

US & Europe Bond Markets

Govt, Equity, FX and Credit Benchmark & Economic Statistics

Benchmarks	Value	Net Change (bps)
UST 5Y	0.89%	(0.16)
UST 10Y	1.46%	(0.68)
UST 30Y	2.08%	(0.54)
Bund 5Y	-0.59%	(2.60)
Bund 10Y	-0.21%	(3.70)
Bund 30Y	0.29%	(4.50)
DOW JONES	34502.51	0.61 %
NASDAQ	14503.95	(0.17)%
S&P 500	4297.50	0.13 %
DAX	15531.04	(1.02)%
FTSE 100	7037.47	(0.71)%
CAC 40	6507.83	(0.91)%
EUR/USD	1.19	(0.32)%
USD/JPY	111.05	0.51 %
USD/CNY	6.46	(0.10)%
US 5Y CDS	11.43	--
Germany 5Y CDS	11.36	1.05
Italy 5Y CDS	78.17	2.90
Spain 5Y CDS	34.18	2.56
Portugal 5Y CDS	30.96	--
France 5Y CDS	22.59	0.87
Japan 5Y CDS	18.93	1.80
China 5Y CDS	36.86	0.80
Korea 5Y CDS	18.48	0.44

US & European Bond Markets

US & European Government Bond :

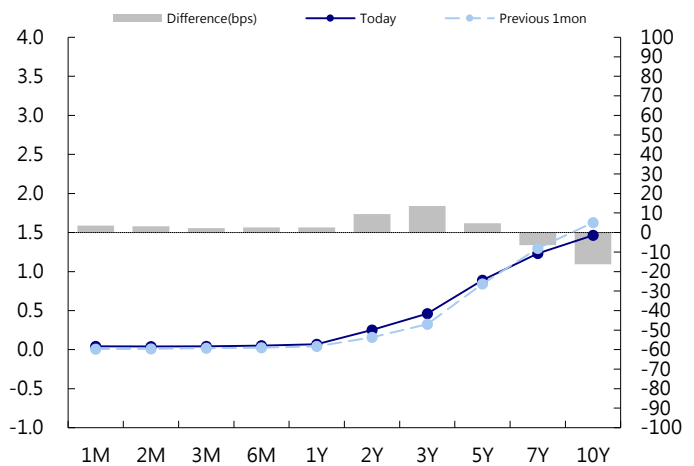
June ADP figures brought mixed tidings with a headline beat and downward revisions to May totals as US trading commenced with UST yields ~1bp through Tuesday's closing marks. After Atlanta Fed Pres. Bostic couched labor market optimism with a need to evaluate forthcoming data and an acknowledgement that a full recovery would take time, pending home sales vaulted higher in May in contrast to a sharp decline in weekly MBA mortgage applications reported earlier. Dallas Fed Pres. Kaplan reiterated his position on future policy normalization and overnight RRP utilization climbed shy of \$1tr to establish another daily record. Treasury yields crept back higher before a final rally into the month-end close, with the subsequent rates' reversal and equity index climb undeterred by late geopolitical headlines.

US & European Corporate Bonds:

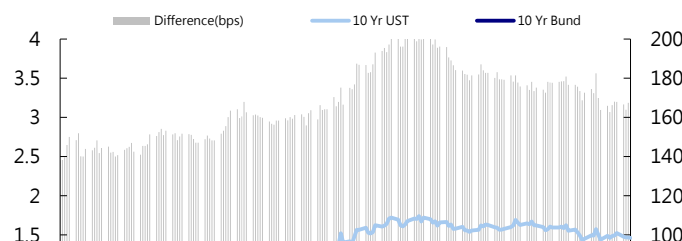
China IG space had a busy start Wednesday with new issues trading. Price at T5+140, the new BOCO HK 31-26c firstly went as wide as +147 then saw buyers back to push spread tightest to +144; however as market still needs sometime to digest the issue size (1bn) amid crowded pipeline and quarter end, the paper failed to went further tighter during the day and finished at +148/146. Another new issue the CNBG 3.1 perp printed 400 mio at 100 (3.1%), once traded 5c higher but soon saw profit takers out and the paper finished morning at 10c lower than RO level; afternoon buying flows from various accounts emerged and the paper managed to finish the day at 100.1/100.2. Elsewhere felt comparatively quieter, more profit taking flows were seen on previously rallied names such as CHINAM 24s/CCB 30-25c, bm names were generally unchanged to 1bp wider. Liquidity would be thin today for HK holiday. In the coming week, NFP and manufacturing data will be in the spot light, and UST may continue to slump after strong data while spread keep stable, however, liquidity and supply would be limited since 7/4 holiday in US.

Date	Event	Forecast	Previous
07/01	Challenger Job Cuts YoY	--	(0.938)
07/01	Initial Jobless Claims	389k	411k
07/01	Continuing Claims	3335k	3390k
07/01	Langer Consumer Comfort	--	56.900
07/01	Markit US Manufacturing PMI	62.600	62.600
07/01	Construction Spending MoM	0.004	0.002
07/01	ISM Manufacturing	61.000	61.200
07/01	ISM Prices Paid	86.000	88.000
07/01	ISM New Orders	--	67.000
07/01	ISM Employment	--	50.900
07/01	Wards Total Vehicle Sales	17.00m	16.99m
07/02	Change in Nonfarm Payrolls	700k	559k
07/02	Two-Month Payroll Net Revision	--	27k
07/02	Change in Private Payrolls	600k	492k
07/02	Change in Manufact. Payrolls	25k	23k
07/02	Unemployment Rate	0.057	0.058
07/02	Average Hourly Earnings YoY	0.036	0.020
07/02	Average Weekly Hours All Employees	34.900	34.900

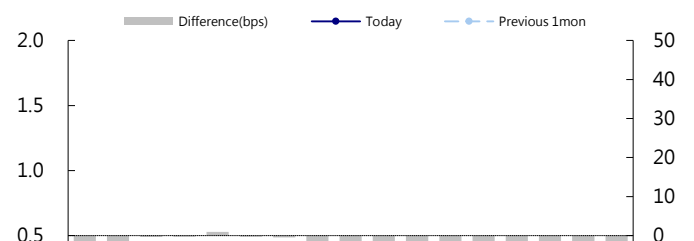
US Treasury Curve



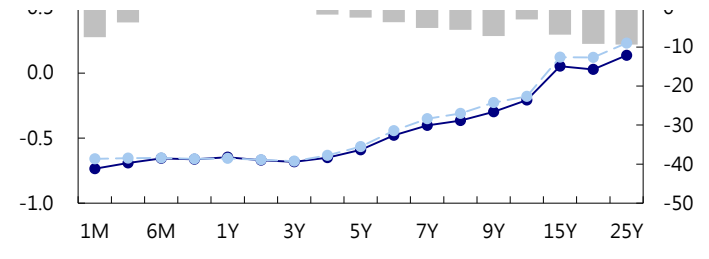
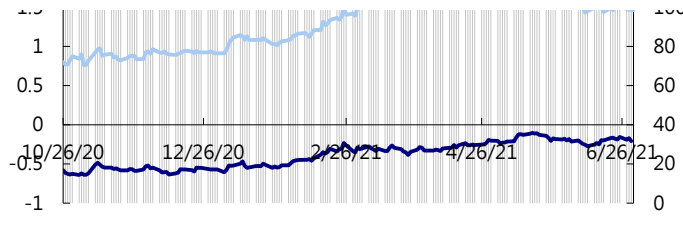
UST V.S. Bund 10Y Yield



Bund Curve



Fixed



China Bond Market

CNY & CNH Market Data

Benchmarks	Value		Net Change (bps)	
	CNY	CNH	CNY	CNH
CGB 5Y	2.92%	2.58%	0.00	0.01
CGB 10Y	3.07%	2.97%	0.00	0.04
CGB 20Y	3.3%	3.05%	(2.80)	0.00
Chinese Renminbi Spot	6.46	6.47	0.1%	0.02 %
USDCNY 1M Forward	6.47	6.48	0.00 %	0.01 %
USDCNY 3M Forward	6.50	6.51	0.00 %	0.01 %
USDCNY 6M Forward	6.54	6.55	0.00 %	0.00 %
	7D Repo	3M Shibor	7D Repo	3M Shibor
CNY IRS 1Y	2.49%	2.765%	(2.00)	(3.00)
CNY IRS 2Y	2.615%	2.965%	(1.50)	(2.50)
CNY IRS 3Y	2.725%	3.125%	(0.50)	(2.50)
CNY IRS 4Y	2.81%	3.26%	(1.50)	(3.00)
CNY IRS 5Y	2.895%	3.375%	(1.00)	(3.00)

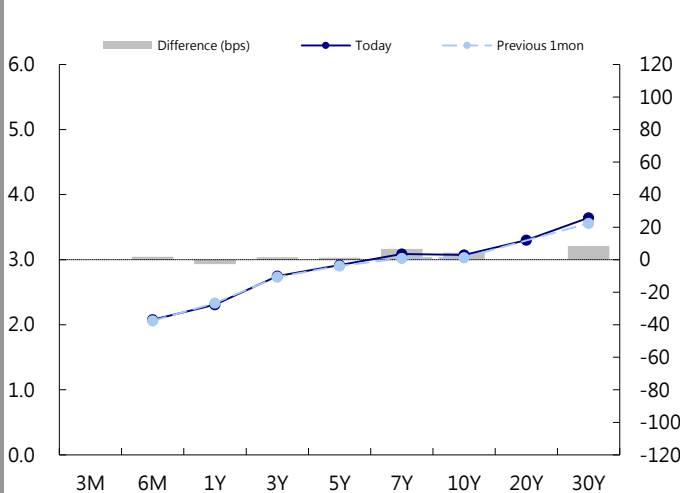
Benchmarks	Value	Net Change (bps)
SDBC 3.03 01/18/22	2.27%	-1.255
SDBC 3.68 02/26/26	3.22%	-1.527
SDBC 3.48 01/08/29	3.47%	-1.997
SDBC 3 1/2 11/04/46	3.67%	4.290
CNH CCS 5Y	2.59%	(1.26)

Date	Event	Forecast	Previous
07/01	Caixin China PMI Mfg	51.900	52.000

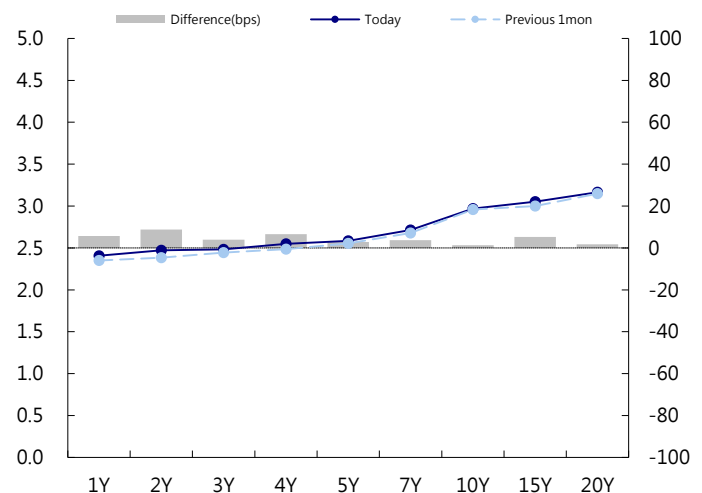
China Bond Market

Regarding bond market, on the last trading day at the end of the half year, the Chinese inter-bank market saw fund volatility on Wednesday as expected, and the structural contradiction between supply and demand for non-bank institutions further intensified. The overnight repurchase rate rose to a maximum of 15%, and there were many overnight quotations close to the end of 10%. However, the bond market sentiment has not been affected by this. Yields have declined as a whole. Short-term bonds have become more popular under tight liquidity conditions. The yield of Treasury bonds in one year has fallen by more than 4 bp. In terms of exchange rate, according to data released by the HKMA on Wednesday, the balance of RMB deposits in Hong Kong in May this year increased by 5% to 821.84 billion yuan, the highest level since January 2016; the RMB settlement value of cross-border trade fell by 14% on a monthly basis. 482.273 billion yuan.

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%	(1.00)
TWGB 10Y	0.42%	(0.55)
USD/TWD	27.87	0.03 %
EUR/TWD	33.04	(0.35)%
HKD/TWD	3.59	(0.04)%
VNY/TWD	4.32	0.06 %
TWD Overnight Rate	0.078%	(0.40)
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

20YR treasury had no transaction volume. 5YR closed at 0.26%. 10YR closed lower at 0.415%. Working from home makes less trader trading TGB. Expect 5YR trade at 0.26%~0.28% , 10YR trade at 0.41%~0.44%.

Taiwan Bond Primary Market

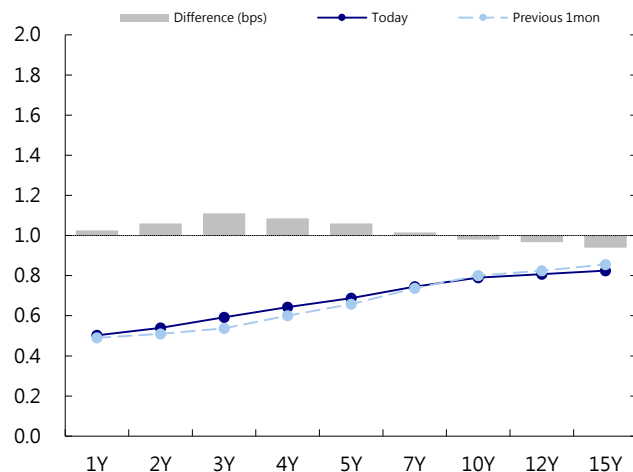
Announcements of Corporate Bonds Issuances approved by the Board of Directors on 30th June : None.
Bonds issued on 1st July : Taiwan High Speed Rail Corporation issued NTD 8BN of senior unsecured corporate bonds in 2 tranches: NTD 4BN of 3-year corporate bonds at a coupon rate of 0.32%, NTD 4BN of 4-year corporate bonds at a coupon rate of 0.35%.

Money Market

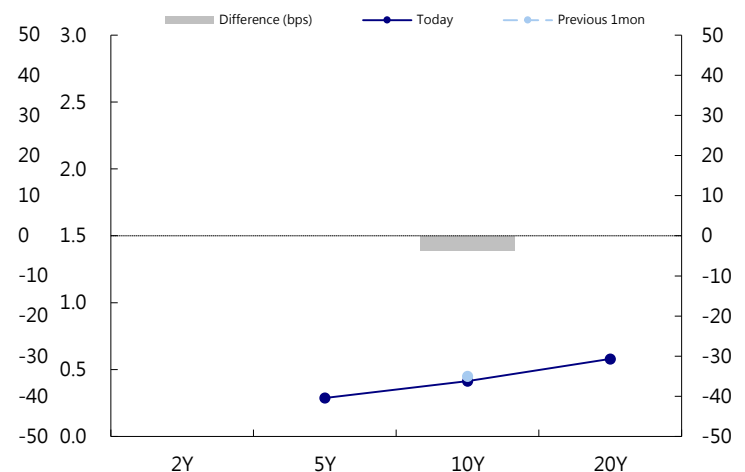
With sufficient fund in the market due to loose monetary policy supported by central bank, we expect repo rates continue to trade within the range, i.e., Govt bond repo rate at 0.11%-0.19%, while corporate bond repo rate at 0.18%-0.23%.

Date	Event	Forecast	Previous
07/01	Markit Taiwan PMI Mfg	--	62.0

TWD IRS Curve



Taiwan Government Bond Yield curve



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