

The Analysis Report of Bond Market in June, 2020

A、Macroeconomic Data

※America

Event	Date	Survey	Actual	Prior
ISM Index in February	5/1	36.0	41.5	49.1
ISM Service in February	5/5	38.0	41.8	52.5
Nonfarm Payrolls in February	5/8	-22,000K	-20,537K	-881K(Adj.)
Unemployment Rate in February	5/8	16.0%	14.7%	4.4%
Hourly Earnings MoM in February	5/8	0.4%	4.7%	0.5%(Adj.)
Average Workweek in February	5/8	33.5	34.2	34.1(Adj.)
CPI MoM in February	5/12	-0.8%	-0.8%	-0.4%
CORE CPI MoM in February	5/12	-0.2%	-0.4%	-0.1%
PPI MoM in February	5/13	-0.5%	-1.3%	-0.2%
CORE PPI MoM in February	5/13	-0.1%	-0.3%	0.2%
NAHB Housing Market Index in March	5/18	35	37	30
Housing Starts MoM in February	5/19	-26.0%	-30.2%	-18.6%(Adj.)
Building Permits MoM in February	5/19	-25.9%	-20.8%	-5.7%(Adj.)
Existing Home Sales in February	5/21	4,220K	4,330K	5,270K
New Home Sales in February	5/26	480K	623K	619K(Adj.)
Durable Orders MoM in February	5/28	-19.0%	-17.2%	-16.6%(Adj.)
Durable Orders ex transportation MoM in February	5/28	-15.0%	-7.4%	-1.7%(Adj.)
GDP-adv	5/28	-4.8%	-5.0%	-4.8%
Personal Income MoM in February	5/29	-5.9%	10.5%	-2.2%(Adj.)
Personal Spending MoM in February	5/29	-12.8%	-13.6%	-6.9%(Adj.)

✧Taiwan

Event	Date	Actual	Prior
Foreign Exchange Reserves in February	5/5	481.78(US\$ Billion)	480.39(US\$ Billion)
CPI YoY in February	5/6	-0.97%	-0.03%(Adj.)
Exports YoY in February	5/8	-1.30%	-0.60%
Export Orders YoY in February	5/20	2.30%	4.30%
Unemployment Rate in February	5/22	4.10%	3.76%
Industrial Production YoY in February	5/25	3.51%	11.93%(Adj.)
Money Supply M2 YoY in February	5/25	4.21%	4.42%

B · The Analysis of Bond Market

Financial markets continue to pay attention to the tension between the US-China trade war and the impact of the US Congress' s promoting Chinese companies to be released in the United States and other events, which has led to an increase in investor risk aversion. However, affected by the news that some countries have gradually loosened their epidemic prevention controls, under bull and bear position' s battle, the recent 10-year US bond yield has not fluctuated much.

Affected by China' s plan to push Hong Kong' s national security laws and the United States' announcement of sanctions against China, the 10-year yield on Taiwan bonds once fell, but it was finally consolidated by the impact of US debt.

Looking ahead, the current yield of Taiwan bond is at a low level. In the absence of new profits and more stimulus, bond dealers lack the strong buying drive, but under the conditions of abundant market funds, yields of Taiwan bond should still have a falling space or maintain a low-level fluctuation pattern. It is not easy to change the low trading volume of Taiwan bonds in short term. It is estimated that the 10-year yield of treasury benchmark (A09106) trading range will fluctuate between 0.40%.~0.50%.

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

