

The Analysis Report of Bond Market in August, 2025

A、Macroeconomic Data

※America

Event	Date	Survey	Actual	Prior
ISM Index in June	07/01	48.80	49.00	48.50
ISM Service in June	07/03	50.5	50.8	49.90
Nonfarm Payrolls in June	07/03	106K	147K	144K(Adj.)
Unemployment Rate in June	07/03	4.30%	4.10%	4.20%
Hourly Earnings MoM in June	07/03	0.30%	0.20%	0.40%
Average Workweek in June	07/03	34.3	34.2	34.30
PPI MoM in June	07/16	0.20%	0.00%	0.30%(Adj.)
CORE PPI MoM in June	07/16	0.20%	0.00%	0.40%(Adj.)
NAHB Housing Market Index in July	07/17	33.00	33.00	32.00
Housing Starts MoM in June	07/18	3.50%	4.60%	-9.70%(Adj.)
Building Permits MoM in June	07/18	-0.50%	0.20%	-2.00%
Existing Home Sales in June	07/23	4,000K	3,930K	4,040K(Adj.)
New Home Sales in June	07/24	650K	627K	623K
Durable Orders ex transportation MoM in June	07/25	0.10%	0.20%	0.60%(Adj.)
Durable Orders MoM in June	07/25	-10.70%	-9.30%	16.50%(Adj.)
GDP-adv	07/30	2.60%	3.00%	-0.50%
Personal Income MoM in June	07/31	0.20%	0.30%	-0.40%
Personal Spending MoM in June	07/31	0.40%	0.30%	0.00%(Adj.)

✧Taiwan

Event	Date	Actual	Prior
Foreign Exchange Reserves in June	07/04	598.43(US\$ Billion)	592.95(US\$ Billion)
CPI YoY in June	07/08	1.37%	1.55%
Exports YoY in June	07/08	33.70%	38.60%
Export Orders YoY in June	07/22	24.60%	18.50%
Unemployment Rate in June	07/22	3.34%	3.34%
Money Supply M2 YoY in June	07/23	3.45%	3.33%
Industrial Production YoY in June	07/23	18.65%	22.10%(Adj.)

B、The Analysis of Bond Market

Recently, newly released US labor market data fell short of market expectations, initially causing US Treasury yields to decline. However, the subsequent release of better-than-expected economic growth figures, coupled with the Federal Reserve's decision to keep interest rates unchanged at its July policy meeting, led to US Treasury yields stopping their fall and rebounding.

In the Taiwan bond market, bond yields across all maturities have recently trended downwards. This was driven by a reduced supply of government bonds in the third quarter and heightened safe-haven sentiment due to tariff negotiations, which spurred buying interest across various bond tenors. Both the 5-year and 10-year benchmark Taiwan bond yields traded lower, with the 10-year benchmark yield showing a clear downward trend.

Looking ahead, while US Treasury yields are largely oscillating within a specific range, the Taiwan bond market is showing a more bullish bias. This indicates strong demand for bonds in Taiwan, given the insufficient supply of domestic government bond issuance. However, with Taiwan's central bank not signaling any interest rate cuts, the likelihood of a significant downward movement in overall Taiwan bond yields remains low. Therefore, Taiwan bond yields are expected to trade within a range, with the 10-year Taiwan bond yield likely to fluctuate between 1.34% and 1.45% in the near term.

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

