

# US & Europe Bond Markets

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

Benchmarks	Value	Net Change (bps)
UST 5Y	0.44%	(0.95)
UST 10Y	1.09%	(1.35)
UST 30Y	1.86%	(1.41)
Bund 5Y	-0.72%	(1.70)
Bund 10Y	-0.51%	(1.60)
Bund 30Y	-0.1%	(1.90)
DOW JONES	30996.98	(0.57)%
NASDAQ	13543.06	0.09 %
S&P 500	3841.47	(0.30)%
DAX	13873.97	(0.24)%
FTSE 100	6695.07	(0.30)%
CAC 40	5559.57	(0.56)%
EUR/USD	1.22	(0.08)%
USD/JPY	103.87	0.09 %
USD/CNY	6.49	0.07 %
US 5Y CDS	--	--
Germany 5Y CDS	11.06	0.22
Italy 5Y CDS	--	--
Spain 5Y CDS	--	--
Portugal 5Y CDS	--	--
France 5Y CDS	16.08	0.35
Japan 5Y CDS	14.77	(1.05)
China 5Y CDS	30.56	0.08
Korea 5Y CDS	23.88	(0.12)

## US & European Bond Markets

### US & European Government Bond :

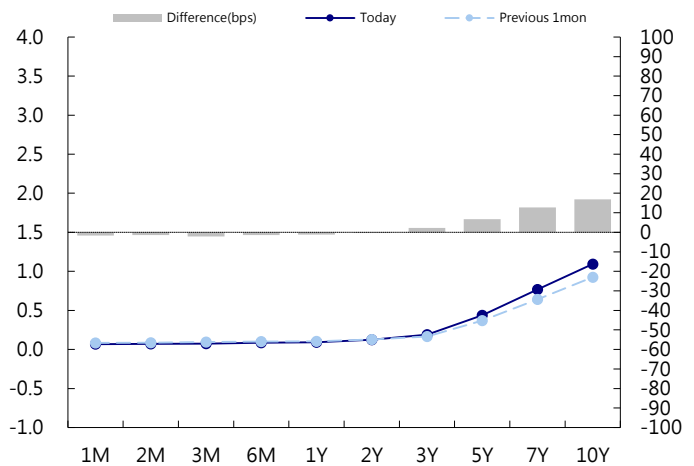
Treasuries ended Friday narrowly mixed and little changed on the week, the yield curve slightly flatter ahead of auction cycle beginning Monday with \$60b 2-year note sale. Futures volume was below average as February options expired, with 10-year contract sticky around 137-00, a heavily populated strike. Yields were lower by less than 2bp across long-end of the curve with front-end little changed; 10-year ended around 1.09%, toward rich end of 1.073%-1.121% weekly range

### US & European Corporate Bonds:

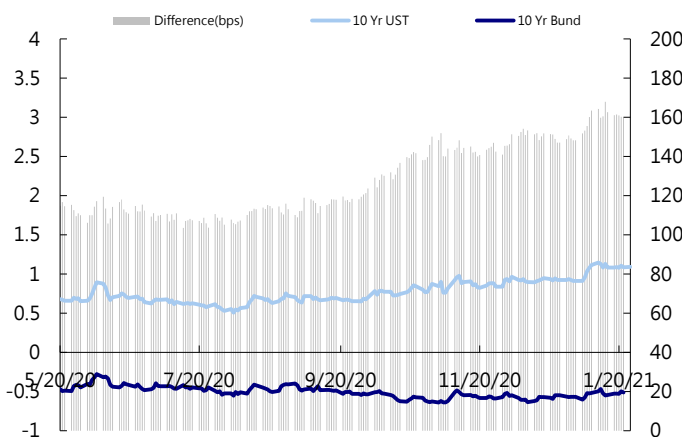
U.S. stocks slipped from records as investors grew anxious that the virus will hamper growth for longer than expected and Democrats may struggle to get a nearly \$2 trillion spending bill through Congress. Treasuries ended Friday narrowly mixed and little changed on the week, the yield curve slightly flatter ahead of auction cycle beginning Monday with \$60b 2-year note sale , and the trend for flatten may keep in this week. In credit , AAPL/VZ/TSLA will release easing this week and new issues may come out after that . Supply on new debts will be a resistance for credit spread tightening and may driving UST up by hedging flow especially in long end , therefore i will be more cuatious on credit in this week .

Date	Event	Forecast	Previous
01/25	Chicago Fed Nat Activity Index	0.100	0.270
01/25	Dallas Fed Manf. Activity	12.000	9.700
01/26	FHFA House Price Index MoM	0.008	0.015
01/26	S&P CoreLogic CS 20-City YoY NSA	0.087	0.080
01/26	S&P CoreLogic CS 20-City MoM SA	0.010	0.016
01/26	S&P CoreLogic CS US HPI YoY NSA	--	0.084
01/26	Conf. Board Expectations	--	87.500
01/26	Conf. Board Consumer Confidence	89.000	88.600
01/26	Conf. Board Present Situation	--	90.300
01/26	Richmond Fed Manuf. Index	17.000	19.000
01/27	MBA Mortgage Applications	--	(0.019)
01/27	Durable Goods Orders	0.010	0.010
01/27	Durables Ex Transportation	0.005	0.004
01/27	Cap Goods Orders Nondef Ex Air	0.005	0.005
01/27	Cap Goods Ship Nondef Ex Air	0.006	0.005
01/28	FOMC Rate Decision (Upper Bound)	0.003	0.003
01/28	FOMC Rate Decision (Lower Bound)		
01/28	Interest Rate on Excess Reserves	0.001	0.001

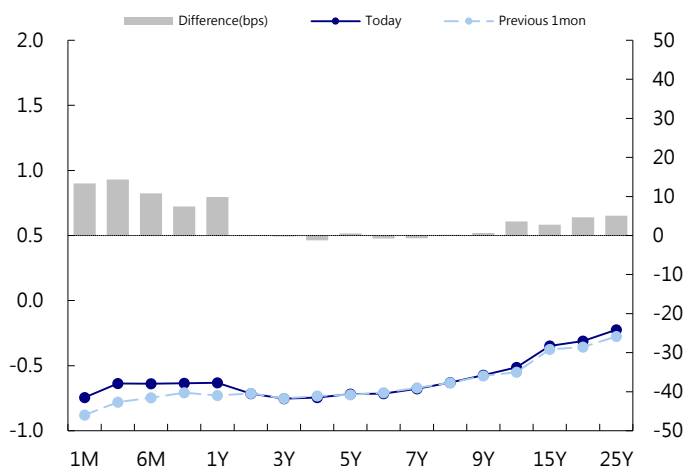
### US Treasury Curve



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



### Bund Curve



# China Bond Market

## CNY & CNH Market Data

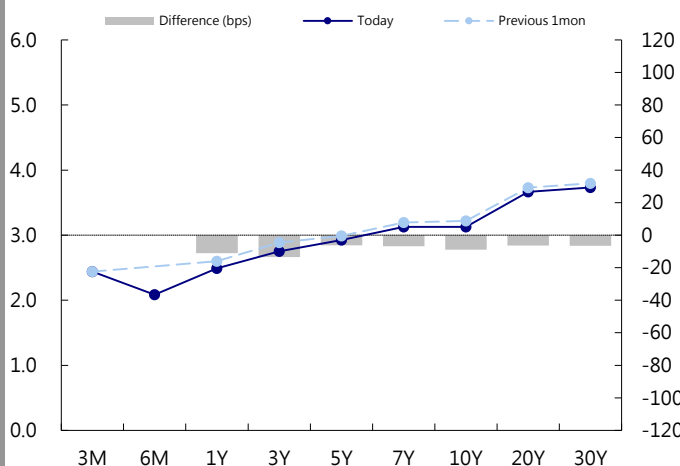
Benchmarks	Value		Net Change (bps)	
	CNY	CNH	CNY	CNH
CGB 5Y	2.92%	2.54%	1.75	(0.03)
CGB 10Y	3.13%	3.03%	1.24	(0.02)
CGB 20Y	3.67%	3.15%	--	(0.01)
Chinese Renminbi Spot	6.49	6.50	-0.06%	0.01 %
USDCNY 1M Forward	6.50	6.51	(0.06)%	(0.03)%
USDCNY 3M Forward	6.52	6.53	(0.07)%	(0.05)%
USDCNY 6M Forward	6.56	6.57	(0.07)%	(0.04)%
	7D Repo	3M Shibor	7D Repo	3M Shibor
CNY IRS 1Y	2.5%	2.92%	2.50	2.00
CNY IRS 2Y	2.6%	3.1%	2.50	2.50
CNY IRS 3Y	2.7%	3.24%	3.00	4.00
CNY IRS 4Y	2.78%	3.335%	3.00	2.50
CNY IRS 5Y	2.86%	3.435%	2.50	2.50
Benchmarks	Value		Net Change (bps)	
SDBC 3.03 01/18/22	2.46%		2.503	
SDBC 3.68 02/26/26	3.26%		1.500	
SDBC 3.48 01/08/29	3.54%		3.011	
SDBC 3 1/2 11/04/46	3.85%		385.420	
CNH CCS 3M	2.37%		18.22	
CNH CCS 6M	2.29%		11.88	
CNH CCS 12M	2.23%		7.62	
CNH CCS 3Y	2.25%		1.94	
CNH CCS 5Y	2.41%		1.36	

Date	Event	Forecast	Previous
01/22	Foreign Direct Investment YoY CNY	--	0.055
01/26	Bloomberg Jan. China Economic Surv		
01/27	Industrial Profits YoY	--	0.155

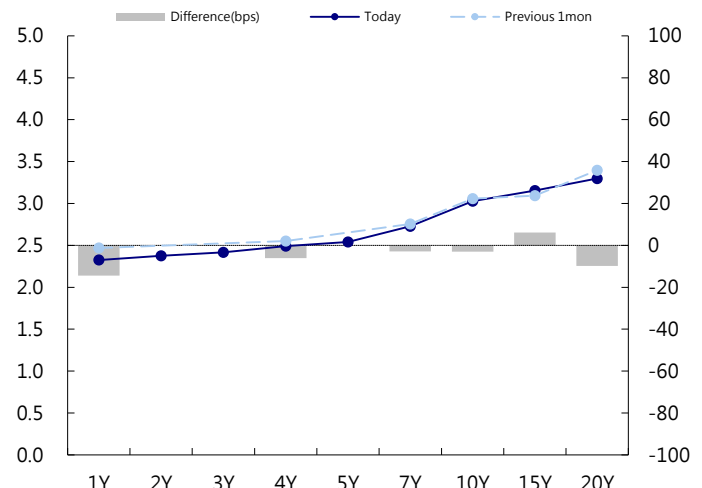
## China Bond Market

Regarding bond market, China's bond market spot yields continued to fall on Friday, and treasury bond futures also closed higher. Traders said that although the central bank's open market operations have returned to "land volume", the overall bond market performance is still strong. The main reason may be that the market is still optimistic about liquidity expectations before the Spring Festival. At the same time, the domestic epidemic situation is not optimistic, which has also improved risk aversion. Demand; in the short term, there is still no news about local government bonds being approved in advance, the supply pressure of new bonds is limited, and the central bank's protection of liquidity, the bond market still has room for improvement. In terms of exchange rate, The spot contraction of RMB against the US dollar closed down by more than 130 points on Friday, while the central parity rose slightly to a high in more than a week. Traders said that Biden's new administration's tough policy toward China has shown that the short-term Sino-US tensions are difficult to ease, and the U.S. index has remained stable above the 90 mark. All these have dragged down the weakening of the yuan, and we need to continue to pay attention to the direction of U.S. China policy.

## Onshore CNY Government Bond Curve



## Offshore CNH Government Bond Curve



# Taiwan Bond Market

## Taiwan Market data

Benchmarks	Value	Net Change (bps)
TWGB 5Y	0.2%	0.16
TWGB 10Y	0.32%	(0.40)
USD/TWD	27.99	(0.65)%
EUR/TWD	34.06	(0.55)%
HKD/TWD	3.61	(0.64)%
VNY/TWD	4.32	0.08 %
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 bonds market. 10YR treasury yields moved lower and closed at 0.32%. Expect 5 years range trading within 0.16%~0.26% · 10 years within 0.27%~0.37% °

## Taiwan Bond Primary Market

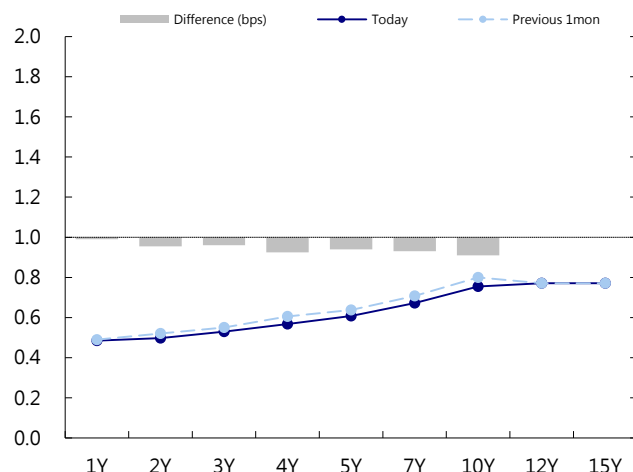
Announcements of Corporate Bonds Issuances approved by the Board of Directors on 22nd January : none.  
Bonds issued on 25th January:None.

Date	Event	Forecast	Previous
01/25	Industrial Production YoY	6.0%	7.8%
01/25	Money Supply M1B Daily Avg YoY	--	14.3%
01/25	Money Supply M2 Daily Avg YoY	--	7.6%
01/27	Monitoring Indicator	--	3000.0%
01/29	GDP Annual YoY	2.6%	--

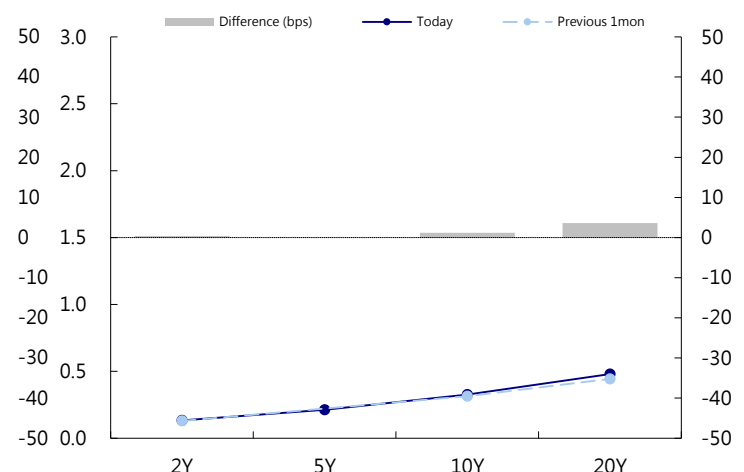
## Money Market

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%.

## TWD IRS Curve



## Taiwan Government Bond Yield curve



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