

# US & Europe Bond Markets

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

Benchmarks	Value	Net Change (bps)
UST 5Y	0.91%	(6.63)
UST 10Y	1.68%	(3.91)
UST 30Y	2.33%	(2.96)
Bund 5Y	-0.66%	0.00
Bund 10Y	-0.33%	0.00
Bund 30Y	0.23%	0.00
DOW JONES	33527.19	1.13 %
NASDAQ	13705.59	1.67 %
S&P 500	4077.91	1.44 %
DAX	15107.17	0.66 %
FTSE 100	6737.30	0.35 %
CAC 40	6102.96	0.59 %
EUR/USD	1.18	0.53 %
USD/JPY	110.23	(0.31)%
USD/CNY	6.56	(0.13)%
US 5Y CDS	13.49	--
Germany 5Y CDS	11.29	1.38
Italy 5Y CDS	74.84	--
Spain 5Y CDS	33.74	--
Portugal 5Y CDS	30.83	--
France 5Y CDS	18.63	1.24
Japan 5Y CDS	18.86	1.58
China 5Y CDS	34.11	0.69
Korea 5Y CDS	22.52	0.64

## US & European Bond Markets

### US & European Government Bond :

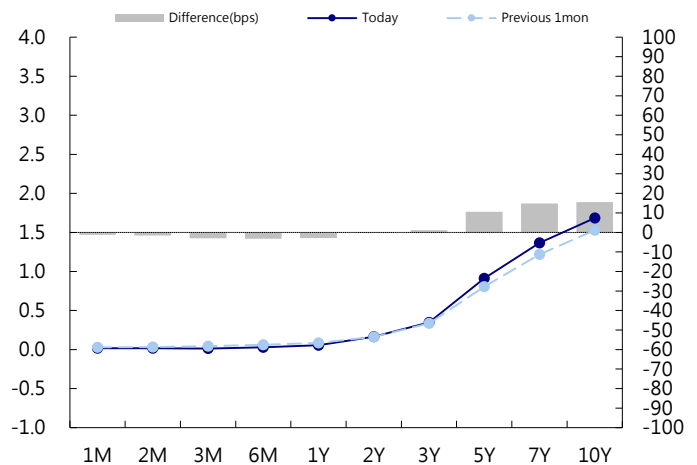
Newly released 916K payrolls increase in March following an upwardly-revised 468K in February was way better than expected and thus suggested bright economic recovery. U.S. ISM services index surged 8.4 points to new-record-high 63.7 in March. Cash flows remained light with EU and UK participants still on leave on Monday. U.S. yield curve steepened as 2-year yields dipped to 0.172% from 0.19% and 10-year yield was last down at 1.716%, from 1.72% on Friday. Looking at the week-ahead and pertinent macro risks, FOMC Minutes and coordinated Fed-speak after the blockbuster jobs report will be closely under watch.

### US & European Corporate Bonds:

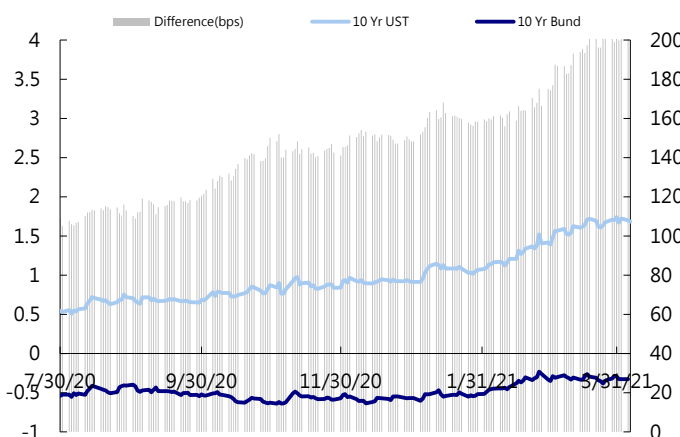
Stocks rallied to a record after solid U.S. economic data added to evidence the recovery is gaining momentum. While Treasuries were little changed with intermediate treasuries advanced yesterday, recouping about half of their Friday losses, and to buy 5YR UST at around 1% will be a good entry point for that the belly pricing too hawkish hike expectation. In credit, though trading volume were light amid holidays, credit spread tighten 3~5 bps led by equity rally and favored risk sentiment and i still prefer to go down credit curve for yield pick up and shorter duration, e.g. Corp perp with rating above BBB- and 300+ step up.

Date	Event	Forecast	Previous
04/06	JOLTS Job Openings	6900.000	6917.000
04/07	MBA Mortgage Applications	--	(0.022)
04/07	Trade Balance	-\$70.5b	-\$68.2b
04/08	FOMC Meeting Minutes	--	--
04/08	Consumer Credit	\$2.800b	-\$1.315b
04/08	Initial Jobless Claims	683k	719k
04/08	Continuing Claims	3638k	3794k
04/08	Langer Consumer Comfort	--	50.000
04/09	PPI Final Demand MoM	0.005	0.005
04/09	PPI Ex Food and Energy MoM	0.002	0.002
04/09	PPI Ex Food, Energy, Trade MoM	0.002	0.002
04/09	PPI Final Demand YoY	0.038	0.028
04/09	PPI Ex Food and Energy YoY	0.027	0.025
04/09	PPI Ex Food, Energy, Trade YoY	0.027	0.022
04/09	Bloomberg April United States Econo		
04/09	Wholesale Inventories MoM	0.005	0.005
04/09	Wholesale Trade Sales MoM	--	0.049

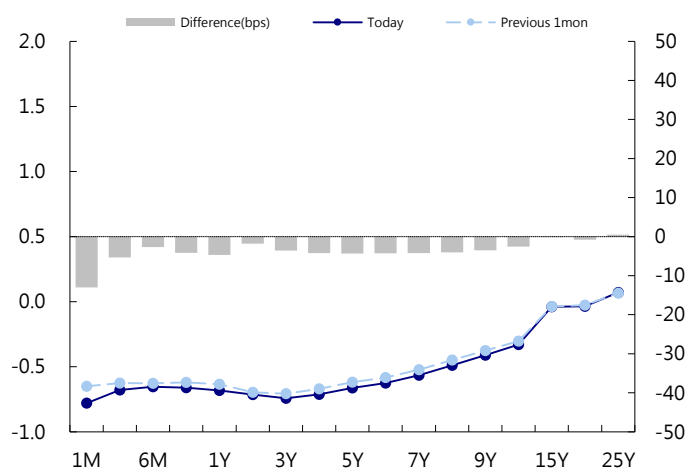
### US Treasury Curve



### 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	3.03%	2.66%	1.25	--
CGB 10Y	3.21%	3.09%	1.25	0.02
CGB 20Y	3.74%	3.14%	--	0.00
Chinese Renminbi Spot	6.56	6.56	0.14%	(0.11)%
USDCNY 1M Forward	6.57	6.58	0.14 %	(0.07)%
USDCNY 3M Forward	6.60	6.61	0.13 %	(0.07)%
USDCNY 6M Forward	6.65	6.65	0.14 %	(0.08)%
	7D Repo	3M Shibor	7D Repo	3M Shibor
CNY IRS 1Y	2.59%	2.97%	2.00	1.50
CNY IRS 2Y	2.7%	3.175%	1.50	1.50
CNY IRS 3Y	2.8%	3.31%	1.50	1.00
CNY IRS 4Y	2.89%	3.43%	1.50	1.50
CNY IRS 5Y	2.975%	3.52%	1.50	1.00

Benchmarks	Value	Net Change (bps)
SDBC 3.03 01/18/22	2.65%	2.247
SDBC 3.68 02/26/26	3.35%	-0.481
SDBC 3.48 01/08/29	3.62%	2.252
SDBC 3 1/2 11/04/46	3.92%	8.960

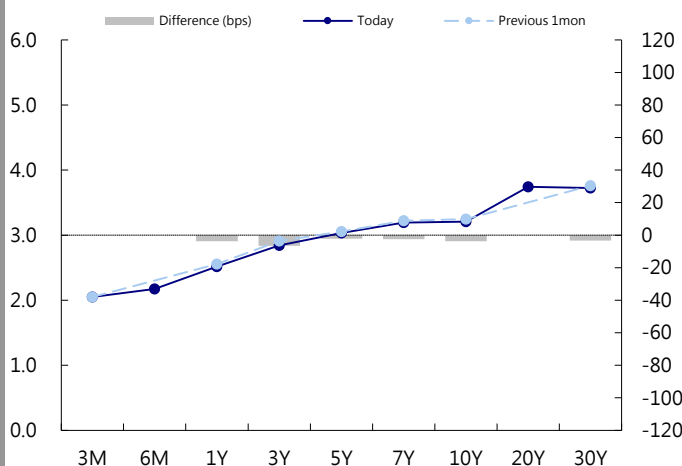
CNH CCS 3M	2.96%	1.22
CNH CCS 6M	2.92%	(0.16)
CNH CCS 12M	2.88%	0.20
CNH CCS 3Y	2.84%	2.11
CNH CCS 5Y	2.69%	(0.62)

Date	Event	Forecast	Previous
04/06	Caixin China PMI Composite	--	51.700
04/06	Caixin China PMI Services	52.100	51.500
04/07	Foreign Reserves	\$3178.00b	\$3204.99b
04/08	Foreign Direct Investment YoY CNY	--	--
04/09	CPI YoY	0.003	(0.002)
04/09	PPI YoY	0.036	0.017
04/09	Aggregate Financing CNY	3751.0b	1710.0b
04/09	New Yuan Loans CNY	2300.0b	1360.0b
04/09	Money Supply M0 YoY	--	0.042
04/09	Money Supply M1 YoY	0.076	0.074
04/09	Money Supply M2 YoY	0.096	0.101

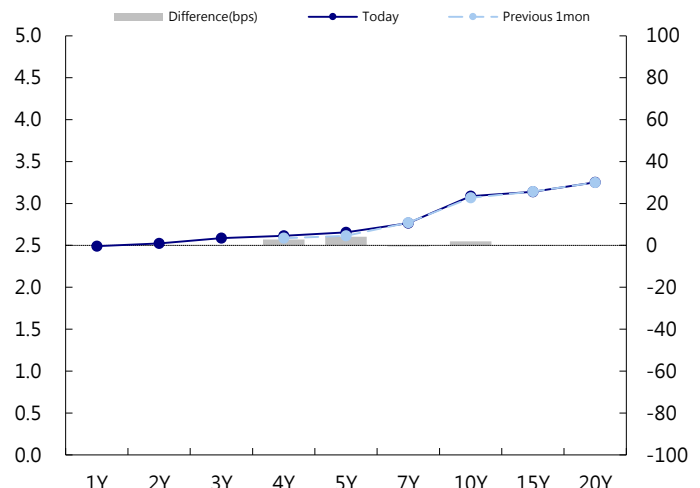
## China Bond Market

Regarding bond market, the Chinese bond market adjusted slightly on Thursday. The Caixin PMI data released today was slightly weaker than the official data of the previous day, but the market reaction was not large. After the 10-year treasury bond and China Development Bank bond yields fell by 1.5 basis points (bp) the previous day, they rebounded by less than 1 bp today. This is only a random fluctuation, and the long-short struggle temporarily returns to equilibrium. In terms of exchange rate, according to the Bank of China Research Institute, it is expected that the RMB exchange rate against the US dollar will continue to fluctuate in the second quarter, and it will be difficult to depreciate or appreciate. Of course, there are also variables in the trend of the RMB in the second quarter. If the Sino-US conflict intensifies the RMB exchange rate, it may be under pressure.

### 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%	1.50
TWGB 10Y	0.46%	1.07
USD/TWD	28.49	(0.10)%
EUR/TWD	33.66	0.46 %
HKD/TWD	3.67	(0.04)%
VNY/TWD	4.34	0.01 %
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)

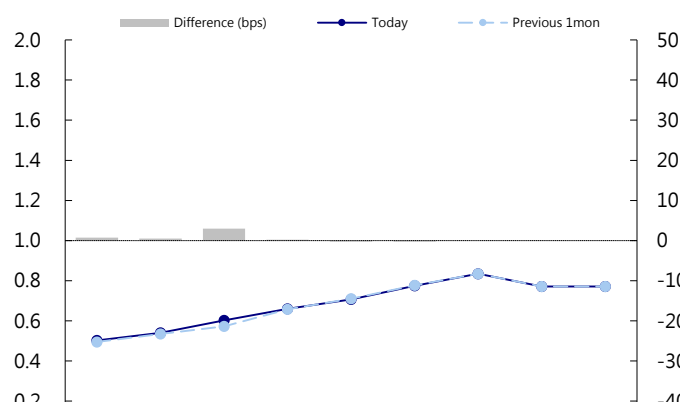
**Taiwan Bond Secondary Market**  
5YR treasury yields had no transaction volume. 10YR treasury yields closed higher at 0.4597%. The strong demand reflected excess TWD liquidity in the market. Strong demand for TWD currency continues to provide supports for government bonds market. Expect 5YR trade at 0.29%~0.33%, 10YR trade at 0.43%~0.48%.

**Taiwan Bond Primary Market**  
Announcements of Corporate Bonds Issuances approved by the Board of Directors on 1st April : None.  
Bonds issued on 6th April: None.

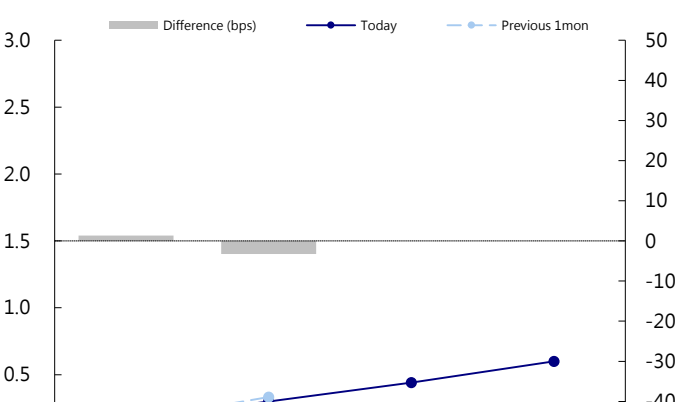
Date	Event	Forecast	Previous
04/07	Foreign Reserves	--	\$543.33b
04/08	CPI Core YoY	0.9%	1.6%
04/08	CPI YoY	1.4%	1.4%
04/08	WPI YoY	2.0%	-0.4%
04/09	Trade Balance	\$4.43b	\$4.51b

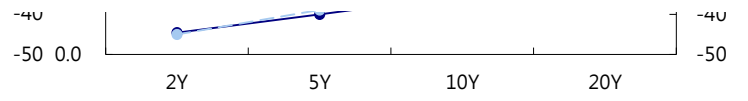
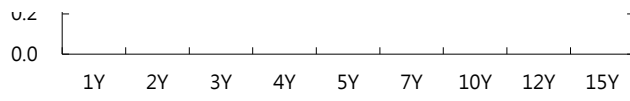
**Money Market**  
With sufficient fund in the market due to loose monetary policy supported by central bank, we expect repo rates continue to trade within the range, i.e., Govt bond repo rate at 0.13%-0.20%, while corporate bond repo rate at 0.16%-0.22%.

**TWD IRS Curve**



**Taiwan Government Bond Yield curve**





## Disclaimer

Sinopac Securities Corp ("Sinopac Sec") does and seeks to do business with companies covered in its research reports. As a result, investors should be aware that Sinopac Sec may have a conflict of interest that could affect the objectivity of this report. Sinopac Sec regularly trades, generally deals as principal and generally provides liquidity (as market maker or otherwise) in the debt securities that are the subject of this research report (and related derivatives thereof). Sinopac Sec trading desks may have either a long and / or short position in such securities, other financial instruments and / or derivatives, which may pose a conflict with the interests of investing customers. To the extent that any historical pricing information was obtained from Sinopac Sec trading desks, the firm makes no representation that it is accurate or complete. All levels, prices and spreads are historical and do not necessarily represent current market levels, prices or spreads, some or all of which may have changed since the publication of this document. Sinopac Sec makes no guarantee that any recommendation and information provided is accurate or complete.

## Global Locations

### Hong Kong

SinoPac Securities (Asia) Ltd.  
7th Floor, Lee Garden Three,  
1 Sunning Road,  
Causeway Bay, Hong Kong  
Tel: +852-2586-8362  
Toll Free : 0080-185-6674(Taiwan)  
Fax: +852-2586-8399

### Shanghai

SinoPac Securities (Asia) Limited  
Suite 2405, Hua Xia Bank Tower,  
256 South Pudong Road, Shanghai  
People's Republic of China  
Tel: +86-21-6886-5358  
Fax: +86-21-6886-5969

### London

SinoPac Securities (Europe) Ltd.  
6 Lloyd's Avenue,  
London EC3N 3AX,  
United Kingdom,  
Registered in England and Wales No. 3766464  
Tel: +44-20-7614-9999  
Fax: +44-20-7614-9979

### Taipei

SinoPac Securities Corporation  
17F · 2 Chung Ching S. Road · Sec 1  
Taipei 100 ·  
Taiwan  
Tel: +886-2-2382-8219/2312-3866  
Fax: +886-2-2382-3464

## Contact Us

SinoPac Securities Corp  
[www.taiwanresearch.com](http://www.taiwanresearch.com)  
[fixedincome@sinopac.com](mailto:fixedincome@sinopac.com)  
Bloomberg page: SIAL