

The Analysis Report of Bond Market in August, 2021

A・Macroeconomic Data

※America

Event	Date	Survey	Actual	Prior
ISM Index in June	7/1	60.9	60.6	61.2
ISM Service in June	7/2	720K	850K	583K(Adj.)
Unemployment Rate in June	7/2	5.6%	5.9%	5.8%
Hourly Earnings MoM in June	7/2	0.3%	0.3%	0.4%(Adj.)
Average Workweek in June	7/2	34.9	34.7	34.8(Adj.)
CPI MoM in June	7/6	63.5	60.1	64.0
CORE PPI MoM in June	7/13	0.5%	0.9%	0.6%
NAHB Housing Market Index in July	7/13	0.4%	0.9%	0.7%
CORE CPI MoM in June	7/14	0.6%	1.0%	0.8%
PPI MoM in June	7/14	0.5%	1.0%	0.7%
Housing Starts MoM in June	7/19	81	80	81
Building Permits MoM in June	7/20	1.2%	6.3%	2.1%(Adj.)
Existing Home Sales in June	7/20	0.7%	-5.1%	-2.9%(Adj.)
New Home Sales in June	7/22	5,900K	5,860K	5,780K(Adj.)
Durable Orders MoM in June	7/26	796K	676K	724K(Adj.)
Durable Orders ex transportation MoM in June	7/27	2.2%	0.8%	3.2%(Adj.)
GDP-adv	7/27	0.8%	0.3%	0.5%(Adj.)
Personal Income MoM in June	7/29	8.4%	6.5%	6.3%(Adj.)
Personal Spending MoM in June	7/30	-0.3%	0.1%	-2.2%(Adj.)

✧Taiwan

Event	Date	Actual	Prior
Foreign Exchange Reserves in June	7/5	543.28(US\$ Billion)	542.98(US\$ Billion)
CPI YoY in June	7/7	1.89%	2.48%
Exports YoY in June	7/7	35.1%	38.6%
Export Orders YoY in June	7/20	31.10%	34.50%
Unemployment Rate in June	7/22	4.76%	4.15%
Industrial Production YoY in June	7/23	18.37%	16.88%(Adj.)
Money Supply M2 YoY in June	7/23	9.23%	9.21%

B · The Analysis of Bond Market

The recent U.S. bond market has been affected by Amazon's poor financial report, economic data not as expected, and the epidemic harmful to economic growth, leading to the recent decline in U.S. bond yields on various days.

Taiwan bond yields are still simultaneously affected by fluctuations in U.S. bond yield. Driven by the drop in U.S. bond yield to new low, the recent 10-year Taiwan bond yield has shown a downward trend.

Looking ahead, the 10-year benchmark bond won the bid at 0.399% this time, which is roughly in line with market expectations. However, the willingness of buying bonds following the price below the bid rate is not high. It is obvious that the buyer still insists on the price. The trend of Taiwan bonds may continue to consolidate within the range. It is expected that the recent 10-year Taiwan bond yield should fluctuate between 0.35% and 0.45%.

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

