

The Analysis Report of Bond Market in May, 2025

A、Macroeconomic Data

※America

Event	Date	Survey	Actual	Prior
ISM Index in March	04/01	49.50	49.00	50.30
ISM Service in March	04/03	52.9	50.8	53.5
Nonfarm Payrolls in March	04/04	140K	228K	117K(Adj.)
Unemployment Rate in March	04/04	4.10%	4.20%	4.10%
Hourly Earnings MoM in March	04/04	0.30%	0.30%	0.20%(Adj.)
Average Workweek in March	04/04	34.2	34.2	34.2(Adj.)
PPI MoM in March	04/11	0.20%	-0.40%	0.10%(Adj.)
CORE PPI MoM in March	04/11	0.30%	-0.10%	0.10%(Adj.)
NAHB Housing Market Index in April	04/16	38	40	39
Housing Starts MoM in March	04/17	-5.40%	-11.40%	9.80%(Adj.)
Building Permits MoM in March	04/17	-0.60%	1.60%	-1.00%
New Home Sales in March	04/23	685K	724K	674K(Adj.)
Existing Home Sales in March	04/24	4,130K	4,020K	4,270K(Adj.)
Durable Orders ex transportation MoM in March	04/24	0.30%	0.00%	0.70%
Durable Orders MoM in March	04/24	2.00%	9.20%	0.90%(Adj.)
GDP-adv	04/30	-0.20%	-0.30%	2.40%
Personal Income MoM in March	04/30	0.40%	0.50%	0.70%(Adj.)
Personal Spending MoM in March	04/30	0.60%	0.70%	0.50%(Adj.)

✧Taiwan

Event	Date	Actual	Prior
Foreign Exchange Reserves in March	04/07	578.02(US\$ Billion)	577.58(US\$ Billion)
CPI YoY in March	04/08	2.29%	1.58%
Exports YoY in March	04/10	18.60%	31.50%
Export Orders YoY in March	04/22	12.50%	31.10%
Unemployment Rate in March	04/22	3.36%	3.35%
Money Supply M2 YoY in March	04/23	4.38%	5.19%
Industrial Production YoY in March	04/23	13.65%	18.21%(Adj.)

B、The Analysis of Bond Market

Recently, US President Trump signed an executive order exempting domestic auto manufacturers from the new 25% tariffs. This eased tensions surrounding the tariff war, prompting investors to buy back US Treasury bonds, which briefly pushed US Treasury yields lower. However, subsequently released inflation data exceeded market expectations, causing US Treasury yields to halt their decline and fluctuate..

While US Treasury yields mostly fluctuated within a defined range recently, the Taiwan bond market exhibited a slightly more complex picture. Trading occurred across benchmark Taiwan bonds of various maturities, but yields on shorter and longer-term issues showed no consistent pattern, and market participation was limited. The 10-year benchmark Taiwan bond yield experienced a small drop.

Looking ahead, while the US appears to be softening its stance on tariffs against various countries, the potential impact on Taiwan's economy remains contingent on the outcome of negotiations. This short-term uncertainty will likely add complexity to the central bank's monetary policy. Consequently, Taiwan bond yields are expected to exhibit a range-bound trading pattern, with the 10-year benchmark Taiwan bond yield likely trading between 1.53% and 1.65% in the near term.

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

