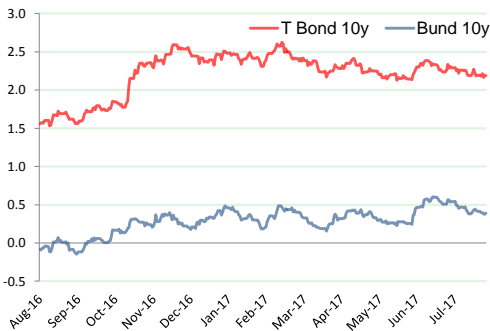
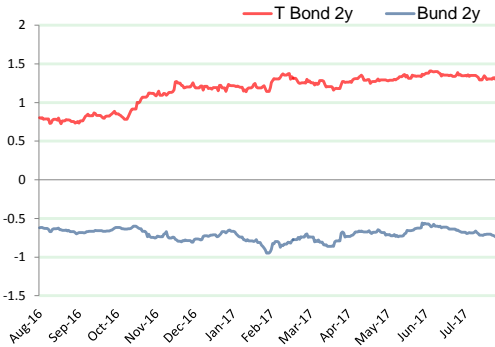


MORNING BOND UPDATE

Friday, August 25, 2017



	Last	Prev	02.janv
US 2y	1.33	1.33	0.70
US 10y	2.19	2.19	2.20
Germany 2y	-0.73	-0.74	-0.10
Germany 10y	0.39	0.38	0.54
France 2y	-0.50	-0.51	-0.05
France 10y	0.70	0.69	0.81
Swiss 2y	-0.80	-0.81	-0.28
Swiss 10y	-0.13	-0.14	0.32
Australia 2y	1.83	1.82	2.21
Australia 10y	2.65	2.63	2.87

T Bonds

** **U.S. Treasury** yields edged higher on Thursday as investors waited on central bank speeches in Jackson Hole for fresh indications on monetary policy, while some Treasury bills weakened on concerns about the U.S. debt ceiling.

Federal Reserve Chair Janet Yellen and European Central Bank President Mario Draghi were due to speak at the central bank conference in Wyoming on Friday.

"We're waiting to see if anything comes out of Jackson Hole, I don't think anyone is putting any big positions on here," said an analyst.

Market participants will be watching for any signals that the ECB is close to paring its bond purchases, though two sources have told Reuters that Draghi will not deliver any new policy message at the event.

The Fed is widely expected to announce a plan to reduce its balance sheet at its September meeting.

Benchmark 10-year notes fell 6/32 in price to yield 2.19 percent, up from 2.17 percent on Tuesday.

Benchmark yields have held in a tight range since falling to almost two-month lows on Friday on concerns about political discord in Washington and tensions between the United States and North Korea.

Yields on Treasury bills due in early October rose on worries that payments on the debt could be delayed if U.S. lawmakers fail to raise the debt ceiling before the government runs out of funds, which is expected in late September.

Concerns about the debt ceiling have increased since U.S. President Donald Trump said late on Tuesday that he would be willing to risk a government shutdown to secure funding for a border wall.

Yields on Treasury bills due on Oct. 5 rose as high as 1.175 percent and bills due on Oct. 12 touched 1.206 percent, both the highest since Aug. 10.

Republicans including Paul Ryan said they did not agree that a government shutdown is desirable.

Fitch Ratings said on Wednesday that a failure by U.S. officials to raise the federal debt ceiling in a timely manner would prompt it to review the U.S. sovereign rating, "with potentially negative implications."

European Union

** **German** bond yields were pinned near eight-week lows on Thursday, with demand for the top-rated debt supported by President Donald Trump's threat to shut down the U.S. government and expectations for a cautious message from a meeting of central bankers.

Bond yields fell on this uncertainty and were also supported by expectations that central bankers would tread carefully at a meeting in Jackson Hole, Wyoming which starts on Thursday.

Sources told Reuters last week that ECB President Mario Draghi would not deliver any new messages in his remarks on Friday and was keen to hold off policy discussions until autumn.

"Over the last couple of years, there have been many discussions about the U.S. debt ceiling ... but with the administration of Donald Trump it brings more uncertainty," said an analyst.

"From Jackson Hole, markets are not expecting much and if anything maybe a dovish tone."

German 10-year bond yields were a tad higher on Thursday at 0.38 percent, having briefly touched a fresh eight-week low of 0.37 percent. Other euro zone yields were broadly unchanged, steadying after Wednesday's sharp fall.

Draghi on Wednesday cautioned against hasty policy responses, saying that while unconventional monetary policy was a success, gaps in understanding the relatively new tools remained.

"A key driver of the last leg of the rally has been a revision of the market's hawkish ECB view and we expect this rally to continue for much of the period between now and the September meeting as investors re-balance their portfolio," an analyst said.

Other Markets :

** **The Japanese government** bond market retained its bullish momentum and edged up on Friday, taking in stride a move by the central bank to trim the amount of debt it bought at a regular purchasing operation.

The benchmark 10-year JGB yield declined by half a basis point to 0.015 percent, its lowest since May 2.

The yield had declined significantly the previous day as JGBs tracked U.S. Treasury yields, which fell on signs of fresh political turmoil in Washington.

Treasury yields did nudge up overnight as the market braced for the gathering of central bankers at Jackson Hole, Wyoming.

But JGB yields continued heading lower, albeit at a slower pace, after data on Friday showed that inflationary pressure in Japan was making relatively slow progress.

Japan's core consumer price index rose 0.5 percent in July. While this marked the seventh straight month of gains, the increase was largely driven by higher fuel costs.

The data showed subdued wage growth discouraged consumers from increasing spending, underscoring the challenge that the Bank of Japan faces in achieving its ambitious 2 percent inflation target.

Shorter-dated JGB maturities outperformed, with the five-year yield dropping 1.5 basis points to a 3-1/2-month low of minus 0.135 percent.

The longer-dated bonds lagged after days of successive gains. The 30-year yield nudged up half a basis point to 0.825 percent, pulling away from a near two-month low of 0.815 percent set on Thursday.

The BOJ on Friday reduced the amount of five- to 10-year JGBs it purchased at its regular debt-buying operation to 300 billion yen (\$2.74 billion) from 330 billion yen at the previous operation.

The BOJ often tweaks the amount of JGBs it purchases at these operations as part of its yield curve control scheme designed to keep the 10-year yield roughly around zero percent.

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

Friday, August 25, 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>													
USU05526AE50	USD	2250	2	1	2.297	FIXED	BAT CAPITAL CORP	GB	14.08.2020	100.30	2.19	BBB+	Baa2
USU05526AF26	USD	1000	2	1	1.905	FLOATING	BAT CAPITAL CORP	GB	14.08.2020	100.21	1.84	BBB+	Baa2
XS1645684587	USD	500	200	1	2.75	FIXED	CHINA GRT WALL INTL III	HK	31.08.2020	99.96	2.77	#N/A N/A	Baa1e
USU05526AG09	USD	2250	2	1	2.764	FIXED	BAT CAPITAL CORP	GB	15.08.2022	100.30	2.70	BBB+	Baa2
USU05526AH81	USD	750	2	1	2.195	FLOATING	BAT CAPITAL CORP	GB	15.08.2022	100.40	2.11	BBB+	Baa2
US579780AL12	USD	750	2	1	2.7	FIXED	MCCORMICK & CO	US	15.08.2022	100.71	2.55	BBB	Baa2
USY3815NAY77	USD	600	200	1	3	FIXED	HYUNDAI CAPITAL SERVICES	KR	29.08.2022	99.87	3.03	A-	Baa1
XS1645684660	USD	1000	200	1	3.125	FIXED	CHINA GRT WALL INTL III	HK	31.08.2022	99.92	3.15	#N/A N/A	Baa1e
US579780AM94	USD	700	2	1	3.15	FIXED	MCCORMICK & CO	US	15.08.2024	101.01	2.99	BBB	Baa2
USU05526AJ48	USD	2500	2	1	3.222	FIXED	BAT CAPITAL CORP	GB	15.08.2024	100.72	3.11	BBB+	Baa2
US579780AN77	USD	750	2	1	3.4	FIXED	MCCORMICK & CO	US	15.08.2027	100.82	3.30	BBB	Baa2
USU05526AK11	USD	3500	2	1	3.557	FIXED	BAT CAPITAL CORP	GB	15.08.2027	100.61	3.48	BBB+	Baa2
USY3815NAZ43	USD	300	200	1	3.625	FIXED	HYUNDAI CAPITAL SERVICES	KR	29.08.2027	99.85	3.64	A-	Baa1
XS1645684827	USD	500	200	1	3.875	FIXED	CHINA GRT WALL INTL III	HK	31.08.2027	99.36	3.96	#N/A N/A	Baa1e
US37045VAN01	USD	750	2	1	4.2	FIXED	GENERAL MOTORS CO	US	01.10.2027	100.89	4.09	BBB	Baa3
XS1623981641	EUR	400	100	1	1.35	FIXED	SHOUGANG GROUP	CN	07.08.2020	100.69	1.11	#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	101.74	0.84	BBB+	Baa2
XS1647481206	EUR	1000	100	1	2.15	FIXED	REPUBLIC OF INDONESIA	ID	18.07.2024	102.50	1.76	#N/A N/A	Baa3
XS1673102734	EUR	600	100	1	1.5	FIXED	ISS GLOBAL A/S	DK	31.08.2027	99.75	1.53	#N/A N/A	Baa2e
XS1651071950	EUR	700	100	1	1.95	FIXED	THERMO FISHER SCIENTIFIC	US	24.07.2029	100.47	1.91	BBB	Baa2
XS1672151492	EUR	750	100	1	1.75	FIXED	HOLCIM FINANCE LUX SA	CH	29.08.2029	99.24	1.82	#N/A N/A	Baa2
XS1664644983	EUR	1250	100	1	2.25	FIXED	BAT INTL FINANCE PLC	GB	16.01.2030	103.06	1.97	BBB+	Baa2
XS1651072099	EUR	700	100	1	2.875	FIXED	THERMO FISHER SCIENTIFIC	US	24.07.2037	101.97	2.74	BBB	Baa2
XS1640493299	GBP	300	100	1	1.7	FIXED	FIDELITY NATIONAL INFORM	US	30.06.2022	101.39	1.40	BBB	Baa2
AU3FN0037891	AUD	300	10	10	2.6906667	FLOATING	FBG FINANCE PTY LTD	BE	06.09.2022	100.24	3.21	#N/A N/A	A3e
AU3CB0246650	AUD	550	10	10	3.25	FIXED	FBG FINANCE PTY LTD	BE	06.09.2022	100.19	3.21	#N/A N/A	A3e
XS1642733932	GBP	250	100	1	2.5	FIXED	GO-AHEAD GROUP PLC	GB	06.07.2024	101.28	2.30	BBB-	Baa3
AU3CB0246668	AUD	650	10	10	3.75	FIXED	FBG FINANCE PTY LTD	BE	06.09.2024	100.43	3.68	#N/A N/A	A3e
XS1645518496	GBP	625	100	1	2.646	FIXED	ANNINGTON FUNDING PLC	GB	12.07.2025	102.99	2.23	(P)BBB	#N/A N/A
XS1664647499	GBP	450	100	1	2.125	FIXED	BAT CAPITAL CORP	GB	15.08.2025	100.62	2.04	BBB+	Baa2
AU3CB0246676	AUD	450	10	10	4.1	FIXED	FBG FINANCE PTY LTD	BE	06.09.2027	100.00	4.10	#N/A N/A	A3e
XS1652512705	GBP	250	100	1	2.875	FIXED	DS SMITH PLC	GB	26.07.2029	101.13	2.76	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	106.93	4.04	B+	B2
USN3700LAC92	USD	350	200	1	4.875	FIXED	GREENKO DUTCH BV	IN	24.07.2022	100.34	4.80	#N/A N/A	Ba2
XS1637076164	USD	700	200	1	4.75	FIXED	COUNTRY GARDEN HLDGS	CN	25.07.2022	100.97	4.53	#N/A N/A	Ba1
CH0370943570	CHF	75	5	5	3.625	FIXED	HELVETIA ENVIRON GROUP	CH	26.07.2022	104.76	2.58	#N/A N/A	#N/A N/A
XS1577956516	GBP	370	100	1	5	FIXED	MCLAREN FINANCE PLC	GB	01.08.2022	100.83	4.81	(P)B	B2e
USL0427PAA41	USD	400	2	1	6.125	FIXED	ATENTO LUXCO 1 SA	ES	10.08.2022	102.78	5.47	#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
USN3700LAB10	USD	650	200	1	5.25	FIXED	GREENKO DUTCH BV	IN	24.07.2024	100.36	5.19	#N/A N/A	Ba2
XS1651444140	EUR	650	100	1	2.125	FIXED	EUROFINS SCIENTIFIC SE	LU	25.07.2024	101.80	1.85	#N/A N/A	#N/A N/A
USG9328DAP53	USD	1000	200	1	6.125	FIXED	VEDANTA RESOURCES PLC	IN	09.08.2024	100.39	6.06	B+	B3
USC4949AAE04	USD	500	2	1	4.5	FIXED	KINROSS GOLD CORP	CA	15.07.2027	100.01	4.50	BB+	Ba1

Expected New Issues

Bold type : new entries of the day

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