

# The Analysis Report of Bond Market in October, 2024

## A、Macroeconomic Data

### ※America

Event	Date	Survey	Actual	Prior
ISM Index in August	9/3	47.50	47.20	46.80
ISM Service in August	9/5	51.4	51.5	51.4
Nonfarm Payrolls in August	9/6	165K	142K	89K(Adj.)
Unemployment Rate in August	9/6	4.20%	4.20%	4.30%
Hourly Earnings MoM in August	9/6	0.30%	0.40%	0.20%
Average Workweek in August	9/6	34.3	34.3	34.2
PPI MoM in August	9/12	0.10%	0.20%	0(Adj.)
CORE PPI MoM in August	9/12	0.20%	0.30%	-0.20%(Adj.)
NAHB Housing Market Index in September	9/17	41	41	39
Housing Starts MoM in August	9/18	6.50%	9.60%	-6.90%(Adj.)
Building Permits MoM in August	9/18	1.00%	4.90%	-3.30%(Adj.)
Existing Home Sales in August	9/19	3,900K	3,860K	3,960K(Adj.)
New Home Sales in August	9/25	700K	716K	751K(Adj.)
Durable Orders ex transportation MoM in August	9/26	0.10%	0.50%	-0.10%(Adj.)
Durable Orders MoM in August	9/26	-2.60%	0.00%	9.90%(Adj.)
GDP-adv	9/26	2.90%	3.00%	3.00%
Personal Income MoM in August	9/27	0.40%	0.20%	0.30%
Personal Spending MoM in August	9/27	0.30%	0.20%	0.50%

✧Taiwan

Event	Date	Actual	Prior
Foreign Exchange Reserves in August	9/5	579.06(US\$ Billion)	571.74(US\$ Billion)
CPI YoY in August	9/5	2.36%	2.53%(Adj.)
Exports YoY in August	9/9	16.80%	3.10%
Money Supply M2 YoY in August	9/19	5.80%	6.20%
Unemployment Rate in August	9/23	3.36%	3.34%
Export Orders YoY in August	9/24	9.10%	4.80%
Industrial Production YoY in August	9/25	13.42%	13.01%(Adj.)

## B · The Analysis of Bond Market

Recently, several Federal Reserve officials have suggested that a 50 basis point rate cut might require a higher threshold, leading to a rebound in U.S. Treasury yields. Although the subsequent PCE data release fell short of market expectations, causing a temporary dip in yields, they rebounded after Federal Reserve Chairman Powell emphasized a gradual approach to rate cuts.

In Taiwan's bond market, the recent auction of 20-year government bonds saw winning yields lower than expected, creating a bullish sentiment. This led to a decline in the yield on the 10-year benchmark bond. However, the rise in U.S. Treasury yields subsequently caused Taiwan bond yields to rebound, with the 10-year benchmark bond yield closing higher.

Looking ahead, despite the recent shift towards a more accommodative U.S. monetary policy, Taiwan's central bank's increase in the reserve requirement ratio will take effect in October. Additionally, the country is still experiencing electricity price hikes. Therefore, the central bank's monetary policy is likely to remain tight in the short term. It is expected that Taiwan bond yields will fluctuate within a range, with the 10-year Taiwan bond yield likely to trade between 1.45% and 1.59% in the near term.

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

