

# The Analysis Report of Bond Market in August, 2024

## A、Macroeconomic Data

### ※America

Event	Date	Survey	Actual	Prior
ISM Index in June	7/1	49.10	48.50	48.70
ISM Service in June	7/3	52.7	48.8	53.8
Nonfarm Payrolls in June	7/5	190K	206K	218K(Adj.)
Unemployment Rate in June	7/5	4.00%	4.10%	4.00%
Hourly Earnings MoM in June	7/5	0.30%	0.30%	0.40%
Average Workweek in June	7/5	34.3	34.3	34.3
PPI MoM in June	7/12	0.10%	0.20%	0.00%(Adj.)
CORE PPI MoM in June	7/12	0.20%	0.40%	0.30%(Adj.)
NAHB Housing Market Index in July	7/16	43	42	43
Housing Starts MoM in June	7/17	1.80%	3.00%	-4.60%(Adj.)
Building Permits MoM in June	7/17	0.10%	3.40%	-2.80%(Adj.)
Existing Home Sales in June	7/23	3,980K	3,890K	4,110K
New Home Sales in June	7/24	640K	617K	621K(Adj.)
Durable Orders ex transportation MoM in June	7/25	0.20%	0.50%	-0.10%
Durable Orders MoM in June	7/25	0.30%	-6.60%	0.10%
GDP-adv	7/25	2.00%	2.80%	1.40%
Personal Income MoM in June	7/26	0.40%	0.20%	0.40%(Adj.)
Personal Spending MoM in June	7/26	0.30%	0.30%	0.40%(Adj.)

✧Taiwan

Event	Date	Actual	Prior
Foreign Exchange Reserves in June	7/5	573.30(US\$ Billion)	572.80(US\$ Billion)
CPI YoY in June	7/5	2.42%	2.23%(Adj.)
Exports YoY in June	7/9	23.50%	3.50%
Export Orders YoY in June	7/22	3.10%	7.00%
Unemployment Rate in June	7/22	3.34%	3.35%
Industrial Production YoY in June	7/23	13.23%	15.73%(Adj.)
Money Supply M2 YoY in June	7/26	6.25%	6.04%

## B · The Analysis of Bond Market

Recent U.S. inflation data aligned with market expectations, and tensions in the Middle East have led to a decline in U.S. Treasury yields due to increased safe-haven buying. Following this, Federal Reserve Chairman Powell's dovish comments at the rate decision meeting, suggesting a potential rate cut in September, further pushed U.S. Treasury yields lower.

In the Taiwan bond market, U.S. Treasury yields showed a downward trend. Although the yield on Taiwan's 10-year benchmark bond initially traded higher against the trend, it eventually followed the decline in U.S. Treasury yields, closing lower. However, trading volume remained sluggish, and the yield on Taiwan's 10-year benchmark bond ended with a decline.

Looking ahead, with the recent significant drop in U.S. Treasury yields, Taiwan bond market yields have also declined in tandem. However, according to the minutes of the Central Bank of Taiwan's Board of Directors meeting, while all directors agreed to raise the reserve requirement ratio, two directors suggested that interest rates could continue to be raised to control inflation. Given the inconsistency between domestic and international monetary policies, it is expected that Taiwan bond yields will exhibit a range-bound trend. The trading range for the 10-year Taiwan bond yield is likely to be between 1.50% and 1.65% in the near term.

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

