

The Analysis Report of Bond Market in June, 2023

A、Macroeconomic Data

※America

Event	Date	Survey	Actual	Prior
ISM Index in April	5/1	46.8	47.1	46.3
ISM Service in April	5/3	51.8	51.9	51.2
Nonfarm Payrolls in April	5/5	185K	253K	217K(Adj.)
Unemployment Rate in April	5/5	3.6%	3.4%	3.5%
Hourly Earnings MoM in April	5/5	0.3%	0.5%	0.3%
Average Workweek in April	5/5	34.4	34.4	34.4
CPI MoM in April	5/10	0.4%	0.4%	0.1%
CORE CPI MoM in April	5/10	0.4%	0.4%	0.4%
PPI MoM in April	5/11	0.3%	0.2%	-0.4%(Adj.)
CORE PPI MoM in April	5/11	0.2%	0.2%	0.0%(Adj.)
NAHB Housing Market Index in May	5/16	45	50	45
Housing Starts MoM in April	5/17	-1.4%	2.2%	-4.5%
Building Permits MoM in April	5/17	-0.0%	-1.5%	-3.0%
Existing Home Sales in April	5/18	4,300K	4,280K	4,430K(Adj.)
GDP-adv	5/23	665K	683K	656K(Adj.)
Durable Orders ex transportation MoM in April	5/25	1.1%	1.3%	1.1%
New Home Sales in April	5/26	-1.0%	1.1%	3.3%(Adj.)
Durable Orders MoM in April	5/26	-0.1%	-0.2%	0.3%(Adj.)
Personal Income MoM in April	5/26	0.4%	0.4%	0.3%
Personal Spending MoM in April	5/26	0.5%	0.8%	0.1%(Adj.)

✧Taiwan

Event	Date	Actual	Prior
Foreign Exchange Reserves in April	5/5	561.116(US\$ Billion)	560.279(US\$ Billion)
CPI YoY in April	5/5	2.35%	2.35%
Exports YoY in April	5/8	-13.3%	-19.1%
Export Orders YoY in April	5/22	-18.1%	-25.7%
Unemployment Rate in April	5/22	3.56%	3.59%
Money Supply M2 YoY in April	5/23	-22.86%	-16.03%(Adj.)
Industrial Production YoY in April	5/24	6.70%	6.58%

B · The Analysis of Bond Market

Recently, due to the dovish remarks of Fed officials, the market's expectations for the Fed's interest rate hike in June have been lowered, which has supported the trend of U.S. debt, and U.S. bond yields have fallen. Afterwards, the Non-Farm Payroll is better than expected, which, as a result, strengthened the market's risk appetite. The selling pressure on U.S. bonds has led to a rise in U.S. bond yields. The recent 10-year U.S. bond yields have shown a trend of falling first and then rising.

Although, the 10-year Taiwan benchmark bond yield rose along with the U.S. bond yields, it then fell due to the impact of the bond auction results. Recently, the 10-year Taiwan bond yield has shown a trend of rising first and then falling.

Looking ahead, the recent market funds are relatively tight due to factors such as tax payments. The market is waiting to see the interest rate resolutions of the US Federal Reserve and our Central Bank in June. In addition, the overall bond holdings in the Taiwan bond market are stable. It is expected that the trend of Taiwan bonds will remain stable in the short term. To maintain the pattern of range consolidation, the recent 10-year Taiwan bond yield trading range may fluctuate between 1.12% and 1.22%.

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

