

MARKET SUMMARY

FX	CLOSE(Asia)	CLOSE(NY)	Daily Δ*	Wkly Δ
JPY	140.85	142.14	+1.77	+2.25
EUR	1.0257	1.0242	▼0.0083	▼0.0085
AUD	0.6637	0.6605	▼0.0068	▼0.0097
SGD	1.3795	1.3817	+0.0058	+0.0097
CNY	7.1654	7.1653	+0.0455	+0.0963
INR	81.78	81.85	+0.14	+0.58
IDR	15713	15713	+25	+195
MYR	4.5725	4.5800	+0.0238	▼0.0148
PHP	57.34	57.36	+0.11	+0.06
THB	36.18	36.23	+0.47	+0.32

*compared with previous day CLOSE(NY)

Govt Bond Yields	CLOSE	Daily Δ	Wkly Δ
USD (10YR)	3.827%	▼0.2 bp	▼2.7 bp
JPY (10YR)	0.247%	▼0.2 bp	+0.3 bp
EUR* (10YR)	1.994%	▼2.0 bp	▼15.3 bp
AUD (5YR)	3.345%	▼0.9 bp	▼9.1 bp
SGD (5YR)	2.944%	+0.2 bp	▼22.9 bp
CNY (5YR)	2.614%	▼3.8 bp	▼4.4 bp
INR (5YR)	7.186%	+1.1 bp	+0.8 bp
IDR (5YR)	6.853%	▼1.2 bp	▼8.2 bp
MYR (5YR)	4.242%	+4.3 bp	▼1.6 bp
PHP (5YR)	6.772%	▼2.4 bp	▼31.5 bp
THB (5YR)	2.439%	+1.7 bp	+3.1 bp

* German bunds

Equity Indices	CLOSE	Daily Δ	Wkly Δ
DJIA (US)	33,700.28	▼0.13%	+0.49%
N225 (JP)	27,944.79	+0.16%	▼0.07%
STOXX 50 (EU)	3,909.28	▼0.40%	+0.56%
ASX (AU)	4,057.01	+0.01%	▼0.27%
STI (SG)	3,250.62	▼0.66%	▼0.31%
SHCOMP (CN)	3,085.04	▼0.39%	+0.05%
SENSEX (IN)	61,144.84	▼0.84%	▼0.78%
JSE (ID)	7,063.25	▼0.27%	+0.62%
KLSE (MY)	1,447.96	▼0.09%	▼1.10%
PSE (PH)	6,403.24	▼0.53%	+0.76%
SET (TH)	1,618.86	+0.09%	▼0.28%

Commodity	CLOSE	Daily Δ	Wkly Δ
CRB	276.52	+0.04%	▲2.00%
COPPER (LME)	7,840.50	▲2.51%	▲6.17%
IRON ORE (CN)	92.76	▲1.21%	+1.28%
GOLD	1,738.05	▲0.72%	▲1.88%
OIL (WTI)	79.73	▼0.44%	▼7.15%

TODAY'S COMMENTS & FORECAST

Open

USD/JPY	142.13	EUR/USD	1.0244
USD/SGD	1.3818	USD/THB	36.30
JPY/SGD	0.9722	USD/MYR	4.571

Forecast

USD/JPY	140.70 - 143.00
EUR/USD	1.0200 - 1.0300
AUD/USD	0.6500 - 0.6700
USD/SGD	1.3750 - 1.3890
JPY/SGD	0.9615 - 0.9872
USD/CNH	7.1200 - 7.2800
USD/INR	81.60 - 82.50
USD/IDR	15660 - 15800
USD/MYR	4.550 - 4.650
USD/PHP	57.10 - 58.00
USD/THB	35.80 - 36.80

Today's Direction

	Bull	Bear
USD/SGD	2	4
USD/JPY	2	4

Staying Power

- Amid volatile markets, King USD staged a resurgence gaining against all G10 peers with the JPY being the worst performer followed by AUD and the EUR.
- Despite mild increases on the front end of UST yields and longer end staying flat (2Y: +1.9bp; 10Y: -0.2bps), USD/JPY soaring to 142 underscores the **safe haven allure of the USD**.
- While UST yield outcomes look modest, the overnight movement saw 2Y yields dip to 4.49% before climbing up 6bp to 4.55%. Clearly, while Fed officials Mary Daly and Loretta Mester seem to indicate comfort of stepping down to 50bps hike in December, the **former's allusion to policy lags also naturally implies the need to hold peak rates for longer**, even if her "peak" rate is seeming lower than fellow Fed official James Bullard.
- The JPY was certainly not helped by Saudi Arabia refuting reports of OPEC+ output increase which consequently saw Brent crude prices pare back -6% losses to stay above US\$87/barrel.
- While **OPEC+ imparts staying power for Brent crude prices**, renewed Covid lockdown policies in Chinese cities restrains commodity demand and sent the AUD reeling back towards 0.66.
- EUR also weakened towards mid-1.02 amid ECB's Centeno talking up conditions to slow rate hikes.
- With US yields staying elevated and USD displaying strength, these restrictive conditions choked US equities as the Nasdaq fell 1.1% while S&P500 and Dow slipped 0.4% and 0.1% respectively.
- In EM-Asia, USD/SGD heading back above 1.38 reflected the lack of support from EUR, JPY and CNH/CNY complex. EM-Asia FX look to be haunted by woes from USD strength and sticky oil prices.
- As such, while tourism led recovery entrenches domestic growth in EM-Asia, the outlook on external account performance remains shrouded by these volatile uncertainties.

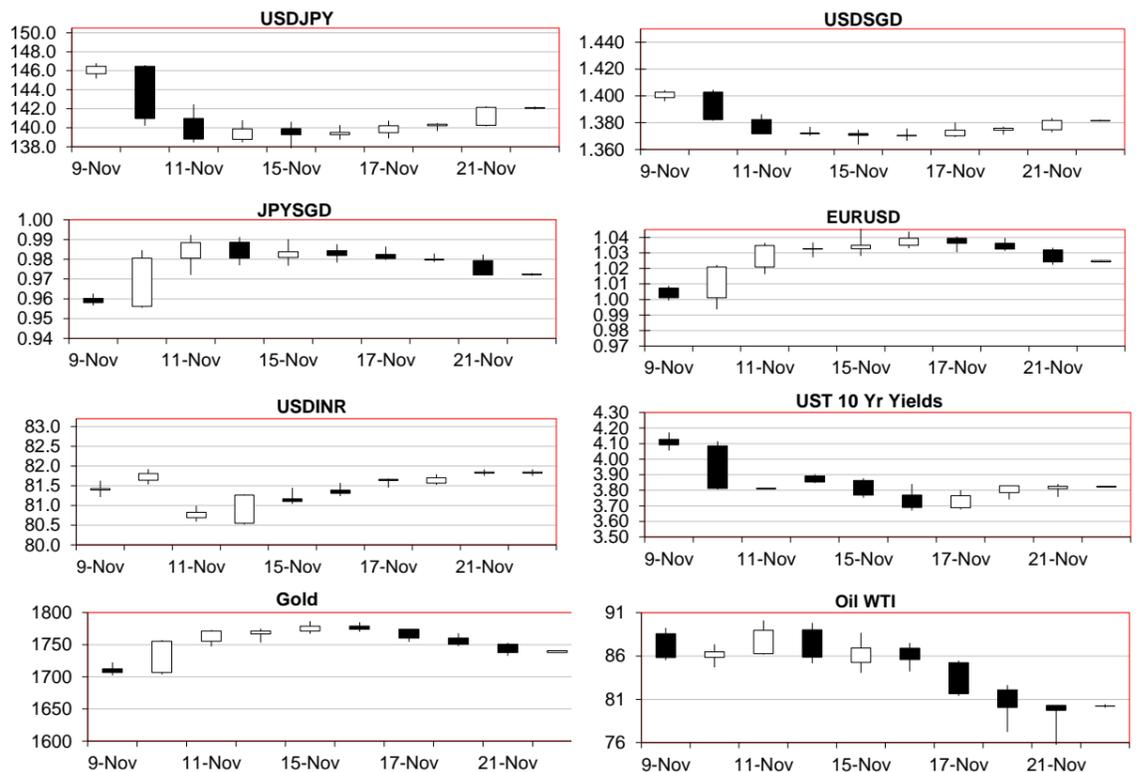
Thailand Q3 GDP: Beneath the Services Resilience

- Thailand's Q3 GDP growth outturn on a YoY basis printed at 4.5% which is close to our expectations and aligned with consensus.
- The upside on a seasonally adjusted (SA) QoQ basis (actual: 1.2% consensus: 0.8%) was largely a result of statistical historical revisions rather than mismatch in forecast.

OVERNIGHT RESULTS

(TH) GDP YoY (Q3): 4.5% (Mkt: 4.5%; Q2: 2.5%) | (US) Chicago Fed Nat Activity Index (Oct): (Mkt: -0.03; Sep: 0.10)

* Past Two Weeks Movement *



- While the services sector was undeniably a key driver of growth, **mixed signals on underlying growth persist** as the external trade outlook remains dim and rising prices dent on-going recovery.
- First, tourism's support is clear, "accommodation and food services" as well as "transport and storage" grew 53.6% and 9.9% YoY respectively. On the expenditure front, this was also reflected via the 57.9% YoY growth of services exports.
- Despite stellar services exports, **aggregate net exports turned a deficit from Q2's surplus**.
- Net goods exports turned a deficit on both lower export revenue and higher import expenditure.
- The lacklustre goods demand should dampen optimism from the **manufacturing sector's 6.3% YoY print** which is flattered by base effects as illustrated by the **QoQ SA print of just 0.3%**.
- On the bright side, spending on private investments remain strong with 11% YoY growth due to rise in motor vehicle investment and office equipment.
- Similarly, with improving employment and incomes from the tourism recovery, private consumption expenditure (PCE) turned in a healthy showing of 9% YoY. Nonetheless, **underlying PCE deflator at 6.1% YoY certainly blunts the extent of real recovery**.
- At this juncture, on a SA basis, **Q3 2022 GDP growth remains 2% below Q3 2019**.
- Looking ahead, the services sector will be expected to continue as key pillar of support.
- **Tourist arrivals from Europe and Americas have further room for growth** to generate higher services revenue and allowing strong multiplier effects to support private consumption and overall growth.

FX Daily Outlook

- EUR/USD: Losing momentum, slips towards 1.02 on rising odds of ECB stepdown to 50bp hikes.
- USD/JPY: Without surge in UST yields, the pair's rise may stall below 143.
- USD/SGD: Elevated consolidation as USD strength asserts as CNH/CNY weakening spillovers.
- AUD/USD: Recovery above 0.67 too high a bar as caution prevail before Lowe's speech.

TODAY'S EVENTS

(US) Richmond Fed Mfg Index (Nov): (Mkt: -6.0; Oct: -10.0) | (EZ) ECB Current Account SA (Sep): (Aug: -26.3b)
(EZ) Consumer Confidence (Nov P): (Mkt: -26.0; Oct: 27.6)
OECD Publishes Economic Outlook
Central Banks: Fed's Mester, George and Bullard Speaks

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.