

The Analysis Report of Bond Market in June, 2020

A、Macroeconomic Data

※America

Event	Date	Survey	Actual	Prior
ISM Index in February	6/1	43.8	43.1	41.5
ISM Service in February	6/3	44.4	45.4	41.8
Nonfarm Payrolls in February	6/5	-7,500K	2,509K	-20,787K(Adj.)
Unemployment Rate in February	6/5	19.0%	13.3%	14.7%
Hourly Earnings MoM in February	6/5	1.0%	-1.0%	4.7%
Average Workweek in February	6/5	34.3	34.7	34.2
CPI MoM in February	6/10	0.0%	-0.1%	-0.8%
CORE CPI MoM in February	6/10	0.0%	-0.1%	-0.4%
PPI MoM in February	6/11	0.1%	0.4%	-1.3%
CORE PPI MoM in February	6/11	-0.1%	-0.1%	-0.3%
NAHB Housing Market Index in March	6/16	45	58	37
Housing Starts MoM in February	6/17	23.5%	4.3%	-26.4%(Adj.)
Building Permits MoM in February	6/17	16.8%	14.4%	-21.4%(Adj.)
Existing Home Sales in February	6/22	4,090K	3,910K	4,330K
New Home Sales in February	6/23	640K	676K	580K(Adj.)
Durable Orders MoM in February	6/25	10.5%	15.8%	-18.1%(Adj.)
Durable Orders ex transportation MoM in February	6/25	2.1%	4.0%	-8.2%(Adj.)
GDP-adv	6/25	-5.0%	-5.0%	-5.0%
Personal Income MoM in February	6/26	-6.0%	-4.2%	10.8%(Adj.)
Personal Spending MoM in February	6/26	9.3%	8.2%	-12.6%(Adj.)

✧Taiwan

Event	Date	Actual	Prior
Foreign Exchange Reserves in February	6/5	484.52(US\$ Billion)	481.78(US\$ Billion)
CPI YoY in February	6/5	-1.19%	-0.96%(Adj)
Exports YoY in February	6/8	-2.00%	-1.30%
Export Orders YoY in February	6/20	0.40%	2.30%
Unemployment Rate in February	6/22	4.16%	4.10%
Industrial Production YoY in February	6/23	1.51%	4.22%(Adj)
Money Supply M2 YoY in February	6/24	4.18%	4.21%

B · The Analysis of Bond Market

Under the impact of the US threat to impose punitive tariffs on Europe and the record high of new cases in the United States, the risk aversion has heated up and the US bond yield has fallen. Although the subsequent yields have rebounded slightly, the recent 10-year U.S. bond yield still showed a downward trend as a whole.

The Taiwan bond market continues the pattern of recent narrow fluctuation, and the 10-year yield of Taiwan bond has limited rise and fall.

Looking ahead, although the central bank continues to issue certificates of deposit to absorb funds, the entire banking system still has excessive funds. In order to pursue stable returns, banks can only accept public bonds, which makes it difficult for the yield to rise. It is expected that the bond market will present a peaceful phenomenon of bull position. The 10-year bond yield is likely to break through again. 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

