

The Analysis Report of Bond Market in August, 2023

A、Macroeconomic Data

※America

Event	Date	Survey	Actual	Prior
ISM Index in June	7/3	47.1	46.0	46.9
ISM Service in June	7/6	51.2	53.9	50.3
Nonfarm Payrolls in June	7/7	230K	209K	281K(Adj.)
Unemployment Rate in June	7/7	3.6%	3.6%	3.7%
Hourly Earnings MoM in June	7/7	0.3%	0.4%	0.3%
Average Workweek in June	7/7	34.3	34.4	34.3
CPI MoM in June	7/12	0.3%	0.2%	0.1%
CORE CPI MoM in June	7/12	0.3%	0.2%	0.4%
PPI MoM in June	7/13	0.2%	0.1%	-0.4%(Adj.)
CORE PPI MoM in June	7/13	0.2%	0.1%	0.1%(Adj.)
NAHB Housing Market Index in July	7/18	56	56	55
Housing Starts MoM in June	7/19	-9.3%	-8.0%	15.7%(Adj.)
Building Permits MoM in June	7/19	0.2%	-3.7%	5.6%(Adj.)
Existing Home Sales in June	7/20	4,200K	4,160K	4,300K
New Home Sales in June	7/26	725K	697K	715K(Adj.)
Durable Orders MoM in June	7/27	1.3%	4.7%	2.0%(Adj.)
Durable Orders ex transportation MoM in June	7/27	0.1%	0.6%	0.7%
GDP-adv	7/27	1.8%	2.4%	2.0%
Personal Income MoM in June	7/28	0.5%	0.3%	0.5%(Adj.)
Personal Spending MoM in June	7/28	0.4%	0.5%	0.2%(Adj.)

✧Taiwan

Event	Date	Actual	Prior
Foreign Exchange Reserves in June	7/5	564.834(US\$ Billion)	562.868(US\$ Billion)
CPI YoY in June	7/6	1.75%	2.02%
Exports YoY in June	7/7	-23.4%	-14.1%
Export Orders YoY in June	7/20	-24.9%	-17.6%
Industrial Production YoY in June	7/24	-16.63%	-15.71%(Adj.)
Money Supply M2 YoY in June	7/24	5.93%	6.63%
Unemployment Rate in June	7/24	3.45%	3.50%

B · The Analysis of Bond Market

As the U.S. PPI and retail sales data were better than expected, coupled with the continuation of the bearish market atmosphere, the U.S. bond yield continued to rise, and the 10-year U.S. bond yield has shown an upward trend recently.

The recent atmosphere in the international bond market has been bearish. Driven by the rise in U.S. bond yields, the 10-year Taiwan bond yield has tested a range high of 1.2%. During the week, a small amount of short-covering and buying entered the market. Under the current situation, the yield rate has retreated slightly. Recently, the 10-year Taiwan bond yield has risen more and fell less, generally showing an upward trend.

Looking ahead, although the trend of Taiwan bonds is still mainly affected by the impact of U.S. bonds, the current situation that the Taiwan bond market has a bargaining chip advantage has not changed. This will restrain the increase in Taiwan bond yields. It is expected that Taiwan bond yields will remain at high-end range fluctuates. The recent 10-year Taiwan bond yield trading range may fluctuate between 1.15% and 1.25%.

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

