

The Analysis Report of Bond Market in November, 2022

A、Macroeconomic Data

※America

Event	Date	Survey	Actual	Prior
ISM Index in September	10/3	52.0	50.9	52.8
ISM Service in September	10/5	56.0	56.7	56.9
Nonfarm Payrolls in September	10/7	255K	263K	292K(Adj.)
Unemployment Rate in September	10/7	3.7%	3.5%	3.7%
Hourly Earnings MoM in September	10/7	0.3%	0.3%	0.3%
Average Workweek in September	10/7	34.5	34.5	34.5
PPI MoM in September	10/12	0.3%	0.3%	0.3%(Adj.)
CORE PPI MoM in September	10/12	0.2%	0.4%	0.2%(Adj.)
CPI MoM in September	10/13	0.2%	0.4%	0.1%
CORE CPI MoM in September	10/13	0.4%	0.6%	0.6%
NAHB Housing Market Index in October	10/18	43	38	46
Housing Starts MoM in September	10/19	-7.2%	-8.1%	13.7%(Adj.)
Building Permits MoM in September	10/19	-0.8%	1.4%	-8.5%(Adj.)
Existing Home Sales in September	10/20	4,700K	4,710K	4,780K(Adj.)
New Home Sales in September	10/26	580K	603K	677K(Adj.)
Durable Orders MoM in September	10/27	0.6%	0.4%	0.2%
Durable Orders ex transportation MoM in September	10/27	0.2%	-0.5%	0.0%
GDP-adv	10/27	2.4%	2.6%	-0.6%
Personal Income MoM in September	10/28	0.4%	0.4%	0.4%(Adj.)
Personal Spending MoM in September	10/28	0.4%	0.6%	0.6%(Adj.)

✧Taiwan

Event	Date	Actual	Prior
Foreign Exchange Reserves in September	10/5	541.107(US\$ Billion)	545.482(US\$ Billion)
CPI YoY in September	10/6	2.75%	2.66%
Exports YoY in September	10/7	-5.3%	1.9%(Adj.)
Export Orders YoY in September	10/20	-3.1%	2.0%
Unemployment Rate in September	10/24	3.64%	3.67%
Money Supply M2 YoY in September	10/24	6.83%	6.93%
Industrial Production YoY in September	10/24	-4.80%	3.26%(Adj.)

B · The Analysis of Bond Market

Recently, the annual and monthly growth rates of the U.S. CPI in October were both lower than market expectations, raising hopes that inflation will reach its peak and the U.S. Federal Reserve will turn around. This results in a sharp decline in U.S. bond yields, and the recent 10-year U.S. bond yields has shown downward trend.

The results of the 30-year public bond auction in the Taiwan bond market were better than market expectations, which eased the bearish sentiment. However, as traders waited for the release of the U.S. CPI data, the market trading remained thin. Also, because there was no special news from the local area, the recent trend of Taiwan bonds continued to be affected by U.S. debt. The 10-year Taiwan benchmark bond yield has shown a downward trend.

Looking ahead, traders will continue to wait and see the follow-up movement of U.S. bonds and wait for the results of the 5-year bond auction. After the release of the relatively slow CPI data in the U.S., the market has significantly lowered the U.S. Federal Reserve's interest rate hike expectations. It is predicted that in the short term, the 10-year Taiwan bond yield may show a correction trend along with the U.S. bond yield. It is estimated that the recent 10-year Taiwan bond yield should fluctuate between 1.60% and 1.70%.

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

