

The Analysis Report of Bond Market in September, 2024

A、Macroeconomic Data

※America

Event	Date	Survey	Actual	Prior
ISM Index in July	8/1	48.80	46.80	48.50
Nonfarm Payrolls in July	8/2	175K	114K	179K(Adj.)
Unemployment Rate in July	8/2	4.10%	4.30%	4.10%
Hourly Earnings MoM in July	8/2	0.30%	0.20%	0.30%
Average Workweek in July	8/2	34.3	34.2	34.3
ISM Service in July	8/5	51	51.4	48.8
PPI MoM in July	8/13	0.20%	0.10%	0.20%
CORE PPI MoM in July	8/13	0.20%	0.00%	0.30%(Adj.)
NAHB Housing Market Index in August	8/15	43	39	41(Adj.)
Housing Starts MoM in July	8/16	-1.50%	-6.80%	1.10%(Adj.)
Building Permits MoM in July	8/16	-2.00%	-4.00%	3.90%(Adj.)
Existing Home Sales in July	8/22	3,940K	3,950K	3,900K(Adj.)
New Home Sales in July	8/23	623K	739K	668K(Adj.)
Durable Orders ex transportation MoM in July	8/26	0.00%	-0.20%	0.10%(Adj.)
Durable Orders MoM in July	8/26	5.00%	9.90%	-6.90%(Adj.)
GDP-adv	8/29	2.80%	3.00%	2.80%
Personal Income MoM in July	8/30	0.20%	0.30%	0.20%
Personal Spending MoM in July	8/30	0.50%	0.50%	0.30%

✧Taiwan

Event	Date	Actual	Prior
Foreign Exchange Reserves in July	8/5	571.74(US\$ Billion)	573.30(US\$ Billion)
CPI YoY in July	8/6	2.52%	2.42%
Exports YoY in July	8/8	3.10%	23.50%
Export Orders YoY in July	8/20	4.80%	3.10%
Unemployment Rate in July	8/22	3.34%	3.34%
Industrial Production YoY in July	8/23	12.30%	12.82%(Adj.)
Money Supply M2 YoY in July	8/23	6.20%	6.25%

B · The Analysis of Bond Market

Recently, comments from Federal Reserve Chairman Powell about an impending rate cut caused U.S. Treasury yields to dip initially. However, the yields rebounded due to multiple Treasury auctions and newly released economic and employment data that mostly surpassed market expectations.

In the Taiwan bond market, the rise in U.S. Treasury yields led to a cautious atmosphere, with no transactions recorded for benchmark bonds across all maturities. The yield on the 10-year Taiwan benchmark bond remained unchanged.

Looking forward, with U.S. monetary policy now almost certain to shift towards easing, the sentiment in the Taiwan bond market is expected to be more optimistic. However, given the current overheated state of the domestic real estate market, there is no justification for the Central Bank of Taiwan to cut rates. With the divergence in domestic and international monetary policies, Taiwan bond yields are expected to fluctuate within a range, with the 10-year Taiwan bond yield likely to trade between 1.50% and 1.64% in the near term.

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

