

The Analysis Report of Bond Market in October, 2023

A、Macroeconomic Data

※America

Event	Date	Survey	Actual	Prior
ISM Index in August	9/1	47.2	47.6	46.4
Nonfarm Payrolls in August	9/1	170K	187K	236K(Adj.)
Unemployment Rate in August	9/1	3.5%	3.8%	3.5%
Hourly Earnings MoM in August	9/1	0.3%	0.2%	0.4%
Average Workweek in August	9/1	34.3	34.4	34.3
ISM Service in August	9/6	52.5	54.5	52.7
CPI MoM in August	9/13	0.6%	0.6%	0.2%
CORE CPI MoM in August	9/13	0.2%	0.3%	0.2%
PPI MoM in August	9/14	0.2%	0.2%	0.6%(Adj.)
CORE PPI MoM in August	9/14	0.4%	0.7%	0.6%(Adj.)
NAHB Housing Market Index in September	9/18	49	45	50
Housing Starts MoM in August	9/19	-0.9%	-11.3%	2.0%(Adj.)
Building Permits MoM in August	9/19	-0.2%	6.9%	0.1%
Existing Home Sales in August	9/21	4,100K	4,040K	4,070K
New Home Sales in August	9/26	698K	675K	739K(Adj.)
Durable Orders MoM in August	9/27	-0.5%	0.2%	-5.6%(Adj.)
Durable Orders ex transportation MoM in August	9/27	0.2%	0.4%	0.1%(Adj.)
GDP-adv	9/28	2.2%	2.1%	2.1%
Personal Income MoM in August	9/29	0.4%	0.4%	0.2%
Personal Spending MoM in August	9/29	0.5%	0.4%	0.9%(Adj.)

✧Taiwan

Event	Date	Actual	Prior
Foreign Exchange Reserves in August	9/5	565.467(US\$ Billion)	566.493(US\$ Billion)
CPI YoY in August	9/6	2.52%	1.88%
Exports YoY in August	9/8	-7.3%	-10.4%
Export Orders YoY in August	9/20	-15.7%	-12.0%
Money Supply M2 YoY in August	9/21	6.53%	6.93%
Unemployment Rate in August	9/22	3.42%	3.43%
Industrial Production YoY in August	9/23	-10.53%	-15.46%(Adj.)

B · The Analysis of Bond Market

Recently, affected by the dovish remarks of U.S. Federal Reserve officials and the heightened risk aversion sentiment caused by the Israeli-Palestinian conflict, U.S. bond yields have fallen from highs. Later, the U.S. CPI monthly and annual growth rates in September were higher than expected, and the demand for the U.S. issuance of 30-year government bonds were weak, which has caused U.S. bond yields to rebound. The 10-year U.S. bond yields has shown mixed trends recently.

Trading in the Taiwan debt market has been light after the consecutive holidays. Due to excessive concentration of chips, liquidity cannot be improved. Therefore, although the short-term market is affected by U.S. debt, the increase or decrease is not significant. Last week, the yield of the 10-year benchmark Taiwan debt showed an advance. A rise followed by a fall.

Looking ahead, the recent attitude of buyers of Taiwanese debt has tended to be negative, and given the poor liquidity of Taiwanese debt, it is estimated that the probability of Taiwanese debt maintaining a narrow range in the short term is still high. The recent trading range of 10-year Taiwanese bond yields may fluctuate between 1.25%-1.35%.

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

