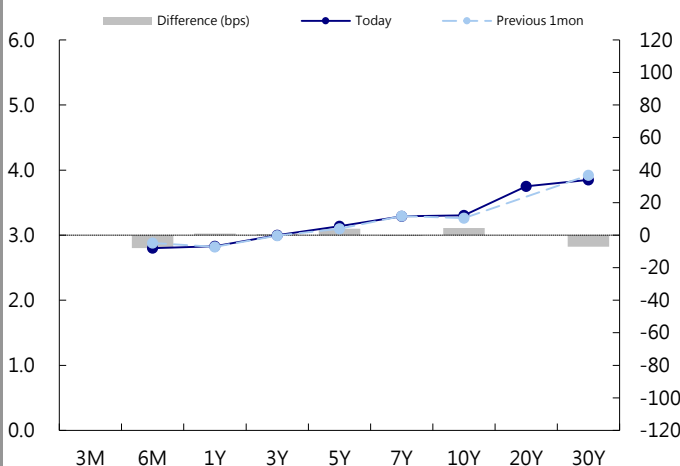
Benchmarks	Value	Net Change (bps)
SDBC 3.03 01/18/22	2.80%	-6.005
SDBC 3.68 02/26/26	3.24%	-12.490
SDBC 3.48 01/08/29	3.62%	-3.000
SDBC 3 1/2 11/04/46	4.11%	--
CNH CCS 3M	2.50%	12.00
CNH CCS 6M	2.48%	7.92
CNH CCS 12M	2.49%	6.41
CNH CCS 3Y	2.38%	7.71
CNH CCS 5Y	2.55%	0.14

Date	Event	Forecast	Previous
12/14	New Home Prices MoM	--	0.002
12/14	Foreign Direct Investment YoY CNY	--	0.183
12/14	1-Yr Medium-Term Lending Facility R	--	0.030
12/15	Industrial Production YoY	0.070	0.069
12/15	Industrial Production YTD YoY	0.023	0.018
12/15	Retail Sales YoY	0.051	0.043
12/15	Retail Sales YTD YoY	(0.049)	(0.059)
12/15	Fixed Assets Ex Rural YTD YoY	0.026	0.018
12/15	Property Investment YTD YoY	0.067	0.063
12/15	Surveyed Jobless Rate	0.052	0.053
12/18	FX Net Settlement - Clients CNY	--	101.5b

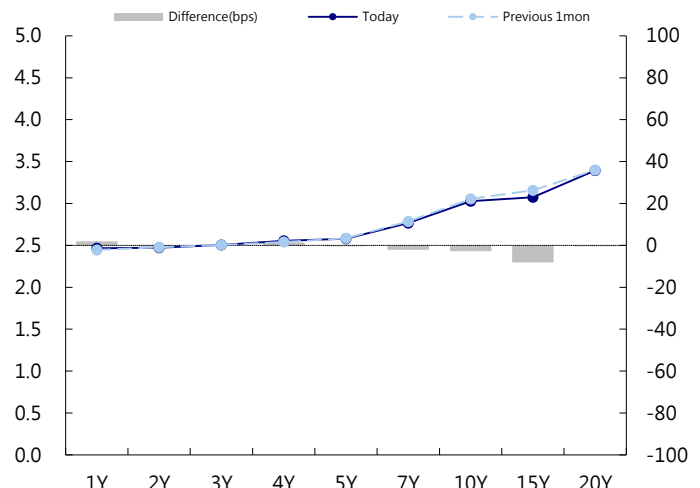
## China Bond Market

Regarding bond market, Chinese central bank withdraw 50 billion yuan from its banking system through repurchase agreements, and 300 billion yuan of MLF expired that week. On Friday, the weighted average interest rate of bank overnight and 7-day repurchases rose significantly. Decreasing of liquidity also dragged down the trend of government bonds. China's 10-year government bond futures recorded the biggest decline in three months, and the bond yield returned to above 3.3%. For the currency market, CNY and CNH rose in the early trading hours. The onshore exchange rate fluctuated around 6.54 yuan, and offshore was stronger by more than 100 points. Around 16:00 Beijing time, the euro and the pound fell sharply due to the unfavorable progress of the Brexit trade negotiations, but the CNY and CNH only partly gave up their gains.

### Onshore CNY Government Bond Curve



### Offshore CNH Government Bond Curve



# Taiwan Bond Market

## Taiwan Market data

Benchmarks	Value	Net Change (bps)
TWGB 5Y	0.18%	(2.20)
TWGB 10Y	0.27%	(4.60)
USD/TWD	28.30	(0.68)%
EUR/TWD	34.33	0.13 %
HKD/TWD	3.63	(0.01)%
VNY/TWD	4.30	(0.27)%
TWD Overnight Rate	0.082%	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 bonds market. 10YR treasury yields moved lower and closed at 0.274%.

## Taiwan Bond Primary Market

Announcements of Corporate Bonds Issuances approved by the Board of Directors on 11th December : Formosa Chemicals & Fibre Corporation planned to issue senior unsecured corporate bonds with amount not exceeding NT 20BN in 2021.

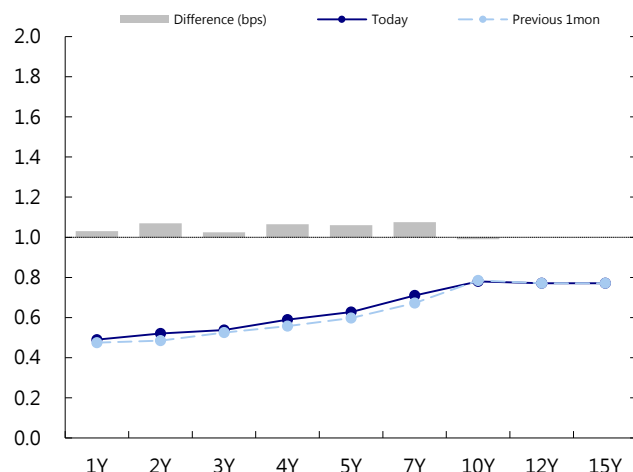
Bonds issued on 14th December : Rich Development Co., Ltd. issued NT 1BN 5-year senior secured corporate bonds at a coupon rate of 0.58%.

## Money Market

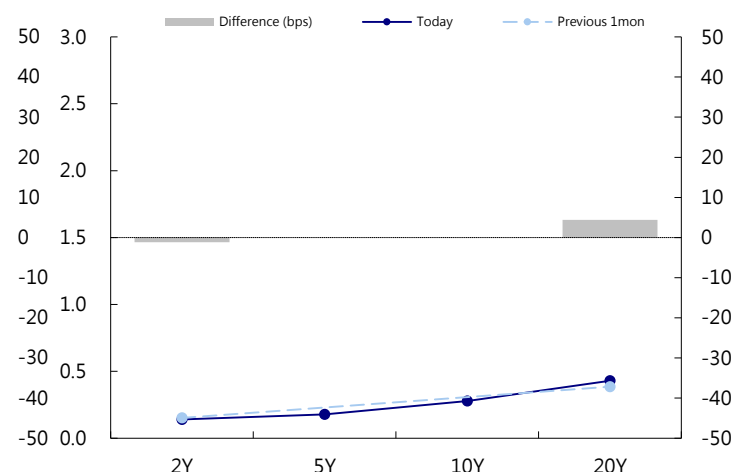
With sufficient fund in the market due to loose monetary policy supported by central bank, we expect repo rates continue to trade within the range, i.e., Govt bond repo rate at 0.18%-0.23%, while corporate bond repo rate at 0.25%-0.30%.

Date	Event	Forecast	Previous
12/15	Bloomberg Dec. Taiwan Economic Su		
12/17	CBC Benchmark Interest Rate	1.1%	1.1%

## TWD IRS Curve



## Taiwan Government Bond Yield curve



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