

The Analysis Report of Bond Market in September, 2023

A、Macroeconomic Data

※America

Event	Date	Survey	Actual	Prior
ISM Index in July	8/1	46.9	46.4	46.0
ISM Service in July	8/3	53.1	52.7	53.9
Nonfarm Payrolls in July	8/4	200K	187K	105K(Adj.)
Unemployment Rate in July	8/4	3.6%	3.5%	3.6%
Hourly Earnings MoM in July	8/4	0.3%	0.4%	0.4%
Average Workweek in July	8/4	34.4	34.3	34.4
CPI MoM in July	8/10	0.2%	0.2%	0.2%
CORE CPI MoM in July	8/10	0.2%	0.2%	0.2%
PPI MoM in July	8/11	2.3%	2.4%	2.3%(Adj.)
CORE PPI MoM in July	8/11	2.5%	2.7%	2.8%(Adj.)
NAHB Housing Market Index in August	8/15	56	50	56
Housing Starts MoM in July	8/16	1.1%	3.9%	-10.4%(Adj.)
Building Permits MoM in July	8/16	1.5%	0.1%	-3.7%
Existing Home Sales in July	8/22	4,150K	4,070K	4,160K
New Home Sales in July	8/23	703K	714K	684K(Adj.)
Durable Orders MoM in July	8/24	-4.0%	-5.2%	4.4%(Adj.)
Durable Orders ex transportation MoM in July	8/24	0.2%	0.5%	0.2%(Adj.)
GDP-adv	8/30	2.4%	2.1%	2.4%
Personal Income MoM in July	8/31	0.3%	0.2%	0.3%
Personal Spending MoM in July	8/31	0.7%	0.8%	0.6%(Adj.)

✧Taiwan

Event	Date	Actual	Prior
Foreign Exchange Reserves in July	8/4	566.493(US\$ Billion)	564.834(US\$ Billion)
Exports YoY in July	8/8	-10.4%	-23.4%
CPI YoY in July	8/9	1.88%	1.75%
Export Orders YoY in July	8/21	-12.0%	-24.9%
Unemployment Rate in July	8/22	3.43%	3.45%
Industrial Production YoY in July	8/23	-15.20%	-17.25%(Adj.)
Money Supply M2 YoY in July	8/24	6.93%	5.93%

B · The Analysis of Bond Market

The U.S. CPI data was generally in line with market expectations, attracting buyers of U.S. bonds to enter the market at low prices, and caused U.S. bond yields to fall slightly. Later, the European Central Bank decided to raise interest rates by 0.25 percentage point, which led to a rebound in U.S. bond yields. Recently, the 10-year U.S. bond yields fluctuates, and it has generally shown an upward trend.

The 5-year bond auction in the Taiwan bond market was unexpectedly weak, with the winning rate of 1.15% higher than expected. This also drove up the 10-year bond yield. The 10-year Taiwan benchmark bond yield has recently shown an upward trend.

Looking ahead, the market currently expects that the Federal Reserve will not raise interest rates in September. Therefore, the probability of China's central bank keeping the benchmark interest rate unchanged in September is relatively high. Benefiting from the stable trend of short-term interest rates and the advantage of Taiwan debt chips, the upside space is limited. It is expected that the trend of Taiwanese bond yields will still maintain a narrow consolidation pattern in the short term. The recent trading range of 10-year Taiwanese bond yields may fluctuate between 1.15% and 1.25%.

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

