

The Analysis Report of Bond Market in June, 2021

A、Macroeconomic Data

※America

Event	Date	Survey	Actual	Prior
ISM Index in April	5/3	65.0	60.7	64.7
ISM Service in April	5/5	64.1	62.7	63.7
Unemployment Rate in April	5/7	5.8%	6.1%	6.0%
Hourly Earnings MoM in April	5/7	0.0%	0.7%	-0.1%
Average Workweek in April	5/7	34.9	35.0	34.9
CPI MoM in April	5/12	0.2%	0.8%	0.6%
CORE CPI MoM in April	5/12	0.3%	0.9%	0.3%
PPI MoM in April	5/13	0.3%	0.6%	1.0%
CORE PPI MoM in April	5/13	0.4%	0.7%	0.7%
NAHB Housing Market Index in May	5/17	83	83	83
Housing Starts MoM in April	5/18	-2.0%	-9.5%	19.8%(Adj.)
Building Permits MoM in April	5/18	0.6%	0.3%	1.7%(Adj.)
Existing Home Sales in April	5/21	6,070K	5,850K	6,010K
New Home Sales in April	5/25	950K	863K	917K(Adj.)
Durable Orders MoM in April	5/27	0.8%	-1.3%	1.3%(Adj.)
Durable Orders ex transportation MoM in April	5/27	0.7%	1.0%	3.2%(Adj.)
GDP-adv	5/27	6.5%	6.4%	6.4%
Personal Income MoM in April	5/28	-14.2%	-13.1%	20.9%(Adj.)
Personal Spending MoM in April	5/28	0.5%	0.5%	4.7%(Adj.)

✧Taiwan

Event	Date	Actual	Prior
Foreign Exchange Reserves in April	5/5	541.11(US\$ Billion)	539.04(US\$ Billion)
CPI YoY in April	5/6	2.09%	1.24%(Adj.)
Exports YoY in April	5/7	38.7%	27.1%
Export Orders YoY in April	5/20	42.60%	33.30%
Unemployment Rate in April	5/24	3.71%	3.72%
Industrial Production YoY in April	5/24	13.62%	16.06%(Adj.)
Money Supply M2 YoY in April	5/24	8.83%	8.91%

B · The Analysis of Bond Market

According to the latest data, the increase in the number of non-agricultural employment in the United States in May was once again lower than expected, causing a massive influx of market funds into the bond market. As a consequence, the recent 10-year U.S. bond yield shows a downward trend.

There was odd lot in the Taiwan bond market at the beginning of this June, breaking the situation that has not been traded for many days since the end of May. However, traders' concerns about the increase in the supply of Taiwan bonds have pushed up the level of yields, making the recent 10-year Taiwan bond yield show an upward trend.

Looking ahead, although the increase in the supply of Taiwan bond has led to a rebound in yields, under the current environment where Taiwan dollar funds still extremely flood the market, the expected rebound is limited. Taiwan bond yields should maintain a consolidation pattern in the short term. It is expected that the recent 10-year Taiwan bond yield should fluctuate between 0.38% and 0.48%.

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

