

The Analysis Report of Bond Market in February, 2022

A、Macroeconomic Data

※America

Event	Date	Survey	Actual	Prior
ISM Index in December	1/4	60.0	58.7	60.6(Adj.)
ISM Service in December	1/6	67.0	62.0	68.4(Adj.)
Nonfarm Payrolls in December	1/7	450K	199K	647K(Adj.)
Unemployment Rate in December	1/7	4.1%	3.9%	4.2%
Hourly Earnings MoM in December	1/7	0.4%	0.6%	0.4%(Adj.)
Average Workweek in December	1/7	34.8	34.7	34.8
CPI MoM in December	1/12	0.4%	0.5%	0.7%(Adj.)
CORE CPI MoM in December	1/12	0.5%	0.6%	0.5%
PPI MoM in December	1/13	0.4%	0.2%	0.9%(Adj.)
CORE PPI MoM in December	1/13	0.5%	0.5%	0.8%(Adj.)
NAHB Housing Market Index in January	1/18	84	83	84
Housing Starts MoM in December	1/19	-1.7%	1.4%	8.1%(Adj.)
Building Permits MoM in December	1/19	-0.8%	9.1%	3.9%(Adj.)
Existing Home Sales in December	1/20	6,420K	6,180K	6,480K(Adj.)
New Home Sales in December	1/26	760K	811K	725K(Adj.)
GDP-adv	1/27	5.5%	6.9%	2.3%
Durable Orders MoM in December	1/27	-0.6%	-0.9%	3.2%(Adj.)
Durable Orders ex transportation MoM in December	1/27	0.3%	0.4%	1.1%(Adj.)
Personal Income MoM in December	1/28	0.5%	0.3%	0.5%(Adj.)
Personal Spending MoM in December	1/28	-0.6%	-0.6%	0.4%(Adj.)

✧Taiwan

Event	Date	Actual	Prior
Foreign Exchange Reserves in December	1/5	548.41(US\$ Billion)	547.33(US\$ Billion)
CPI YoY in December	1/6	2.62%	2.85%(Adj.)
Exports YoY in December	1/7	23.4%	30.2%
Export Orders YoY in December	1/20	12.1%	13.4%
Unemployment Rate in December	1/22	3.72%	3.71%
Industrial Production YoY in December	1/24	9.98%	11.37%
Money Supply M2 YoY in December	1/24	8.02%	8.26%

B · The Analysis of Bond Market

Although the unemployment rate data released by the United States recently rose slightly, according to the latest non-farm payrolls report data, the strong recovery of the labor market means that the labor market in the United States is far more optimistic than expected. Thus, the market is driven to expect that the central banks will increase the interest rate to deal with the inflation crisis. This has pushed up U.S. bond yield. The 10-year U.S. bond yield shows a rising trend recently.

The U.S. bond yields has risen sharply during the holidays, which has driven Taiwan bond yields to rise after the opening of the Chinese New Year. Recently, Taiwan's 10-year benchmark bond yields have shown an upward trend.

Looking ahead, the Taiwan bond market is about to step into a cycle of interest rate hikes along with the United States. If the market is more hawkish on the central bank's rate hike expectations, it is expected that Taiwan bond yields will continue to rise slowly along with U.S. bond yields. It is estimated that the recent 10-year Taiwan bond yield should fluctuate between 0.70% and 0.80%.

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

