

# US & Europe Bond Markets

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

Benchmarks	Value	Net Change (bps)
UST 5Y	0.8%	(5.86)
UST 10Y	1.6%	(8.98)
UST 30Y	2.31%	(8.51)
Bund 5Y	-0.67%	(1.60)
Bund 10Y	-0.34%	(3.00)
Bund 30Y	0.23%	(3.40)
DOW JONES	32423.15	(0.94)%
NASDAQ	13227.70	(1.12)%
S&P 500	3910.52	(0.76)%
DAX	14662.02	0.03 %
FTSE 100	6699.19	(0.40)%
CAC 40	5945.30	(0.39)%
EUR/USD	1.18	(0.31)%
USD/JPY	108.48	(0.02)%
USD/CNY	6.52	0.03 %
US 5Y CDS	14.33	--
Germany 5Y CDS	11.33	0.70
Italy 5Y CDS	74.55	--
Spain 5Y CDS	34.48	--
Portugal 5Y CDS	32.58	--
France 5Y CDS	17.48	0.69
Japan 5Y CDS	17.73	0.92
China 5Y CDS	33.77	1.13
Korea 5Y CDS	22.79	1.02

## US & European Bond Markets

### US & European Government Bond :

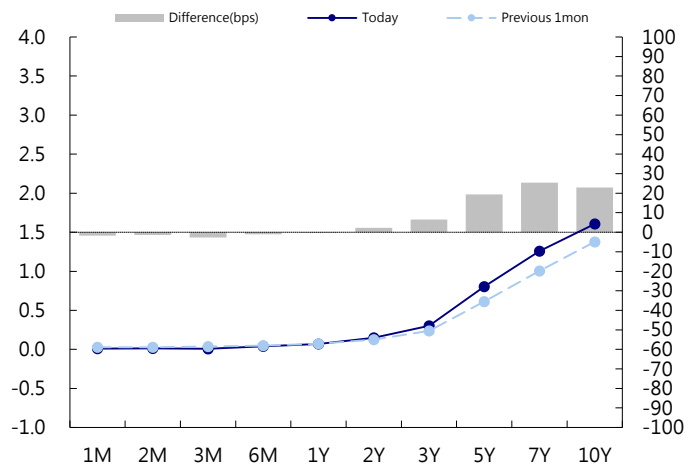
Germany's strict lock-down extension and the EU' s restriction of vaccine exports raised the concerns over a third wave of the coronavirus pandemic. This hurt oil while safe-haven assets gained its ground as investors worried this may drag the timeline for the economy recovery. US 10-year notes yield 1.6153% from 1.682% late on Monday after Powell and Treasury Secretary Janet Yellen spoke before a congressional hearing. Powell reiterated the U.S. economic recovery had progressed "more quickly than generally expected." In terms of the treasury auction, \$60 bln 2-year auction was well received. The offering was awarded at 0.152%, right where it traded at the bid deadline. The remaining 5-year and 7-year auction this week is also under close market watch.

### US & European Corporate Bonds:

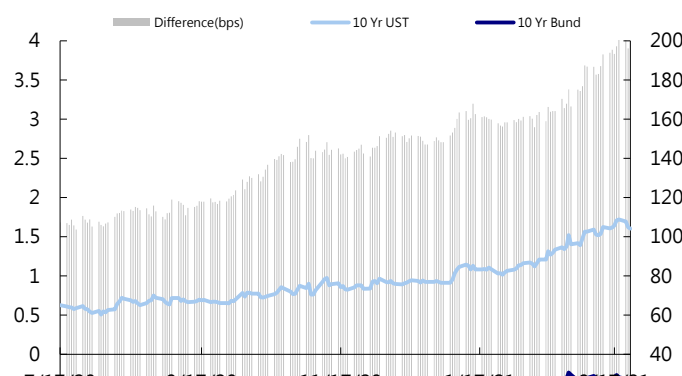
U.S. equities and oil fell and accompanied with companies that would benefit from an end to lockdowns faring the worst, amid concern that rising virus cases and new restrictions in Germany signal the global reopening will be delayed. Treasuries bull flattened with 10-year yields leading the advance, ending lower by 6bp driven by not only risk off sentiment but the words from Powell also alleviate the concern about soard inflation . Credit favored by stable UST and short covering from dealers with spread tighern 2~8 bps through all day though PT seller came out soon and get back 1~3 bps from tights . Moreover , EM 10YR benchmark still the best performer for storngest short covering . However , market were already well expected the SLR wont extend beyond March , and primary dealer sold lots of UST recently , it still worth to watch if the sell pressure on UST over or not or and the rebalance flow may support on long UST in quater end . all of this are the key to stabilize bond market to

Date	Event	Forecast	Previous
03/24	MBA Mortgage Applications	--	(0.022)
03/24	Durable Goods Orders	0.007	0.034
03/24	Durables Ex Transportation	0.006	0.013
03/24	Cap Goods Orders Nondef Ex Air	0.005	0.004
03/24	Cap Goods Ship Nondef Ex Air	(0.008)	0.018
03/24	Markit US Manufacturing PMI	59.500	58.600
03/24	Markit US Services PMI	60.100	59.800
03/24	Markit US Composite PMI	--	59.500
03/24	Revisions: Wholesale inventories		
03/25	Initial Jobless Claims	730k	770k
03/25	Continuing Claims	4025k	4124k
03/25	GDP Annualized QoQ	0.041	0.041
03/25	Personal Consumption	0.024	0.024
03/25	GDP Price Index	0.021	0.021
03/25	Core PCE QoQ	0.014	0.014
03/25	Langer Consumer Comfort	--	48.600
03/25	Kansas City Fed Manf. Activity	26.000	24.000
03/26	Advance Goods Trade Balance	-\$86.0b	-\$83.7b

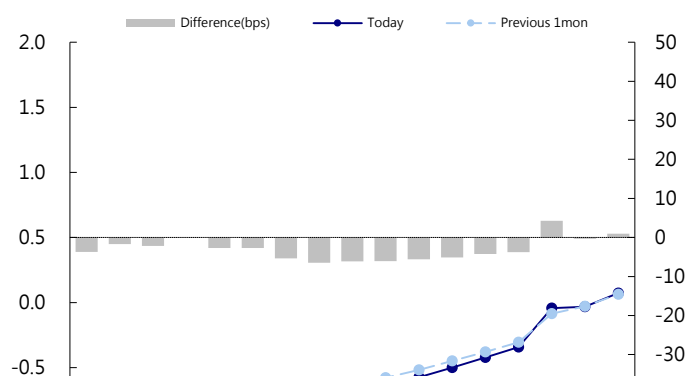
### US Treasury Curve



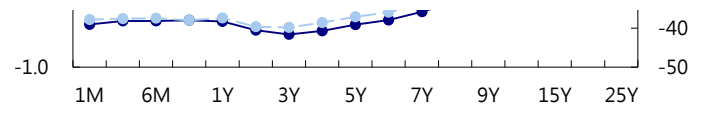
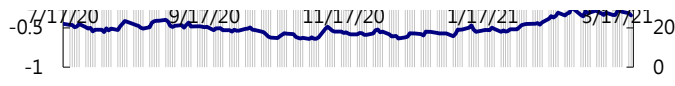
### UST V.S. Bund 10Y Yield



### Bund Curve



Fix



# China Bond Market

## CNY & CNH Market Data

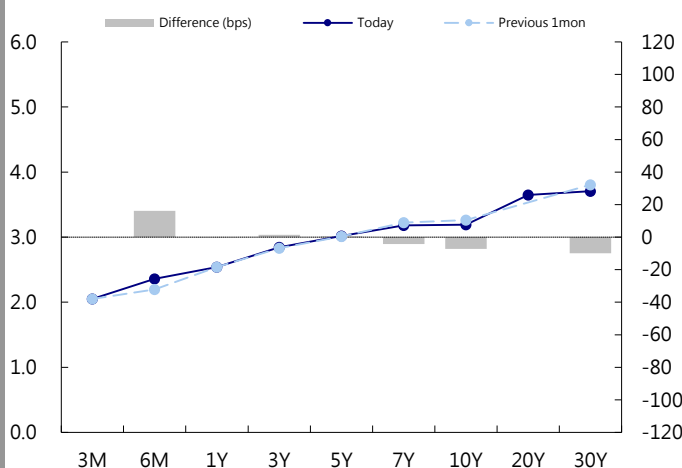
Benchmarks	Value		Net Change (bps)	
	CNY	CNH	CNY	CNH
CGB 5Y	3.02%	2.65%	(2.39)	0.61
CGB 10Y	3.19%	3.08%	(1.00)	(0.07)
CGB 20Y	3.65%	3.16%	--	(0.09)
Chinese Renminbi Spot	6.52	6.52	-0.03%	(0.01)%
USDCNY 1M Forward	6.53	6.54	(0.02)%	0.00 %
USDCNY 3M Forward	6.56	6.57	(0.03)%	(0.01)%
USDCNY 6M Forward	6.61	6.61	0.00 %	0.01 %
	7D Repo	3M Shibor	7D Repo	3M Shibor
CNY IRS 1Y	2.58%	2.975%	(4.50)	(3.50)
CNY IRS 2Y	2.685%	3.175%	(5.50)	(4.50)
CNY IRS 3Y	2.79%	3.31%	(5.00)	(5.00)
CNY IRS 4Y	2.88%	3.42%	(5.00)	(5.00)
CNY IRS 5Y	2.965%	3.51%	(5.50)	(4.50)
Benchmarks	Value		Net Change (bps)	
SDBC 3.03 01/18/22	2.65%		2.005	
SDBC 3.68 02/26/26	3.35%		-2.501	
SDBC 3.48 01/08/29	3.60%		-1.749	
SDBC 3 1/2 11/04/46	3.92%		3.000	
CNH CCS 3M	2.83%		(4.06)	
CNH CCS 6M	2.84%		(5.42)	
CNH CCS 12M	2.84%		(7.22)	
CNH CCS 3Y	2.78%		0.03	
CNH CCS 5Y	2.72%		(4.02)	

Date	Event	Forecast	Previous
03/26	Bloomberg March China Economic St		
03/26	BoP Current Account Balance	--	\$130.2b

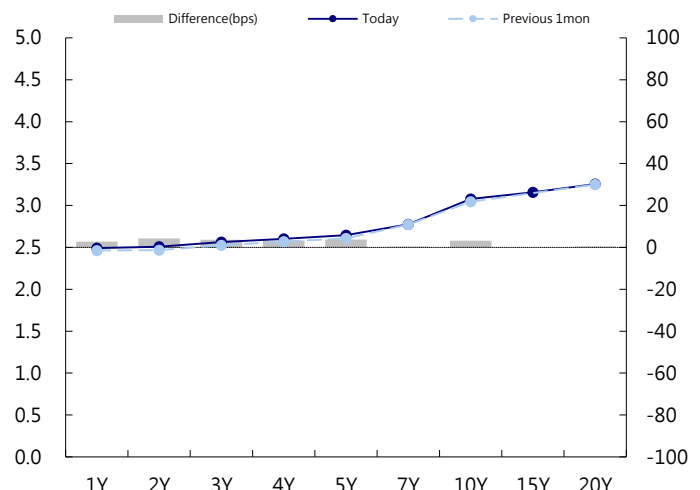
## China Bond Market

Regarding bond market, the Chinese bond market's spot bond volatility was slightly warmer on Tuesday, and Treasury bond futures also closed slightly higher. Traders said that the domestic stock market has fallen again, with loose funding, and the bond market has slightly strengthened. However, the market is still speculating whether the central bank's policy operations will cooperate with the large number of local debt issuances, and it will be routinely implemented throughout the year. In the case that Hui Financial's targeted RRR cut has not landed, market policy expectations are more cautious, and short-term spot bonds are expected to continue to fluctuate within the range. In terms of exchange rate, the RMB against the U.S. dollar spot closed slightly to a two-week low on Tuesday, while the central parity rose by 155 points. Traders said that the U.S. dollar index is hovering near the 92 mark, the renminbi still lacks key guidance, and the mutual sanctions between China and the United States and Europe have not affected market sentiment. Follow-up needs to pay attention to whether the political level of friction will be extended to the economic level. RMB is expected to continue to fluctuate around 6.51.

## 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%	(1.55)
TWGB 10Y	0.39%	(0.60)
USD/TWD	28.52	0.20 %
EUR/TWD	33.79	(0.26)%
HKD/TWD	3.67	0.25 %
VNY/TWD	4.37	0.14 %
TWD Overnight Rate	0.078%	(0.20)
TWD Secondary CP 10D	0.7125%	(1.61)
TWD Secondary CP 30D	0.7544%	(1.35)
TWD Secondary CP 90D	0.8081%	(1.97)

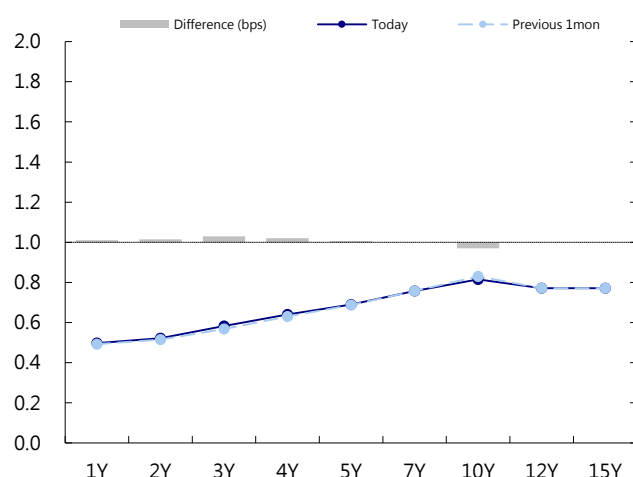
**Taiwan Bond Secondary Market**  
Both 5YR and 10YR treasury yields had no transaction volume. The strong demand reflected excess TWD liquidity in the market. Strong demand for TWD currency continues to provide supports for government bonds market. Expect 5YR trade at 0.29%~0.35%, 10YR trade at 0.39%~0.47%.

**Taiwan Bond Primary Market**  
Announcements of Corporate Bonds Issuances approved by the Board of Directors on 23rd March : Ta Ching Securities Co., Ltd. planned to issued NTD 0.3BN senior secured corporate bonds.  
Bonds issued on 24th March: None.

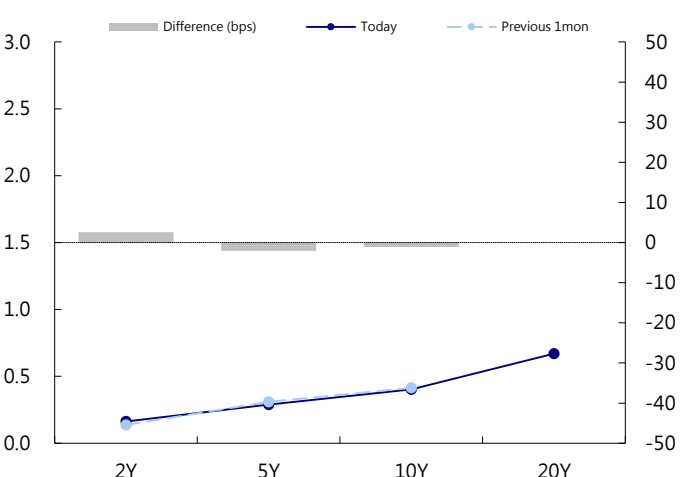
Date	Event	Forecast	Previous
03/24	Money Supply M2 Daily Avg YoY	--	8.8%
03/24	Monitoring Indicator	--	3700.0%

**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 0.13%-0.20%, while corporate bond repo rate at 0.16%-0.22%.

**TWD IRS Curve**



**Taiwan Government Bond Yield curve**



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