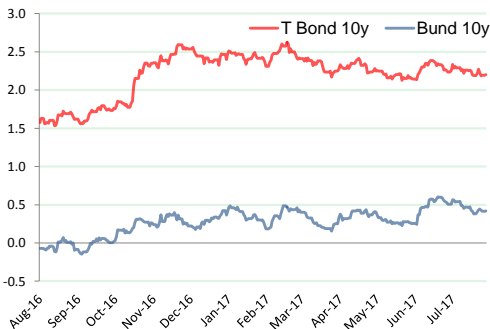
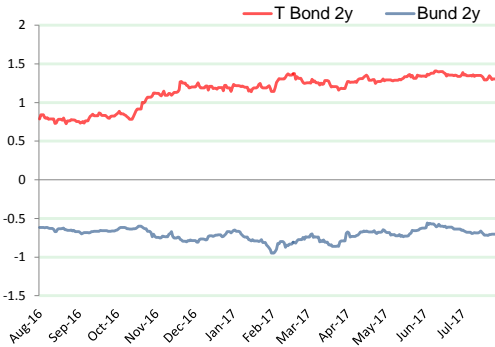


MORNING BOND UPDATE

Monday, August 21, 2017



	Last	Prev	02.janv
US 2y	1.32	1.31	0.70
US 10y	2.20	2.19	2.20
Germany 2y	-0.70	-0.70	-0.10
Germany 10y	0.42	0.41	0.54
France 2y	-0.47	-0.47	-0.05
France 10y	0.72	0.71	0.81
Swiss 2y	-0.79	-0.80	-0.28
Swiss 10y	-0.11	-0.11	0.32
Australia 2y	1.81	1.80	2.21
Australia 10y	2.64	2.62	2.87

T Bonds

** U.S. Treasury yields nudged higher on Friday as the exit of senior White House adviser Stephen Bannon, known for his economic nationalist views, revived the appetite for stocks and reduced it for lower-yielding bonds.

Some investors and corporate executives have worried about Bannon's far-right political views, including on immigration, as well as his influence on trade policy and other parts of the White House's economic agenda.

What has driven this week's bond market move has been "largely political. You have had a lot of drama in Washington," said an analyst.

At 1:40 p.m. (1740 GMT), the 10-year Treasury yield was 2.203 percent, up 0.6 basis point from late on Thursday, while the 30-year yield was 2.784 percent, marginally higher on the day.

News outlets, citing various sources, reported White House Chief of Staff John Kelly would soon decide on Bannon's job.

Shortly after those reports, White House spokeswoman Sarah Sanders said in a statement that Kelly and Bannon had agreed that Friday would be Bannon's last day in the job.

All of Wall Street's three major indexes erased earlier losses on reports of Bannon's departure. The S&P 500 and Nasdaq were modestly higher, while the Dow Jones Industrial Average was little changed.

Earlier on Friday, benchmark yields hit near a seven-week low on worries about U.S. President Trump's ability to enact tax cuts, major infrastructure spending and other parts of his economic agenda.

Those concerns emerged in the aftermath of his comments on last weekend's clash between white nationalists and counter-protesters in Charlottesville, Virginia.

Trump has blamed that violence on not just the white nationalists but also counter-protesters, and said there were "very fine people" in both groups. His remarks drew widespread rebukes from lawmakers, business leaders and U.S. allies.

They also spurred speculation on possible resignations from Trump's Cabinet, especially Gary Cohn, who is the director of the National Economic Council. Rumors on social media that Cohn might quit unleashed a selloff on Thursday in Wall Street stocks and spurred safe-haven demand for Treasuries.

Investor anxiety was also elevated following a knife attack that injured several people in the Finnish city of Turku. It came a day after a van killed 13 and wounded scores of others in Barcelona. Islamic State has claimed responsibility for the attack in Spain.

On the data front, U.S. consumer sentiment improved to its strongest level in seven months in early August, reflecting confidence in the outlook for the economy and in personal finances as the U.S. stock market holds near record highs, the University of Michigan said on Friday.

European Union

** Demand for highly-rated euro zone bonds increased on Friday as equity markets tumbled on mounting evidence that U.S. President Donald Trump will face difficulty passing his economic agenda.

The yield on Germany's benchmark government bond fell as much as 3 basis points to just below 0.40 percent, and U.S. equivalents hit a six-week low of 2.16 percent.

Meanwhile, the gap between yields on southern European bonds issued by Spain and Portugal and those on higher-rated German debt widened in a global retreat from riskier assets that saw the biggest drop in three months on Wall Street overnight.

"We have seen the first wobble in equities for some time now, with the S&P closing down 1.5 percent last night, so there's a bit of a risk-off safe haven bid for bonds at the moment," said an analyst.

Concerns have grown too over Trump's ability to push through his economic goals such as tax cuts and infrastructure spending, following the exodus of executives from two prominent business councils in reaction to his response to clashes last weekend in Charlottesville, Virginia.

The caution in markets was compounded by the suspected Islamist militant attack in Barcelona.

Spain mounted a sweeping anti-terror operation on Friday after a van into crowds on a popular tourist thoroughfare in Barcelona, killing 13 people, in what police suspect was one of multiple planned attacks.

The death toll could rise because more than 100 are injured, authorities said.

The fall in bond yields extended a move that started earlier in the week after minutes from U.S. Federal Reserve and European Central Bank meetings showed policymakers were cautious about withdrawing monetary stimulus too quickly.

Dallas Fed President Robert Kaplan on Thursday said the Fed should be "very patient and judicious" as it considers whether to raise interest rates.

Later on Friday, Greece's credit rating will be reviewed by Fitch. Greece is rated CCC by Fitch and analysts at DZ Bank said the country may get as much as a two-notch upgrade back into B territory.

Other Markets :

** Benchmark Japanese government bonds were steady on Monday, underpinned by firmer U.S. Treasuries and weaker Japanese stocks.

The 10-year cash JGB yield was flat at 0.035 percent, while the September 10-year JGB futures contract was up 0.07 point in afternoon trading at 150.78, touching its highest intraday levels since June 7.

The benchmark 10-year U.S. Treasuries yield dropped to 2.162 percent on Friday, its lowest since late June, before closing at 2.194 percent. It last stood at 2.199 percent.

The Nikkei stock index was 0.3 percent lower in afternoon trade.

In the superlong zone, the 20-year JGB yield edged down half a basis point to 0.555 percent, while the 30-year JGB yield was down half a basis point at 0.845 percent.

But yields on the shorter end of the curve inched higher, with the yield on the five-year JGB up half a basis point at minus 0.095 percent, while the two-year JGB yield was up half a basis point at minus 0.130 percent.

On Wednesday last week, the Bank of Japan took advantage of thin liquidity during the summer vacation season to slightly reduce its JGB buying with minimal market impact. It trimmed its buying of five- to 10-year JGBs to 440 billion yen (\$4.03 billion) in its purchase operation from 470 billion yen in the previous four operations.

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

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DAILY BOND LIST

Monday, August 21, 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	100.17	2.06	BBB	Baa3
USU05526AE50	USD	2250	2	1	2.297	FIXED	BAT CAPITAL CORP	GB	14.08.2020	100.24	2.21	BBB+	Baa2
USU05526AF26	USD	1000	2	1	1.905	FLOATING	BAT CAPITAL CORP	GB	14.08.2020	100.21	1.84	BBB+	Baa2
XS1648466016	USD	500	200	1	2.875	FIXED	CHINA RAILWAY XUNJIE	CN	25.07.2022	100.61	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	100.61	3.12	#N/A N/A	Baa3
USU05526AG09	USD	2250	2	1	2.764	FIXED	BAT CAPITAL CORP	GB	15.08.2022	100.34	2.69	BBB+	Baa2
USU05526AH81	USD	750	2	1	2.195	FLOATING	BAT CAPITAL CORP	GB	15.08.2022	99.99	2.20	BBB+	Baa2
US579780AL12	USD	750	2	1	2.7	FIXED	MCCORMICK & CO	US	15.08.2022	100.80	2.53	BBB	Baa2
US579780AM94	USD	700	2	1	3.15	FIXED	MCCORMICK & CO	US	15.08.2024	100.87	3.01	BBB	Baa2
USU05526AJ48	USD	2500	2	1	3.222	FIXED	BAT CAPITAL CORP	GB	15.08.2024	100.71	3.11	BBB+	Baa2
US579780AN77	USD	750	2	1	3.4	FIXED	MCCORMICK & CO	US	15.08.2027	100.75	3.31	BBB	Baa2
USU05526AK11	USD	3500	2	1	3.557	FIXED	BAT CAPITAL CORP	GB	15.08.2027	100.51	3.50	BBB+	Baa2
US37045VAN01	USD	750	2	1	4.2	FIXED	GENERAL MOTORS CO	US	01.10.2027	100.91	4.09	BBB	Baa3
XS1657899628	USD	400	200	1	3.95	FIXED	INCITEC PIVOT FIN LLC	AU	03.08.2027	101.30	3.79	BBB	Baa2
US00206REM07	USD	5000	2	1	3.9	FIXED	AT&T INC	US	14.08.2027	100.05	3.89	BBB+ /-	Baa1 /-
XS1651071521	EUR	500	100	1	0	FLOATING	THERMO FISHER SCIENTIFIC	US	24.07.2019	100.32	-0.16	BBB	Baa2
XS1623981641	EUR	400	100	1	1.35	FIXED	SHOUGANG GROUP	CN	07.08.2020	100.65	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	100.39	0.07	BBB+	Baa2
XS1664644710	EUR	750	100	1	1.125	FIXED	BAT CAPITAL CORP	GB	16.11.2023	101.53	0.87	BBB+	Baa2
XS1647481206	EUR	1000	100	1	2.15	FIXED	REPUBLIC OF INDONESIA	ID	18.07.2024	102.44	1.77	#N/A N/A	Baa3
XS1652512457	EUR	750	100	1	1.375	FIXED	DS SMITH PLC	GB	26.07.2024	100.84	1.25	BBB-	#N/A N/A
XS1651071950	EUR	700	100	1	1.95	FIXED	THERMO FISHER SCIENTIFIC	US	24.07.2029	100.31	1.92	BBB	Baa2
XS1664644983	EUR	1250	100	1	2.25	FIXED	BAT INTL FINANCE PLC	GB	16.01.2030	102.80	1.99	BBB+	Baa2
XS1651072099	EUR	700	100	1	2.875	FIXED	THERMO FISHER SCIENTIFIC	US	24.07.2037	101.93	2.75	BBB	Baa2
AU3FN0036570	AUD	375	10	10	2.77	FLOATING	BK OF COMMUNICATIONS/SYD	CN	21.09.2020	100.19	3.05	A-	#N/A N/A
XS1640493299	GBP	300	100	1	1.7	FIXED	FIDELITY NATIONAL INFORM	US	30.06.2022	101.19	1.44	BBB	Baa2
XS1642733932	GBP	250	100	1	2.5	FIXED	GO-AHEAD GROUP PLC	GB	06.07.2024	100.91	2.35	BBB-	Baa3
XS1645518496	GBP	625	100	1	2.646	FIXED	ANNINGTON FUNDING PLC	GB	12.07.2025	102.65	2.28	(P)BBB	#N/A N/A
XS1664647499	GBP	450	100	1	2.125	FIXED	BAT CAPITAL CORP	GB	15.08.2025	100.22	2.09	BBB+	Baa2
XS1641479750	AUD	500	200	2	4.4	FIXED	CREDIT AGRICOLE LONDON	FR	06.07.2027	99.32	4.49	BBB+	Baa2
XS1652512705	GBP	250	100	1	2.875	FIXED	DS SMITH PLC	GB	26.07.2029	100.66	2.81	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	106.81	4.08	B+	B2
USN3700LAC92	USD	350	200	1	4.875	FIXED	GREENKO DUTCH BV	IN	24.07.2022	100.23	4.82	#N/A N/A	Ba2
XS1637076164	USD	700	200	1	4.75	FIXED	COUNTRY GARDEN HLDGS	CN	25.07.2022	100.49	4.64	#N/A N/A	Ba1
CH0370943570	CHF	75	5	5	3.625	FIXED	HELVETIA ENVIRON GROUP	CH	26.07.2022	104.65	2.61	#N/A N/A	#N/A N/A
XS1577956516	GBP	370	100	1	5	FIXED	MCLAREN FINANCE PLC	GB	01.08.2022	101.02	4.76	(P)B	B2e
USL0427PAA41	USD	400	2	1	6.125	FIXED	ATENTO LUXCO 1 SA	ES	10.08.2022	102.88	5.46	#N/A N/A	Ba3
USG65309AA76	USD	250	200	1	5.75	FIXED	MCLAREN FINANCE PLC	GB	01.08.2022	103.00	5.05	(P)B	B2e
CH0370943562	CHF	335	5	5	3	FIXED	MSC CRUISES SA	CH	14.07.2023	102.05	2.62	#N/A N/A	#N/A N/A
USN3700LAB10	USD	650	200	1	5.25	FIXED	GREENKO DUTCH BV	IN	24.07.2024	100.27	5.20	#N/A N/A	Ba2
XS1651444140	EUR	650	100	1	2.125	FIXED	EUROFINS SCIENTIFIC SE	LU	25.07.2024	101.59	1.88	#N/A N/A	#N/A N/A
USG9328DAP53	USD	1000	200	1	6.125	FIXED	VEDANTA RESOURCES PLC	IN	09.08.2024	100.85	5.97	B+	B3
USC4949AAE04	USD	500	2	1	4.5	FIXED	KINROSS GOLD CORP	CA	15.07.2027	99.95	4.51	BB+	Ba1

Expected New Issues

Bold type : new entries of the day

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