

The Analysis Report of Bond Market in May, 2023

A、Macroeconomic Data

※America

Event	Date	Survey	Actual	Prior
ISM Index in March	4/3	47.5	46.3	47.7
ISM Service in March	4/5	54.4	51.2	55.1
Nonfarm Payrolls in March	4/7	230K	236K	326K(Adj.)
Unemployment Rate in March	4/7	3.6%	3.5%	3.6%
Hourly Earnings MoM in March	4/7	0.3%	0.3%	0.2%
Average Workweek in March	4/7	34.5	34.4	34.5
CPI MoM in March	4/12	0.2%	0.1%	0.4%
CORE CPI MoM in March	4/12	0.4%	0.4%	0.5%
PPI MoM in March	4/13	0.0%	-0.5%	0.0%(Adj.)
CORE PPI MoM in March	4/13	0.2%	-0.1%	0.2%(Adj.)
NAHB Housing Market Index in April	4/17	45	45	44
Housing Starts MoM in March	4/18	-3.6%	-0.8%	7.3%(Adj.)
Building Permits MoM in March	4/18	-6.5%	-8.8%	15.8%(Adj.)
Existing Home Sales in March	4/20	4,500K	4,440K	4,550K(Adj.)
GDP-adv	4/25	632K	683K	623K(Adj.)
New Home Sales in March	4/26	0.7%	3.2%	-1.2%(Adj.)
Durable Orders MoM in March	4/26	-0.2%	0.3%	-0.3%(Adj.)
Durable Orders ex transportation MoM in March	4/27	1.9%	1.1%	2.6%
Personal Income MoM in March	4/28	0.2%	0.3%	0.3%
Personal Spending MoM in March	4/28	-0.1%	0.0%	0.1%(Adj.)

✧Taiwan

Event	Date	Actual	Prior
Foreign Exchange Reserves in March	4/10	560.279(US\$ Billion)	558.372(US\$ Billion)
Exports YoY in March	4/11	-19.1%	-17.1%
CPI YoY in March	4/11	2.35%	2.43%
Export Orders YoY in March	4/20	-25.7%	-18.3%
Money Supply M2 YoY in March	4/24	-14.52%	-7.66%(Adj.)
Unemployment Rate in March	4/24	3.59%	3.58%
Industrial Production YoY in March	4/24	6.58%	6.80%

B · The Analysis of Bond Market

Recently, the U.S. ISM manufacturing index was better than expected, which led to a rise in U.S. bond yields. Later, the number of job vacancies and factory orders fell short of expectations, and the market's concerns about the banking industry lingered. As a consequence, interest rates have fallen, and the 10-year U.S. bond yield has fallen more frequently, generally showing a downward trend.

Although the Taiwan 10-year benchmark bond ended higher after its first transaction, it also gradually fell due to the decline in U.S. bond yields. Recently, the 10-year Taiwan bond yield rose in the beginning, and then fell, showing a downward trend.

Looking ahead, the Taiwan bond market, as a whole, has stable chips, which will not cause too much fluctuation in the market. It is expected that the trend of Taiwan bonds yield will remain in a narrow range in the short term. It is estimated that the recent 10-year Taiwan bond yield trading range should fluctuate between 1.10%-1.20%.

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

