

# The Analysis Report of Bond Market in April, 2020

## A、Macroeconomic Data

### ※America

Event	Date	Survey	Actual	Prior
ISM Index in February	3/2	50.5	50.1	50.9
ISM Service in February	3/4	54.8	57.3	55.5
Nonfarm Payrolls in February	3/6	175K	273K	273K(Adj.)
Unemployment Rate in February	3/6	3.6%	3.5%	3.6%
Hourly Earnings MoM in February	3/6	0.3%	0.3%	0.2%
Average Workweek in February	3/6	34.3	34.4	34.3
CPI MoM in February	3/11	0.0%	0.1%	0.1%
CORE CPI MoM in February	3/11	0.2%	0.2%	0.2%
PPI MoM in February	3/12	-0.1%	-0.6%	0.5%
CORE PPI MoM in February	3/12	0.1%	-0.3%	0.5%
NAHB Housing Market Index in March	3/17	73	72	74
Housing Starts MoM in February	3/18	-4.3%	-1.5%	1.4%(Adj.)
Building Permits MoM in February	3/18	-3.2%	-5.5%	9.2%
Existing Home Sales in February	3/20	5,510K	5,770K	5,420K(Adj.)
New Home Sales in February	3/24	750K	765K	800K(Adj.)
Durable Orders MoM in February	3/25	-0.9%	1.2%	0.1%(Adj.)
Durable Orders ex transportation MoM in February	3/25	-0.4%	-0.6%	0.6%(Adj.)
GDP-adv	3/26	1.3%	1.3%	1.3%
Personal Income MoM in February	3/27	0.4%	0.6%	0.6%
Personal Spending MoM in February	3/27	0.2%	0.2%	0.2%

✧Taiwan

Event	Date	Actual	Prior
Foreign Exchange Reserves in February	3/5	479.68(US\$ Billion)	479.13 (US\$ Billion)
CPI YoY in February	3/6	-0.21%	1.86%(Adj. )
Exports YoY in February	3/9	24.90%	-7.60%
Export Orders YoY in February	3/20	-0.80%	-12.80%
Industrial Production YoY in February	3/23	20.34%	-2.11%(Adj. )
Unemployment Rate in February	3/23	3.70%	3.71%
Money Supply M2 YoY in February	3/24	4.35%	4.60%

## B · The Analysis of Bond Market

The recent death toll in countries with severe epidemics such as the United States and Europe has declined, which made investors become optimistic and expected that the global epidemic will be alleviated. US Treasury Securities has been mitigated by the risk aversion, so that the yield has rebounded. However, due to the impact of the epidemic, many states in the United States are still implementing blockade measures. Economists predict that the US economy will fall into recession this year. It is expected that the market ' s investors ' hedging needs will still dominate before the epidemic crisis is completely lifted.

Taiwan bond market continues the recent situation of little trading volume. Affected by the rebound of the US bond yield, the yield of Taiwan bond simultaneously rises. However, as the Overnight Interbank Call-Loan Rate broke again and the Central Bank of the Republic of China reiterated that there is still room for interest rate cuts in the future, traders' confidence in holding bonds remained unchanged.

Looking ahead, the easy money policy of the Central Bank of the Republic of China initially eased the liquidity problem. In order to eliminate short-term funds, as well as yielding and spread expand, the demand for holding bonds increases. The trend of the Taiwan bond market is expected to have higher probability in bond price increasing, showing a low-end shock pattern. It is estimated that the 10-year yield of treasury benchmark (A09103R) trading range will fluctuate between 0.43% . ~ 0.50%.

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

