

The Analysis Report of Bond Market in June, 2022

A、Macroeconomic Data

※America

Event	Date	Survey	Actual	Prior
ISM Index in April	5/2	57.6	55.4	57.1
ISM Service in April	5/4	58.5	57.1	58.3
Nonfarm Payrolls in April	5/6	380K	428K	398K(Adj.)
Unemployment Rate in April	5/6	3.5%	3.6%	3.6%
Hourly Earnings MoM in April	5/6	0.4%	0.3%	0.5%(Adj.)
Average Workweek in April	5/6	34.7	34.6	34.6
CPI MoM in April	5/11	0.2%	0.3%	1.2%
CORE CPI MoM in April	5/11	0.4%	0.6%	0.3%
PPI MoM in April	5/12	0.5%	0.5%	1.6%(Adj.)
CORE PPI MoM in April	5/12	0.7%	0.4%	1.2%(Adj.)
NAHB Housing Market Index in May	5/17	75	69	77
Housing Starts MoM in April	5/18	-2.1%	-0.2%	-2.8%(Adj.)
Building Permits MoM in April	5/18	-3.0%	-3.2%	0.3%(Adj.)
Existing Home Sales in April	5/19	5,640K	5,610K	5,750K(Adj.)
New Home Sales in April	5/24	748K	591K	709K(Adj.)
Durable Orders MoM in April	5/25	0.6%	0.4%	0.6%(Adj.)
Durable Orders ex transportation MoM in April	5/25	0.6%	0.3%	1.1%(Adj.)
GDP-adv	5/26	-1.3%	-1.5%	-1.4%
Personal Income MoM in April	5/27	0.5%	0.4%	0.5%
Personal Spending MoM in April	5/27	0.8%	0.9%	1.4%(Adj.)

✧Taiwan

Event	Date	Actual	Prior
Foreign Exchange Reserves in April	5/5	545.061(US\$ Billion)	548.770(US\$ Billion)
CPI YoY in April	5/6	3.38%	3.27%
Exports YoY in April	5/9	18.8%	21.3%
Export Orders YoY in April	5/20	-5.5%	16.8%
Unemployment Rate in April	5/23	3.68%	3.70%
Industrial Production YoY in April	5/23	7.33%	2.40%(Adj.)
Money Supply M2 YoY in April	5/24	8.12%	8.11%

B · The Analysis of Bond Market

High inflation in the United States has put the US Federal Reserve System in crisis, and some branch presidents have reiterated their support for raising interest rates to 3.5% by the end of this year or raising interest rates by 2 yards multiple times to approach the neutral rate as soon as possible. The hawkish speech of officials has prompted the recent 10-year U.S. bond yield to rise.

The overall trading of the Taiwan bond market was still light before and after the Dragon Boat Festival holiday. Although Taiwan bond yields followed the US bond yields, the willingness of both longs and shorts to chase prices was not high. Recently, the benchmark 10-year Taiwan bond yields showed a rising trend.

Looking ahead, this year, as the US Federal Reserve System adopts interest rate hikes and balance sheet reduction policies to curb demand and inflation, it is expected that my country's central bank will follow suit to raise interest rates. Therefore, it is estimated that the 10-year Taiwan bond yield may continue to rise in the short term. Maintaining the upward trend, The recent trading range of the 10-year Taiwan bond yield may fluctuate between 1.18% and 1.28%.

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

