

The Analysis Report of Bond Market in July, 2023

A、Macroeconomic Data

※America

Event	Date	Survey	Actual	Prior
ISM Index in May	6/1	47.0	46.9	47.1
Nonfarm Payrolls in May	6/2	195K	339K	294K(Adj.)
Unemployment Rate in May	6/2	3.5%	3.7%	3.4%
Hourly Earnings MoM in May	6/2	0.3%	0.3%	0.4%(Adj.)
Average Workweek in May	6/2	34.4	34.3	34.4
ISM Service in May	6/5	52.4	50.3	51.9
CPI MoM in May	6/13	0.1%	0.1%	0.4%
CORE CPI MoM in May	6/13	0.4%	0.4%	0.4%
PPI MoM in May	6/14	-0.1%	-0.3%	0.2%
CORE PPI MoM in May	6/14	0.2%	0.2%	0.2%
NAHB Housing Market Index in June	6/19	51	55	50
Housing Starts MoM in May	6/20	-0.1%	21.7%	-2.9%(Adj.)
Building Permits MoM in May	6/20	0.6%	5.2%	-1.4%(Adj.)
Existing Home Sales in May	6/22	4,250K	4,300K	4,290K(Adj.)
New Home Sales in May	6/27	676K	763K	680K(Adj.)
Durable Orders MoM in May	6/27	-0.9%	1.7%	1.2%(Adj.)
Durable Orders ex transportation MoM in May	6/27	0.0%	0.6%	-0.6%(Adj.)
GDP-adv	6/29	1.4%	2.0%	1.3%
Personal Income MoM in May	6/30	0.3%	0.4%	0.3%(Adj.)
Personal Spending MoM in May	6/30	0.2%	0.1%	0.6%(Adj.)

✧Taiwan

Event	Date	Actual	Prior
Foreign Exchange Reserves in May	6/5	562.868(US\$ Billion)	561.116(US\$ Billion)
CPI YoY in May	6/6	2.02%	2.35%
Exports YoY in May	6/7	-14.1%	-13.3%
Export Orders YoY in May	6/20	-17.6%	-18.1%
Industrial Production YoY in May	6/26	-15.73%	-22.60%(Adj.)
Money Supply M2 YoY in May	6/26	6.63%	6.70%
Unemployment Rate in May	6/27	3.50%	3.56%

B · The Analysis of Bond Market

The U.S. ISM manufacturing index in June hit a new low since May 2020, and the sell-off of British bonds dragged down the trend of U.S. debt. The U.S. Federal Reserve meeting record also deepened the tightening atmosphere in the market, and the 10-year U.S. bond yield has shown an upward trend recently.

Although, the 10-year Taiwan benchmark bond yield rose along with the U.S. bond yields, it then fell due to the impact of the bond auction results. Recently, the 10-year Taiwan bond yield has shown a trend of rising first and then falling.

Looking ahead, the recent market funds are relatively tight due to factors such as tax payments. The market is waiting to see the interest rate resolutions of the US Federal Reserve and our Central Bank in June. In addition, the overall bond holdings in the Taiwan bond market are stable. It is expected that the trend of Taiwan bonds will remain stable in the short term. To maintain the pattern of range consolidation, the recent 10-year Taiwan bond yield trading range may fluctuate between 1.12% and 1.22%.

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

