

The Analysis Report of Bond Market in February, 2021

A、Macroeconomic Data

※America

Event	Date	Survey	Actual	Prior
ISM Index in December	1/5	56.8	60.7	57.7(Adj.)
ISM Service in December	1/7	54.5	57.2	56.8(Adj.)
Nonfarm Payrolls in December	1/8	50K	-140K	264K(Adj.)
Unemployment Rate in December	1/8	6.8%	6.7%	6.7%
Hourly Earnings MoM in December	1/8	0.2%	0.8%	0.3%
Average Workweek in December	1/8	34.8	34.7	34.8
CPI MoM in December	1/13	0.4%	0.4%	0.2%
CORE CPI MoM in December	1/13	0.1%	0.1%	0.2%
PPI MoM in December	1/15	0.4%	0.3%	0.1%
CORE PPI MoM in December	1/15	0.2%	0.1%	-0.1%(Adj.)
NAHB Housing Market Index in January	1/20	86	83	86
Housing Starts MoM in December	1/21	0.8%	5.8%	1.5%(Adj.)
Building Permits MoM in December	1/21	-1.7%	4.5%	5.9%(Adj.)
Existing Home Sales in December	1/22	6,560K	6,760K	6,710K(Adj.)
Durable Orders MoM in December	1/27	1.0%	0.2%	1.2%(Adj.)
Durable Orders ex transportation MoM in December	1/27	0.5%	0.7%	0.8%(Adj.)
GDP-adv	1/28	4.2%	4.0%	33.4%
New Home Sales in December	1/28	870K	842K	829K(Adj.)
Personal Income MoM in December	1/29	0.1%	0.6%	-1.3%(Adj.)
Personal Spending MoM in December	1/29	-0.4%	-0.2%	-0.7%(Adj.)

✧Taiwan

Event	Date	Actual	Prior
Foreign Exchange Reserves in December	1/6	529.91(US\$ Billion)	513.40(US\$ Billion)
Exports YoY in December	1/8	12.0%	12.0%
CPI YoY in December	1/7	0.06%	0.09%
Export Orders YoY in December	1/20	38.30%	29.70%
Unemployment Rate in December	1/22	3.76%	3.77%
Industrial Production YoY in December	1/25	9.90%	7.56%(Adj.)
Money Supply M2 YoY in December	1/25	8.45%	7.60%

B、The Analysis of Bond Market

The U.S. Treasury market was affected by the rebound in U.S. stocks and good economic data, which led to a sharp rise in U.S. bond yields. Recently, the 10-year U.S. bond yield has shown an upward trend.

The first week of this month (February) coincided with the last week of trading in the Taiwan bond market. That week, Taiwan bond yields only rose slightly with the rise in US bond yields on one day, and there was no trading volume in the remaining four days. The 10-year Taiwan bond yields has risen only slightly recently, not much.

Looking ahead, as the Chinese New Year is coming, the liquidity of the Taiwan bond market continues to be sluggish, and there is a trend of short-term bearish as the US bond yield rebounds. After the Chinese New Year holiday, the market will continue to face 10-year and 30-year public bond bidding. The bidding result will be an important reference indicator for the subsequent trend of Taiwan bond yields. It is expected that the recent 10-year Taiwan bond yield should fluctuate between 0.30% and 0.40%.

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

