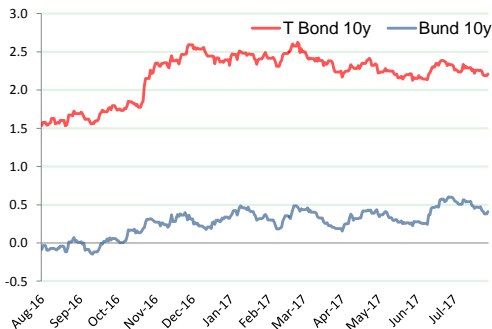
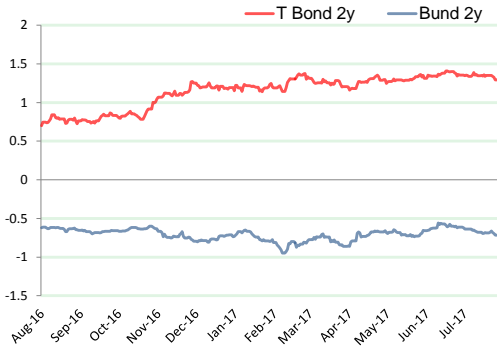


MORNING BOND UPDATE

Monday, August 14, 2017



	Last	Prev	02.janv
US 2y	1.30	1.29	0.70
US 10y	2.21	2.19	2.20
Germany 2y	-0.71	-0.72	-0.10
Germany 10y	0.41	0.38	0.54
France 2y	-0.47	-0.47	-0.05
France 10y	0.71	0.68	0.81
Swiss 2y	-0.81	-0.82	-0.28
Swiss 10y	-0.15	-0.16	0.32
Australia 2y	1.79	1.77	2.21
Australia 10y	2.62	2.59	2.87

T Bonds

** U.S. Treasury yields slipped on Friday as softer-than-expected inflation data for July further eroded expectations of an interest rate hike by the Federal Reserve at its December monetary policy meeting.

Both benchmark U.S. 10-year note and 30-year bond yields, dropped to six-week lows after the U.S. inflation data, while yields on two-year notes, considered the most sensitive to rate hike expectations, sank to an eight-week low.

Friday's data showed the U.S. consumer price index edged up just 0.1 percent last month after being unchanged in June. Economists polled by Reuters had forecast the CPI rising 0.2 percent in July. Excluding volatile food and energy components, consumer prices gained 0.1 percent for a fourth straight month.

The data "points to ongoing slow-mo growth that doesn't do a thing to threaten more intense Fed action or provide solace to the bond bears out there," said an analyst.

After the CPI data, rate futures priced in just a 36 percent chance of a rate increase in December, down from 54 percent a month earlier, according to the CME's FedWatch.

Long-dated yields, however, edged higher from their lows after Russian Foreign Minister Sergei Lavrov said there is a Russian-Chinese plan to defuse the potential conflict between the United States and North Korea.

North Korea and U.S. President Donald Trump had traded barbs after the Asian nation threatened a nuclear missile attack on the U.S. Pacific territory of Guam earlier this week.

"The last thing the markets want here is the tension between U.S. and North Korea," said an analyst. "It's a situation with no good resolution even though most people are skeptical that Russia and China have a plan to defuse the situation."

In late trading, U.S. 10-year yields dropped to six-week lows of 2.182 percent after the data, compared with 2.211 percent late Thursday. Ten-year yields were last at 2.188 percent.

U.S. 30-year bond yields also fell to a six-week trough of 2.769 percent.

U.S. two-year yields sank to an eight-week low of 1.314 percent, down from Thursday's 1.335 percent. Two-year yields last traded at 1.294 percent.

On Friday, the curve steepened to its widest in more than a week, with the spread of U.S. 5-year note and 30-year bond yields rising to 105 basis points.

The curve steepening suggested that the market has "slightly lowered the probability of a December rate hike," said TD Securities in a note.

European Union

** The gap between Italian and German borrowing costs reached its widest level in over three weeks on Friday as geopolitical concerns drove investors towards better-rated bonds.

The Italy-Germany 10-year government bond yield spread widened to 162 basis points, as much as 10 basis points wider than a month ago.

Also on Friday, German 10-year government bond yields dipped below 0.40 percent for the first time since June 29.

German Bunds are considered among the safest securities in the world, and they have been in demand this week as North Korea outlined plans for a missile strike near the U.S. territory of Guam.

Other Markets :

** Japan's economy grew in the second quarter at the fastest pace in more than two years as consumer spending and capital expenditure both rose at the fastest in more than three years, highlighting stronger domestic demand.

Gross domestic product expanded an annualized 4.0 percent in April-June, government data showed, more than the median estimate for 2.5 percent annualized growth and the biggest increase since January-March 2015.

Compared to the previous quarter, the economy expanded 1.0 percent, versus the median estimate for 0.6 percent growth.

Annualized GDP for previous quarter was revised to a 1.5 percent increase, while quarterly real (inflation adjusted) GDP was revised up to 0.4 percent growth from a 0.3 percent increase.

Economic growth is expected to continue in coming quarters, offering the Bank of Japan (BOJ) the hope that a tight labor market is finally starting to boost consumer spending, which in turn makes it easier to generate sustained inflation.

The economy grew for six straight quarters in April-June. The last time the economy had a run of six consecutive quarters of growth was January-March 2005 through April-June 2006.

Private consumption, which accounts for about two-thirds of GDP, rose 0.9 percent from the previous quarter, more than the median estimate of 0.5 percent growth.

That marked the fastest expansion in more than three years as shoppers splashed out on durable goods, an encouraging sign that consumer spending is no longer the weak spot in Japan's economic outlook.

Capital expenditure jumped by 2.4 percent in April-June from the previous quarter, versus the median estimate for a 1.2 percent increase. That was the fastest growth in business investment since January-March 2014.

External demand subtracted 0.3 percentage point from GDP growth in April-June in part due to an increase in imports. This is notable because Japan usually relies on exports to drive growth.

Since launching quantitative easing in April 2013, the BOJ has pushed back the timing for reaching its 2 percent inflation target six times in part due to weak consumer spending.

The GDP data for April-June show private consumption is finally starting to move in the direction that the BOJ and other government ministers have long predicted.

For a complete bond selection please check the weekly bond list on intranet. For further informations please call the Transactions Desk at +41 58 321 96 44

This document has been prepared by the Transactions Desk of CA Indosuez (Switzerland) S.A. It is not considered as a financial analysis regarding the SBA directives aiming to guarantee the financial analysis independence. Therefore these directives do not apply to it.

DAILY BOND LIST

Monday, August 14, 2017

ISIN	Ccy	Issue Size M.	Min. Unit K	Incr. Unit K	Coupon %	Coupon Type	Name	Country of Risk	Maturity	Ind. Ask Price	Yield %	Rating S&P	Rating Moody's
Investment Grade New Issues													
<i>*watchlist for downgrade</i>													
US37045VAM28	USD	500	2	1	2.1167	FLOATING	GENERAL MOTORS CO	US	07.08.2020	100.22	2.04	BBB	Baa3
USU05526AE50	USD	2250	2	1	2.297	FIXED	BAT CAPITAL CORP	GB	14.08.2020	100.25	2.21	BBB+	Baa2
USU05526AF26	USD	1000	2	1	1.9007063	FLOATING	BAT CAPITAL CORP	GB	14.08.2020	99.94	1.93	BBB+	Baa2
XS1648466016	USD	500	200	1	2.875	FIXED	CHINA RAILWAY XUNJIE	CN	25.07.2022	100.64	2.74	#N/A N/A	A3
XS1645113165	USD	300	200	1	3.125	FIXED	SINOCHEM INT DEV PTE LTD	CN	25.07.2022	100.14	3.09	BBB+	Baa1
XS1628031582	USD	400	200	1	3.25	FIXED	CANARA BANK LONDON	IN	10.08.2022	100.33	3.18	#N/A N/A	Baa3
USU05526AG09	USD	2250	2	1	2.764	FIXED	BAT CAPITAL CORP	GB	15.08.2022	100.37	2.68	BBB+	Baa2
USU05526AH81	USD	750	2	1	2.195	FLOATING	BAT CAPITAL CORP	GB	15.08.2022	100.05	2.18	BBB+	Baa2
US579780AL12	USD	750	2	1	2.7	FIXED	MCCORMICK & CO	US	15.08.2022	100.67	2.56	BBB	Baa2e
US579780AM94	USD	700	2	1	3.15	FIXED	MCCORMICK & CO	US	15.08.2024	100.72	3.04	BBB	Baa2e
USU05526AJ48	USD	2500	2	1	3.222	FIXED	BAT CAPITAL CORP	GB	15.08.2024	100.62	3.12	BBB+	Baa2
US579780AN77	USD	750	2	1	3.4	FIXED	MCCORMICK & CO	US	15.08.2027	100.65	3.32	BBB	Baa2e
USU05526AK11	USD	3500	2	1	3.557	FIXED	BAT CAPITAL CORP	GB	15.08.2027	100.54	3.49	BBB+	Baa2
US37045VAN01	USD	750	2	1	4.2	FIXED	GENERAL MOTORS CO	US	01.10.2027	100.19	4.18	BBB	Baa3
XS1657899628	USD	400	200	1	3.95	FIXED	INCITEC PIVOT FIN LLC	AU	03.08.2027	101.09	3.82	BBB	Baa2
US00206REM07	USD	5000	2	1	3.9	FIXED	AT&T INC	US	14.08.2027	99.62	3.95	BBB+ /-	Baa1 /-
XS1651071521	EUR	500	100	1	0	FLOATING	THERMO FISHER SCIENTIFIC	US	24.07.2019	100.34	-0.17	BBB	Baa2
XS1623981641	EUR	400	100	1	1.35	FIXED	SHOUGANG GROUP	CN	07.08.2020	100.64	1.13	#N/A N/A	#N/A N/A
XS1664643746	EUR	1100	100	1	0.171	FLOATING	BAT CAPITAL CORP	GB	16.08.2021	100.37	0.08	BBB+	Baa2
XS1664644710	EUR	750	100	1	1.125	FIXED	BAT CAPITAL CORP	GB	16.11.2023	101.19	0.93	BBB+	Baa2
XS1647481206	EUR	1000	100	1	2.15	FIXED	REPUBLIC OF INDONESIA	ID	18.07.2024	102.13	1.82	#N/A N/A	Baa3
XS1652512457	EUR	750	100	1	1.375	FIXED	DS SMITH PLC	GB	26.07.2024	101.03	1.22	BBB-	#N/A N/A
XS1651071950	EUR	700	100	1	1.95	FIXED	THERMO FISHER SCIENTIFIC	US	24.07.2029	100.90	1.86	BBB	Baa2
XS1664644983	EUR	1250	100	1	2.25	FIXED	BAT INTL FINANCE PLC	GB	16.01.2030	102.12	2.06	BBB+	Baa2
XS1651072099	EUR	700	100	1	2.875	FIXED	THERMO FISHER SCIENTIFIC	US	24.07.2037	102.91	2.68	BBB	Baa2
AU3FN0036570	AUD	375	10	10	2.77	FLOATING	BK OF COMMUNICATIONS/SYD	CN	21.09.2020	100.19	3.03	A-	#N/A N/A
XS1640493299	GBP	300	100	1	1.7	FIXED	FIDELITY NATIONAL INFORM	US	30.06.2022	101.36	1.41	BBB	Baa2
XS1642733932	GBP	250	100	1	2.5	FIXED	GO-AHEAD GROUP PLC	GB	06.07.2024	101.08	2.33	BBB-	Baa3
XS1645518496	GBP	625	100	1	2.646	FIXED	ANNINGTON FUNDING PLC	GB	12.07.2025	102.95	2.24	(P)BBB	#N/A N/A
XS1664647499	GBP	450	100	1	2.125	FIXED	BAT CAPITAL CORP	GB	15.08.2025	100.32	2.08	BBB+	Baa2
XS1641479750	AUD	500	200	2	4.4	FIXED	CREDIT AGRICOLE LONDON	FR	06.07.2027	99.69	4.44	BBB+	Baa2
XS1652512705	GBP	250	100	1	2.875	FIXED	DS SMITH PLC	GB	26.07.2029	100.98	2.78	BBB-	#N/A N/A
Below Investment Grade New Issues													
DE000A19FW97	EUR	200	100	1	5.625	FIXED	SCHMOLZ+BICKEN LX FIN SA	LU	15.07.2022	106.38	4.17	B+	B2
USN3700LAC92	USD	350	200	1	4.875	FIXED	GREENKO DUTCH BV	IN	24.07.2022	99.98	4.88	#N/A N/A	Ba2
XS1637076164	USD	700	200	1	4.75	FIXED	COUNTRY GARDEN HLDGS	CN	25.07.2022	100.09	4.73	#N/A N/A	Ba1
CH0370943570	CHF	75	5	5	3.625	FIXED	HELVETIA ENVIRON GROUP	CH	26.07.2022	104.67	2.60	#N/A N/A	#N/A N/A
XS1577956516	GBP	370	100	1	5	FIXED	MCLAREN FINANCE PLC	GB	01.08.2022	101.11	4.75	(P)B	B2e
USL0427PAA41	USD	400	2	1	6.125	FIXED	ATENTO LUXCO 1 SA	ES	10.08.2022	102.75	5.49	#N/A N/A	Ba3
USG65309AA76	USD	250	200	1	5.75	FIXED	MCLAREN FINANCE PLC	GB	01.08.2022	102.91	5.08	(P)B	B2e
CH0370943562	CHF	335	5	5	3	FIXED	MSC CRUISES SA	CH	14.07.2023	101.90	2.65	#N/A N/A	#N/A N/A
USN3700LAB10	USD	650	200	1	5.25	FIXED	GREENKO DUTCH BV	IN	24.07.2024	99.97	5.25	#N/A N/A	Ba2
XS1651444140	EUR	650	100	1	2.125	FIXED	EUROFINS SCIENTIFIC SE	LU	25.07.2024	101.74	1.86	#N/A N/A	#N/A N/A
USG9328DAP53	USD	1000	200	1	6.125	FIXED	VEDANTA RESOURCES PLC	IN	09.08.2024	99.28	6.25	B+	B3e
USC4949AAE04	USD	500	2	1	4.5	FIXED	KINROSS GOLD CORP	CA	15.07.2027	100.71	4.41	BB+	Ba1

Expected New Issues

Bold type : new entries of the day

For a complete bond selection please check the weekly bond list on intranet. For further informations please call the Transactions Desk at +41 58 321 96 44

This document has been prepared by the Transactions Desk of CA Indosuez (Switzerland) S.A. It is not considered as a financial analysis regarding the SBA directives aiming to guarantee the financial analysis independence. Therefore these directives do not apply to it.