Mizuho Daily

Nov 27, 2025

Three Take-Aways

1) US equities extended recovery as economic data remains supportive though USD weakness persisted.

2) NZD led gains on hawkish cut by RBNZ while AUD was buoyed by upside CPI surprise. GBP rose as Gilt yields plunge at the long end on revelation of expanded fiscal headroom.

3) BoK expected to stand pat today amid KRW vulnerability and need for extended period to assess housing price stability.

MACRO THEME: Thanksgiving

- Heading into Thanksgiving break, US equities are certainly grateful for another session of recovery with rate cuts hopes still the main course. The side of **supportive economic data** did not appear to dampen market expectations of a rate cut, though there was still a climb up in front end UST yields.

- Specifically, initial jobless claims came in lower than expected while capital goods orders excluding defence and air transport exceeded expectations to signal that investment spending remains robust in the US. Nonetheless, the durable goods orders report is a dated one with September being the reference period.

- The USD though lost ground on the back of the "Hassett Effect".

Antipodean Appetite

- To be clear, USD weakness was not all Hassett's doing especially with the Antipodeans leading gains. The NZD soared with the **RBNZ going for a hawkish cut** as Governor Hawkesby revealed central projections consistent with **official cash rate being on hold through the course of 2026**. This morning, he added that there is improving momentum in the economy.

- AUD regained ground to above 65 cents as the trimmed mean CPI for October came in higher than expected at 3.3%.

Sterling Surprise

- In the UK, **Rachel Reeves's budget announcement** did not have much of the doom and gloom expectations as the leaked report by the OBR showed **extra fiscal headroom** which sent Gilt yields plunging at the long end and GBP rallied.

- That said, with most of the tax revenue raising measures being backloaded, the near term fiscal concerns are not entirely resolved as fiscal credibility of these measures remain at risk.

Asia's Caution

- On the other end, JPY was at the bottom of the pile as revelation of new JGB issuances continue to reinforce worries about fiscal challenges. Amid the debate of ability of markets to digest these issuances across varying tenors, higher deficits remain a bugbear not only in Japan, but across Asia.

- In Taiwan, geopolitical risks has led to upsized plans on military purchases. Aside from upsized fiscal expenditures, these structural woes also imply that a diversification backdrop may hamper TWD recovery.

***Yields** (2Y: +1.7p; 10Y: -0.2bp; 30Y: -0.8bp)*

***Equities** (Nasdaq: +0.8%; S&P 500: +0.7%; Dow: +0.7%)*

***FX** (DXY: -0.1%)*

- USD/JPY still buoyed around 156 while EUR is testing 1.16.

Australia CPI: Erasing Doubts?

- Australia's latest CPI print drove markets to **erase all odds for a RBA rate cut in 2026**. Specifically, cash rate futures went from pricing half a cut in mid-2026 at the start of this week. to a 15% chance of a rate cut in Q3 post CPI print.

- Admittedly, the **underlying details of the CPI print make an uncomfortable read for policymakers.** Both goods and services inflation picked up pace to 3.8% and 3.9% respectively. Administrative effects such as expiry of electricity rebates and smaller impact of Commonwealth Rent Assistance led to sharper increase in rents and utilities costs. The more worrying sight though is the increase in prices of new dwelling as builders no longer saw a need to extend promotional offers.

- At this juncture, with markets now pricing in possible hikes, the fear is associated with a possible acceleration of inflationary pressures rather than the trimmed mean point estimate being at 3.3%. While an extended rate pause of 6-9 months should be given due consideration amid firmer growth, rate hikes have a much higher bar as the RBA will need confidence about preserving employment gains.

Bank of Korea: Extended Assessment

- We expect the **Bank of Korea to stand pat** today. Clearly, the case to hold rates remains strong on their need to assess the effects of property market stabilization measures and KRW risks.

- The FX vulnerability has been especially apparent with the USDKRW being buoyed above 1450 which has necessitated the BoK working with the NPS on stabilization measures. Furthermore, the risk off backdrop that has driven the KRW weakness remains a key risk amid continued doubt over AI valuations.

- On the housing front, even though the momentum of housing price growth has slowed in recent weeks, a 0.2-0.3% week on week change is far from comfortable. This current pace is also above that during their August decision in which they chose to keep rates unchanged "**in order to stabilize expectations of rising housing prices**".

- Aside from these risk factors, growth outturns have also come in better than expected amid a modest recovery in private consumption alongside external demand tailwinds. From a sectoral perspective, manufacturing sector was buoyant due to the firm trade backdrop while services activity was also robust across various sub-sectors ranging from finance to accommodation and food services.

- Even on prices, a creep up in both headline and core inflation to above 2% in October also adds to the case for the BoK to stand pat for now. On balance, **all indicators point to a likely unanimous rate hold at this meeting** as the authorities seek to anchor wider macro-financial stability. Even as a push back in rate cut prospects and threat of FX intervention ought to aid some KRW recovery, buoyancy above 1410 will be retained.

DATA/EVENTS

Yesterday	Actual	Exp.	Prior
(US) Initial Jobless Claims	216k	225k	220k
(US) MNI Chicago PMI (Nov)	36.30	43.8	43.8
(US) Durable Gds/Non Def Ex Air Orders (	0.5%/0.9%	0.5%/0.2%	2.9%/0.4%
(JP) Machine Tool Orders YoY (Oct)	17.1%	--	16.8%
(JP) Coincident/Leading Index (Sep)	114.6/108.6	--	114.6/108.0
(SG) Industrial Production YoY (Oct)	29.1%	6.7%	16.1%
(AU) CPI/Trimmed Mean YoY (Oct)	3.8%/3.3%	3.6%/2.9%	3.5%/2.8%

Today	Actual	Exp.	Prior
(EZ) Consumer Confidence (Nov F)		--	-14.2
Bank of Korea Base Rate		**2.50%**	**2.50%**
(AU) Private Capital Expenditure (3Q)		0.5%	0.2%
(CH) Industrial Profits YoY (Oct)		--	21.6%

FX OUTLOOK

FX	Close (NY)	Open*	Daily %Δ	Forecast		
USDJPY	156.47	156.25	+0.27%	155.00	-	158.50
EURUSD	1.1595	1.1602	+0.22%	1.1500	-	1.1700
GBPUSD	1.3241	1.3245	+0.57%	1.3000	-	1.3300
AUDUSD	0.6518	0.6524	+0.76%	0.6450	-	0.6600
DXY	99.6	--	▼0.07%	98.5	-	100.5
USDCNY	7.0761	--	▼0.12%	7.0800	-	7.1500
USDCNH	7.0690	7.0668	▼0.19%	7.0800	-	7.1700
USDHKD	7.7784	7.7778	+0.04%	7.7600	-	7.8200
USDSGD	1.2975	1.2964	▼0.29%	1.2900	-	1.3050
USDKRW	1468	1469	+0.00%	1447	-	1485
USDTWD	31.34	--	▼0.32%	30.80	-	31.60
USDINR	89.27	--	+0.05%	88.00	-	89.70
USDIDR	16662	--	+0.00%	16500	-	16800
USDMYR	4.136	4.133	+0.04%	4.120	-	4.180
USDPHP	58.86	--	▼0.10%	58.50	-	59.30
USDTHB	32.24	32.21	▼0.23%	32.0	-	32.5
USDVND	26374	26372	+0.01%	26250	-	26600

*Open is as at 8am HKT/SGT.

MARKET MOVES

Bond Yields	2Y Close	10Y Close	2Y Δ (bps)	10Y Δ (bps)
UST (US)	3.477	3.995	1.7	-0.2
JGB (JP)	0.968	1.804	0.4	0.5
Bunds (GE)	2.016	2.670	0.3	-0.1
Gilts (UK)	3.727	4.423	-2.9	-7.0
AGB (AU)	3.805	4.529	13.2	10.1
SGS (SG)	1.371	2.047	4.9	5.2
CGB (CN)	1.430	1.836	-0.5	1.8
KGB (KR)	2.729	3.262	0.0	0.0
SDL (IN)	5.774	6.451	-0.1	-0.5

Cross FX	Close (NY)	Open*	Daily %Δ
EUR/JPY	181.43	181.28	+0.50%
GBP/JPY	207.195	206.939	+0.85%
JPY/SGD (100yen)	0.8291	0.8297	▼0.56%
JPY/HKD (100yen)	4.971	4.978	▼0.22%
CNH/JPY	22.114	22.083	+0.49%
CNH/HKD	1.0992	1.0993	+0.13%
EUR/GBP	0.87572	0.87599	▼0.35%
AUD/NZD	1.1436	1.1436	▼0.63%
EUR/CNH	8.196	8.1989	+0.02%
GBP/CNH	9.3608	9.3596	+0.38%
CNY/HKD	1.0992	1.0993	+0.13%
EUR/HKD	9.0191	9.0238	+0.26%
SGD/HKD	5.9952	5.9995	+0.33%

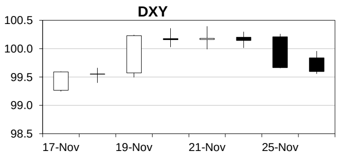
*Open is as at 8am HKT/SGT.

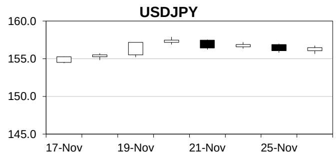
G3 Equities	Close	Net Chg	Daily %Δ
S&P500 (US)	6812.61	46.73	+0.69%
Nasdaq (US)	23214.69	189.10	+0.82%
DJIA (US)	47427.12	314.67	+0.67%
N225 (JP)	49559.07	899.55	+1.85%
STOXX50 (EU)	5655.58	81.67	+1.47%

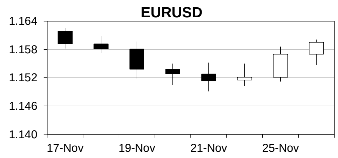
Commodity	Close	Net Chg	Daily %Δ
COPPER (LME)	10,983.83	156.31	+1.44%
IRON ORE (CN)	104.90	0.40	+0.10%
GOLD	4,162.15	31.46	+0.76%
SILVER	53.36	0.08	+1.72%
OIL (BRENT)	63.13	0.65	+1.04%
OIL (WTI)	58.65	0.70	+1.21%
NATURAL GAS	4.56	1.89	+3.67%

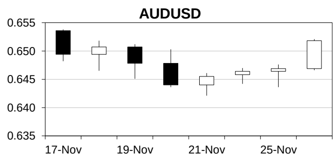
Asia Equities	Close	Net Chg	Daily %Δ
ASX (AU)	5219.51	46.15	+0.89%
STI (SG)	4501.56	15.93	+0.36%
SHCOMP (CN)	3864.184	-5.84	▼0.15%
SZCOMP (CN)	2433.118	8.17	+0.34%
HSI (HK)	25928.08	33.53	+0.13%
SENSEX (IN)	85609.51	1022.50	+1.21%
JSE (ID)	8602.13	80.24	+0.94%
KLSE (MY)	1624.5	12.76	+0.79%
PSE (PH)	6004.7	28.53	+0.48%
SET (TH)	1261.18	-7.60	▼0.60%
VNINDEX (VN)	1680.36	0.01	+1.20%

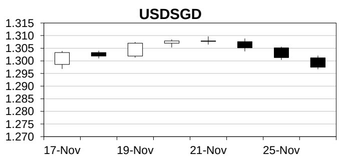
CHARTS

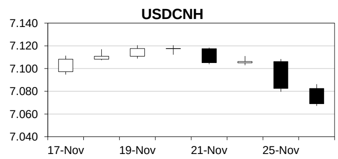


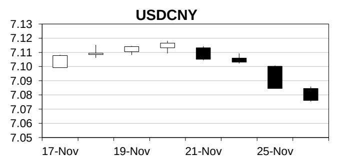


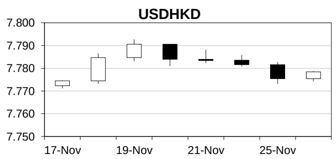


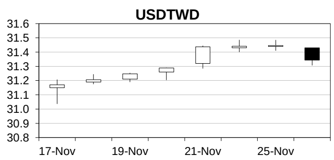


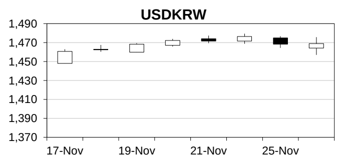


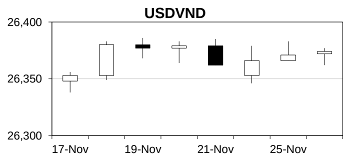


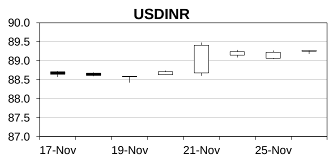


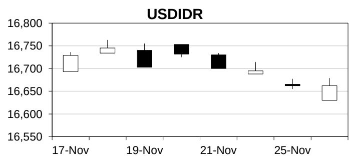


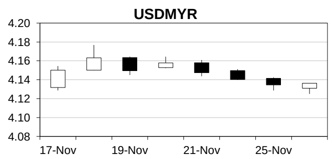


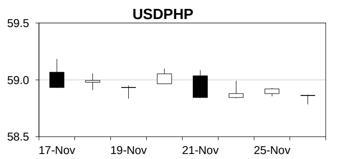


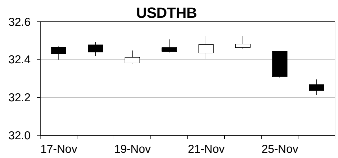


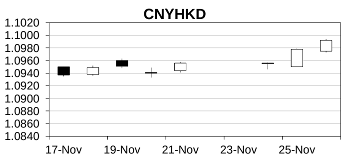


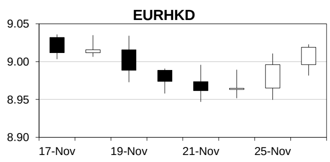


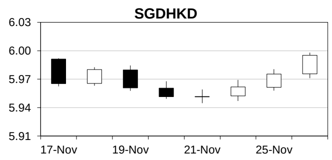


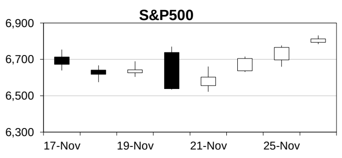


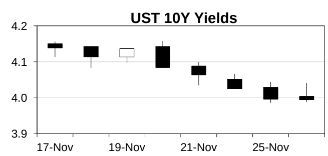


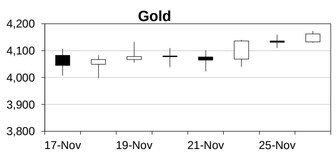


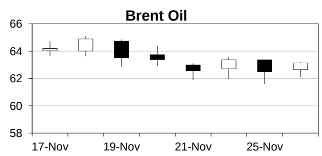












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