

# The Analysis Report of Bond Market in November, 2019

## A、Macroeconomic Data

### ※America

Event	Date	Survey	Actual	Prior
ISM Index in September	10/01	50.1	47.8	49.1
ISM Service in September	10/03	55.0	52.6	56.4
Nonfarm Payrolls in September	10/04	140K	136K	130K
Unemployment Rate in September	10/04	3.7%	3.5%	3.7%
Hourly Earnings MoM in September	10/04	0.3%	0%	0.4%
Average Workweek in September	10/04	34.4	34.4	34.4
PPI MoM in September	10/08	0.1%	-0.3%	0.1%
CORE PPI MoM in September	10/08	0.2%	-0.3%	0.3%
CORE CPI YoY in September	10/10	2.4%	2.4%	2.4%
NAHB Housing Market Index in October	10/16	68	71	68
Building Permits MoM in September	10/17	-26.0%	-2.7%	8.2%(Adj.)
Housing Starts MoM in September	10/17	-8.6%	-9.4%	15.1%(Adj.)
Existing Home Sales in September	10/22	5450K	5380K	5490K
New Home Sales in September	10/24	701K	701K	706K(Adj.)
Durable Orders MoM in September	10/24	-0.8%	-1.1%	0.3%(Adj.)
Durable Orders ex transportation MoM in September	10/24	-0.2%	-0.3%	0.3%(Adj.)
GDP-adv	10/30	1.6%	1.9%	2.0%
Personal Income MoM in September	10/31	0.3%	0.3%	0.5%(Adj.)
Personal Spending MoM in September	10/31	0.2%	0.2%	0.2%(Adj.)

✧Taiwan

Event	Date	Actual	Prior
Foreign Exchange Reserves in September	10/05	469.49(US\$ Billion)	468.17(US\$ Billion)
CPI YoY in September	10/05	0.43%	0.43%
Exports YoY in September	10/08	-4.60%	2.8%(Adj.)
Export Orders YoY in September	10/21	-4.90%	-8.30%
Unemployment Rate in September	10/22	3.74%	3.73%
Industrial Production YoY in September	10/23	-0.75%	2.28%
Money Supply M2 YoY in September	10/24	3.40%	3.35%

## B · The Analysis of Bond Market

In the United States, the number of new nonfarm payrolls in October was 128,000, which was better than the market estimate of 89,000. At the same time, the number of new nonfarm payrolls in September also rose from 136,000 to 180,000, indicating excellent job market performance. It should continue to provide kinetic energy for consumer spending and maintain economic expansion. Strong employment data supported investors' expectations that the Fed will stop cutting interest rates in the short term, and the 10-year US bond yields rebounded.

Benefiting from the growth of government consumption and the export effect of the electronics industry in the peak season, the economic growth rate in the third quarter of Taiwan was 2.91%, the highest in the fifth quarter. However, the evaluation of the central bank's fourth quarter of the Board of Supervisors announced that the interest rate will remain unchanged and the 10-year yield of treasury benchmark (A08109) continued to be consolidating at a low level.

Looking ahead to the market, the Sino-US trade consultation is progressing smoothly. The United States will sign the first phase agreement with China in this (11) month, which is expected to ease the tariff warfare for nearly 16 months. Taiwanese bond is currently trading relatively lightly. It is expected that the trend of Taiwanese bond will still be affected by the rise and fall of US bond and the development of international situation. Before the international situation has changed significantly, the 10-year yield of treasury benchmark (A08109) is expected to fluctuate between 0.60%~0.80%.

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

