

# The Analysis Report of Bond Market in April, 2024

## A、Macroeconomic Data

### ※America

Event	Date	Survey	Actual	Prior
ISM Index in February	3/1	49.5	47.8	49.1
ISM Service in February	3/5	53	52.6	53.4
Nonfarm Payrolls in February	3/8	200K	275K	229K(Adj.)
Unemployment Rate in February	3/8	3.70%	3.90%	3.70%
Hourly Earnings MoM in February	3/8	0.20%	0.10%	0.50%(Adj.)
Average Workweek in February	3/8	34.3	34.3	34.2(Adj.)
PPI MoM in February	3/14	0.30%	0.60%	0.30%
CORE PPI MoM in February	3/14	0.20%	0.30%	0.50%
NAHB Housing Market Index in March	3/18	48	51	48
Housing Starts MoM in February	3/19	8.20%	10.70%	-12.30%(Adj.)
Building Permits MoM in February	3/19	0.50%	1.90%	-0.30%(Adj.)
Existing Home Sales in February	3/21	3,950K	4,380K	4,000K
New Home Sales in February	3/25	677K	662K	664K(Adj.)
Durable Orders ex transportation MoM in February	3/26	0.40%	0.50%	-0.30%(Adj.)
Durable Orders MoM in February	3/26	1.00%	1.40%	-6.90%(Adj.)
GDP-adv	3/28	3.20%	3.40%	3.20%
Personal Income MoM in February	3/29	0.40%	0.30%	1.00%
Personal Spending MoM in February	3/29	0.50%	0.80%	0.20%

✧Taiwan

Event	Date	Actual	Prior
Foreign Exchange Reserves in February	3/5	569.42(US\$ Billion)	569.54(US\$ Billion)
CPI YoY in February	3/7	3.08%	1.80%(Adj.)
Exports YoY in February	3/8	1.30%	18.10%
Export Orders YoY in February	3/20	-10.40%	1.90%
Money Supply M2 YoY in February	3/21	5.59%	5.44%
Unemployment Rate in February	3/22	3.40%	3.39%
Industrial Production YoY in February	3/25	-1.10%	15.61%(Adj.)

## B · The Analysis of Bond Market

Recent indications from the Federal Reserve' s dot plot suggest a high likelihood of three interest rate cuts this year, resulting in a downward trend for U.S. Treasury yields. However, subsequent economic data releases have largely exceeded market expectations, leading to fluctuations in U.S. bond yields.

In the Taiwanese bond market, unexpected interest rate hikes by our central bank have caused a surge in Taiwanese bond yields. Fortunately, during a legislative report, the central bank' s governor hinted that the June policy rate is likely to remain unchanged. As a result, Taiwanese bond yields have remained elevated.

Looking ahead, the recent response in the Taiwanese bond market reflects our central bank' s tightening decision. With yields breaking out of previous consolidation ranges and short-term inflation expectations driven by rising electricity prices, the likelihood of interest rate cuts this year has diminished. Going forward, we need to closely monitor CPI data performance. It is estimated that Taiwanese bond yields will experience high-level fluctuations after the recent surge, with the 10-year Taiwanese bond yield likely to trade within the range of 1.33% to 1.53%.

C、The Chart of Benchmark GB Yield for 5 terms & 10 terms

