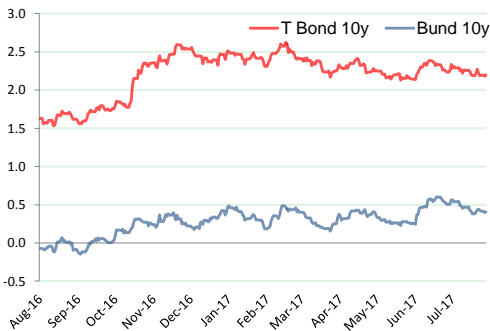
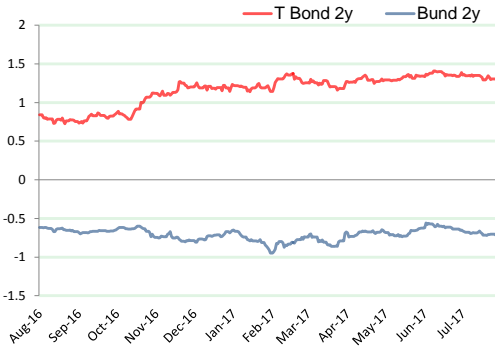


MORNING BOND UPDATE

Tuesday, August 22, 2017



	Last	Prev	02.janv
US 2y	1.32	1.30	0.70
US 10y	2.20	2.18	2.20
Germany 2y	-0.71	-0.72	-0.10
Germany 10y	0.41	0.40	0.54
France 2y	-0.48	-0.47	-0.05
France 10y	0.70	0.70	0.81
Swiss 2y	-0.80	-0.80	-0.28
Swiss 10y	-0.13	-0.14	0.32
Australia 2y	1.83	1.81	2.21
Australia 10y	2.65	2.64	2.87

T Bonds

** **U.S. Treasuries** were steady on Monday as investors awaited speeches by top global central bankers later this week for further signals about monetary policy, with no major data releases to set market direction.

Investors were focused on this week's annual central banking conference in Jackson Hole, Wyoming, which begins on Thursday. Federal Reserve Chair Janet Yellen and European Central Bank President Mario Draghi are due to speak at the conference.

Draghi, who will also speak at an event in Germany on Wednesday, will be the main focus as investors watch for any indications that the ECB may begin paring asset purchases.

"Are they going to try to pare back asset purchases, what their thinking is on inflation," are among the main questions, said an analyst.

Yellen's speech on Friday will center on financial stability and is seen as less likely to provide clues on the Fed's balance sheet plans.

Many analysts and investors expect the U.S. central bank will announce a plan to reduce its balance sheet at its September policy meeting.

Treasury yields fell to almost two-month lows on Friday as the continued shakeup and infighting at the White House reduced expectations that lawmakers will pass fiscal measures aimed at boosting growth.

U.S. President Donald Trump on Friday fired his chief strategist Steve Bannon in the latest White House personnel change.

Many investors were seen as reluctant to buy Treasuries at relatively low yields, however, which kept a cap on the bond rally.

"Yields have refused to meaningfully rally," an analyst said. "I think the market's resisting going mass long at these levels because everything looks very rich."

Benchmark 10-year notes gained 4/32 in price to yield 2.18 percent, down from 2.19 percent on Friday.

European Union

** **Greek** government bond yields dipped on Monday after Fitch became the second ratings agency to upgrade Greece to "Single B" status, marking another milestone in the debt-laden country's slow journey away from default territory.

The ratings agency upgraded Greece's long-term foreign-currency issuer default ratings to 'B-' from 'CCC' late on Friday, citing reduced political risk and sustained economic growth.

Short-dated Greek government bond yields hit 3.25 percent at one stage, close to their lowest since 2009, a level hit earlier this month.

The yield on Greece's 10-year government bond dropped 5 basis points in early trade to 5.58 percent before trading flat as the session wore on.

"Greece is still a credit that is risky and volatile, but at least it's now not one step away from default but two steps away," said an analyst.

"I think an upgrade was largely priced in so you won't see a huge amount of spread tightening - but still, it's possible that some high-yield investors would consider a small investment in Greece now."

S&P upgraded the country to "B-" a month ago. Moody's still has a "Caa2" rating on the country.

While Greece has been grappling with gargantuan levels of debt and has had to put stringent austerity measures in place in exchange for European Union funds, the country was given a boost in June when euro zone governments agreed to release \$9.5 billion in aid.

Greece also regained bond market access last month after a three-year hiatus, selling 3 billion euros of five-year bonds.

The ratings upgrade boosted sentiment towards the euro zone's other lower-rated bond markets, pushing **Portuguese** yields to fresh one-year lows at 2.73 percent.

Weakness in stock markets supported sentiment towards safe-haven debt markets, with **Germany's** 10-year government bond briefly dipping to a one-week low at 0.39 percent.

Bond investors were also turning their attention to a meeting later this week of central bankers at Jackson Hole, Wyoming.

European Central Bank president Mario Draghi will speak at the conference, and speculation has been rife that the tapering of the ECB's 2-trillion-euro-plus bond-buying scheme cannot be far away.

Sources told Reuters that Draghi will not deliver a new policy message at the conference, but investors are generally looking for the bank's policy stance to tighten over the coming months as growth returns to the bloc.

Other Markets :

** **Saudi Arabia** raised 13 billion riyals (\$3.5 billion) from its second local Islamic bond sale this year as the government taps domestic banks to fill a budget gap caused by falling oil prices.

The kingdom received offers in excess of 38 billion riyals, according to a statement on the Ministry of Finance's website. It raised more money at longer maturities compared to last month's bond sale, selling 2.1 billion of five-year bonds, 7.7 billion riyals of seven-year notes, and 3.2 billion riyals of 10-year securities, the ministry said.

The government has forecast a budget deficit of 198 billion riyals this year, or 7.7 percent of economic output, although it appears on course to improve on that after reporting a first-half fiscal gap of 72.3 billion riyals, data showed this month. The deficit will be financed by issuing debt and drawing from reserves after it sold 97 billion riyals of domestic bonds last year. It also raised \$9 billion from its inaugural sale of international Islamic bonds this year.

The kingdom's three-part Islamic bonds had earlier been marketed to investors at between 2.65 percent and 2.75 percent for the five-year securities, 3.1 percent and 3.2 percent for the seven-year notes and 3.45 percent and 3.55 percent for the 10-year issue, people with knowledge of the deal said.

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

Tuesday, August 22, 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													
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	100.29	2.20	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	100.65	2.73	#N/A N/A	A3
XS1645113165	USD	300	200	1	3.125	FIXED	SINOCHEM INT DEV PTE LTD	CN	25.07.2022	100.16	3.09	BBB+	Baa1
XS1628031582	USD	400	200	1	3.25	FIXED	CANARA BANK LONDON	IN	10.08.2022	100.59	3.12	#N/A N/A	Baa3
USU05526AG09	USD	2250	2	1	2.764	FIXED	BAT CAPITAL CORP	GB	15.08.2022	100.40	2.68	BBB+	Baa2
USU05526AH81	USD	750	2	1	2.195	FLOATING	BAT CAPITAL CORP	GB	15.08.2022	100.17	2.16	BBB+	Baa2
US579780AL12	USD	750	2	1	2.7	FIXED	MCCORMICK & CO	US	15.08.2022	100.78	2.53	BBB	Baa2
USY3815NAY77	USD	600	200	1	3	FIXED	HYUNDAI CAPITAL SERVICES	KR	29.08.2022	99.58	3.09	#N/A N/A	Baa1
US579780AM94	USD	700	2	1	3.15	FIXED	MCCORMICK & CO	US	15.08.2024	101.04	2.98	BBB	Baa2
USU05526AJ48	USD	2500	2	1	3.222	FIXED	BAT CAPITAL CORP	GB	15.08.2024	100.82	3.09	BBB+	Baa2
US579780AN77	USD	750	2	1	3.4	FIXED	MCCORMICK & CO	US	15.08.2027	101.01	3.28	BBB	Baa2
USU05526AK11	USD	3500	2	1	3.557	FIXED	BAT CAPITAL CORP	GB	15.08.2027	100.63	3.48	BBB+	Baa2
USY3815NAZ43	USD	300	200	1	3.625	FIXED	HYUNDAI CAPITAL SERVICES	KR	29.08.2027	99.14	3.73	#N/A N/A	Baa1
US37045VAN01	USD	750	2	1	4.2	FIXED	GENERAL MOTORS CO	US	01.10.2027	100.92	4.09	BBB	Baa3
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	100.64	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	100.39	0.07	BBB+	Baa2
XS1664644710	EUR	750	100	1	1.125	FIXED	BAT CAPITAL CORP	GB	16.11.2023	101.62	0.86	BBB+	Baa2
XS1647481206	EUR	1000	100	1	2.15	FIXED	REPUBLIC OF INDONESIA	ID	18.07.2024	102.48	1.76	#N/A N/A	Baa3
XS1652512457	EUR	750	100	1	1.375	FIXED	DS SMITH PLC	GB	26.07.2024	100.97	1.23	BBB-	#N/A N/A
XS1651071950	EUR	700	100	1	1.95	FIXED	THERMO FISHER SCIENTIFIC	US	24.07.2029	100.35	1.92	BBB	Baa2
XS1664644983	EUR	1250	100	1	2.25	FIXED	BAT INTL FINANCE PLC	GB	16.01.2030	102.92	1.98	BBB+	Baa2
XS1651072099	EUR	700	100	1	2.875	FIXED	THERMO FISHER SCIENTIFIC	US	24.07.2037	101.94	2.75	BBB	Baa2
AU3FN0036570	AUD	375	10	10	2.77	FLOATING	BK OF COMMUNICATIONS/SYD	CN	21.09.2020	100.19	3.06	A-	#N/A N/A
XS1640493299	GBP	300	100	1	1.7	FIXED	FIDELITY NATIONAL INFORM	US	30.06.2022	101.26	1.43	BBB	Baa2
XS1642733932	GBP	250	100	1	2.5	FIXED	GO-AHEAD GROUP PLC	GB	06.07.2024	101.00	2.34	BBB-	Baa3
XS1645518496	GBP	625	100	1	2.646	FIXED	ANNINGTON FUNDING PLC	GB	12.07.2025	102.76	2.26	(P)BBB	#N/A N/A
XS1664647499	GBP	450	100	1	2.125	FIXED	BAT CAPITAL CORP	GB	15.08.2025	100.37	2.07	BBB+	Baa2
XS1641479750	AUD	500	200	2	4.4	FIXED	CREDIT AGRICOLE LONDON	FR	06.07.2027	99.34	4.48	BBB+	Baa2
XS1652512705	GBP	250	100	1	2.875	FIXED	DS SMITH PLC	GB	26.07.2029	100.94	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	106.66	4.11	B+	B2
USN3700LAC92	USD	350	200	1	4.875	FIXED	GREENKO DUTCH BV	IN	24.07.2022	100.26	4.81	#N/A N/A	Ba2
XS1637076164	USD	700	200	1	4.75	FIXED	COUNTRY GARDEN HLDGS	CN	25.07.2022	100.52	4.63	#N/A N/A	Ba1
CH0370943570	CHF	75	5	5	3.625	FIXED	HELVETIA ENVIRON GROUP	CH	26.07.2022	104.73	2.59	#N/A N/A	#N/A N/A
XS1577956516	GBP	370	100	1	5	FIXED	MCLAREN FINANCE PLC	GB	01.08.2022	100.91	4.79	(P)B	B2e
USL0427PAA41	USD	400	2	1	6.125	FIXED	ATENTO LUXCO 1 SA	ES	10.08.2022	102.75	5.48	#N/A N/A	Ba3
USG65309AA76	USD	250	200	1	5.75	FIXED	MCLAREN FINANCE PLC	GB	01.08.2022	102.96	5.06	(P)B	B2e
CH0370943562	CHF	335	5	5	3	FIXED	MSC CRUISES SA	CH	14.07.2023	102.06	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	100.30	5.20	#N/A N/A	Ba2
XS1651444140	EUR	650	100	1	2.125	FIXED	EUROFINS SCIENTIFIC SE	LU	25.07.2024	101.70	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	100.01	6.12	B+	B3
USC4949AAE04	USD	500	2	1	4.5	FIXED	KINROSS GOLD CORP	CA	15.07.2027	100.08	4.49	BB+	Ba1

*watchlist for downgrade

Expected New Issues

Bold type : new entries of the day

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