

MARKET SUMMARY

FX	CLOSE(Asia)	CLOSE(NY)	Daily Δ*	Wkly Δ
JPY	150.41	150.45	▼0.50	+0.05
EUR	1.0603	1.0622	+0.0052	+0.0059
AUD	0.6426	0.6434	+0.0041	+0.0112
SGD	1.3663	1.3648	▼0.0033	▼0.0047
CNY	7.3193	7.3143	▼0.0017	▼0.0025
INR	83.26	83.25	▼0.03	+0.02
IDR	15868	15857	▼78	▼63
MYR	4.7533	4.7502	▼0.0215	▼0.0368
PHP	56.62	56.73	+0.00	▼0.24
THB	36.02	35.93	▼0.30	▼0.33

*compared with previous day CLOSE(NY)

Yields	CLOSE	Daily Δ	Wkly Δ
USD (10YR)	4.659%	▼7.5 bp	▼18.6 bp
JPY (10YR)	0.926%	▼3.5 bp	+5.1 bp
EUR* (10YR)	2.717%	▼4.7 bp	▼14.4 bp
AUD (5YR)	4.421%	▼12.5 bp	▼6.0 bp
SGD (5YR)	3.218%	▼8.5 bp	▼9.7 bp
CNY (5YR)	2.522%	▼1.7 bp	▼3.8 bp
INR (5YR)	7.310%	▼4.3 bp	▼4.8 bp
IDR (5YR)	6.932%	▼6.8 bp	▼23.7 bp
MYR (5YR)	3.783%	▼6.6 bp	▼8.8 bp
PHP (5YR)	6.647%	+0.1 bp	+7.2 bp
THB (5YR)	2.887%	▼0.7 bp	▼8.8 bp

* German bunds

Equity Indices	CLOSE	Daily Δ	Wkly Δ
DJIA (US)	33,839.08	+1.70%	+3.22%
N225 (JP)	31,949.89	+1.10%	+4.41%
STOXX 50 (EU)	4,169.62	+1.90%	+2.97%
ASX (AU)	4,033.98	+1.67%	+1.88%
STI (SG)	3,082.49	+0.19%	+0.36%
SHCOMP (CN)	3,009.41	▼0.45%	+0.71%
SENSEX (IN)	64,080.90	+0.77%	+1.48%
JSE (ID)	6,751.39	+1.64%	+0.55%
KLSE (MY)	1,439.77	+0.31%	▼0.06%
PSE (PH)	5,973.78	+0.00%	▼0.74%
SET (TH)	1,403.99	+1.74%	+2.39%

Commodity	CLOSE	Daily Δ	Wkly Δ
CRB	282.25	+1.13%	+0.26%
COPPER (LME)	8,064.00	+0.42%	+1.93%
IRON ORE (CN)	124.99	+0.86%	+5.66%
GOLD	1,985.78	+0.16%	+0.05%
OIL (WTI)	82.46	+2.51%	▼0.90%

TODAY'S COMMENTS & FORECAST

Open

USD/JPY	150.50	EUR/USD	1.0616
USD/SGD	1.3650	USD/THB	35.98
JPY/SGD	0.9070	USD/MYR	4.750

Forecast

USD/JPY	149.60 - 151.20
EUR/USD	1.0520 - 1.0680
AUD/USD	0.6350 - 0.6480
USD/SGD	1.3610 - 1.3720
JPY/SGD	0.9001 - 0.9171
USD/CNH	7.3000 - 7.3500
USD/INR	83.20 - 83.31
USD/IDR	15700 - 15950
USD/MYR	4.730 - 4.770
USD/PHP	56.40 - 56.90
USD/THB	35.75 - 36.30

Today's Direction

	Bull	Bear
USD/SGD	5	3
USD/JPY	4	4

Three Take-aways:

- 1) US equities' sharp rally belies fragility of optimism; UST 2Y yields tested 5% on resilient factory orders.
- 2) Risk sentiments remains shaky on deeper Israel-Hamas conflict amid lack of a ceasefire.
- 3) Indonesia continue on-trend growth, supported by household spending and robust investments.

Fragile Rally

- At the outset, the narrative appears to be continues to be driven by Fed's pause. However, the US equities' sharp rally (S&P500: +1.9%; Dow: +1.7%; NASDAQ: +1.8%) amid mixed reactions from other indicators underscores the fragility of this optimism.

- Compared to yesterday, odds of a Dec/Jan hike increased slightly. UST 2Y yields also attempted to regain 5% levels as an upside surprise to factory orders confirmed that the Fed's concerns of resilient demand have not abated.

- Meanwhile, 10Y yields fell >7bps as the expectations of long-term inflation expectations likely came down amid Q3 US labor productivity advancement of 4.7%, which could help alleviate the inflationary impact of wage growth.

- Risk sentiments were however shaky as hopes of a de-escalation of the Israel conflict escalation diminished after Israel said ceasefire 'not on the table' ahead of US Secretary of State Antony Blinken's Friday visit to the region. Even as Gold oscillated around \$1985 levels, Brent Crude rising above mid-\$86/bbl could suggest some acknowledgement of the unabated risk in supply shocks.

- While the USD may have lost ground against G10 peers, the DXY still managed to rise above 106 after US initial jobless claims and escalating Middle East tensions. EUR hovered above 1.06 after failing to hold on to post-upside PMI gains. Meanwhile, AUD missed mid-64 cents and USD/SGD moved higher above mid-1.36. JPY gains were relatively muted, staying at around mid-150 levels.

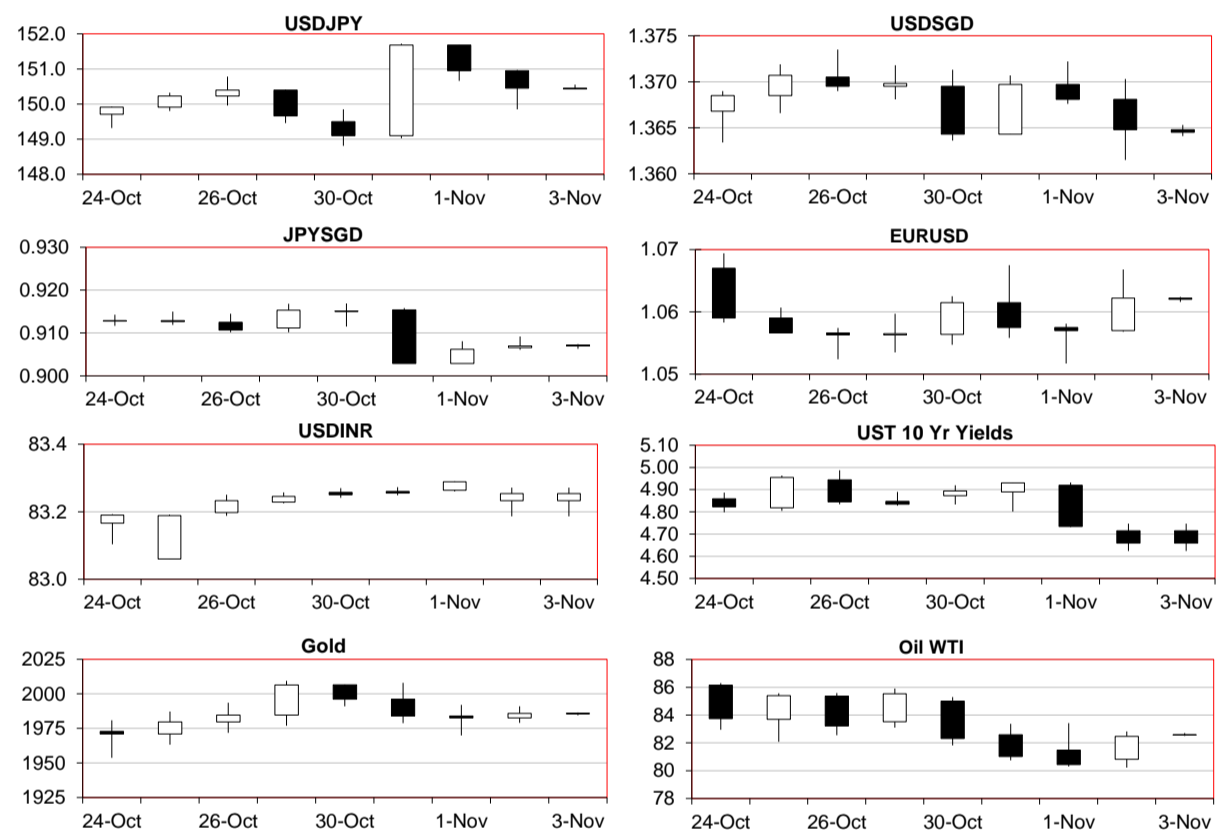
Indonesia Q3 GDP: Domestically Driven

- We expect the Indonesian economy to continue on-trend growth, with Q3 GDP (due 6 Nov) to coming in slightly weaker at 4.9%, from 5.2% in Q2'23. Private consumption growth is expected slow but remain the key driver of growth in view of recent decline in retail sales growth.

OVERNIGHT RESULTS

(AU Trade Balance (Sep): A\$6786m (Mkt: A\$9500m; Aug: A\$10161m) | (SG) PMI/Elect. Sector Index (Oct): 50.2/49.9 (Nov: 50.1/49.8) | (EZ) Mfg PMI (Oct F): 43.1 (Mkt: 43.0; Prelim: 43.0) | (US) Initial Jobless Claims (Oct): 217k (Mkt: 210k; Sep: 212k)

* Past Two Weeks Movement *



- Robust investments will also contribute to growth. Foreign and domestic investments increased by 12.7% and 25.8% YoY in Q3 respectively. The growth was driven by funds into capital-intensive sectors, including mining, metals, chemicals & pharma, and transport, storage and communication.

- This investment drive also likely reflected the relatively higher (net) imports of machinery and transportation equipment in recent months from monthly trade data, amid the government's firm commitment towards "downstreaming". With the "downstreaming" objective likely to continue under the next President, economic policy continuity should see investments continually supporting growth in the coming quarters.

- Government consumption growth is likely to come in lower compared to Q2'23 as fiscal expenditures on employee wages and goods in Jul-Sep trended down compared to Apr-Jun period.

- In the lead up to the 14 Feb 2024 elections, fiscal spending is set to head higher.

- Lastly, the external demand is set to remain weak, with softer palm oil and coal prices being the key driver behind the decline in the export value.

- Tourism receipts should however, continue to support export revenue flows and the services sector. While higher-spending tourists from Australia (8.6% of total arrivals in 2019) have recovered well-above 2019 levels, there remains scope for further recovery from the arrivals of even higher-spending tourists from Singapore (12.0% of total arrivals in 2019). Meanwhile, arrivals from Chinese (average-spending but used to be a major source of revenue) have been tepid.

FX Daily Outlook

- EUR/USD: US exceptionalism risks 1.06 slippages while EZ weakness restrain rallies.
- USD/JPY: Moves above mid-150 restrained on softer long-end UST yields.
- USD/SGD: Supported around mid 1.36; upside surprise to US NFP could test 1.37 levels.
- AUD/USD: Positive Chinese data buoys above mid-64 cents.

TODAY'S EVENTS

(CH) BoP Current Account Balance (3Q P): (Mkt: -, prev: \$64.7b) | (CH) Caixin Services PMI (Oct): (Mkt: 51.0; prev: 50.2)
(SG) Retail Sales / Ex Auto YoY (Sep): (Mkt: 1.6%/-; Aug: 4.0%/3.7%) | (US) Nonfarm Payrolls / Unemployment Rate (Oct): (Mkt: 180k/3.8%; Sep: 336k/3.8%) | (US) ISM Services Index (Oct): (Mkt: 53.0; Sep: 53.6)
(EZ) Unemployment Rate (Sep): (Mkt: 6.4%; Aug: 6.4%)

Important Information

This publication has been prepared by Mizuho Bank, Ltd. ("Mizuho") and represents the views of the author. It has not been prepared by an independent research department and it has not been prepared in accordance with legal requirements in any country or jurisdiction designed to promote be complete. This publication has been prepared for information purposes only and is not intended by Mizuho or its affiliates to constitute investment, legal, accounting, tax or other advice of any kind and all recipients of this publication are advised to contact independent advisors in order to evaluate the publication, including, without limitation, the suitability of any security, commodity, futures contract or instrument or related derivative (hereinafter, a "financial instrument"), product or strategy herein described. This publication is not intended to be relied upon as advice to investors or potential investors and does not take into account investment objectives, financial situation or needs of any particular investor. It is not intended for persons who are Retail Clients within the meaning of the United Kingdom's Financial Conduct Authority rules nor for persons who are restricted in accordance with US, Japanese, Singapore or any other applicable securities laws.

This publication has been prepared for information purposes only and is not intended by Mizuho to market any financial instrument, product or service or serve as a recommendation to take or refrain from taking any particular course of action or participate in any trading or other strategy. This publication is not an offer to buy or sell or a solicitation of any offer to buy or sell any security or any of the assets, businesses or undertakings described herein, or any other financial instrument, nor is it an offer to participate in any trading or other strategy, nor a disclosure document under applicable laws, rules, regulations or guidelines. Nothing contained herein is in any way intended by Mizuho or its affiliates to offer, solicit and/or market any financial instrument, product or service, or to act as any inducement to enter into any contract or commitment whatsoever. Neither the author, Mizuho nor any affiliate accepts any liability whatsoever with respect to the use of this publication or its contents or for any errors or omissions herein.

Mizuho and its affiliates, connected companies, employees or clients may take the other side of any order by you, enter into transactions contrary to any recommendations contained herein or have positions or make markets or act as principal or agent in transactions in any securities mentioned herein or derivative transactions relating thereto or perform or seek financial or advisory services for the issuers of those securities or financial instruments.

All of the information contained in this publication is subject to further modification without prior notice and any and all opinions, forecasts, projections or forward-looking statements contained herein shall not be relied upon as facts nor relied upon as any indication of future results. Opinions stated in this publication are subject to change without notice. Future results may materially vary from such opinions, forecasts, projections or forward-looking statements. The information contained in this publication may not be current due to, among other things, changes in the financial markets or economic environment. Mizuho has no obligation to update any information contained in this publication. Past performance is not indicative of future performance.

This is a strictly privileged and confidential publication. This publication contains information addressed only to a specific individual and is not intended for distribution to, or use by, any person other than the named addressee or any person or entity in any jurisdiction or country where such distribution or use would be contrary to law or regulation. Save with Mizuho's prior written consent, you may not disclose, divulge, reproduce or furnish any information contained herein to any other party. Please notify the sender immediately if you have mistakenly received this publication.

Singapore: Mizuho is licensed as a bank under the Banking Act (Chapter 19) of Singapore, and is regulated by the Monetary Authority of Singapore.

Japan: Mizuho is authorised and regulated by the Financial Services Agency of Japan.

United Kingdom / European Economic Area: In the UK, Mizuho is authorised by the Prudential Regulation Authority and subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority. Details about the extent of MHBK's regulation by the Prudential Regulation Authority are available upon request. This publication may also be distributed by Mizuho International plc ("MHI"). MHI is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

United States: This publication is not a "research report" as defined in Commodity Futures Trading Commission ("CFTC") Regulations 1.71 and 23.605. The content of publications distributed by Mizuho Securities USA Inc. ("MSUSA") is the responsibility of MSUSA. The content of publications distributed directly to US customers by Mizuho is the responsibility of Mizuho. US investors must effect any order for a security that is the subject of this report through MSUSA.

© 2014 Mizuho Bank Ltd.