

# The Analysis Report of Bond Market in February, 2020

## A、Macroeconomic Data

### ※America

Event	Date	Survey	Actual	Prior
ISM Index in December	1/3	49.0	47.2	48.1
ISM Service in December	1/7	54.5	55.0	53.9
Nonfarm Payrolls in December	1/10	160K	145K	256K(Adj.)
Unemployment Rate in December	1/10	3.5%	3.5%	3.5%
Hourly Earnings MoM in December	1/10	0.3%	0.1%	0.3%(Adj.)
Average Workweek in December	1/10	34.4	34.3	34.3(Adj.)
CPI MoM in December	1/14	0.3%	0.2%	0.3%
CORE CPI MoM in December	1/14	0.2%	0.1%	0.2%
PPI MoM in December	1/15	0.2%	0.1%	0.0%
CORE PPI MoM in December	1/15	0.2%	0.1%	-0.2%
NAHB Housing Market Index in January	1/16	74	75	76
Housing Starts MoM in December	1/17	1.1%	16.9%	2.6%(Adj.)
Building Permits MoM in December	1/17	-1.5%	-3.9%	0.9%(Adj.)
Existing Home Sales in December	1/22	5,430K	5,540K	5,350K
New Home Sales in December	1/27	730K	694K	697K(Adj.)
Durable Orders MoM in December	1/28	0.3%	2.4%	-3.1%(Adj.)
Durable Orders ex transportation MoM in December	1/28	0.3%	-0.1%	-0.4%(Adj.)
GDP-adv	1/30	2.0%	2.1%	2.1%
Personal Income MoM in December	1/31	0.3%	0.2%	0.4%(Adj.)
Personal Spending MoM in December	1/31	0.3%	0.3%	0.4%

✧Taiwan

Event	Date	Actual	Prior
Foreign Exchange Reserves in December	1/6	478.13(US\$ Billion)	474.05(US\$ Billion)
CPI YoY in December	1/7	1.13%	0.59%
Exports YoY in December	1/7	4.00%	3.30%
Export Orders YoY in December	1/20	0.90%	-6.60%
Industrial Production YoY in December	1/22	5.99%	1.79%(Adj. )
Unemployment Rate in December	1/22	3.72%	3.73%
Money Supply M2 YoY in December	1/22	4.12%	4.14%

## B、The Analysis of Bond Market

After the U.S. stocks experienced a sharp decline in late January, a recent rebound has occurred. In addition, the performance of U.S. manufacturing data has exceeded expectations, which has caused the recent rebound in the U.S. bond yield. However, the concern about the impact of Wuhan pneumonia epidemic on the market have limited the range, and the 10-year U.S. bond yield has only risen slightly in recent times.

With the recent rebound of Taiwan stocks, the tension in the market has eased slightly, and profit pressure on Taiwan treasury benchmark has emerged, which has partially recovered the decline. The 10-year yield of treasury benchmark (A09103R) closed at 0.5950% on February 4. Compared with the previous day, it has increased by 1.2 bp, but due to the continued spread of the epidemic, the yield has continued to fall. The closing price on February 5 was 0.5881%, a decrease of 0.69bp.

Looking ahead, before the epidemic situation is under effective control, the market's risk aversion is not easy to dissipate, and the impact on the economic level has not been clearly known. Under uncertainty, the yield of Taiwan bond is still expected to fall. It is estimated that the 10-year yield of treasury benchmark (A09103R) will fluctuate between 0.55% and 0.61%.

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

