

The Analysis Report of Bond Market in December, 2021

A、Macroeconomic Data

※America

Event	Date	Survey	Actual	Prior
ISM Index in October	11/1	60.5	60.8	61.1
ISM Service in October	11/3	62.0	66.7	61.9
Nonfarm Payrolls in October	11/5	450K	531K	379K(Adj.)
Unemployment Rate in October	11/5	4.7%	4.6%	4.8%
Hourly Earnings MoM in October	11/5	0.4%	0.4%	0.6%
Average Workweek in October	11/5	34.8	34.7	34.8
PPI MoM in October	11/9	0.6%	0.6%	0.6%(Adj.)
CORE PPI MoM in October	11/9	0.5%	0.4%	0.4%(Adj.)
CPI MoM in October	11/10	0.6%	0.9%	0.4%
CORE CPI MoM in October	11/10	0.4%	0.6%	0.2%
NAHB Housing Market Index in November	11/16	80	83	80
Housing Starts MoM in October	11/17	1.5%	-0.7%	-2.7%(Adj.)
Building Permits MoM in October	11/17	2.8%	4.0%	-7.8%(Adj.)
Existing Home Sales in October	11/22	6,200K	6,340K	6,290K
New Home Sales in October	11/24	800K	745K	742K(Adj.)
Durable Orders MoM in October	11/24	0.2%	-0.5%	-0.4%(Adj.)
Durable Orders ex transportation MoM in October	11/24	0.5%	0.5%	0.7%(Adj.)
GDP-adv	11/24	2.2%	2.1%	2.0%
Personal Income MoM in October	11/24	0.2%	0.5%	-1.0%
Personal Spending MoM in October	11/24	1.0%	1.3%	0.6%

✧Taiwan

Event	Date	Actual	Prior(Adj.)
Foreign Exchange Reserves in October	11/5	546.70(US\$ Billion)	544.90(US\$ Billion)
CPI YoY in October	11/5	2.58%	2.60%(Adj.)
Exports YoY in October	11/8	24.6%	29.2%
Export Orders YoY in October	11/22	14.6%	25.7%
Unemployment Rate in October	11/22	3.84%	3.92%
Industrial Production YoY in October	11/23	11.25%	11.61%(Adj.)
Money Supply M2 YoY in October	11/24	8.45%	8.69%

B · The Analysis of Bond Market

The good news from Pfizer and BioNTech's vaccine experiment against the new variant of COVID-19 virus Omicron has eased the market's concerns about Omicron, leading to an upward trend in the recent 10-year U.S. bond yield.

Recently, Taiwan bond yields have continued to rise along with U.S. bond yields, but the trading volume is insufficient and cannot escape the current range. It was not until the bid price of 10-year Taiwan bond yield on Dec. 10th is higher than the market price, the recent 10-year Taiwan bond yield has rebounded significantly and closed at an increase.

Looking ahead, Taiwan's November CPI's annual growth rate was 2.84%, a record high in eight years. This is in line with the increasing market interest rate expectations. Coupled with the continued rebound in the price of new bonds, it is predicted that Taiwan bond yields still have room to rise in the short term. It is expected that the recent 10-year Taiwan bond yield should fluctuate between 0.50% and 0.60%.

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

