

The Analysis Report of Bond Market in May, 2024

A、Macroeconomic Data

※America

Event	Date	Survey	Actual	Prior
ISM Index in March	4/1	48.30	50.30	47.80
ISM Service in March	4/3	52.80	51.40	52.60
Nonfarm Payrolls in March	4/5	214K	303K	270K(Adj.)
Unemployment Rate in March	4/5	3.80%	3.80%	3.90%
Hourly Earnings MoM in March	4/5	0.30%	0.30%	0.20%(Adj.)
Average Workweek in March	4/5	34.30	34.40	34.30
PPI MoM in March	4/11	0.30%	0.20%	0.60%
CORE PPI MoM in March	4/11	0.20%	0.20%	0.30%
NAHB Housing Market Index in April	4/15	51.00	51.00	51.00
Housing Starts MoM in March	4/16	-2.40%	-14.70%	12.70%(Adj.)
Building Permits MoM in March	4/16	-0.90%	-4.30%	2.40%(Adj.)
Existing Home Sales in March	4/18	4,200K	4,190K	4,380K
New Home Sales in March	4/23	668K	693K	637K(Adj.)
Durable Orders ex transportation MoM in March	4/24	0.20%	0.20%	0.10%(Adj.)
Durable Orders MoM in March	4/24	2.50%	2.60%	0.70%(Adj.)
GDP-adv	4/25	2.50%	1.60%	3.40%
Personal Income MoM in March	4/26	0.50%	0.50%	0.30%
Personal Spending MoM in March	4/26	0.60%	0.80%	0.80%

✧Taiwan

Event	Date	Actual	Prior
Foreign Exchange Reserves in March	4/3	568.10(US\$ Billion)	569.42(US\$ Billion)
CPI YoY in March	4/9	2.14%	3.08%
Exports YoY in March	4/10	18.90%	1.30%
Export Orders YoY in March	4/22	1.20%	-10.40%
Unemployment Rate in March	4/22	3.40%	3.40%
Industrial Production YoY in March	4/23	3.99%	-1.31%(Adj.)
Money Supply M2 YoY in March	4/24	6.15%	5.59%

B · The Analysis of Bond Market

In recent times, the U.S. inflation data released has met market expectations, easing investors' concerns about inflation. U.S. bond yields have retreated from their highs, and the subsequent Federal Reserve interest rate decision indicates a slower pace of tapering in June. The market has interpreted this as dovish, leading to further declines in U.S. bond yields.

As for the Taiwanese bond market, trading has remained thin recently, with sporadic transactions in the 5-year benchmark bonds. Yields have seen a slight increase, and the market sentiment is cautious. The 10-year benchmark bond yields in Taiwan have remained flat.

Looking ahead, although U.S. bond yields have declined from their recent highs, the Taiwanese bond market still faces domestic inflation pressures. The possibility of an interest rate hike by our central bank cannot be ruled out, and it is expected that Taiwanese bond yields may exhibit a high-range consolidation trend. The trading range for the 10-year Taiwanese bond yields in the near term could fall between 1.60% and 1.80%.

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

