

The Analysis Report of Bond Market in November, 2021

A、Macroeconomic Data

※America

Event	Date	Survey	Actual	Prior
ISM Index in September	10/1	59.5	61.1	59.9
ISM Service in September	10/5	59.9	61.9	61.7
Nonfarm Payrolls in September	10/8	500K	194K	483K
Unemployment Rate in September	10/8	5.1%	4.8%	5.2%
Hourly Earnings MoM in September	10/8	0.4%	0.6%	0.4%(Adj.)
Average Workweek in September	10/8	34.7	34.8	34.6(Adj.)
CPI MoM in September	10/13	0.3%	0.4%	0.3%
CORE CPI MoM in September	10/13	0.2%	0.2%	0.1%
PPI MoM in September	10/14	0.6%	0.5%	0.7%
CORE PPI MoM in September	10/14	0.5%	0.2%	0.6%
NAHB Housing Market Index in October	10/18	75	80	76
Housing Starts MoM in September	10/19	0.0%	-1.6%	1.2%(Adj.)
Building Permits MoM in September	10/19	-2.4%	-7.7%	5.6%(Adj.)
Existing Home Sales in September	10/21	6,100K	6,290K	5,880K
New Home Sales in September	10/26	756K	800K	702K(Adj.)
Durable Orders MoM in September	10/27	-1.1%	-0.4%	1.3%(Adj.)
Durable Orders ex transportation MoM in September	10/27	0.4%	0.4%	0.3%
GDP-adv	10/28	2.6%	2.0%	6.7%
Personal Income MoM in September	10/29	-0.3%	-1.0%	0.2%
Personal Spending MoM in September	10/29	0.6%	0.6%	1.0%(Adj.)

✧Taiwan

Event	Date	Actual	Prior
Foreign Exchange Reserves in September	10/5	544.90(US\$ Billion)	543.58(US\$ Billion)
CPI YoY in September	10/6	2.63%	2.35%(Adj.)
Exports YoY in September	10/8	29.2%	26.9%
Export Orders YoY in September	10/20	25.7%	17.6%
Unemployment Rate in September	10/22	3.92%	4.08%
Money Supply M2 YoY in September	10/25	8.69%	8.44%
Industrial Production YoY in September	10/25	12.24%	13.43%(Adj.)

B · The Analysis of Bond Market

As the Bank of England's decision of not raising interest rates triggered turbulence in the global bond market, U.S. bond yields subsequently fell sharply. This month, the 10-year U.S. bond yield showed a trend of rising first and then falling.

At the beginning of this month, the Taiwan bond market was waiting for the outcome of the Fed meeting, which made the trading of On-the-Run and Off-the-Run thin. Later, due to the fall in the yield of U.S. Treasury bonds, the yields of the benchmark bonds continued to consolidate within the range, and the rise or fall was not obvious. Recently, the 10-year Taiwan bond yield has shown a slight downward trend.

Looking ahead, the president of the central bank said that although the price increase in Taiwan is related to oil prices, inflation has not gotten out of control. The price increase is a short-term phenomenon. Compared with the European and American growth rates, it seems that there is no pressure to raise interest rates in the short term. Therefore, it is estimated that the bond yields will temporarily maintain a consolidation trend. It is expected that the recent 10-year Taiwan bond yield should fluctuate between 0.5% and 0.6%.

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

