

The Analysis Report of Bond Market in September, 2021

A・Macroeconomic Data

※America

Event	Date	Survey	Actual	Prior
ISM Index in July	8/2	61.0	59.5	60.6
CPI MoM in July	8/4	60.5	64.1	60.1
ISM Service in July	8/6	870K	943K	962K(Adj.)
Unemployment Rate in July	8/6	5.7%	5.4%	5.9%
Hourly Earnings MoM in July	8/6	0.3%	0.4%	0.4%(Adj.)
Average Workweek in July	8/6	34.7	34.8	34.7
CORE PPI MoM in July	8/11	0.5%	0.5%	0.9%
NAHB Housing Market Index in August	8/11	0.4%	0.3%	0.9%
CORE CPI MoM in July	8/12	0.6%	1.0%	1.0%
PPI MoM in July	8/12	0.5%	1.0%	1.0%
Housing Starts MoM in July	8/17	80	75	80
Building Permits MoM in July	8/18	-2.6%	-7.0%	3.5%
Existing Home Sales in July	8/18	1.0%	2.6%	-5.3%
New Home Sales in July	8/23	5,830K	5,990K	5,870K(Adj.)
Durable Orders MoM in July	8/24	697K	708K	701K(Adj.)
Durable Orders ex transportation MoM in July	8/25	-0.3%	-0.1%	0.8%(Adj.)
GDP-adv	8/25	0.5%	0.7%	0.6%(Adj.)
Personal Income MoM in July	8/26	6.7%	6.6%	6.5%
Personal Spending MoM in July	8/27	0.3%	1.1%	0.2%(Adj.)

✧Taiwan

Event	Date	Actual	Prior
Foreign Exchange Reserves in July	8/5	543.08(US\$ Billion)	543.28(US\$ Billion)
CPI YoY in July	8/5	1.95%	1.83%(Adj.)
Exports YoY in July	8/9	34.7%	35.1%
Export Orders YoY in July	8/20	21.4%	31.10%
Unemployment Rate in July	8/23	4.36%	4.76%
Industrial Production YoY in July	8/23	13.93%	18.00%(Adj.)
Money Supply M2 YoY in July	8/24	8.70%	9.23%

B · The Analysis of Bond Market

At the beginning of this September, the U.S. bond market's concerns about inflation caused the 10-year U.S. bond yield to rise. Later, since the results of the 10-year U.S. bond auction is better than expected, along with the narrative of the Federal Reserve's Beige Book stating that there's a slight economic slowdown, the market's concerns about reducing debt purchases at the end of the year has been eased, causing the 10-year U.S. bond yield to fall from a swing high. Recently, the 10-year U.S. bond yield has shown a trend of first rising and then falling.

The results of the 5-year Taiwan bond tenders this month has stabilized, driving multi-party buying back, and the weak trading volume in the secondary market has also been boosted. Coupled with the fall in the U.S. bond yield, the 10-year Taiwan bond yield has recently declined.

Looking ahead, the Taiwan bond market has issued long-term bonds with maturities of more than 10 years since late September. Coupled with the fact that transactions in the secondary market are relatively scarce, the trend of Taiwan bond yields in the short term will still be affected by the results of new bond auctions. It is expected that the recent 10-year Taiwan bond yield should fluctuate between 0.36% and 0.46%.

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

