

The Analysis Report of Bond Market in March, 2024

A、Macroeconomic Data

※America

Event	Date	Survey	Actual	Prior
ISM Index in January	2/1	47.2	49.1	47.1(Adj.)
Nonfarm Payrolls in January	2/2	185K	353K	333K(Adj.)
Unemployment Rate in January	2/2	3.80%	3.70%	3.70%
Hourly Earnings MoM in January	2/2	0.30%	0.60%	0.40%
Average Workweek in January	2/2	34.3	34.1	34.3
ISM Service in January	2/5	52	53.4	50.5(Adj.)
NAHB Housing Market Index in February	2/15	46	48	44
PPI MoM in January	2/16	0.10%	0.30%	-0.10%
CORE PPI MoM in January	2/16	0.10%	0.50%	-0.10%(Adj.)
Housing Starts MoM in January	2/16	0.00%	-14.80%	3.3%(Adj.)
Building Permits MoM in January	2/16	1.30%	-1.50%	1.8%(Adj.)
Existing Home Sales in January	2/22	3,970K	4,000K	3,880K(Adj.)
New Home Sales in January	2/26	684K	661K	651K(Adj.)
Durable Orders ex transportation MoM in January	2/27	0.20%	-0.30%	-0.10%(Adj.)
Durable Orders MoM in January	2/27	-5.00%	-6.10%	-0.30%(Adj.)
GDP-adv	2/28	3.30%	3.20%	3.30%
Personal Income MoM in January	2/29	0.40%	1.00%	0.30%
Personal Spending MoM in January	2/29	0.20%	0.20%	0.70%

✧Taiwan

Event	Date	Actual	Prior
Foreign Exchange Reserves in January	2/5	569.54(US\$ Billion)	570.60(US\$ Billion)
CPI YoY in January	2/6	1.79%	2.70%(Adj.)
Exports YoY in January	2/7	18.10%	11.80%
Export Orders YoY in January	2/27	1.90%	-16.00%
Unemployment Rate in January	2/29	3.39%	3.39%(Adj.)
Industrial Production YoY in January	2/29	15.98%	-3.83%(Adj.)
Money Supply M2 YoY in January	2/27	5.44%	5.30%

B · The Analysis of Bond Market

In recent times, U.S. Treasury bond yields have experienced a rebound, reaching higher levels. Investors have been actively participating in the market, buying on dips and covering short positions. As a result, U.S. bond yields initially rose but later retraced. However, economic data releases have generally fallen short of market expectations, putting pressure on U.S. bond yields, especially the 10-year yield, which has shown a downward trajectory.

Shifting our focus to the Taiwanese bond market, after the auction of 5-year bonds, trading activity remained relatively subdued. Both the 5-year and 10-year benchmark bond yields in Taiwan exhibited narrow fluctuations. Ultimately, the 10-year benchmark bond closed slightly lower.

Looking ahead, the Taiwanese bond market has not closely mirrored the volatility seen in U.S. bond yields. Despite this, the overall trend remains relatively strong following the benchmark bond auction, indicating robust demand for bond replenishment in the first quarter. Considering that Taiwan's central bank is likely to maintain its basic interest rate unchanged in March, short-term Taiwanese bond yields are expected to continue oscillating within a defined range. Specifically, the 10-year Taiwanese bond yield may trade between 1.17% and 1.27%.

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

