

The Analysis Report of Bond Market in March, 2022

A、Macroeconomic Data

※America

Event	Date	Survey	Actual	Prior
ISM Index in January	2/1	57.5	57.6	58.8(Adj.)
ISM Service in January	2/3	59.5	59.9	62.3(Adj.)
Nonfarm Payrolls in January	2/4	125K	467K	588K(Adj.)
Unemployment Rate in January	2/4	3.9%	4.0%	3.9%
Hourly Earnings MoM in January	2/4	0.5%	0.7%	0.5%(Adj.)
Average Workweek in January	2/4	34.7	34.5	34.8(Adj.)
CPI MoM in January	2/10	0.4%	0.6%	0.6%(Adj.)
CORE CPI MoM in January	2/10	0.5%	0.6%	0.6%
PPI MoM in January	2/15	0.5%	1.0%	0.4%(Adj.)
CORE PPI MoM in January	2/15	0.5%	0.8%	0.6%(Adj.)
NAHB Housing Market Index in February	2/16	82	82	83
Housing Starts MoM in January	2/17	-0.4%	-4.1%	0.3%(Adj.)
Building Permits MoM in January	2/17	-7.2%	0.7%	9.8%(Adj.)
Existing Home Sales in January	2/18	6,100K	6,500K	6,090K(Adj.)
New Home Sales in January	2/24	803K	801K	839K(Adj.)
GDP-adv	2/24	7.0%	7.0%	6.9%
Durable Orders MoM in January	2/25	1.0%	1.6%	1.2%(Adj.)
Durable Orders ex transportation MoM in January	2/25	0.4%	0.7%	0.9%(Adj.)
Personal Income MoM in January	2/25	-0.3%	0.0%	0.4%
Personal Spending MoM in January	2/25	1.6%	2.1%	-0.8%

✧Taiwan

Event	Date	Actual	Prior
Foreign Exchange Reserves in January	2/9	548.87(US\$ Billion)	548.41(US\$ Billion)
CPI YoY in January	2/11	2.84%	2.63%(Adj.)
Exports YoY in January	2/11	16.7%	23.3%(Adj.)
Export Orders YoY in January	2/21	11.7%	12.1%
Industrial Production YoY in January	2/23	10.00%	8.69%
Unemployment Rate in January	2/24	3.70%	3.70%(Adj.)
Money Supply M2 YoY in January	2/24	7.87%	8.02%

B · The Analysis of Bond Market

Affected by the Russian-Ukrainian conflict recently, a new wave of sanctions by Western countries has made investors worried about the negative impact on the financial system. Coupled with the escalation of the Russian-Ukrainian conflict, Russia has attacked Europe's largest nuclear power plant in Ukraine and won control, triggering funds to flock to safe-haven assets such as U.S. bonds. Also, the event has offset the news that the U.S. non-farm payrolls numbers were bullish in February, causing the 10-year U.S. bond yield rate to show a downward trend recently.

The Taiwan bond market was affected by geopolitical uncertainties in Russia and Ukraine, and the US bond yields fluctuated greatly, causing most traders to withdraw and would rather sit on the fence. Thus, the trading atmosphere turned light. Before there is a clear result of the war, Taiwanese bonds may temporarily remain in range fluctuations. Recently, the Taiwan 10-year benchmark bond yields have shown a trend of consolidation, with little fluctuations.

Looking forward to the market outlook, although the recent escalation of the conflict between Russia and Ukraine has caused the Taiwan bond yield rate to fall for a while, the market still has expectations for the central bank to raise interest rates, coupled with the lack of liquidity in chips, so the willingness of many parties to chase down significantly is not high. It is estimated that the Taiwan bond yield may continue to maintain a long-short stalemate in the short term, and the recent 10-year Taiwan bond yield should fluctuate between 0.65% and 0.75%.

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

