

The Analysis Report of Bond Market in October, 2020

A、Macroeconomic Data

※America

Event(Adj.)	Date	Survey	Actual	Prior
ISM Index in August	9/1	54.8	56	54.2
ISM Service in August	9/3	57	56.9	58.1
Nonfarm Payrolls in August	9/4	1,350K	1,371K	1,761K(Adj.)
Unemployment Rate in August	9/4	9.8%	8.4%	10.2%
Hourly Earnings MoM in August	9/4	0.0%	0.4%	0.1%(Adj.)
Average Workweek in August	9/4	34.5	34.6	34.6(Adj.)
PPI MoM in August	9/10	0.2%	0.3%	0.6%
CORE PPI MoM in August	9/10	0.2%	0.4%	0.5%
CPI MoM in August	9/11	0.3%	0.4%	0.6%
CORE CPI MoM in August	9/11	0.2%	0.4%	0.6%
NAHB Housing Market Index in September	9/16	78	83	78
Housing Starts MoM in August	9/17	-0.6%	-5.1%	17.9%
Building Permits MoM in August	9/17	2.0%	-0.9%	17.9%
Existing Home Sales in August	9/22	6,000K	6,000K	5,860K
New Home Sales in August	9/24	890K	1,011K	965K(Adj.)
Durable Orders MoM in August	9/25	1.5%	0.4%	11.7%(Adj.)
Durable Orders ex transportation MoM in August	9/25	1.0%	0.4%	3.2%(Adj.)
GDP-adv	9/30	-31.7%	-31.4%	-31.7%
Personal Income MoM in August	10/1	-2.5%	-2.7%	0.5%
Personal Spending MoM in August	10/1	0.8%	1.0%	1.5%

✧Taiwan

Event	Date	Actual	Prior
Foreign Exchange Reserves in August	9/4	498.17(US\$ Billion)	496.17(US\$ Billion)
Exports YoY in August	9/7	8.30%	0.30%(Adj.)
CPI YoY in August	9/8	-0.33%	-0.51%(Adj.)
Export Orders YoY in August	9/21	13.60%	12.40%
Unemployment Rate in August	9/22	3.83%	3.90%
Industrial Production YoY in August	9/23	4.70%	2.75%(Adj.)
Money Supply M2 YoY in August	9/24	6.69%	5.89%

B、The Analysis of Bond Market

At the beginning of this month, President Trump's diagnosis of COVID-19 caused the US bond yield to converge. However, after the news that Trump's illness was recovering, the US bond yield rose sharply.

Recently, the central bank's 364-day NCD weighted average interest rate was 0.253%, which continued to hit a record low, indicating that the market has abundant funds, causing the 10-year Taiwanese bond yield to continue to fall.

Looking ahead, the bid opening result for the Oct. 8th 10-year government bond is 0.352%. The auction result shows that the financial industry has a large demand for bonds under the pressure of de-capitalization, and the auction result also makes the 10-year yield of treasury benchmark continue to break the bottom. In view of this estimate, under the current situation of continued loose market funds, it will continue to support the Taiwan bond yield to remain at a low level. It is expected that the 10-year Taiwan bond yield trading range will fluctuate between 0.32% and 0.42% this week.

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

