

MARKET SUMMARY

FX	CLOSE(Asia)	CLOSE(NY)	Daily Δ*	Wkly Δ
JPY	149.52	149.10	▼0.56	▼0.61
EUR	1.0555	1.0615	+0.0050	▼0.0055
AUD	0.6356	0.6374	+0.0039	+0.0038
SGD	1.3675	1.3643	▼0.0055	▼0.0025
CNY	7.3183	7.3110	▼0.0064	+0.0020
INR	83.26	83.25	+0.00	+0.06
IDR	15901	15890	▼50	▼45
MYR	4.7635	4.7635	▼0.0147	▼0.0308
PHP	56.87	56.96	+0.00	+0.13
THB	36.04	35.96	▼0.25	▼0.55

*compared with previous day CLOSE(NY)

Yields	CLOSE	Daily Δ	Wkly Δ
USD (10YR)	4.894%	+6.0 bp	+4.4 bp
JPY (10YR)	0.892%	+1.1 bp	+1.5 bp
EUR* (10YR)	2.822%	▼1.0 bp	▼5.2 bp
AUD (5YR)	4.497%	+4.9 bp	+12.3 bp
SGD (5YR)	3.286%	▼1.6 bp	▼5.9 bp
CNY (5YR)	2.554%	▼1.3 bp	▼3.9 bp
INR (5YR)	7.361%	+1.1 bp	▼1.0 bp
IDR (5YR)	7.082%	▼2.1 bp	▼11.1 bp
MYR (5YR)	3.890%	+0.0 bp	+5.9 bp
PHP (5YR)	6.668%	+0.1 bp	+22.8 bp
THB (5YR)	2.902%	▼6.7 bp	▼11.6 bp

* German bunds

Equity Indices	CLOSE	Daily Δ	Wkly Δ
DJIA (US)	32,928.96	+1.58%	▼0.02%
N225 (JP)	30,696.96	▼0.95%	▼0.98%
STOXX 50 (EU)	4,028.32	+0.35%	▼0.33%
ASX (AU)	3,954.67	+0.55%	▼0.60%
STI (SG)	3,064.29	+0.08%	+0.36%
SHCOMP (CN)	3,021.55	+0.12%	+2.80%
SENSEX (IN)	64,112.65	+0.52%	▼0.71%
JSE (ID)	6,735.89	▼0.34%	▼0.09%
KLSE (MY)	1,439.20	▼0.19%	+0.08%
PSE (PH)	5,961.99	+0.00%	▼2.08%
SET (TH)	1,395.85	+0.55%	▼0.25%

Commodity	CLOSE	Daily Δ	Wkly Δ
CRB	280.76	▲1.52%	▲0.93%
COPPER (LME)	8,068.75	+0.48%	+2.13%
IRON ORE (CN)	118.97	+0.08%	+1.43%
GOLD	1,996.10	▲0.51%	+1.18%
OIL (WTI)	82.31	▼3.78%	▼3.72%

Three Take-aways:

- 1) Restrained improvement in sentiments allows equities breather but USTs remain aware of fiscal risks.
- 2) Vietnam's October industrial production provides relief but not absolution of risks amid soaring NPLs.
- 3) Taiwan Q3 GDP growth likely to be lifted on external demand recovery.

Restrained Risks?

- The sight of Israeli ground forces fighting in Gaza seemingly with rather restrained spillover and escalation in the Middle East has perhaps allowed an uptick in risk sentiments. US equities rose across the board to recover some ground (about half the losses suffered last week).

- That said, without an end to the conflict in sight, risks of escalation have not abated.

- Meanwhile, in addition to sentiments, USTs had more clarity but not much relief on fiscal concerns as lower estimates of net borrowings by the Treasury is still a worrying record high amid the on-going quantitative tightening which sent UST yields headed higher.

- The recovery in sentiments was also reflected in the Greenback falling against all G10 peers. That said, with DXY still above 106, USD is far from being weak. The AUD outperformed as upside in retail sales dovetail with earlier CPI print and raised odds of a RBA hike. EUR rose above 1.06 after Germany's GDP contracted 0.1% QoQ SA which was below expectations. All eyes will be on the JPY today as reports of possible YCC tweaks by the BoJ sent the USD/JPY towards 149.

Vietnam: Measured Relief

- In Vietnam, as expected (see Mizuho Week Ahead: 23 Oct), headline inflation for October headed marginally lower to 3.6% YoY from 3.7% in September. While slowdown in headline price momentum (to 0.1% MoM) on lower petrol prices is a relief for households as well as the SBV, the broad nature of modest price increases across nearly all categories compare to the previous month implies that risks of unanchored inflation expectations persist.

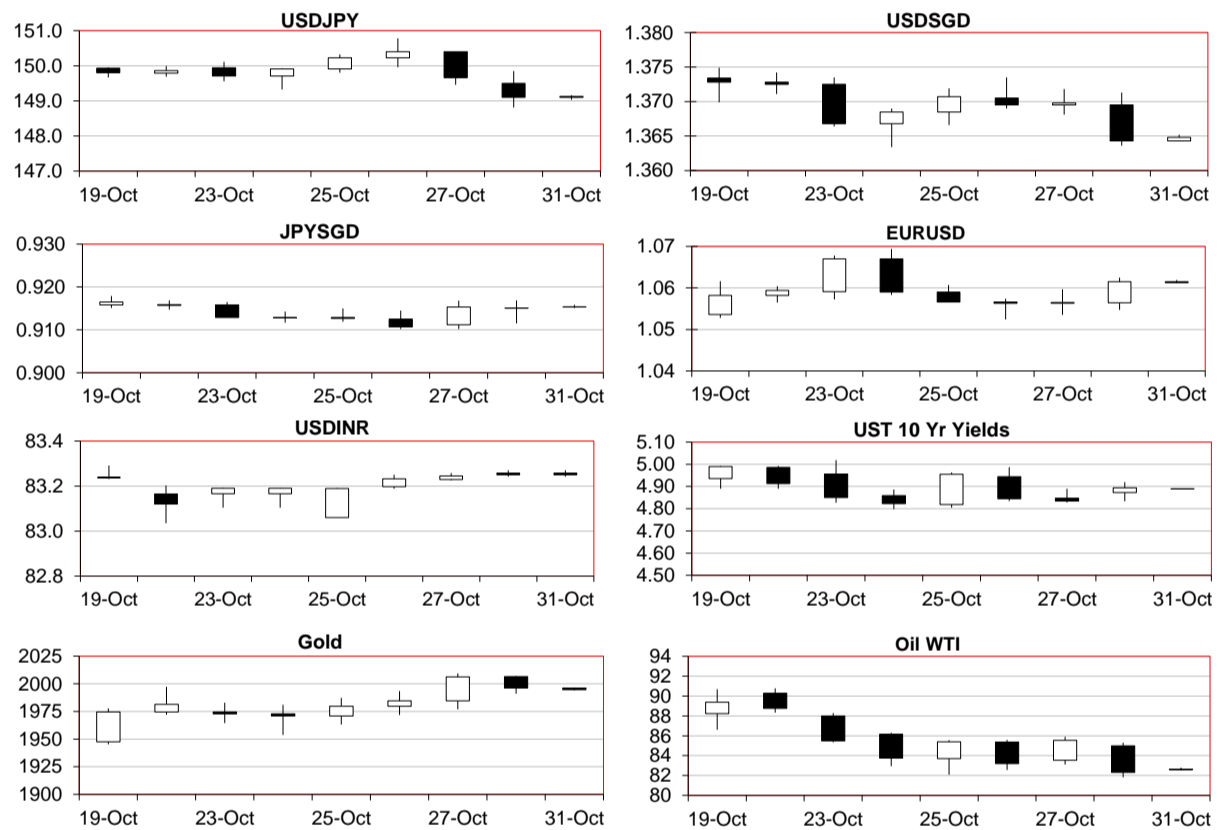
- Meanwhile, industrial production growing 5.5% MoM will also be a relief as production of computer, electronic and optical products grew 7.2% MoM. In contrast, more labour intensive strongholds such as textiles, apparel and footwear saw a more modest recovery (1.2-3.5% MoM).

OVERNIGHT RESULTS

(AU) Retail Sales MoM (Sep): 0.9% (Mkt:0.3%; Aug: 0.2% Revised: 0.3%) | (VN) CPI YoY (Oct): 3.6% (Mkt: 4.0%; Sep: 3.7%)

(VN) Industrial Production (Oct): 4.1% (Nov: 5.1%) | (VN) Trade Balance (Oct): \$3000m (Mkt: \$2948m; Nov: \$2290m)

(EZ) Consumer Confidence (Oct F): (Prelim: -17.9) | (US) Dallas Fed Mfg Activity (Oct): -19.2 (Mkt: -16.0; Sep: 19.1)

Past Two Weeks Movement

TODAY'S COMMENTS & FORECAST
Open

USD/JPY	149.11	EUR/USD	1.0614
USD/SGD	1.3648	USD/THB	35.92
JPY/SGD	0.9153	USD/MYR	4.755

Forecast

USD/JPY	147.00 - 150.20
EUR/USD	1.0540 - 1.0700
AUD/USD	0.6330 - 0.6430
USD/SGD	1.3600 - 1.3700
JPY/SGD	0.9055 - 0.9320
USD/CNH	7.3100 - 7.3400
USD/INR	83.10 - 83.30
USD/IDR	15850 - 15950
USD/MYR	4.750 - 4.780
USD/PHP	56.65 - 57.00
USD/THB	35.80 - 36.20

Today's Direction

	Bull	Bear
USD/SGD	5	1
USD/JPY	3	3

- While aggregate cashflows may have improved, skewed growth likely imply that smaller corporate balance sheets may have not enjoyed much relief. This was also reflected via exports revenue with the foreign invested sector contributing 75% of the monthly increase.

- Furthermore, on-going arrests of former Saigon Commercial Bank leaders alongside dismal property sector earnings bring attention to unresolved financial sector woes amid rising NPLs. The hope then rest on improving economic activity to mitigate and downsize these financial risks to repair credit confidence with the associated cost being a below trend type of recovery pace.

Taiwan Q3 GDP: External Lift

- Taiwan's Q3 GDP print is likely to accelerate from Q2's 1.4% YoY print and backs the CBC's earlier decision to hold rates and accommodate a recovery. Rising trade surplus on the back of higher export revenues point to a stronger support from external demand.

- This is likely resulted in the higher industrial production levels which rose 4.1% QoQ SA.

- Declining inventories in the electronics sector which saw an uptick in August also bodes well as firms may have reached levels which require restocking and may increase production in the months ahead. Nonetheless, given that surveyed business sentiments remained weak, private investments is expected to remain subdued.

- Domestically, the labour market remains tight and retail trade grew a robust 3.3% YoY in Q3.

- That said, a resurgent headline inflation is likely to have restrained private consumption.

- All in, a Q3 growth uplift is welcomed while awaiting a more discernible recovery in early 2024.

FX Daily Outlook

- EUR/USD: Growth optimism may allow 1.06 consolidation but rallies to be tempered.

- USD/JPY: Volatility enlarged as BoJ tweaks may see dips towards 147 but buoyant outlook unchanged.

- USD/SGD: Sub-1.36 dips remain shallow as UST yields look to re-assert.

- AUD/USD: Despite upbeat retail sales, 64 cents remain a cautious test.

TODAY'S EVENTS

(KR) Industrial Production YoY (Sep): 3.0% (Mkt: -1.0%; Aug: -0.5%) | (JP) Retail Sales YOY (Sep): 5.8% (Mkt: 5.9%; Aug: 7.1%)

(JP) Industrial Production YoY (Sep): -4.6% (Mkt: -2.3%; Aug: -4.4%)

(TW) GDP YoY (3Q A): (Mkt: 2.1%; 2Q: 1.4%) | (CH) Mfg/ Non-Mfg PMI (Oct): (Mkt: 50.2/51.5; Nov: 50.2/51.7)

(TH) Current Account Balance (Sep): (Mkt: \$1000m; Aug: \$401m) | (EZ) CPI/Core YoY (Oct): (Mkt: 3.1%/4.2%; -/4.55) |

(EZ) GDP SA YoY (3Q A): (Mkt: 0.2%; 2Q: 0.8%)

Central Banks: BoJ Monetary Policy Decision

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