

The Analysis Report of Bond Market in September, 2022

A、Macroeconomic Data

※America

Event	Date	Survey	Actual	Prior
ISM Index in July	8/1	52.0	52.8	53.0
ISM Service in July	8/3	53.5	56.7	55.3
Nonfarm Payrolls in July	8/5	250K	528K	293K(Adj.)
Unemployment Rate in July	8/5	3.6%	3.5%	3.6%
Hourly Earnings MoM in July	8/5	0.3%	0.5%	0.4%(Adj.)
Average Workweek in July	8/5	34.5	34.6	34.5
CPI MoM in July	8/10	0.2%	0.0%	1.3%
CORE CPI MoM in July	8/10	0.5%	0.3%	0.7%
PPI MoM in July	8/11	0.2%	-0.5%	1.0%(Adj.)
CORE PPI MoM in July	8/11	0.4%	0.2%	0.4%
NAHB Housing Market Index in August	8/15	54	49	55
Housing Starts MoM in July	8/16	-2.1%	-9.6%	2.4%(Adj.)
Building Permits MoM in July	8/16	-3.3%	-1.3%	0.1%(Adj.)
Existing Home Sales in July	8/18	4,860K	4,810K	5,110K(Adj.)
New Home Sales in July	8/23	575K	511K	585K(Adj.)
Durable Orders MoM in July	8/24	0.8%	0.0%	2.2%(Adj.)
Durable Orders ex transportation MoM in July	8/24	0.2%	0.3%	0.3%(Adj.)
GDP-adv	8/25	-0.7%	-0.6%	-0.9%
Personal Income MoM in July	8/26	0.6%	0.2%	0.7%(Adj.)
Personal Spending MoM in July	8/26	0.5%	0.1%	1.0%(Adj.)

✧Taiwan

Event	Date	Actual	Prior
Foreign Exchange Reserves in July	8/5	547.811(US\$ Billion)	548.963(US\$ Billion)
CPI YoY in July	8/5	3.36%	3.59%
Exports YoY in July	8/8	14.2%	15.2%
Export Orders YoY in July	8/22	-1.9%	9.5%
Unemployment Rate in July	8/22	3.68%	3.73%
Industrial Production YoY in July	8/23	1.12%	0.54%(Adj.)
Money Supply M2 YoY in July	8/24	6.99%	7.65%

B · The Analysis of Bond Market

Recently, some officials of the US Federal Reserve said that the Fed will take "all necessary measures" to control inflation, which once again weakened the market's expectations that the Fed may cut interest rates next year. Thus it drives the U.S. bond yields to rebound, and the recent 10-year U.S. bond yields rises.

The recent sharp rise in U.S. bond yields has triggered stop-loss selling in the Taiwan bond market. In addition, the market's expectation of my country's central bank to raise interest rates has led to a sharp rebound in Taiwan bond yields. Recently, the benchmark 10-year Taiwan bond yield rate has shown an upward trend.

Looking forward to the market outlook, recently, due to the fact that the trading of benchmark bonds in the Taiwan bond market is still light. In the absence of any special domestic news, it is predicted that the trend of 10-year Taiwan bond yields will continue to be affected by US bond yields in the short term. It is estimated that the 10-year Taiwan bond yield may fluctuate between 1.22% and 1.32%.

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

