

US & Europe Bond Markets

Govt, Equity, FX and Credit Benchmark & Economic Statistics

Benchmarks	Value	Net Change (bps)
UST 5Y	0.85%	3.60
UST 10Y	1.58%	1.78
UST 30Y	2.25%	1.67
Bund 5Y	-0.6%	0.50
Bund 10Y	-0.25%	0.40
Bund 30Y	0.29%	(0.20)
DOW JONES	33981.57	(0.18)%
NASDAQ	14138.78	0.87 %
S&P 500	4187.62	0.18 %
DAX	15296.34	0.11 %
FTSE 100	6963.12	0.35 %
CAC 40	6275.52	0.28 %
EUR/USD	1.21	(0.19)%
USD/JPY	108.37	0.56 %
USD/CNY	6.49	0.05 %
US 5Y CDS	12.34	--
Germany 5Y CDS	11.69	0.95
Italy 5Y CDS	84.08	--
Spain 5Y CDS	35.54	--
Portugal 5Y CDS	31.34	--
France 5Y CDS	23.09	0.98
Japan 5Y CDS	18.99	1.58
China 5Y CDS	40.98	1.61
Korea 5Y CDS	21.79	0.84

US & European Bond Markets

US & European Government Bond :

US Treasury's \$60 bn 2-year and \$61 bn 5-year auction were poorly subscribed, leading the yield curve to flatten as short-term rate rised. There will be another \$62 bln 7-year overnight and investors remain quite cautious on the outcome. Longer term yield remains quiet as market is awaiting new information to guide the direction. Market is now watching on the coming Fed meeting release. At or before the June 16th FOMC meeting we expect Fed officials to give more direct guidance that tapering is on the horizon. The main hawkish risk would be an earlier-than-expected indication that the time to taper is approaching, but recent public comments suggest officials will remain cautious.

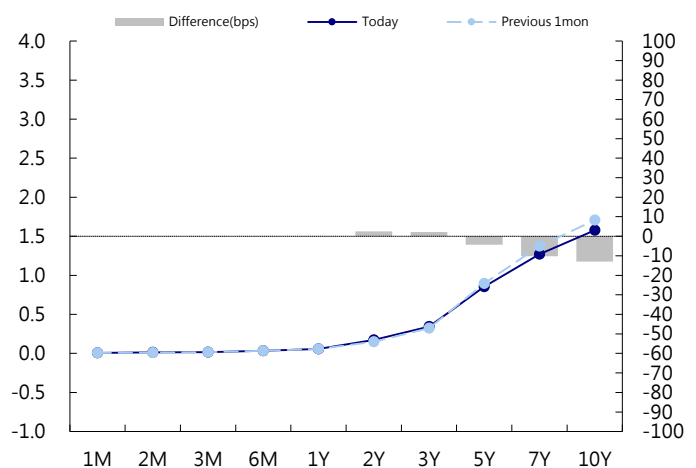
US & European Corporate Bonds:

Overall quite but firm day in IG space. BM bonds were roughly unch. HRINTH saw better selling flow today on back of negative news and bonds are 2-4pt lower along the curve. CCAMCL continued to see better buying/short covering. MEITUA initially saw better buying but widened ~20bps post news on suspected monopoly probe.

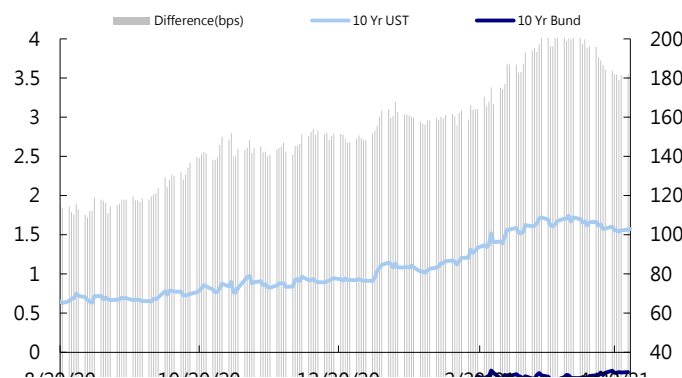
Fixed Income Markets Frontier

Date	Event	Forecast	Previous
04/27	FHFA House Price Index MoM	0.010	0.010
04/27	S&P CoreLogic CS 20-City MoM SA	0.011	0.012
04/27	S&P CoreLogic CS 20-City YoY NSA	0.118	0.111
04/27	S&P CoreLogic CS US HPI YoY NSA	--	0.112
04/27	Conf. Board Consumer Confidence	112.000	109.700
04/27	Conf. Board Present Situation	--	110.000
04/27	Conf. Board Expectations	--	109.600
04/27	Richmond Fed Manufact. Index	22.000	17.000
04/28	MBA Mortgage Applications	--	0.086
04/28	Advance Goods Trade Balance	-\$87.7b	-\$86.7b
04/28	Wholesale Inventories MoM	0.005	0.006
04/28	Retail Inventories MoM	(0.003)	
04/29	FOMC Rate Decision (Lower Bound)		
04/29	FOMC Rate Decision (Upper Bound)	0.003	0.003
04/29	Interest Rate on Excess Reserves	0.001	0.001
04/29	Initial Jobless Claims	550k	547k
04/29	Continuing Claims	3590k	3674k
04/29	GDP Annualized QoQ	0.069	0.043

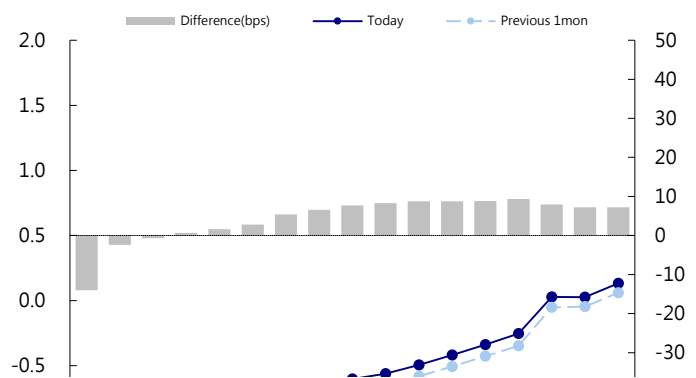
US Treasury Curve



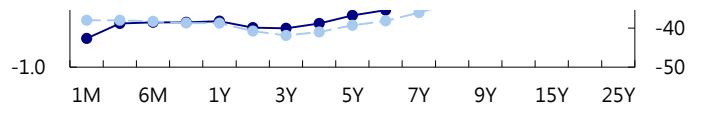
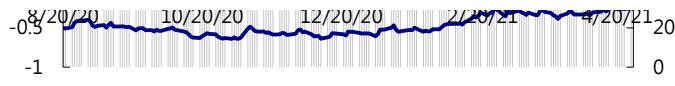
UST V.S. Bund 10Y Yield



Bund Curve



Fix



China Bond Market

CNY & CNH Market Data

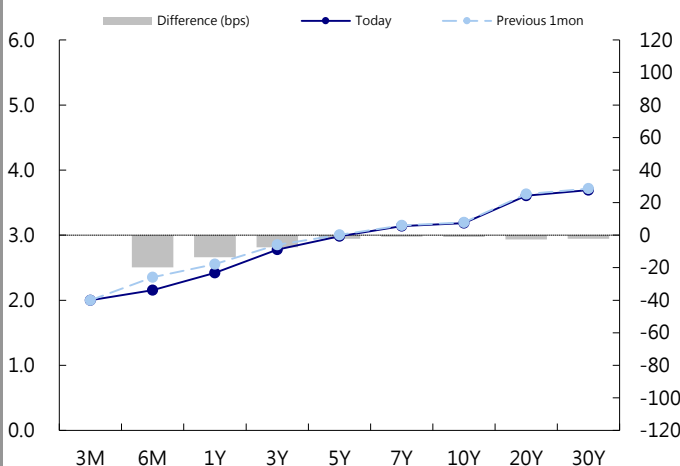
Benchmarks	Value		Net Change (bps)	
	CNY	CNH	CNY	CNH
CGB 5Y	2.98%	2.68%	(0.75)	--
CGB 10Y	3.18%	3.05%	(0.91)	0.35
CGB 20Y	3.61%	3.1%	(0.01)	(0.01)
Chinese Renminbi Spot	6.49	6.48	-0.06%	(0.19)%
USDCNY 1M Forward	6.50	6.50	(0.05)%	(0.17)%
USDCNY 3M Forward	6.53	6.53	(0.04)%	(0.18)%
USDCNY 6M Forward	6.57	6.57	(0.04)%	(0.16)%
	7D Repo	3M Shibor	7D Repo	3M Shibor
CNY IRS 1Y	2.53%	2.92%	0.50	4.00
CNY IRS 2Y	2.645%	3.115%	0.00	5.00
CNY IRS 3Y	2.76%	3.275%	1.00	6.00
CNY IRS 4Y	2.85%	3.4%	1.00	5.50
CNY IRS 5Y	2.93%	3.5%	0.50	5.00
Benchmarks	Value		Net Change (bps)	
SDBC 3.03 01/18/22	2.47%		0.004	
SDBC 3.68 02/26/26	3.30%		2.820	
SDBC 3.48 01/08/29	3.53%		-0.500	
SDBC 3 1/2 11/04/46	3.83%		2.250	
CNH CCS 3M	2.70%		(5.00)	
CNH CCS 6M	2.75%		(2.21)	
CNH CCS 12M	2.74%		(1.42)	
CNH CCS 3Y	2.65%		3.04	
CNH CCS 5Y	2.60%		24.92	

Date	Event	Forecast	Previous
04/27	Industrial Profits YoY	--	0.201
04/30	Non-manufacturing PMI	55.900	56.300
04/30	Manufacturing PMI	51.700	51.900
04/30	Composite PMI	--	55.300

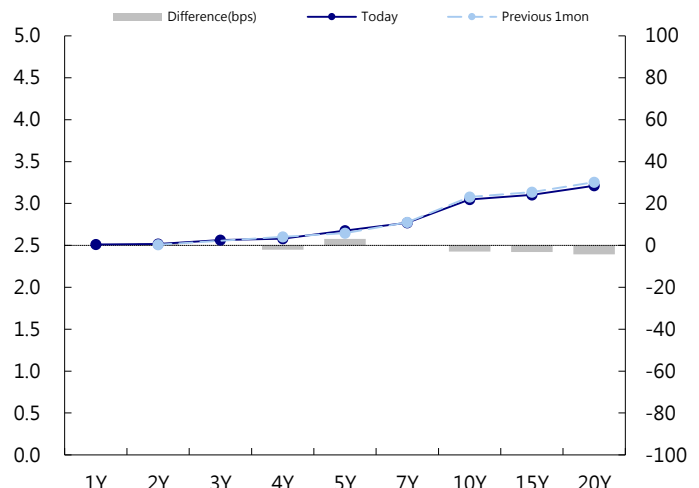
China Bond Market

Regarding bond market, on Monday, the Chinese bond market was weak in spot bonds and futures. The yield of 10-year interest rate bonds rose by about 2 basis points (bp), and the main contract of 10-year Treasury bond futures closed down 0.24%. Traders said that the interest rate of funds is rising near the end of the month, but liquidity is not a major problem for the time being, and the strong commodity has caused inflation concerns, which has frustrated the sentiment of spot securities trading. In terms of exchange rate, the RMB against the US dollar rose slightly with the central parity rate in early trading on Monday, but the effective volatility in the early trading was very limited. Traders said that the momentum of the European economic recovery has been recognized by the market. The euro's upward trend has pushed down the sentiment of the U.S. dollar and the renminbi has also benefited indirectly. However, the market seems to have no intention of continuing to push the renminbi higher as the month-end superimposed seasonal demand for foreign exchange is approaching.

Onshore CNY Government Bond Curve



Offshore CNH Government Bond Curve



Taiwan Bond Market

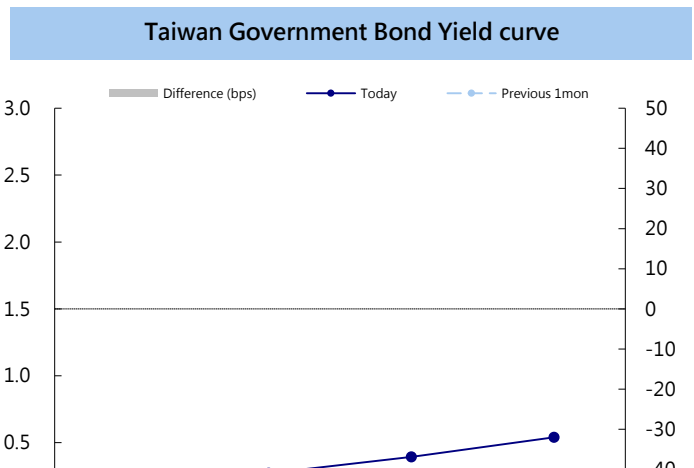
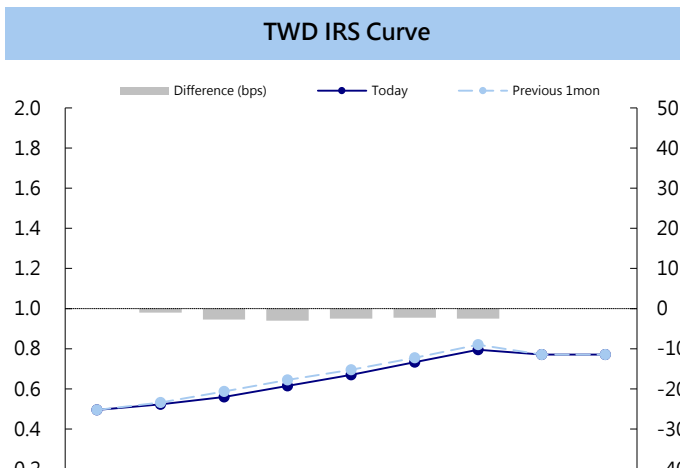
Taiwan Market data		
Benchmarks	Value	Net Change (bps)
TWGB 5Y	0.26%	0.50
TWGB 10Y	0.39%	1.90
USD/TWD	27.87	(0.27)%
EUR/TWD	33.64	(0.44)%
HKD/TWD	3.59	0.10 %
VNY/TWD	4.30	(0.13)%
TWD Overnight Rate	0.081%	0.10
TWD Secondary CP 10D	0.7125%	(1.61)
TWD Secondary CP 30D	ECO	(1.35)
TWD Secondary CP 90D	0.8081%	(1.97)

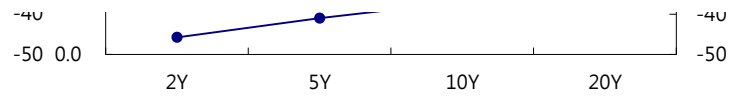
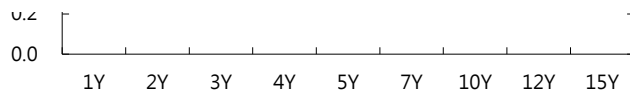
Taiwan Bond Secondary Market
5YR treasury yields had no transaction volume. 10YR treasury yields closed at 0.396%. TWD treasury yields fluctuate as US yields also struggle to find direction. Strong demand for TWD currency continues to provide support for government bonds market. Expect 5YR trade at 0.24%~0.27%, 10YR trade at 0.37%~0.41%.

Taiwan Bond Primary Market
Announcements of Corporate Bonds Issuances approved by the Board of Directors on 26th April: Taiwan Cooperative Financial Holding Co., Ltd. planned to issue senior unsecured corporate bonds with the total amount not exceeding NTD 10BN and the tenor not exceeding 10 years. Bonds issued on 27th April: Acer Incorporated issued NTD 5BN of 5-year senior unsecured corporate bonds at a coupon rate of 0.76%. Da-Li Development Co., Ltd. issued NTD 1BN of 5-year senior secured corporate bonds at a coupon rate of 0.55%.

Date	Event	Forecast	Previous
04/27	Monitoring Indicator	--	4000.0%
04/30	GDP YoY	6.1%	5.1%

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%-0.16%, while corporate bond repo rate at 0.15%-0.19%.





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
fixedincome@sinopac.com
Bloomberg page: SIAL