

The Analysis Report of Bond Market in April, 2021

A、Macroeconomic Data

※America

Event	Date	Survey	Actual	Prior
ISM Index in February	3/1	58.9	60.8	58.7
ISM Service in February	3/3	58.7	55.3	58.7
Nonfarm Payrolls in February	3/5	200K	379K	233K(Adj.)
Unemployment Rate in February	3/5	6.3%	6.2%	6.3%
Hourly Earnings MoM in February	3/5	0.2%	0.2%	0.0%(Adj.)
Average Workweek in February	3/5	34.9	34.6	35.0
CPI MoM in February	3/10	0.4%	0.4%	0.3%
CORE CPI MoM in February	3/10	0.2%	0.1%	0.0%
PPI MoM in February	3/12	0.5%	0.5%	1.3%
CORE PPI MoM in February	3/12	0.2%	0.2%	1.2%
NAHB Housing Market Index in March	3/16	84	82	84
Housing Starts MoM in February	3/17	-1.3%	-10.3%	-5.1%(Adj.)
Building Permits MoM in February	3/17	-7.2%	-10.8%	10.7%(Adj.)
Existing Home Sales in February	3/22	6,490K	6,220K	6,660K(Adj.)
New Home Sales in February	3/23	870K	775K	948K(Adj.)
Durable Orders MoM in February	3/24	0.5%	-1.1%	3.5%(Adj.)
Durable Orders ex transportation MoM in February	3/24	0.5%	-0.9%	1.6%(Adj.)
GDP-adv	3/25	4.1%	4.3%	4.1%
Personal Income MoM in February	3/26	-7.2%	-7.1%	10.1%(Adj.)
Personal Spending MoM in February	3/26	-0.8%	-1.0%	3.4%(Adj.)

✧Taiwan

Event	Date	Actual	Prior
Foreign Exchange Reserves in February	3/5	543.33(US\$ Billion)	541.48(US\$ Billion)
CPI YoY in February	3/9	1.37%	-0.18%(Adj.)
Exports YoY in February	3/9	9.7%	36.8%
Export Orders YoY in February	3/22	48.50%	49.30%
Unemployment Rate in February	3/22	3.75%	3.75%
Industrial Production YoY in February	3/23	2.96%	19.04%(Adj.)
Money Supply M2 YoY in February	3/24	9.12%	8.84%

B · The Analysis of Bond Market

The Fed chairman Powell suggested that the current inflation is only a short-term phenomenon, and the record of the Fed meeting implied that the current bond purchase plan will still be maintained. Since the overall content is biased towards dovish discussions, the recent 10-year U.S. bond yield has been showing a downward trend.

The Taiwan bond is affected by the lowering U.S bond yield and the concentration of market bargaining chips. Under the active entry of the long and short positions, the recent 10-year Taiwan bond yields have shown a downward trend.

Looking ahead, the yield auction of 10-year Taiwan bond yield on April 8th is 0.422%, which is slightly lower than market expectations. The buying of the short and long position on April 9th has led the yield to fall again. It is estimated that the tendency of stock quotations will test the 0.4% support level. It is expected that the recent 10-year Taiwan bond yield should fluctuate between 0.38% and 0.45%.

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

