

The Analysis Report of Bond Market in April, 2023

A・Macroeconomic Data

※America

Event	Date	Survey	Actual	Prior
ISM Index in February	3/1	48.0	47.7	47.4
ISM Service in February	3/3	54.5	55.1	55.2
Nonfarm Payrolls in February	3/10	225K	311K	472K(Adj.)
Unemployment Rate in February	3/10	3.4%	3.6%	3.4%
Hourly Earnings MoM in February	3/10	0.3%	0.2%	0.3%
Average Workweek in February	3/10	34.6	34.5	34.6(Adj.)
CPI MoM in February	3/14	0.4%	0.4%	0.5%
CORE CPI MoM in February	3/14	0.4%	0.5%	0.4%
NAHB Housing Market Index in March	3/15	40	44	42
PPI MoM in February	3/15	0.3%	-0.1%	0.3%(Adj.)
CORE PPI MoM in February	3/15	0.4%	0.0%	0.1%(Adj.)
Housing Starts MoM in February	3/16	0.1%	9.8%	-2.0%(Adj.)
Building Permits MoM in February	3/16	0.3%	13.8%	0.1%
Existing Home Sales in February	3/21	4,200K	4,580K	4,000K
GDP-adv	3/23	650K	640K	633K(Adj.)
New Home Sales in February	3/24	0.2%	-1.0%	-5.0%(Adj.)
Durable Orders MoM in February	3/24	0.2%	0.0%	0.4%(Adj.)
Durable Orders ex transportation MoM in February	3/30	2.7%	2.6%	2.7%
Personal Income MoM in February	3/31	0.2%	0.3%	0.6%
Personal Spending MoM in February	3/31	0.3%	0.2%	2.0%(Adj.)

✧Taiwan

Event	Date	Actual	Prior
Foreign Exchange Reserves in February	3/3	558.372(US\$ Billion)	557.143(US\$ Billion)
Exports YoY in February	3/7	-17.1%	-21.2%
CPI YoY in February	3/7	2.43%	3.04%
Export Orders YoY in February	3/20	-18.3%	-19.3%
Money Supply M2 YoY in February	3/23	-8.68%	-20.95%(Adj.)
Unemployment Rate in February	3/24	3.58%	3.60%
Industrial Production YoY in February	3/24	6.80%	6.67%

B · The Analysis of Bond Market

Recently, the economic data released by the United States are generally weak. For example, the personal consumption expenditure price index is lower than the previous value and expectations, indicating that the slowdown in inflation continues. The ADP employment data is not as expected, which causes the market to focus on whether the labor force market in America is eased or not. Poor U.S. economic data during the consecutive holidays has caused U.S. bond yields to fall in a row, and the 10-year U.S. bond yield has shown a downward trend recently.

The Taiwan bond market was driven by the drop in U.S. bond yields during the Tomb-sweeping holiday. The yields of the 5-year index bond and the 10-year R bond traded before the issue both fell simultaneously. However, there is still no transaction record for the 10-year index bond. The 10-year Taiwan bond yield remained flat.

Looking ahead, the short-term market for Taiwan bonds is still dominated by the international bond market. With the U.S. bond yield once breaking through 4% and the IRS rising, it is expected that the Taiwan bond yield will still face upward revision pressure in the short term. It is estimated that the 10-year Taiwan bond yield trading range should fluctuate between 1.22% and 1.32%.

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

