

The Analysis Report of Bond Market in July, 2024

A、Macroeconomic Data

※America

Event	Date	Survey	Actual	Prior
ISM Index in May	6/3	49.50	48.70	49.20
ISM Service in May	6/5	51	53.8	49.4
Nonfarm Payrolls in May	6/7	180K	272K	165K(Adj.)
Unemployment Rate in May	6/7	3.90%	4.00%	3.90%
Hourly Earnings MoM in May	6/7	0.30%	0.40%	0.20%
Average Workweek in May	6/7	34.3	34.3	34.3
PPI MoM in May	6/13	0.10%	-0.20%	0.50%
CORE PPI MoM in May	6/13	0.30%	0.00%	0.50%
NAHB Housing Market Index in June	6/19	46	43	45
Housing Starts MoM in May	6/20	0.70%	-5.50%	4.10%(Adj.)
Building Permits MoM in May	6/20	0.70%	-3.80%	-3.00%
Existing Home Sales in May	6/21	4,100K	4,110K	4,140K
New Home Sales in May	6/26	633K	619K	698K(Adj.)
Durable Orders ex transportation MoM in May	6/27	0.20%	-0.10%	0.40%
Durable Orders MoM in May	6/27	-0.50%	0.10%	0.20%(Adj.)
GDP-adv	6/27	1.40%	1.40%	1.30%
Personal Income MoM in May	6/28	0.40%	0.50%	0.30%
Personal Spending MoM in May	6/28	0.30%	0.20%	0.10%(Adj.)

✧Taiwan

Event	Date	Actual	Prior
Foreign Exchange Reserves in May	6/5	572.80(US\$ Billion)	567.02(US\$ Billion)
CPI YoY in May	6/6	2.24%	1.94%(Adj.)
Exports YoY in May	6/7	3.50%	4.30%
Export Orders YoY in May	6/20	7.00%	10.80%
Unemployment Rate in May	6/24	3.35%	3.39%
Industrial Production YoY in May	6/24	16.06%	14.48%(Adj.)
Money Supply M2 YoY in May	6/24	6.04%	6.06%

B · The Analysis of Bond Market

Despite recent signs of weakness in most U.S. economic data, the yield on the 10-year U.S. Treasury bond has remained subdued. However, following hawkish statements from Federal Reserve officials, the 10-year yield rebounded, resulting in an upward trend.

Turning to the Taiwanese bond market, trading activity has been light recently. Only the 5-year benchmark bond saw a slight increase in trading volume, while the 10-year and 20-year benchmark bonds remained inactive. The yield on the 5-year supplemental issuance bonds experienced a larger increase, contributing to an overall slightly bearish sentiment. The 10-year Taiwanese benchmark bond yield ultimately closed flat.

Looking ahead, the Taiwanese bond market is expected to remain bearish after the central bank raised the reserve requirement ratio by 1 basis point. Given the backdrop of rising electricity prices and a vibrant real estate market, the central bank is unlikely to implement further monetary easing in the short term. Consequently, the 10-year Taiwanese bond yield may trade within the range of 1.60% to 1.75%."

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

