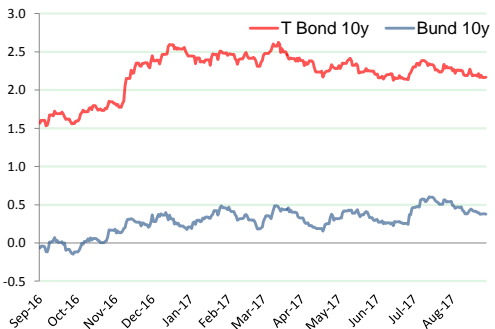
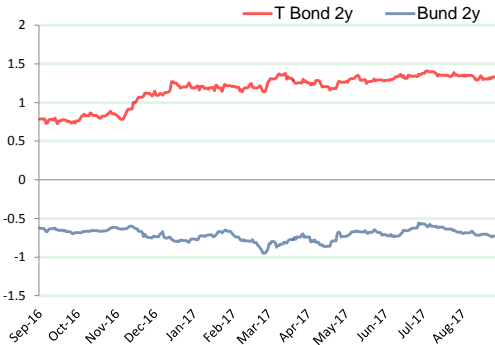


MORNING BOND UPDATE

Monday, August 28, 2017



	Last	Prev	02.janv
US 2y	1.33	1.33	0.70
US 10y	2.17	2.17	2.20
Germany 2y	-0.73	-0.73	-0.10
Germany 10y	0.38	0.38	0.54
France 2y	-0.50	-0.49	-0.05
France 10y	0.69	0.70	0.81
Swiss 2y	-0.80	-0.81	-0.28
Swiss 10y	-0.13	-0.13	0.32
Australia 2y	1.86	1.83	2.21
Australia 10y	2.66	2.65	2.87

T Bonds

** **U.S. Treasury** yields remained at unattractive rates on Friday after the world's two leading central bankers declined to discuss monetary policy in keynote speeches.

Federal Reserve Chair Janet Yellen's non-policy remarks at an annual meeting of central bankers in Jackson Hole, Wyoming pushed U.S. Treasury debt yields lower and increased chances that the U.S. central bank will not raise interest rates in December as had been widely anticipated.

The euro, meanwhile, jumped more than 1 percent after European Central Bank President Mario Draghi, speaking after Yellen, did not talk down the euro zone single currency's strength as some investors had speculated.

Yellen told bankers that regulatory reforms enacted after the financial crisis a decade ago have strengthened the banking system without impeding economic growth.

Draghi said global trade and cooperation is under threat, a risk to productivity and ultimately growth in advanced economies.

Investors had to pay attention to Yellen's speech, but she didn't discuss monetary policy, said an analyst. "There was a risk that Yellen would've said something," the latter said.

Draghi's speech drew similar comments.

"People were wondering whether he would push back against the euro strength or lean against it and he didn't," said an analyst.

Benchmark 10-year U.S. Treasury notes rose 6/32 in price, pushing the yield down to 2.1711 percent.

Rates futures implied traders saw a 37.2 percent chance of a rate hike at the Fed's December meeting, down from almost 39 percent on Thursday, CME Group's FedWatch tool showed.

Investor concerns about a looming deadline in late September to raise the U.S. debt ceiling were alleviated after U.S. Treasury Secretary Steven Mnuchin said that after talks with congressional leaders from both parties, everyone is "on the same page."

European Union

** **Portugal's** benchmark bond yield hit its highest level in almost a month on Friday to cap one its biggest weekly jumps of the year, as renewed focus on the ECB policy outlook weakened sentiment towards lower-rated euro zone debt.

A sell-off in southern European bonds that began with Italy earlier this week spread to Portugal and Spain on Friday.

The premium investors demand to hold 10-year Portuguese bonds over **German** peers rose to its highest level in five weeks, while **Spanish** bond yields hit their highest since late July.

Analysts said renewed uncertainty about when the ECB might scale back its monetary stimulus has dimmed the appeal of southern European bonds, a beneficiary of ECB bond-buying.

Those jitters have encouraged investors to unwind carry trades - borrowing in low-yielding assets to invest in higher-yielding ones such as peripheral government bonds.

Portugal's 10-year bond yield rose as much as 5 basis points to 2.91 percent, its highest in almost a month. It closed up around 11 basis points on the week. There have been only six other instances this year when yields have climbed more than 10 bps in a week.

Italian yields were set for their biggest weekly rise in seven, having climbed 8 bps.

The gap between Portuguese and top-rated German bond yields was at one stage pushed to around 250 bps, the widest in five weeks. The spread is often viewed as a gauge of how investors view relative risks in the euro zone.

The European Central Bank's ultra easy monetary policy is successful and the euro zone's economic recovery is taking hold, but patience is still needed for inflation to converge with the bank's target, ECB President Mario Draghi said on Friday.

Speaking during a question-and-answer session following a speech at the U.S. Federal Reserve's annual conference in Jackson Hole, Wyoming, Draghi said he was confident inflation would converge with the ECB's target of almost 2 percent as output rises towards capacity.

He noted that slack in the labor market for now was keeping wage growth and ultimately inflation muted.

Hoping to boost anemic inflation, the ECB has bought over 2 trillion euros worth of bonds in the past two years. With the purchases set to end in December, policymakers will decide this autumn whether to extend or wind them down, reconciling a dilemma between rapid growth and slow inflation.

Other Markets :

** **Japanese** government bond yields pulled back from recent lows as soft results to the Bank of Japan's debt-buying operations provided an opportunity for the market to consolidate.

The five-year yield edged up half a basis point to minus 0.130 percent after falling to minus 0.140 percent on Friday, its lowest since May 9.

The five-year JGB yield had tracked a rise in yields of U.S. Treasuries and other debt, touching a 1-1/2-year high of minus 0.035 percent on July 10.

But the five-year yield has declined since as prospects of the Federal Reserve aggressively hiking interest rates have ebbed, and as the BOJ calmed market sentiment by opting to buy more medium-term JGBs.

The 20-year yield was up half a basis point at 0.545 percent. It had declined to an 8-1/2-month low of 0.535 percent on Thursday.

The 30-year yield rose half a basis point to 0.835 percent following a drop to 0.815 percent late last week, its lowest in two months.

The BOJ on Monday bought 710 billion yen (\$6.50 billion) of one to 10-year JGBs as part of its regular debt-purchasing programme.

The central bank's bid to buy JGBs received relatively strong offers to sell by investors, which market participants generally consider as a bearish sign.

JGB losses, however, were limited as U.S. Treasuries gained on Friday after Fed Chair Janet Yellen did not mention monetary policy at a gathering of central bankers held over the weekend in Jackson Hole, relieving some investors who thought she might make hawkish comments on the economy.

DAILY BOND LIST

Monday, August 28, 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	100.35	2.18	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	99.93	2.78	#N/A N/A	A3
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	100.18	2.16	BBB+	Baa2
US579780AL12	USD	750	2	1	2.7	FIXED	MCCORMICK & CO	US	15.08.2022	100.82	2.52	BBB	Baa2
USY3815NAY77	USD	600	200	1	3	FIXED	HYUNDAI CAPITAL SERVICES	KR	29.08.2022	99.86	3.03	A-	Baa1
XS1645684660	USD	1000	200	1	3.125	FIXED	CHINA GRT WALL INTL III	HK	31.08.2022	99.91	3.14	#N/A N/A	Baa1
US579780AM94	USD	700	2	1	3.15	FIXED	MCCORMICK & CO	US	15.08.2024	101.30	2.94	BBB	Baa2
USU05526AJ48	USD	2500	2	1	3.222	FIXED	BAT CAPITAL CORP	GB	15.08.2024	100.88	3.08	BBB+	Baa2
US579780AN77	USD	750	2	1	3.4	FIXED	MCCORMICK & CO	US	15.08.2027	101.24	3.25	BBB	Baa2
USU05526AK11	USD	3500	2	1	3.557	FIXED	BAT CAPITAL CORP	GB	15.08.2027	101.09	3.43	BBB+	Baa2
USY3815NAZ43	USD	300	200	1	3.625	FIXED	HYUNDAI CAPITAL SERVICES	KR	29.08.2027	100.18	3.60	A-	Baa1
XS1645684827	USD	500	200	1	3.875	FIXED	CHINA GRT WALL INTL III	HK	31.08.2027	99.26	3.97	#N/A N/A	Baa1
US37045VAN01	USD	750	2	1	4.2	FIXED	GENERAL MOTORS CO	US	01.10.2027	101.36	4.03	BBB	Baa3
XS1623981641	EUR	400	100	1	1.35	FIXED	SHOUGANG GROUP	CN	07.08.2020	100.70	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	100.42	0.07	BBB+	Baa2
XS1664644710	EUR	750	100	1	1.125	FIXED	BAT CAPITAL CORP	GB	16.11.2023	101.69	0.84	BBB+	Baa2
XS1647481206	EUR	1000	100	1	2.15	FIXED	REPUBLIC OF INDONESIA	ID	18.07.2024	102.52	1.76	#N/A N/A	Baa3
XS1673102734	EUR	600	100	1	1.5	FIXED	ISS GLOBAL A/S	DK	31.08.2027	99.84	1.52	#N/A N/A	Baa2e
XS1651071950	EUR	700	100	1	1.95	FIXED	THERMO FISHER SCIENTIFIC	US	24.07.2029	100.43	1.91	BBB	Baa2
XS1672151492	EUR	750	100	1	1.75	FIXED	HOLCIM FINANCE LUX SA	CH	29.08.2029	99.31	1.81	BBB	Baa2
XS1664644983	EUR	1250	100	1	2.25	FIXED	BAT INTL FINANCE PLC	GB	16.01.2030	103.01	1.97	BBB+	Baa2
XS1651072099	EUR	700	100	1	2.875	FIXED	THERMO FISHER SCIENTIFIC	US	24.07.2037	101.77	2.76	BBB	Baa2
XS1640493299	GBP	300	100	1	1.7	FIXED	FIDELITY NATIONAL INFORM	US	30.06.2022	101.41	1.40	BBB	Baa2
AU3FN0037891	AUD	300	10	10	2.697	FLOATING	FBG FINANCE PTY LTD	BE	06.09.2022	100.25	3.23	#N/A N/A	A3e
AU3CB0246650	AUD	550	10	10	3.25	FIXED	FBG FINANCE PTY LTD	BE	06.09.2022	100.04	3.24	#N/A N/A	A3e
XS1642733932	GBP	250	100	1	2.5	FIXED	GO-AHEAD GROUP PLC	GB	06.07.2024	101.27	2.30	BBB-	Baa3
AU3CB0246668	AUD	650	10	10	3.75	FIXED	FBG FINANCE PTY LTD	BE	06.09.2024	100.28	3.70	#N/A N/A	A3e
XS1645518496	GBP	625	100	1	2.646	FIXED	ANNINGTON FUNDING PLC	GB	12.07.2025	102.96	2.23	(P)BBB	#N/A N/A
XS1664647499	GBP	450	100	1	2.125	FIXED	BAT CAPITAL CORP	GB	15.08.2025	100.68	2.03	BBB+	Baa2
AU3CB0246676	AUD	450	10	10	4.1	FIXED	FBG FINANCE PTY LTD	BE	06.09.2027	99.81	4.12	#N/A N/A	A3e
XS1652512705	GBP	250	100	1	2.875	FIXED	DS SMITH PLC	GB	26.07.2029	101.12	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	107.08	4.01	B+	B2
USN3700LAC92	USD	350	200	1	4.875	FIXED	GREENKO DUTCH BV	IN	24.07.2022	100.25	4.82	#N/A N/A	Ba2
XS1637076164	USD	700	200	1	4.75	FIXED	COUNTRY GARDEN HLDGS	CN	25.07.2022	101.07	4.50	#N/A N/A	Ba1
CH0370943570	CHF	75	5	5	3.625	FIXED	HELVETIA ENVIRON GROUP	CH	26.07.2022	104.85	2.56	#N/A N/A	#N/A N/A
XS1577956516	GBP	370	100	1	5	FIXED	MCLAREN FINANCE PLC	GB	01.08.2022	100.84	4.81	(P)B	B2e
USL0427PAA41	USD	400	2	1	6.125	FIXED	ATENTO LUXCO 1 SA	ES	10.08.2022	103.00	5.42	#N/A N/A	Ba3
USG65309AA76	USD	250	200	1	5.75	FIXED	MCLAREN FINANCE PLC	GB	01.08.2022	103.28	4.99	(P)B	B2e
USN3700LAB10	USD	650	200	1	5.25	FIXED	GREENKO DUTCH BV	IN	24.07.2024	100.50	5.16	#N/A N/A	Ba2
XS1651444140	EUR	650	100	1	2.125	FIXED	EUROFINS SCIENTIFIC SE	LU	25.07.2024	101.82	1.84	#N/A N/A	#N/A N/A
USG9328DAP53	USD	1000	200	1	6.125	FIXED	VEDANTA RESOURCES PLC	IN	09.08.2024	100.49	6.04	B+	B3
USC4949AAE04	USD	500	2	1	4.5	FIXED	KINROSS GOLD CORP	CA	15.07.2027	100.20	4.47	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.