

The Analysis Report of Bond Market in December, 2020

A、Macroeconomic Data

※America

Event	Date	Survey	Actual	Prior
ISM Index in October	11/2	56.0	59.3	55.4
ISM Service in October	11/4	57.5	56.6	57.8
Nonfarm Payrolls in October	11/6	580K	638K	711K(Adj.)
Unemployment Rate in October	11/6	7.6%	6.9%	7.9%
Hourly Earnings MoM in October	11/6	0.2%	0.1%	0.1%
Average Workweek in October	11/6	34.7	34.8	34.8(Adj.)
CPI MoM in October	11/12	0.1%	0.0%	0.2%
CORE CPI MoM in October	11/12	0.2%	0.0%	0.2%
PPI MoM in October	11/13	0.2%	0.3%	0.4%
CORE PPI MoM in October	11/13	0.2%	0.1%	0.4%
NAHB Housing Market Index in November	11/17	85	90	85
Housing Starts MoM in October	11/18	3.2%	4.9%	6.3%(Adj.)
Building Permits MoM in October	11/18	1.4%	0.0%	4.7%(Adj.)
Existing Home Sales in October	11/19	6,470K	6,850K	6,570K(Adj.)
New Home Sales in October	11/25	975K	999K	1,002K(Adj.)
Durable Orders MoM in October	11/25	0.8%	1.3%	2.1%(Adj.)
Durable Orders ex transportation MoM in October	11/25	0.5%	1.3%	1.5%(Adj.)
GDP-adv	11/25	33.1%	33.1%	33.1%
Personal Income MoM in October	11/25	-0.1%	-0.7%	0.7%(Adj.)
Personal Spending MoM in October	11/25	0.4%	0.5%	1.2%(Adj.)

✧Taiwan

Event	Date	Actual	Prior
Foreign Exchange Reserves in October	11/5	501.24(US\$ Billion)	499.60(US\$ Billion)
CPI YoY in October	11/5	-0.24%	-0.58%
Exports YoY in October	11/9	11.20%	9.30%(Adj.)
Export Orders YoY in October	11/20	9.10%	9.90%
Unemployment Rate in October	11/22	3.77%	3.78%
Industrial Production YoY in October	11/23	7.06%	11.62%(Adj.)
Money Supply M2 YoY in October	11/24	7.05%	7.15%

B · The Analysis of Bond Market

The leaders of both parties in the US Congress resumed negotiations on the temporary relief package. U.S. bond yields have risen sharply following the progress of the interim bill. Recently, the 10-year U.S. bond yields have shown an upward trend.

At the beginning of this month, the winning interest rate of the 5-year government bond auction was higher than expected, which also caused the 10-year yield to be revised upwards. Recently, the 10-year Taiwan bonds has shown an upward trend.

Looking ahead, the recent 5-year bond auction and the central bank's 364-day fixed deposit certificate interest rate continue to hit a record low. Although the interest rate of the bond is much higher than market expectations, it can be seen that the market has recently begun to embrace hesitation toward the bull position. Before real buying orders are still not satisfied, it is estimated that the yield may continue to maintain a low-end consolidation trend. It is expected that the 10-year Taiwan bond yield should fluctuate between 0.22% and 0.32% this week.

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

