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Mizuho Dealer's Eye

November 2025

Mizuho Bank, Ltd.

Global Foreign Exchange Department

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U.S. Dollar – November 2025

Expected Ranges **Against the yen: JPY151.00–157.00**

Outlook for This Month

The dollar/yen is expected to move firmly in November.

In Japanese monetary policy, the Bank of Japan (BOJ) kept policy rate fixed when it met in October. In his press conference, BOJ governor Kazuo Ueda voiced more conviction that the BOJ would hit its price stability target, though he said the BOJ would need to monitor next spring’s wage negotiations and other factors to gain a clearer picture of wage trends, with the governor continuing to adopt a cautious stance when it came to the timing of rate hikes. The next meeting in December is some way off and investors are unlikely to start pricing in rates hikes in November, so Japanese monetary policy will support yen selling this month. As for US monetary policy, the FOMC implemented a -25bp rate cut in October, as expected. However, the US is not publishing any hard data due to the ongoing government shutdown, which perhaps explains why FRB chair Jerome Powell said a rate cut in December was not yet nailed on. With the shutdown set to drag on and US indicators likely to remain unreleased, the currency pair will remain resistant to any moves on speculation about US monetary policy. Still, if the US does release some indicators and these confirm that the labor market has not slowed as much as feared, then market bets on a December cut (currently standing around 70%) will wane, with the greenback likely to be bought back as a result.

Political events such as the US/Japan and US/China heads-of-state meetings at the end of October passed smoothly. China agreed to suspend restrictions on rare earth exports for a year, while the US lowered tariffs imposed on Chinese exports in relation to fentanyl, with worrisome US/China tensions easing. These factors will probably support stocks and other risk assets. Investors will also be expecting stock markets to move firmly in November on seasonal factors, with the yen likely to be sold further on this anticipation.

As for Japanese political trends, the new administration of Sanae Takaichi is underway, with the cabinet likely to reach a decision on economic policy and a revised budget bill towards December. The direction of the new administration will become clearer from here on. If the government sends strong signals of its intentions to pursue an expansionary fiscal policy, this could accelerate yen selling alongside a rise in long-term yen interest rates, so caution will be needed.

Dealers' Market Forecast

(Note: These opinions do not necessarily agree with the other contents of this report.)

Bullish on the dollar	6 bulls	156.75 – 151.25	Bearish on the dollar	10 bears	155.50 – 149.00

* Ranges are central values

Seki	Bear	155.00 – 150.00	Though it seems more likely the US will shelve rate cuts in December, expectations for rate cuts remain quite high in the interest rate markets. The dollar/yen pair has risen sharply on anticipation regarding the new administration of Sanae Takaichi, but there is a sense of overheating in the stock markets, while the US and Japanese authorities have tried to restrain the yen's slide, so the currency pair will trade with a heavy topside in November as it faces some correction.
Yamazaki	Bull	156.50 – 151.50	The dollar/yen pair looks set to rise in October. There is uncertainty about the prospects of a BOJ rate hike in December. The US economy is also expected to move firmly, despite some headwinds. As such, the pair will trend upwards.
Nagano	Bear	155.00 – 150.00	The dollar/yen pair has risen on declining expectations for an FOMC rate cut in December. Its topside is also being held down by concerns of an intervention. With the weekly ADP weekly employment data also remaining bearish, the greenback will be sold again as investors start pricing in US rate cuts once more.
Kato	Bear	155.00 – 147.00	Japan is struggling with a trade deficit. During the economic bubble of the late 1980s, Japan tried to tackle rising prices through stopgap measures, including lowering gasoline taxes and implementing subsidies, but this time around the authorities will probably take drastic measures to tackle inflation by guiding the yen higher. As a concrete measure to achieve this, the BOJ will probably opt to implement rather than shelve rate hikes.
Toriba	Bear	157.00 – 147.00	US/China tariff tensions have relaxed. Even if the dollar/yen pair rises on declining expectations for a December FOMC rate cut, the main market driver will continue to be the next moves of the FOMC and BOJ. With the FOMC likely to cut rates and the BOJ to raise rates, the pair will probably be sold back.
Yamaguchi	Bear	155.50 – 149.00	Prime minister Sanae Takaichi has launched her new administration and she is a proponent of an active fiscal policy. When it met in October, meanwhile, the BOJ refused to clarify when the next rate hike would be. As a result, the dollar/yen pair has surged to 154 yen. However, concerns about an intervention by Japan's Ministry of Finance will probably grow when the pair tops 155 yen.
(Tomoko) Yamaguchi	Bull	156.00 – 149.00	The dollar/yen pair will continue to move at highs on expectations regarding the Sanae Takaichi administration. The pair could be pushed lower at times when speculation grows about an FOMC rate cut or BOJ rate hike, so caution will be needed.
Matsunaga	Bear	155.00 – 148.00	The markets are being swayed by speculation about whether the FOMC will lower rates at its next meeting. However, FRB chair Jerome Powell and other high-ranking figures are unlikely to send any clear messages in November. As such, the dollar/yen pair is expected to move flatly.
Katoono	Bull	158.00 – 155.50	The US and Japanese monetary policy meetings passed smoothly late October. The FOMC will not be meeting again until December, while there is also a shortage of data on the US government shutdown, so investors will find it hard to price in US rate cuts. The markets will probably focus on soaring stock prices and the policies pursued by the Sanae Takaichi administration before the year's end, with the yen unlikely to be bought amid a mood of risk appetite.
Kobayashi	Bull	156.00 – 149.00	The yen was sold in October on the BOJ's dovish stance and the launch of the new Sanae Takaichi administration. Unless the BOJ changes tack, the dollar/yen pair will continue to move firmly. However, there will also be concerns of an intervention by the Japanese authorities when the pair hits highs.
Okuma	Bear	155.00 – 150.00	The dollar/yen pair is moving firmly on the divergent direction of US/Japanese monetary policy and on receding concerns about US/China trade frictions. However, the BOJ has still left the door open for rate hikes. With the US also trying to rein in yen bearishness, the pair will move heavily as investors test its downside.

Ito	Bear	156.00 – 148.00	There is a sense that the cooling in the US labor market has eased off, but it seems unlikely that the market will bounce back. Under these circumstances, investors will find it hard to actively buy the dollar, with the dollar/yen pair's topside set to edge gradually lower.
Nishi	Bear	156.00 – 150.00	The dollar/yen pair looks set to trade with a heavy topside. The markets are waiting for the end of the US government shutdown, but the dollar will probably be sold back when details about US economic indicators become clearer and investors move once again to fully price in a December FOMC rate cut. A BOJ rate hike also seems more likely, with the yen likely to face buying pressure.
Harada	Bear	156.00 – 150.00	The US government shutdown is lingering on and it is starting to have an impact on the FRB's monetary policy decisions. If the shutdown drags on, uncertainty will grow about the direction of the US economy, with investors moving again to price in rate cuts.
Yamada	Bull	157.00 – 152.50	The FOMC and BOJ has given themselves some room before any policy shifts at their December meetings. With the US government shutdown dragging on and data thin on the ground, it is hard to imagine market expectations shifting drastically. With the markets focusing on soaring stocks and the reflationary policies of the Sanae Takaichi administration, the dollar/yen pair will probably have its topside tested.
Matsuki	Bull	157.00 – 151.00	There is ample time before the FOMC and BOJ next meet to set monetary policy in December, with the US and Japanese markets unlikely to make any sharp moves as investors wait for the data. The US/Japan and US/China heads-of-state meetings have passed smoothly and risk assets are moving firmly, with this likely to support yen selling.

Shuhei Harada, Forex Sales, Global Foreign Exchange Department

Euro – November 2025

Expected Ranges **Against the US$: US$1.1400–1.1800**
Against the yen: JPY175.00–181.00

Outlook for This Month

The euro/dollar pair is expected to move bearishly in November. There are still high hopes regarding Germany's expansionary fiscal policies, but time will be needed for any measures to take effect, so it is unclear what impact these policies will have in November. However, recent German economic indicators have moved firmly and there are signs the German economy is recovering. On the other hand, France continues to face political turmoil and it has also released some bearish economic indicators. On the whole, though, European economic indicators are moving firmly, with Europe's economy relatively strong.

The ECB Governing Council reached a unanimous decision to keep policy rates fixed for the third straight meeting when it met in October. In her press conference, ECB president Christine Lagarde voiced confidence in current interest rate levels when she said, "from a monetary policy point of view, we are in a good place." The inflation rate is moving stably around +2% and the Governing Council will probably keep policy rates fixed at subsequent meetings provided the inflation rate does now fall sharply going forward.

Meanwhile, the decision to cut rates in the US will depend on economic indicators, but the release of the data is being held back by the US government shutdown. In the midst of this situation, the FRB decided to cut rates for the second successive meeting when it met in October. Market moves to price in a rate cut in December waned following FRB chair Jerome Powell's statement after the October meeting, though Mr. Powell did not totally rule out further rate cuts. There is still no end in sight to the government shutdown. As such, the release of the employment data has been held back and the real state of the US labor environment is unclear. If the shutdown drags on, concerns will rise about a US economic slowdown, with the euro likely to be bought and the dollar sold.

The euro/yen pair rose in tandem with the dollar/yen pair to hit a record high last month, with the pair likely to remain bullish. The Bank of Japan (BOJ) kept policy rate fixed in October, with BOJ governor Kazuo Ueda expressing caution about rate hikes. As such, there is a shortage of yen-buying factors, with the euro/yen pair set to continue renewing highs this month.

Dealers' Market Forecast

(Note: These opinions do not necessarily agree with the other contents of this report.)

Bullish on the euro	10 bulls	1.1800 – 1.1400	Bearish on the euro	6 bears	1.1725 – 1.1325

* Ranges are central values

Seki	Bear	1.1700 – 1.1300	The ECB is keeping rates fixed, but speculation is also growing that the FOMC will shelve rate cuts in December. There are also concerns about overheating stock markets and political uncertainty in France and across the eurozone, so the euro/dollar pair will move with a heavy topside.
Yamazaki	Bear	1.1600 – 1.1500	With the greenback moving bullishly, the euro/dollar pair will trend lower this month. The US economy will remain firm, with the pair likely to be pushed lower by uncertainty about eurozone trends.
Nagano	Bull	1.1900 – 1.1400	The euro/dollar pair will be swayed by speculation about US rate cuts, but it will probably move firmly on the divergent monetary policies of Europe and the US. However, the pair will continue to be pushed down at times by news about the government debt of France and other eurozone nations, so caution will be needed.
Kato	Bear	1.1750 – 1.1400	The euro/dollar pair will move firmly overall on the greenback's weakness, though in the short term it will continue to be pushed down by French political instability and technical factors.
Toriba	Bull	1.2000 – 1.1300	The ECB kept rates fixed for the third straight meeting. ECB president Christine Lagarde also seems relaxed about the current economic growth rate and inflation. With the US facing a deteriorating employment situation and Asian nations struggling with tariffs, the euro will remain susceptible to buying.
Yamaguchi	Bear	1.1750 – 1.1350	The dollar was bought and the euro sold in October as US/China tensions eased. The euro/dollar pair is moving below its 50-day and 100-day moving averages, with a slightly bearish mood prevailing when it comes to technical factors. As such, the pair will probably move with a heavy topside.
(Tomoko) Yamaguchi	Bull	1.1800 – 1.1400	Though the ECB is keeping monetary policy fixed, the FRB remains in easing mode. As such, the euro/dollar pair will move firmly on dollar selling. In October, euro buying was supported by improved economic sentiments and ongoing q-o-q GDP growth.
Matsunaga	Bull	1.1750 – 1.1400	Investors remain on guard against a fallback from the export surge seen in the first quarter. However, the euro/dollar pair will continue to move firmly on divergent monetary policies and expectations for expanded military spending in Europe.
Katoono	Bull	1.1750 – 1.1450	Disinflation pressures are growing more apparent as eurozone wages slow and the euro continues to rise, so investors are focusing on the possibility of more rate cuts, with the euro unlikely to see any active buying. However, confidence in the dollar as a primary currency has been shaken, with the euro continuing to be bought as a refuge currency.
Kobayashi	Bull	1.1900 – 1.1450	Though the FRB implemented another rate cut when it met in October, the ECB decided to keep policy rate fixed. The euro/dollar pair will continue to move firmly on real-demand euro buying and divergent monetary policies.
Okuma	Bull	1.1800 – 1.1450	French political instability remains a risk factor, but most observers believe the ECB has stopped lowering rates. The euro/dollar pair will move firmly on shrinking European/US interest-rate differentials and a bearish Dollar Index.

Ito	Bear	1.1700 – 1.1300	Further rate cuts still seem a distant prospect, but European economic fundamentals are by no means healthy. Given this, it seems the euro will continue to be sold for a while longer on political instability in several major eurozone nations and on uncertainty about the Ukraine situation.
Nishi	Bull	1.1800 – 1.1400	French political instability has eased and the situation has taken a breather. With faith in the dollar being shaken, we are seeing a global shift from the greenback to the euro, with the euro/dollar pair set to remain firm.
Harada	Bull	1.1800 – 1.1400	The European economy is moving firmly and the ECB will probably keep policy rates fixed going forward. There are concerns about political instability in France, but the euro/dollar pair will move firmly as the euro is bought on the back of dollar selling.
Yamada	Bull	1.1750 – 1.1500	Eurozone inflation is moving stably and economic sentiments are also improving on expectations for fiscal expansion. With the ECB also expected to keep rates fixed, the euro/dollar pair looks set to move firmly. However, there are ongoing concerns about French political instability and a potential credit rating downgrade, so the pair's topside will be capped.
Matsuki	Bear	1.1800 – 1.1300	Eurozone inflation has cooled and economic sentiments are moving firmly. The euro/dollar pair will be supported by the ECB's wait-and-see stance. However, if the US releases some bullish economic indicators, expectations for rate cuts will wane and the greenback will be bought back, with the euro/dollar pair moving with a heavy topside

Fumihiko Kanda, Europe Treasury Department

British Pound – November 2025

Expected Ranges **Against the US$: US$1.2950–1.3450**
Against the yen: JPY199.00–206.00

1. Review of the Previous Month

The GBP/USD pair fell in October. The pair rose to $1.35 on October 1 when then US September ADP National Employment Report fell below expectations, though this momentum was short-lived and the pair mainly moved in the $1.34 range. The yen faced downwards pressure the following week on French political instability and the LDP leadership election, so the dollar moved firmly, with the GBP/USD pair breaking through $1.33 on October 10. The pair moved in the $1.32 range on October 14 when the UK August unemployment rate topped forecasts, though it then recovered as the dollar was sold on concerns about US/China trade frictions. It subsequently returned to $1.34. Risk aversion grew on October 17 on credit concerns related to US regional banks. With the UK September CPI figure also dropping below expectations on its release on October 22, the pair weakened to the lower-$1.33 level, though it only made minor fluctuations throughout the week. On October 28, the British Retail Consortium reported that food price inflation was slowing, with the pair then sliding to the mid-$1.32 range. It then dropped to the mid-$1.31 mark on October 29 after the FOMC meeting.

The pound pair rose against the yen in October. The GBP/JPY pair opened the month at 198 yen on October 1. The yen faced selling pressure at the weekend on the results of the LDP leadership election, with the pair opening October 6 trading in the upper-201 yen range. It was then pulled higher by the dollar/yen pair to hit 205 yen on October 8. The pair then dropped below 203 yen after the LDP-Komeito collapsed on October 10. It was pushed down to the 201 range after the release of the UK unemployment rate on October 14, though it rallied to 203 yen on October 16 as sterling bounced back. However, it temporarily plummeted to 200 yen on risk aversion on October 17, though it recovered to 202 yen on October 20 before rising to 203 yen on October 20 as the markets reacted warmly to news that the LDP had formed a coalition with the Japan Innovation Party. The pair then moved flatly. It hit 204 yen on October 27, but it subsequently slid to the mid-200 yen level on October 29 as the pound moved bearishly. However, the dollar/yen pair rose on October 30 after the Bank of Japan (BOJ) and FOMC meetings, with the GBP/JPY pair also bought back to 203 yen.

2. Outlook for This Month

The GBP/USD pair will move continue moving with a heavy topside in November.

The first event will be the Bank of England (BOE) policy decision on November 6. Last month saw the UK September CPI data and other indicators falling below expectations, with speculation rising again about a rate cut within the year. Nonetheless, bets on a November rate cut are trending below 10% in the swap markets after previously having topped 30%.Bets on a rate cut by December are also moving below 50%. However, while voicing concerns about the jobs market, BOE governor Andrew Bailey also said last month that the UK economy was moving below potential, with expectations for a rate cut now rising again.

The biggest UK event this month will be the autumn budget announcement on November 26. During last year's budget, the government increased employer national insurance contributions. This is widely believed to have hit the jobs market hard as companies felt the pinch, with the move having a substantial impact on the real economy. The ruling Labour Party pledged not to raise taxes on "worker people" in its manifesto, but some observers believe it will have to raise income tax to cover an budgetary black hole said to stand at around £41 billion. Tax hikes would hit consumer sentiments. The inflation rate also remains high, despite dropping below expectations last month, so the BOE would have to steer a difficult course with few policy options on the table. Labour's approval rating would fall if it broke its manifesto promise (though it has already dropped to around 12%), with political turbulence also likely to rise as the populist Reform Party climbs in the polls. Furthermore, there is a risk that sterling might be sold on soaring UK government bonds yields if concerns grow about the UK's finances, so caution will be needed.

Ai Ando, Sydney Treasury Office, Asia & Oceania Treasury Department

Australian Dollar – November 2025

Expected Ranges **Against the US$: US$0.6470–0.6750**
Against the yen: JPY99.00–102.00

1. Review of the Previous Month

The AUD/USD pair weakened from the $0.66 level to the mid-$0.64 level in October before hitting the $0.66 mark again.

The yen faced selling pressure and the greenback strengthened in the second week after Sanae Takaichi won the LDP leadership election. The AUD/USD pair also rose in tandem with the cross yen, though its rise was capped by US-dollar bullishness, with the pair then dropping below $0.66. The Reserve Bank of New Zealand (RBNZ) then implemented a substantial rate cut, with the New Zealand dollar falling sharply as a result. The AUD/USD pair was also pulled lower, though it soon regained composure to fluctuate gently in the upper-$0.65 range. The pair then plummeted to the upper-$0.64 mark on October 10 as risk aversion greeted news that the US was looking into a sharp hike on tariffs on Chinese goods.

The third week saw the pair sliding to monthly low around $0.6440 after China said it was prepared to fight until the end when it came to a trade war with the US on October 14. When giving his prognosis for the US labor market, FRB chair Jerome Powell then suggested the FRB might halt moves to shrink its balance sheet within the next few months, so the Australian dollar was bought back and the AUD/USD pair strengthened to the upper-$0.64 level. Australia released some bearish September employment data on October 16, with the Australian dollar subsequently sliding. It was soon bought back, though, with the employment data only having a limited impact on the whole.

The pair continued swinging to and fro on headlines about the US/China trade dispute in the fourth week. However, it then began rising on bullish US business results and renewed US stock highs. The pair hit $0.65 on October 24 when the US September CPI data dropped below forecasts. It then climbed to the mid-$0.65 level on October 27 on hopes for a US/China agreement and on hawkish comments by RBA governor Michele Bullock. Expectations for a rate cut faded on October 29 when Australia's Q3 CPI data swung upwards, so the currency pair rose to $0.66 again.

2. Outlook for This Month

The AUD/USD pair is expected to move firmly in November.

The unemployment rate deteriorated to 4.5% for the first time in four years in the September Australian employment data, with the results pointing to a labor market slowdown. However, Australia's July-September CPI figure then swung above forecasts on soaring electric bills, with expectations for a rate cut at the next RBA meeting falling sharply. Bets on a November rate cut had risen to around 40% before the CPI announcement, but they have subsequently fallen to around 5%. The US employment data has not been released yet owing to the government shutdown, but private data suggests the jobs situation has slowed further. When the delayed September price data was released, it revealed inflation had not accelerated as much as feared, with expectations then growing for a series of rate cuts within the year. Under these circumstances, risk sentiments will probably improve on the divergence in rate cut expectations, healthy US corporate settlement results, and optimism about US/China talks, so investors might test the AUD/USD pair's topside even further in November.

Yasuko Iwata, Canada Markets Office, Americas Markets Department

Canadian Dollar – November 2025

Expected Ranges **Against the US$: C$1.3800–1.4100**
Against the yen: JPY105.50–111.30

1. Review of the Previous Month

In October, the USD/CAD pair broke out of its narrow range around C$1.39 to top C$1.4000. With the release of major US economic indicators delayed by a partial government shutdown, the pair moved in a range from the upper-C$1.39 mark to C$1.4080 from early to late October, though the Canadian dollar was bought back slightly at the end of the month.

The pair temporarily weakened to C$1.3976 from early to mid-October after the September Canadian employment data (released October 9) substantially outperformed expectations. Amid a shortage of noteworthy factors, though, the pair then hit C$1.4000 for the first time since the start of April. The greenback was then bought on risk aversion after US/China trade frictions intensified again when the Chinese government placed restrictions on rare earth exports, so the pair hit a monthly high of C$1.4080 on October 14. Though the September Canadian jobs data had bounced back, BOC governor Tiff Macklem still stuck an extremely cautious tone with regards to the labor market and economic growth in the latter half of 2025, with the BOC's Business Outlook Survey also revealing that corporate investment and hiring intentions remained subdued. As the markets moved to price in an October BOC rate cut, the Canadian dollar was sold further and the USD/CAD pair continued trading from the lower- to mid-C$1.40 level. Hopes grew regarding the US/China heads-of-state meeting late October. With the BOC also hinting that its easing cycle was at a close when it met on October 29, the Canadian dollar surged and the currency pair fell to C$1.38 for a time. The FRB then decided to cut rates, but FRB chair Jerome Powell commented that a December rate cut was by no means certain, so the pair rallied again to the mid-C$1.39 mark (as of October 29).

2. Outlook for This Month

As in September, the Bank of Canada (BOC) implemented a 0.25% rate cut when it met on October 29, as expected. It also sharply downgraded its economic outlook compared to the last forecast in January. The BOC also said policy rates were currently at an appropriate level if inflation and economic activity moved in line with the outlook, thus hinting at an end to the easing cycle.

In October, a major automaker announced it was shifting some operations from Canada to the US. President Trump then called off trade talks late October after being angered by an anti-tariff campaign advertisement posted in the province of Ontario, with the US also announcing a further 10% tariff on Canadian goods (though the details were unclear as of October 29). Though it seemed some progress had been made when it came to the steel, aluminum and energy sectors, US/Canadian trade talks have not yielded any concrete results.

The main scenario for the USD/CAD pair in November is of the Canadian dollar rising gently on the BOC's more hawkish policy stance compared to the FRB. However, its rise will only be muted if there is no progress in US/China trade discussions. One risk involves tariffs. The US Supreme Court will make a ruling by the year's end on whether President Trump had the authority to impose reciprocal tariffs based on the International Emergency Economic Powers Act (IEEPA). If the court rules that the move was illegal, this could substantially shift the outlook for tariffs on Canadian goods. Another risk involves the announcement of Canada's federal budget on November 4. If the announcement is in line with expectations, the Canadian dollar might surge for a time, so caution will be needed.

Shuhei Yamauchi, Seoul Treasury Office, East Asia Treasury Department

Korean Won – October 2025

Expected Ranges **Against the US$: KRW 1,385–1,435**
Against the yen: JPY 10.46–11.19 (KRW100)

1. Review of the Previous Month

The USD/KRW pair rose in October.

The pair opened the month trading at KRW1404.2. The US and South Korean governments then released a joint declaration on foreign exchange, with both sides agreeing that interventions in the forex markets should only be used to tackle excessive fluctuations or disorderly movements. There had been some hopes for a currency swap agreement, but this was absent from the deal, with the won then weakening for a time. When the markets re-opened on October 10 after a long holiday, the currency pair climbed to KRW1420 on growing uncertainty about US/South Korean trade negotiations. In the week beginning October 13, China announced some restrictions on rare earth exports. With the US announcing some retaliatory tariffs, relations between the US and China worsened, with the won weakening to KRW1430. Though the South Korean authorities made some verbal interventions, the won moved bearishly again on October 14 after China imposed some sanctions on the US subsidiary of a major South Korean shipbuilder. US interest rates fell towards mid-October on the credit concerns of US regional banks. With expectations also growing for a US/South Korea trade agreement, the USD/KRW pair dropped back temporarily to the mid-KRW1410 mark.

However, the yen weakened in the week beginning October 21 on the launch of the new Sanae Takaichi administration, with the won also pulled lower. As broadly expected, the Bank of Korea (BOK) kept policy rates fixed when it met on October 23, with reports suggesting the BOK was still considering some accommodative policies. There were also concerns about deteriorating won supply and demand related to investment into the US, with the currency pair temporarily hitting a high of KRW1441.5.

Won bearishness eased towards the month's end on expectations for a FRB rate cut. After the US/South Korean heads-of-state meeting, it was announced that Seoul had agreed to invest directly in the US, with the figure capped at $20 billion a year. With uncertainty clearing, the currency pair dipped to move around KRW1426.5 (as of 15:30 on October 30).

2. Outlook for This Month

The USD/KRW pair is expected to trade with a heavy topside in November.

There were concerns about US/South Korea trade talks, but an agreement was made for South Korea to invest $200 billion in the US, with the figure capped at $20 billion a year. The two sides also agreed on stability measures to tackle currency fluctuations, with recent uncertainty starting to clear at last. Beijing and Washington also moved towards improving relations during US/China trade talks, with the won also likely to be bought back at times on this trend. Furthermore, currency markets are moving stably and stock markets remain firm, with won buying also likely to be supported by fund inflows from overseas investors.

Also, the BOK kept policy rates fixed when it met in October, despite low growth. Property prices in Seoul and other metropolitan areas continue to rise, with the BOK concerned about rising household debt. The government is trying to rein in house prices by tightening mortgage restrictions, but the impact has been limited so far. Though many BOK members are anticipating rate cuts in the near future, the BOK is continuing to manage policy cautiously.

As outlined above, several political events have now passed and uncertainty has cleared up somewhat, so investors will probably test the USD/KRW pair's downside in November.

Chen-Long Yang, Taipei Treasury Office, East Asia Treasury Department

New Taiwan Dollar – November 2025

Expected Ranges **Against the US$: NT$29.80–31.50**
Against the yen: JPY4.7–5.2

1. Review of the Previous Month

The USD/TWD pair edged higher in October.

The pair opened the month trading around TWD30.50. The greenback was bought on rising US long-term interest rates and firm US economic indicators, with the pair climbing temporarily to around TWD30.80. Dollar bullishness took a breather after a US inflation indicator slowed, but the Taiwan dollar remained bearish on the whole.

Mid-October saw Taiwan's September CPI figure sliding on August to hit +1.25%. Taiwan's economy was also bolstered by strong semiconductor exports. However, market participants downgraded their 2025 CPI outlook on the bearishness of domestic consumption. The Central Bank of the Republic of China (Taiwan) also announced that its foreign currency reserves had hit $602.9 billion in September, the first time the figure had topped $600 billion. Overseas investors bought Taiwanese stocks and there were interventions in the forex markets, with expectations for AI investment also remaining strong. Though there were no signs of progress in US/Taiwan trade talks, the authorities indicated they would intervene to prevent the Taiwan dollar from rising sharply.

As expected, the FRB decided to cut policy rate by 25bp when the FOMC met at the month's end. It also decided to halt its balance sheet reduction program on December 1. However, FRB chair Jerome Powell then said that a further reduction at the December meeting was not "a forgone conclusion," with the chair striking a slightly hawkish tone overall. Market expectations for a December rate cut waned and US treasury yields saw some bear flattening, with the greenback strengthening. The currency pair hit TWD30.70 again to close the month at this level.

2. Outlook for This Month

The USD/TWD pair is expected to move firmly in November.

In November, market participants will probably focus on US monetary policy and interest rate trends as well as US and Taiwanese stock movements. When the FOMC met at the end of October, the FRB decided on a 25bp rate cut and the end of QT. However, FRB chair Jerome Powell seemed to rule out a December rate cut, so market expectations for such a move have waned, with US interest rates and the greenback moving firmly as a result.

On the other hand, Taiwan's economic fundamentals are performing well, with capital investment and exports of IT and other hi-tech goods also bullish. Taiwan's foreign currency reserves also remain at record highs, with the US's tougher semiconductor regulations not having much of an impact so far. The CPI data is also slowing, with the Central Bank of the Republic of China (Taiwan) keeping its policy rate fixed.

However, investors should pay particular attention to trends related to US and Taiwanese stocks. If risk aversion sweeps the globe, there is a risk of funds flowing to the US dollar, with the greenback strengthening and the Taiwan dollar weakening. Forex interventions by the Taiwanese authorities and moves to keep dollar bullishness in check will also require ongoing monitoring.

As such, though the USD/TWD pair will move firmly in November on US monetary policy, it could swing up and down on stock market trends and external factors related to semiconductors.

Tomohiro Suzuki, Hong Kong Treasury Office, East Asia Treasury Department

Hong Kong Dollar – November 2025

Expected Ranges **Against the US$: HK$7.7500–7.8000**
Against the yen: JPY19.20–20.20

1. Review of the Previous Month

The USD/HKD pair fell in October. The pair opened at the lower-HKD7.78 mark. Sanae Takaichi won the LDP leadership election at the start of the month, with yen interest rates rising and US interest rates following suit. The dollar/yen pair also rose and the greenback was bought, with the USD/HKD pair testing the mid-HKD7.78 level, though it then dropped back to right around HKD7.77.

Since June, the Hong Kong Monetary Authority (HKMA) had intervened to sell the US dollar and buy the Hong Kong Dollar, with these interventions perhaps explaining why the aggregate balance fell to move at low levels. Under these circumstances, Hong Kong dollar interest rates faced upwards pressure and the Hong Kong dollar was bought.

As for economic indicators, Hong Kong's August retail sales data significantly beat market expectations at +3.8% y-o-y, with Hong Kong's September export data (y-o-y) also growing firmly compared to the previous month, for example. As such, it seems the reciprocal tariffs implemented by the US had not impacted the real economy much, with this fact also supporting the buying of the Hong Kong dollar.

Meanwhile, the US faced lingering uncertainty related to the government shutdown, with the US dollar sold as interest rates declined gently on concerns about US/China trade frictions and the lower-than-expected results of the US September CPI data (released Friday, October 24). As expected, the FOMC implemented a -25bp rate cut when it met in October. In his press conference, FRB chair Jerome Powell adopted a prudent stance towards a rate cut at the next meeting. There were no major surprises, though, with the pair moving with a heavy topside thereafter.

2. Outlook for This Month

In November, the USD/HKD pair will probably trade around HKD7.75–7.80, in the lower half of its peg range. With the US government shutdown ongoing and uncertainty lingering, there were fears that the delayed results of the US September CPI data would point to a resurgence of inflation. The actual results calmed these fears, though, with the FOMC then deciding on a -25bp rate cut when it met on Wednesday, October 29. In his press conference, FRB chair Jerome Powell expressed caution regarding further easing at the December FOMC meeting. However, bets on a rate cut at the next meeting still stand at around 60%, with Mr. Powell's comments not strong enough to shift the current rate-cut momentum. As such, it seems US interest rates will continue to slide at a gentle pace this month.

In Hong Kong, meanwhile, the aggregate balance continues to move at lows, with HKD interest rates remaining susceptible to upwards pressure. The Hong Kong dollar will probably remain attractive on shrinking US/HK interest-rate differentials. Furthermore, Hong Kong has strong economic ties with China, so the Hong Kong dollar received a further boost when an agreement was reached to suspend curbs on rate earth exports and relax some tariffs at a US/China heads-of-state meeting on Thursday, October 30. Trade tensions had risen between the US and China, but the situation has now cooled off and this will act as a positive factor for the Hong Kong economy, with this also supporting the Hong Kong dollar's movements. There will still be some downward pressure, just like there was in October, so investors should monitor moves by the authorities when the pair moves close to HKD7.75.

Sae Sueyoshi, Treasury Department, MHBK (China)

Chinese Yuan – November 2025

Expected Ranges **Against the US$: CNY 7.0500–7.1500**
Against the yen: JPY 20.80–22.50

1. Review of the Previous Month

In October, the U.S. dollar/Chinese yuan exchange rate fell.

After the National Day of the People's Republic of China, the U.S. dollar/Chinese yuan exchange market opened at CNY 7.1300 on October 9. Thereafter, the U.S. dollar/Chinese yuan exchange rate fell temporarily to reach the mid-CNY 7.13 level. However, after market participants conducted a round of purchase transactions, the trend reversed, and the U.S. dollar/Chinese yuan exchange rate fell to the lower-CNY 7.12 level. On October 9, China announced its plan to reinforce export restrictions for rare earth elements. On October 10, U.S. President Donald Trump announced additional tariffs of 100% on China. Thus, risks related to the U.S. and China heightened. As a result, the U.S. dollar/Chinese yuan exchange rate rose to the upper-CNY 7.13 level on October 10 local time. Weekly trading closed at this level.

On October 13, the U.S. dollar/Chinese yuan exchange market opened trading at CNY 7.1269. Immediately after the market opening, the U.S. dollar/Chinese yuan exchange rate fell to the upper-CNY 7.12 level. However, the U.S. dollar/Chinese yuan exchange rate became more stable thereafter and returned to the CNY 7.13 level. On October 14, the U.S. dollar/Chines yuan exchange rate rose and reached the lower-CNY 7.14 level. On the same day local time in the U.S., Federal Reserve Board (FRB) Chair Jerome Powell made a dovish remark. Furthermore, the Japanese yen strengthened against the U.S. dollar as a result of the unwinding of transactions made by market participants following the election of Sanae Takaichi as the new Prime Minister of Japan. Moreover, on October 16 local time in the U.S., the media reported a case of fraudulent lending by regional banks in the U.S. For these reasons, the U.S. dollar/Chinese yuan exchange rate remained low toward the second half of the week. At the end of the week, the U.S. dollar/Chinese yuan exchange market closed trading at the upper-CNY 7.12 level on October 17.

On October 20, the U.S. dollar/Chinese yuan exchange market opened trading at CNY 7.1250. On the same day, the third-quarter GDP as well as other major domestic economic indices were announced for China with both strong and weak figures. Immediately after the announcement of those indices, the Chinese yuan strengthened against the U.S. dollar. However, throughout the week, the U.S. dollar/Chinese yuan exchange rate ended up in fluctuating within a narrow range around the CNY 7.12 level.

On October 27, the U.S. dollar/Chinese yuan exchange market opened trading at CNY 7.1083. During the weekend, U.S. Treasury Secretary Scott Bessent commented that the additional tariffs of 100% on China had been effectively withdrawn. Furthermore, the People's Bank of China (PBOC) central parity rate was set with the strongest Chinese yuan since the beginning of the year. As a result, the U.S. dollar/Chinese yuan exchange market opened with a stronger Chinese yuan compared to the closing rate of the previous trading day. On October 28, the U.S. dollar/Chinese yuan exchange rate fell below the CNY 7.10 level. In the end, the U.S. dollar/Chinese yuan exchange market closed trading at the upper-CNY 7.09 level on October 29.

2. Outlook for This Month

In November, the U.S. dollar/Chinese yuan exchange rate is forecast to remain high and stable.

After the summit dialogue between the U.S. and China held on October 30, the U.S. decided to lower fentanyl tariffs on China to 10%. Meanwhile, China decided to extend the suspension of additional tariffs of 24% on the U.S. for a year while also suspending export restrictions for rare earth elements for a year. Thus, there were signs of improvement in the relations between these two countries. Because fundamental problems persist, negotiations are likely to continue in the times ahead. Nonetheless, the risk of the sharp depreciation of the Chinese yuan has diminished from a short-term perspective.

It is also worth mentioning that the Fourth Plenary Session of the 20th Central Committee of the Communist Party of China (CPC) was held from October 20 to 24. The main principles remained high-quality development and self-reliance. Thus, in the times ahead, China is likely to continue its effort to expand domestic demand, taking monetary and economic measures as they deem necessary based on its economic data.

In the U.S., on the other hand, a Federal Open Market Committee (FOMC) meeting was held on October 29, and the policy interest rate was cut by 25 basis points. However, FRB Chair Jerome Powell made a remark to emphasize that it was far from a foregone conclusion to cut the policy interest rate in December. In reaction, less market participants anticipated a policy interest rate cut at the FOMC meeting in December, and this strengthened the U.S. dollar. Market participants are expected to continue looking for signs of policy interest rate cuts in future economic indices and remarks from FRB officials. However, the market is less likely to reflect as much policy interest rate cuts as previously. For this reason, the previous trends in the market are forecast to be adjusted, and therefore the U.S. dollar/Chinese yuan exchange rate is most likely to rally in the coming month.

Ayaka Matsumoto, Asia & Oceania Treasury Department

Singapore Dollar – November 2025

Expected Ranges **Against the US$: SG$ 1.2850–1.3100**
Against the yen: JPY 115.00–120.00

1. Review of the Previous Month

In October, the Singapore dollar depreciated gradually against the U.S. dollar.

On October 1, the U.S. dollar/Singapore dollar exchange market opened trading at around the SGD 1.29 level. The release of U.S. economic indices was postponed due to the U.S. government shutdown. Furthermore, central bank meetings were scheduled to take place in several Southeast Asian countries in October. These factors contributed to an increase of a cautious feeling in the market, and Asian currencies weakened against the U.S. dollar. Following this trend, the Singapore dollar also weakened against the U.S. dollar. On October 9, the U.S. dollar/Singapore dollar exchange rate exceeded the SGD 1.30 level—a psychological turning point.

On October 14, the Monetary Authority of Singapore (MAS) held a meeting, and the policy interest rate was maintained at the existing level for the second consecutive time after the previous meeting held in July. On the same day, the third-quarter GDP for Singapore (preliminary data) was also released, and the result turned out to be +2.9% year-on-year, exceeding the market estimate, which was +2.0% year-on-year, even though there was a decline from the previous quarter's figure, which was +4.5% year-on-year. Reacting to the decision made by the MAS, market participants started to actively buy the Singapore dollar, leading the U.S. dollar/Singapore dollar exchange rate to fall. However, this was only a temporary trend.

Thereafter, the U.S. dollar/Singapore dollar exchange rate fluctuated in both directions toward the end of the month, reacting to various headlines related to credit concerns surrounding regional banks in the U.S., as well as opposition between the U.S. and China and a Federal Open Market Committee (FOMC) meeting in September. On October 23, the September Consumer Price Index (CPI) for Singapore was announced, and the result turned out to be +0.7% year-on-year, recording an acceleration for the first time in 10 months. However, there was little reaction to this news in the market. Thereafter, the U.S. dollar/Singapore dollar exchange rate did not move in any specific direction, fluctuating in both directions mainly around the upper-SGD 1.29 level.

2. Outlook for This Month

In November, the U.S. dollar/Singapore dollar is forecast to remain low.

In October, a FOMC meeting was held in the U.S., and the policy interest rate was cut by 25 basis points—s had been anticipated in the market. The FOMC also decided to end balance sheet reduction. Even though these decisions had been already reflected in the market, there is still a factor of uncertainty, as Federal Reserve Board (FRB) Chair Jerome Powell made a remark to emphasize that a policy interest rate cut at the December FOMC meeting was not a foregone conclusion. Thus, the U.S. dollar/Singapore dollar exchange rate may fluctuate reacting to figures in U.S. economic indices that would impact the decision of whether the policy interest rate would be cut in the U.S. Thus, market participants are advised to remain careful. Impact of several factors has already been reflected in the market such as credit concerns surrounding regional banks in the U.S. as well as the opposition between the U.S. and China. However, it is important to pay attention to additional headlines related to these factors.

On the other hand, in Singapore, the third-quarter GDP (preliminary data) turned out to be +2.9% year-on-year—stronger than the market estimate. Regarding domestic price levels as well, the CPI remains low and stable, even though the September figure revealed a slight acceleration compared to the previous figure. The next MAS meeting is scheduled for January 2026. The MAS has announced its plan to manage monetary policy by carefully looking at the movement of economic indices, without mentioning additional measures of monetary easing. Thus, market participants should also carefully observe the economic indices that will be released in the times ahead. Yet, based on the economic base and domestic price stability in Singapore, the Singapore dollar is forecast to remain strong against the U.S. dollar in November.

Reina Okazaki, Bangkok Treasury Office, Asia & Oceania Treasury Department

Thai Baht – November 2025

Expected Ranges **Against the US$: THB 31.50–32.90**
Against the yen: JPY 4.50–4.90

1. Review of the Previous Month

In October, the U.S. dollar/Thai baht exchange rate rose following the decline of the price of gold. However, toward the end of the month, the U.S. dollar/Thai baht exchange rate returned to the level seen at the beginning of the month. At the beginning of the month, market participants mainly bought the U.S. dollar to avert risks in reaction to the announcement of the U.S. government shutdown. Yet, the U.S. dollar/Thai baht exchange rate continued fluctuating within a narrow range at around the THB 32.30 level. On October 6, the U.S. dollar/Thai baht exchange rate started to fluctuate at around the THB 32.40 to THB 32.50 level, waiting for the Monetary Policy Committee (MPC) meeting to be held by the central bank of Thailand on October 8. At the MPC meeting, which attracted substantial attention in the market, the policy interest rate was unexpectedly maintained at the existing level. Thus, immediately after the outcome of the MPC meeting was announced, the Thai baht appreciated slightly. However, the trend reversed thereafter due to a dovish statement by the MPC, and the Thai baht depreciated. Thus, in the end, the level of the U.S. dollar/Thai baht exchange rate did not change. On October 9, the price of gold declined, which encouraged market participants to sell the Thai baht in an accelerated manner. As a consequence, the U.S. dollar/Thai baht exchange rate rose to the THB 32.80 level. However, when the media reported that the U.S. will impose an additional 100% tariff on imports from China, the U.S. dollar/Thai baht exchange rate returned to THB 32.60. Subsequently, market participants sold the Thai baht on October 14 when the price of gold fell again, and the U.S. dollar/Thai baht exchange rate reached the THB 32.80 level. On October 15, Federal Reserve Board (FRB) Chair Jerome Powell made a dovish remark, which fueled expectation for policy interest rate cuts in the U.S. Thus, market participants sold the U.S. dollar, and the U.S. dollar/Thai baht exchange rate reached the lower-THB 32.40 level. Then, on October 17, market participants occasionally sold the U.S. dollar due to uncertainty over the trade frictions between the U.S. and China as well as due to credit concerns surrounding regional banks in the U.S. However, thereafter, the U.S. dollar/Thai baht exchange rate continued fluctuating violently between the upper-THB 32.40 level and the THB 32.90 level, following the fluctuation of the price of gold. Then, on October 24, the September CPI for the U.S. was announced, and the result turned out to be below the market estimate, which weakened the U.S. dollar. In the following week, the interest rates fell in the U.S., and the U.S. dollar/Thai baht exchange rate continued falling to approach the THB 32.30 level. On October 29, a Federal Open Market Committee (FOMC) meeting was held in the U.S., and the policy interest rate was cut by 0.25% as had been anticipated in the market. On the other hand, at the press conference after the FOMC meeting, FRB Chair Jerome Powell shared a cautious attitude about a policy interest cut at the December meeting, and this led the U.S. dollar to appreciate. Following this trend, the U.S. dollar/Thai baht exchange rate rallied to approach the THB 32.50 level.

2. Outlook for This Month

In November, the U.S. dollar/Thai baht exchange rate is forecast to continue fluctuating mainly in accordance with headlines related to monetary policy in the U.S. Market participants are advised to remain careful about the depreciation of the U.S. dollar if it becomes more likely for the policy interest rate in the U.S. to be cut at the next FOMC meeting in December, as well as the appreciation of the Thai baht again if the price of gold, which is currently falling, starts to rally.

At the FOMC meeting held on October 29, the policy interest rate was cut, and FRB Chair Jerome Powell talked about the balance between inflation and employment, expressing his continued concerns over employment risks. The U.S. government shutdown continues, and its duration is approaching 35 days, which was the length of the previous government shutdown seen in 2018. The loss in GDP from the previous government shutdown was calculated to be USD 11 billion, and this time as well, there will certainly be negative impacts on the economic activities of the U.S. If economic indices, including those from private companies, are released before the end of November, the depreciation of the U.S. dollar is likely to accelerate. This is due to the fact that the figures in the indices would reveal negative impact on employment—not only with those who are technically (albeit not formally yet due to legal restrictions) dismissed from government posts due to the government shutdown but also indirect damage on the employment market. When it comes to factors specifically related to the Thai baht, the price of gold, which is said to be highly correlated to the Thai baht exchange rate, has been on a down trend since the second half of October when it reached the all-time high. However, the media has reported that central banks of various companies may buy more gold at this point, which may lead the price of gold to rally. Thus, market participants are advised to remain careful regarding the possible appreciation of the Thai baht, which could happen again as a result. It is also worth noting that the September customs-based trade balance for Thailand turned out to record a significant surplus, while a deficit was expected. This suggests that surplus in the current account is likely to persist in the second half of the year, contrary to the expectation of a reactionary decline in exports due to the exports that increased in anticipation of tariff implementation during the first half of the year. Thus, upward pressure on the Thai baht remains strong.

For these reasons, market participants are advised to be cautious about a fall of the U.S. dollar/Thai baht exchange rate, based on both the depreciation of the U.S. dollar based on factors in the U.S. as well as a potential appreciation of the Thai baht, which would happen again.

Kazuhiro Suzuki, Mizuho Bank (Malaysia) Berhad

Malaysian Ringgit – November 2025

Expected Ranges **Against the US$: MYR 4.1650–4.2450**
Against the yen: JPY 35.50–37.30

1. Review of the Previous Month

In October, the U.S. dollar/Malaysian ringgit exchange rate continued fluctuating within a narrow range until the second half of the month. Thereafter, the U.S. dollar weakened in the last week of the month. On October 1, the U.S. government was shut down, postponing the announcement of important economic indices, such as the employment statistics for the U.S. As a result, the U.S. dollar/Malaysian ringgit exchange market opened trading at the MYR 4.20 level, after which the exchange rate rose to the MYR 4.21 level, remaining at the same level without moving in any direction. As pressure to sell U.S. bonds grew, the U.S. dollar strengthened, and the U.S. dollar/Malaysian ringgit exchange rate rose to reach the MYR 4.22 level before the middle of the month. On October 10, the Malaysian government released the budget plan for FY2026, and its central focus was on achieving fiscal health and improving national competitiveness. No new content was added, perhaps because the Anwar Ibrahim cabinet has passed the halfway point of its term, entering a phase to evaluate the results of the policy measures taken so far. Under such circumstances, foreign investors reacted very little to this news. In the middle of the month, market participants actively sold the Malaysian ringgit, based on concerns over the intensification of the opposition between the U.S. and China regarding the additional tariffs that the U.S. may implement against China (as a retaliatory measure against restrictions on rare earth mineral exports). As a consequence, the U.S. dollar/Malaysian ringgit exchange rate rose to the MYR 4.23 level. However, Federal Reserve Board (FRB) Chair Jerome Powell express his concerns regarding the labor market in the U.S. while interest rates fell in the U.S. due to media reports on bad loans at regional banks in the U.S., and this kept the U.S. dollar/Malaysian ringgit exchange rate from rising further

Toward the end of the month, the September Consumer Price Index (CPI) for Malaysia turned out to be 1.5%—exceeding the market estimate. However, there was little reaction to this news in the market. The U.S. dollar/Malaysian ringgit exchange rate thus continued fluctuating at the MYR 4.22 level. However, the September CPI for the U.S. was announced thereafter, and the result did not reach the market estimate, leading interest rates in the U.S. to fall significantly. In reaction, the U.S. dollar/Malaysian ringgit exchange rate fell sharply below the MYR 4.20 level before a Federal Open Market Committee (FOMC) meeting. At the meeting, the policy interest rate was cut by 25 basis points, as had been anticipated in the market. However, FRB Chair Jerome Powell made a remark that could have been interpreted that he was unwilling to cut the policy interest rate twice in a row. As a consequence, interest rates in the U.S. rose significantly. However, on October 30, the following day, a summit dialogue between the U.S. and China was held, and both sides proposed a compromise, which brought the event to a peaceful conclusion. This kept the U.S. dollar/Malaysian ringgit exchange rate from rising further, and the U.S. dollar/Malaysian ringgit exchange market closed trading at the MYR 4.19 level on October 30.

2. Outlook for This Month

In November, the Malaysian ringgit is forecast to remain strong against the U.S. dollar. The preliminary figure for the third-quarter GDP and the September trade statistics revealed that Malaysia continues to achieve economic growth based on domestic demand as well as constant trade expansion despite the tariff policies. The Malaysian government also reached an agreement on tariffs with the U.S. government at the time of the ASEAN summit meeting. Thus, market sentiment toward Malaysia does not seem negative, even though a sense of uncertainty is growing in the world.

It is also worth mentioning that the U.S. and China held a summit meeting on October 30 but that both countries avoided mentioning key issues, which led to a peaceful conclusion to the meeting. Thus, this also improved market sentiment, mitigating concerns over opposition between the U.S. and China. These factors are equally positive for other major countries in ASEAN. Yet, because Malaysia has recently been seen to be a country that is relatively stable both in terms of politics and economy, this is likely to attract more foreign investors. However, market participants are also advised to remain aware of the persistent possibility for the opposition between the U.S. and China to intensify due to any small trigger in the times ahead. Furthermore, the U.S. government shutdown has been the second longest in history as of the time of this writing, and this should not be ignored as an important factor in the market. The sense of uncertainty can impact the monetary policy of the FRB and would be expected to influence Asian countries as well. For this reason, it is important to keep in mind that market fluctuations may become violent with limited economic data.

The central bank of Malaysia is scheduled to have an MPC meeting at the beginning of November, at which it is likely for the domestic economy to be positively evaluated. Thus, unless sentiment deteriorates significantly in both domestic and international markets, the U.S. dollar/Malaysian ringgit exchange rate is forecast to remain generally low in November despite some sources of uncertainty.

Taro Anabuki, Asia & Oceania Treasury Department

Indonesian Rupiah – November 2025

Expected Ranges **Against the US$: IDR 16,400–16,800**
Against the yen: JPY 0.9000–0.9400 (IDR 100)

1. Review of the Previous Month

In October, the Indonesian rupiah depreciated against the U.S. dollar.

At the beginning of the month, the U.S. dollar/Indonesian rupiah exchange market opened trading at the upper-IDR 16,600 level. However, the media reported on the U.S. government shutdown thereafter, which led the Indonesian rupiah to appreciate. On October 2, the Indonesian rupiah continued appreciating against the U.S. dollar. On October 3, the U.S. dollar/Malaysian ringgit exchange market closed trading at the mid-IDR 16,500 level. On October 7, the foreign currency reserves as of the end of September turned out to have declined to USD 148.7 billion (USD 150.7 billion in August). However, the U.S. dollar/Indonesian rupiah exchange rate continued falling toward the end of the day. On October 8, the Consumer Confidence Index fell to 115.0 for the first time since April 2022, and this fueled concerns over economic downturn in Indonesia. As a result, market participants started to actively sell the Indonesian rupiah, and the U.S. dollar/Indonesian rupiah exchange rate rose to temporarily reach the lower-IDR 16,600 level. On October 9, the U.S. dollar/Indonesian rupiah exchange rate fell further to reach the lower-IDR 16,500 level. However, toward the end of the day, the U.S. dollar/Indonesian rupiah exchange rate rallied slightly. From October 20, the U.S. dollar/Indonesian rupiah exchange rate continued fluctuating within a narrow range at the upper-IDR 16,500 level without the announcement of any important economic indices. On October 22, the Indonesian rupiah depreciated against the U.S. dollar to the lower-IDR 16,600 level, as many market participants expected an additional policy interest rate cut at the monetary policy meeting scheduled for the afternoon on the same day. Thereafter, the outcome of the monetary policy was announced in the afternoon with the decision to maintain the policy interest rate at the existing level. As a result, market participants started to actively buy the Indonesian rupiah, and the U.S. dollar/Indonesian rupiah exchange rate fell to temporarily reach the mid-IDR 16,500 level. However, the central bank subsequently released a statement revealing a dovish attitude, which led the U.S. dollar/Indonesian rupiah exchange rate to return to the lower-IDR 16,600 level. On October 23, the Indonesian rupiah continued depreciating slightly, and the U.S. dollar/Indonesian rupiah exchange rate rose to reach the mid-IDR 16,600 level. However, this trend did not last further, and on October 24, the U.S. dollar/Indonesian rupiah exchange rate started to fluctuate at the same level without moving in any direction, and thereafter, this trend continued. On October 30, market participants bought the U.S. dollar, as Federal Reserve Board (FRB) Chair Jerome Powell expressed cautious feeling about another policy interest rate cut at the December Federal Open Market Committee (FOMC) meeting. Even though the policy interest rate had been cut for the second consecutive time on the previous day, this had already been sufficiently reflected in the market. As a result, the Indonesian rupiah depreciated slightly. Subsequently, the governor of the central bank of Indonesia stated that his priority was to stabilize the currency exchange rate, and this slowed down the trend slightly. However, in general, the Indonesian rupiah continued depreciating while the U.S. dollar continued appreciating.

2. Outlook for This Month

In November, the U.S. dollar/Indonesian rupiah exchange rate is forecast to remain high and stable.

At the monetary policy meeting held in October, the central bank of Indonesia decided to maintain its policy interest rate (BI rate) at the existing level of 4.75%, which had not been anticipated in the market. This was the fourth consecutive surprise, as the majority of the market participants expected a policy interest rate cut this time. At the September meeting, the governor of the central bank of Indonesia, Perry Warjiyo, stated that he would prioritize supporting the economic growth of Indonesia. However, since the policy interest rate cut in September, the Indonesian rupiah depreciated sharply against the U.S. dollar, because of which the governor of the central bank of Indonesia, Perry Warjiyo, became slightly more cautious. At the press conference after the meeting, he mentioned room for more policy interest rate cuts, while he also mentioned the importance of the stability of the Indonesian rupiah exchange rate. He thus seems to be cautious about the sharp depreciation of the Indonesian rupiah. In the times ahead, he is likely to manage the monetary policy by seeking the moment to cut the policy interest rate in order to support the economic growth of Indonesia, while also remaining cautious about the sharp depreciation of the Indonesian rupiah.

On the other hand, in the U.S., the policy interest rate was cut for the second consecutive time. However, this had already been reflected in the market to a great extent, and thus market participants did not sell the U.S. dollar in reaction to the announcement of the outcome of the FOMC meeting. On the contrary, the U.S. dollar appreciated slightly, as FRB Chair Jerome Powell expressed a cautious feeling about a policy interest cut in December. While less market participants expected a policy interest rate cut in the U.S. in December, there are still a large number of market participants expecting a policy interest rate cut in the U.S. in the times ahead. Thus, the depreciation of the U.S. dollar is forecast to be limited.

For these reasons, the Indonesian rupiah is forecast to remain weak against the U.S. dollar. However, if the Indonesian rupiah approaches its all-time low again, the central bank of Indonesia is expected to intervene in the foreign exchange market. Therefore, the U.S. dollar/Indonesian rupiah exchange rate is not expected to rise much further, while the U.S. dollar is likely to remain strong and the Indonesian rupiah is likely to remain weak.

Shunsuke Fukuda, Manila Treasury Office, Asia & Oceania Treasury Department

Philippine Peso – November 2025

Expected Ranges **Against the US$: PHP 57.50–59.50**
Against the yen: PHP 0.380–0.400

1. Review of the Previous Month

In October, the Philippine peso renewed its all-time low against the U.S. dollar toward the end of the month, with the U.S. dollar/Philippine peso exchange rate reaching the lower-PHP 59 level for the first time.

At the beginning of October, the U.S. dollar/Philippine peso exchange market opened trading at PHP 58.40. At the end of September, the U.S. dollar/Philippine peso exchange rate rose sharply from the PHP 57 level to the PHP 58 level. However, during the second half of October, the U.S. dollar/Philippine peso exchange rate continued fluctuating within a narrow range, both rising and falling in accordance with economic indices. In the extraordinary situation in which there was no announcement of major indices (such as labor statistics) due to the U.S. government shutdown, the U.S. dollar/Philippine peso exchange rate continued fluctuating many times within a narrow range between PHP 57.80 and PHP 58.40. The September price statistics for the Philippines turned out to be weaker than the market estimate. However, market participants continued to expect the policy interest rate to be maintained at the existing level at the monetary policy meeting to be held on October 9 by the central bank of the Philippines. However, the policy interest rate was cut by 0.25%, which turned out to be a surprise. At the press conference held after the meeting, the central bank explained that the policy interest rate was cut due to issues of corruption related to flood control projects as well as protests against them, which may end up worsening corporate sentiment while also negatively impacting the economy. Since the middle of the month, there was still persistent pressure to buy the U.S. dollar and sell the Philippine peso. However, the U.S. dollar/Philippine peso exchange rate did not easily exceed the resistance line at around PHP 58.40, which was the resistance line several times in the past. Yet, at the end of the month, the U.S. dollar/Philippine peso exchange rate exceeded this resistance line quickly when there was no specific reason. Thereafter, the U.S. dollar/Philippine peso exchange rate rose to approach the lowest rate for the Philippine peso in the year (PHP 58.72 to the U.S. dollar). Subsequently, the U.S. dollar/Philippine peso exchange rate continued rising, albeit with some fluctuations. In the end, the U.S. dollar/Philippine peso renewed its all-time high at PHP 59.00. After momentarily reaching PHP 59.26, the U.S. dollar/Philippine peso returned to the upper-PHP 58 level, at which level monthly trading closed.

2. Outlook for This Month

In November, the U.S. dollar/Philippine peso exchange rate may continue fluctuating violently.

At the end of October, the Philippine peso renewed its all-time low against the U.S. dollar. This is likely to be based on a remark made by Benjamin E. Diokno, the former governor of the central bank of the Philippines, who is now a member of the monetary policy committee. He said it was possible for the policy interest rate to be cut by

0.25% at the last monetary policy meeting scheduled for December. Furthermore, while the Philippine peso has been weakening at the mid-PHP 58 level to the U.S. dollar, he shared his view that the central bank of the Philippines would intervene in the foreign exchange market only when there are concerns over the acceleration of inflation pressure and that there was no specific exchange rate level that the central bank was trying to achieve. In reaction to this, market participants became less cautious about immediate foreign exchange market interventions by the central bank, as a result of which the U.S. dollar/Philippine peso exchange rate reached the PHP 59 level. However, immediately after that, the U.S. dollar/Philippine peso exchange rate fell sharply to the mid-PHP 58 level. This was due to the fact that market participants sold the U.S. dollar to take profit, while some concerns and speculations persisted about foreign exchange market interventions by the central bank of the Philippines. As market participants do not know how much the U.S. dollar/Philippine peso would rise in the times ahead, the psychological turning point is expected to be around PHP 59.50. However, market participants remain highly cautious, and therefore the U.S. dollar/Philippine peso exchange rate is likely to rise slowly.

In the U.S., on the other hand, Federal Reserve Board (FRB) Chair Jerome Powell made a comment at the end of October to emphasize that a policy interest rate cut was not a foregone conclusion while economic data was unknown. In response, some market participants changed their outlook regarding policy interest rate cuts, as a result of which interest rates in the U.S. rose, and U.S. dollar buying increased.

In both the U.S. and the Philippines, there have been comments by monetary authorities that had not been anticipated by market participants. However, the U.S. dollar/Philippine peso exchange rate is forecast to continue fluctuating at around the PHP 58 level. However, market participants are also advised to remain cautious, as there are persistent risks for the trend to change abruptly.

Shino Kihara, India Treasury Office, Asia & Oceania Treasury Department

Indian Rupee – November 2025

Expected Ranges **Against the US$: INR 87.00–89.50**
Against the yen: JPY 1.65–1.85

1. Review of the Previous Month

In October, the U.S. dollar/Indian rupee exchange rate renewed its all-time low, after which it was adjusted and returned to the level seen at the beginning of the month.

At the beginning of the month, the U.S. dollar/Indian rupee exchange market opened trading at the upper-INR 88 level. From the beginning toward the middle of the month, the U.S. dollar/Indian rupee exchange rate remained low, as had been the case in the previous month. The Indian rupee continued depreciating gradually and renewed its all-time low again. Subsequently, the Reserve Bank of India (RBI) intervened in the foreign exchange market when the U.S. dollar/Indian rupee exchange rate approached the INR 89 level, and this adjusted the level of the exchange rate to the INR 87 level for the first time in approximately one month. On the other hand, toward the end of the month, the U.S. dollar/Indian rupee exchange rate remained high, fluctuating at the upper-INR 87 level. Thereafter, pressure to buy the U.S. dollar strengthened, while some market participants bought the U.S. dollar based on actual demand. As a result, the U.S. dollar/Indian rupee exchange rate returned to the upper-INR 88 level (as of October 30).

The BSE SENSEX opened trading at the lower-80,000 level, after which the index rose gradually. At the middle of the month, the index started to rise in an accelerated manner and exceeded the 85,000 level—reaching the highest level seen in the year. Thereafter, the BSE SENSEX remained at the same level (as of October 30). In terms of investment capital inflow from foreign investors into Indian stock market, there was a net buy in October on a single-month basis, while there was previously a net sell for three consecutive months. Market participants are thus advised to carefully observe whether the capital inflow would become a constant one.

In terms of the economic indices for India, the RBI held a Monetary Policy Committee (MPC) meeting in October and decided to maintain its policy interest rate at 5.50% as a unanimous decision. It was the second consecutive time that this decision was taken after the policy interest rate cut in June. The September trade balance turned out to be a deficit of USD 32.1 billion, which is the largest deficit since August 2024. The September Consumer Price Index (CPI, year-on-year) turned out to be +1.54%, revealing a slowdown in growth compared to the previous result, which was +2.07%.

2. Outlook for This Month

In November, the Indian rupee is forecast to weaken against the U.S. dollar, but the U.S. dollar/Indian rupee exchange rate is not likely to rise significantly.

In November, the Indian rupee is forecast to depreciate against the U.S. dollar on the whole, while the U.S.

dollar/Indian rupee exchange rate is likely to fluctuate in both directions within a wide range based on external factors. Market participants have been reacting sensitively to remarks made by U.S. President Donald Trump regarding the U.S. tariff policy, which may keep the market highly volatile. On the other hand, in October, the RBI intervened in the foreign exchange market to adjust the level of the exchange rate by keeping it from rising further, when the U.S. dollar/Indian rupee exchange rate approached the INR 89 level—a psychological turning point. As similar actions are expected in November, the U.S. dollar/Indian rupee exchange rate is not expected to rise significantly.

At the MPC meeting held in October, the policy interest rate was maintained at the existing level, and the policy stance was also maintained at neutral, as was the case at the previous meeting. The central bank has mentioned the possibility for future policy interest rate cuts by stating that the current macro-economic environment and its outlook are giving more policy options to support further economic growth. However, the central bank has also made clear that it was not in a hurry to take the next action. It has emphasized that the monetary policy measures that have been taken so far (the successive policy interest rate cuts to date) and recent fiscal policy measure (GST cut) are still having an impact on the market. It has also explained that the uncertainty related to trade issues persists and that therefore it would be wiser to wait until the effects of these policies become clearer.

From a medium- to long-term perspective, the Indian rupee is likely to remain a currency to sell, as India still suffers from a persistent current account deficit, even if the RBI is certainly expected to intervene in the foreign exchange market when the Indian rupee depreciates excessively.

This report was prepared based on economic data as of October 31, 2025.