

The Analysis Report of Bond Market in November, 2020

A、Macroeconomic Data

※America

Event(Adj.)	Date	Survey	Actual	Prior
ISM Index in September	10/1	56.5	55.4	56.0
Nonfarm Payrolls in September	10/2	859K	661K	1,489K(Adj.)
Unemployment Rate in September	10/2	8.2%	7.9%	8.4%
Hourly Earnings MoM in September	10/2	0.2%	0.1%	0.3%(Adj.)
Average Workweek in September	10/2	34.6	34.7	34.6
ISM Service in September	10/5	56.2	57.8	56.9
CPI MoM in September	10/13	0.2%	0.2%	0.4%
CORE CPI MoM in September	10/13	0.2%	0.2%	0.4%
PPI MoM in September	10/14	0.2%	0.4%	0.3%
CORE PPI MoM in September	10/14	0.2%	0.4%	0.4%
NAHB Housing Market Index in October	10/19	83	85	83
Housing Starts MoM in September	10/20	3.5%	1.9%	-6.7%(Adj.)
Building Permits MoM in September	10/20	3.0%	5.2%	-0.5%(Adj.)
Existing Home Sales in September	10/22	6,300K	6,540K	5,980K(Adj.)
New Home Sales in September	10/26	1,025K	959K	994K(Adj.)
Durable Orders MoM in September	10/27	0.5%	1.9%	0.4%(Adj.)
Durable Orders ex transportation MoM in	10/27	0.4%	0.8%	1.0%(Adj.)
GDP-adv	10/29	32.0%	33.1%	-31.4%
Personal Income MoM in September	10/30	0.4%	0.9%	-2.5%(Adj.)
Personal Spending MoM in September	10/30	1.0%	1.4%	1.0%

✧Taiwan

Event	Date	Actual	Prior
Foreign Exchange Reserves in September	10/7	496.60(US\$ Billion)	498.17(US\$ Billion)
Exports YoY in September	10/7	9.40%	8.30%
CPI YoY in September	10/8	-0.58%	-0.32%(Adj.)
Export Orders YoY in September	10/20	9.90%	13.60%
Unemployment Rate in September	10/22	3.78%	3.83%
Industrial Production YoY in September	10/23	10.73%	3.60%
Money Supply M2 YoY in September	10/23	7.15%	6.69%

B · The Analysis of Bond Market

The 33.1% annualized quarterly GDP growth rate in the third quarter of the United States was better than expected. Optimism made U.S. stocks stronger and U.S. bond yield higher. However, the risk of controversy in the U.S. election subsequently rose sharply, causing U.S. bond yields to reverse and fall. As a result, the 10-year U.S. bond yields has risen first and then fell.

In the Taiwan bond market, under the pressure of financial institutions facing de-capitalization, the transaction price reached a new low, which made the 10-year Taiwan bond yield continue to fall.

Looking ahead, due to the low yield of Taiwan bonds, the willingness to trade on electronic disks is weak, and the situation of deserted transactions may become normal. However, before the buyer's demand is not met, the yield still has a chance to bottom out. It is estimated that the yield rate may continue to fall or maintain a low level of consolidation. It is expected that the 10-year Taiwan bond yield should fluctuate between 0.27% and 0.37% in the short term.

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

