

The Analysis Report of Bond Market in September, 2020

A・Macroeconomic Data

※America

Event(Adj.)	Date	Survey	Actual	Prior
ISM Index in July	8/3	53.6	54.2	52.6
ISM Service in July	8/5	55	58.1	57.1
Nonfarm Payrolls in July	8/7	1,480K	1,763K	4,781K(Adj.)
Unemployment Rate in July	8/7	10.6%	10.2%	11.1%
Hourly Earnings MoM in July	8/7	-0.5%	0.2%	-1.3%(Adj.)
Average Workweek in July	8/7	34.4	34.5	34.6(Adj.)
PPI MoM in July	8/11	0.3%	0.6%	-0.2%
CORE PPI MoM in July	8/11	0.1%	0.5%	-0.3%
CPI MoM in July	8/12	0.3%	0.6%	0.6%
CORE CPI MoM in July	8/12	0.2%	0.6%	0.2%
NAHB Housing Market Index in August	8/17	74	78	72
Housing Starts MoM in July	8/18	5.0%	22.6%	17.5%(Adj.)
Building Permits MoM in July	8/18	5.4%	18.8%	3.5%(Adj.)
Existing Home Sales in July	8/21	5,410K	5,860K	4,700K(Adj.)
New Home Sales in July	8/25	790K	901K	791K(Adj.)
Durable Orders MoM in July	8/26	4.8%	11.2%	7.7%(Adj.)
Durable Orders ex transportation MoM in July	8/26	2.0%	2.4%	4.0%(Adj.)
GDP-adv	8/27	-32.5%	-31.7%	-32.9%
Personal Income MoM in July	8/28	-0.2%	0.4%	-1.0%
Personal Spending MoM in July	8/28	1.6%	1.9%	6.2%

✧Taiwan

Event	Date	Actual	Prior
Foreign Exchange Reserves in July	8/5	496.17(US\$ Billion)	488.69(US\$ Billion)
CPI YoY in July	8/6	-0.52%	-0.77%(Adj.)
Exports YoY in July	8/7	0.40%	-3.80%
Export Orders YoY in July	8/20	12.40%	6.50%
Unemployment Rate in July	8/24	3.90%	3.97%
Industrial Production YoY in July	8/24	2.65%	7.19%(Adj.)
Money Supply M2 YoY in July	8/24	5.89%	5.42%

B · The Analysis of Bond Market

The US announced that the ISM manufacturing index in August was better than expected, causing a short-term sell-off of US bonds. However, because some investors took the opportunity to enter the market on bargain entry and the impact of US stocks fell heavily under the lead of technology stocks, the bond yields fell simultaneously along with risk aversion, and then the outstanding performance of the non-agricultural employment report encouraged U.S. bond yield to rise again. Recently, the 10-year U.S. bond yield has fluctuated violently.

The Taiwan bond yield rose slowly after the 10-year tender. However, the market is still in need of de-capitalization to reduce the increase in the Taiwan bond yield. Recently, the 10-year Taiwan bond yield has fallen slightly.

Looking ahead, the Taiwan bond market is facing a window period of information in the near future. The focus of the market is on the central bank's supervisory meeting and the Ministry of Finance's bond issuance plan. Before any clear news, it is expected that the Taiwan bond yield will continue to be adjusted at a low level. It is estimated that the 10-year Taiwan bond yield trading range will fluctuate between 0.38% ~0.48%.

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

