

The Analysis Report of Bond Market in January, 2025

A、Macroeconomic Data

※America

Event	Date	Survey	Actual	Prior
ISM Index in November	12/02	47.50	48.40	46.50
ISM Service in November	12/04	55.7	52.1	56
Nonfarm Payrolls in November	12/06	220K	227K	36K(Adj.)
Unemployment Rate in November	12/06	4.10%	4.20%	4.10%
Hourly Earnings MoM in November	12/06	0.30%	0.40%	0.40%
Average Workweek in November	12/06	34.3	34.3	34.2(Adj.)
PPI MoM in November	12/12	0.20%	0.40%	0.30%(Adj.)
CORE PPI MoM in November	12/12	0.20%	0.20%	0.30%
NAHB Housing Market Index in December	12/17	47	46	46
Housing Starts MoM in November	12/18	2.60%	-1.80%	-3.20%(Adj.)
Building Permits MoM in November	12/18	1.00%	6.10%	-0.40%(Adj.)
Existing Home Sales in November	12/19	4,090K	4,150K	3,960K
GDP-adv	12/19	2.80%	3.10%	2.80%
Personal Income MoM in November	12/20	0.40%	0.30%	0.70%(Adj.)
Personal Spending MoM in November	12/20	0.50%	0.40%	0.30%(Adj.)
New Home Sales in November	12/23	669K	664K	627K(Adj.)
Durable Orders ex transportation MoM in November	12/23	0.30%	-0.10%	0.20%
Durable Orders MoM in November	12/23	-0.30%	-1.10%	0.80%(Adj.)

✧Taiwan

Event	Date	Actual	Prior
Foreign Exchange Reserves in November	12/05	577.97(US\$ Billion)	576.85(US\$ Billion)
CPI YoY in November	12/05	2.08%	1.69%
Exports YoY in November	12/09	9.70%	8.40%
Money Supply M2 YoY in November	12/19	5.47%	5.83%
Export Orders YoY in November	12/20	3.30%	4.90%
Unemployment Rate in November	12/23	3.41%	3.38%
Industrial Production YoY in November	12/23	10.29%	8.81%(Adj.)

B · The Analysis of Bond Market

Recently, the US economy has shown signs of weakness, with economic data falling short of market expectations. This initially led to a decline in US Treasury yields from their recent highs. However, subsequent stronger-than-expected employment data, coupled with the upcoming inauguration of a new president, has created a wait-and-see atmosphere, causing US Treasury yields to stabilize.

Despite the recent decline in US Treasury yields, the Taiwan bond market has seen a divergent trend. Yields on 2-year, 5-year, and 10-year Taiwan bonds have risen, accompanied by a surge in trading volume. The 10-year benchmark Taiwan bond yield closed higher.

Looking ahead, the potential for a smaller-than-expected interest rate cut in the US has led to a recent uptick in US Treasury yields. The Taiwan bond market, approaching the end of the year, has shown limited reaction. However, with the passage of the new fiscal law in the new year, increased government borrowing may put upward pressure on Taiwan bond yields. As a result, Taiwan bond yields are expected to trade within a range of 1.65% to 1.75% in the near term.

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

