Mizuho Daily

Nov 10, 2025

Three Take-Aways

1) Hope of an end to US government shutdown enabled some recovery of risks sentiments dented by dire consumer sentiments.

2) Aside from R-star debates, end of shutdown may see contention on appropriate reactions to delayed and even likely incomplete data collection.

3) Vietnam's growth indicators remain firm while Philippines' sharp growth slowdown a result of earlier than expected contraction in government spending rather than a dire backdrop of capital flight.

MACRO THEME: Of Hopes and Rejection

- **US equities ended last Friday mixed** as dire consumer sentiments gave way to hopes of an end to the US government shutdown. Specifically, **US consumers sentiments tumbled** to near historical lows as fear of job loss rose and households were more pessimistic about their personal finance situation.

- Optimism though came in from Senate Minority Leader Schumer offering a **proposal to re-open the government** with a one year extension of the Affordable Care Act (ACA).

- The proposal though was **subsequently rejected** with Senate Majority Leader Thune saying that the ACA will not be part of the deal to re-open the government.

- As of this morning, Thune said that a **deal is coming together though warned that it is not a done deal.** Meanwhile, concerns over air travel continue to mount as Transportation Secretary Duffy warn of more flight cancellations saying that air travel may slow to a trickle ahead of Thanksgiving.

Nebulous Paths and Targets

- Fedspeak remains largely expected with Jefferson and Musalem urging caution against excessive easing as they are closer to neutral which was in contrast to Sephen Miran who continue to argue that the R-star is much lower.

- Adding on to the woes stemming from the **nebulous nature of R-star**, both the **deluge of delayed data and the potential for poor quality collection** may imply greater divergent views even among the mainstream rate setters.

***Yields** (2Y: +0.7ps; 10Y: +1.4bp; 30Y: +2.0bp)*

***Equities** (Nasdaq: -0.2%; S&P 500: +0.1%; Dow: +0.2%)*

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

- USD was mixed with the CAD leading gains on the back of a better than expected jobs report showing decline in unemployment rate.

- At the other end, JPY led losses as higher UST yields weighed. USD/JPY soared above mid-153 which also reflects risk-on hopes from an end to the US government shutdown as US equities futures rose.

China: Seasonal Kinks and Political Humps

- For October, China's headline inflation print came in higher than expected at 0.2% YoY amid higher costs of services.

- The outturn was likely supported by demand during the holiday season. Meanwhile, the dismal trade data was not unexpected with exports contracting 1.1% as obstacles such as port fees may have dampened/deferred shipments amid on-going US-China talks.

Post Philippines Q3 GDP: Caution, Not Collapse

- The Philippines' economy expanded by 4.0% year-on-year in Q3, falling short of market expectations and marking a slowdown from the previous quarter's 5.2% growth. A closer examination reveals that the weakness is largely concentrated in the public sector, rather than indicative of a broader loss of investor confidence.

- The most notable drag came from investment spending, which contracted by 2.8% YoY. However, this decline was almost entirely driven by a sharp 25% YoY drop in government construction expenditure. This suggests that the weakness in capital formation stems from a temporary stalling of public infrastructure projects from the corruption probe, rather than a retreat in private sector investment or foreign capital outflows.

In this context, a deterioration in investor sentiment appears overstated. Admittedly, the weaker private consumption is also worrying though this was in part due to the substantial disruption from adverse weather events. Meanwhile, exports remained resilient, helping to cushion the overall growth trajectory.

- For now, the weakness may undeniably be prolonged amid the graft probe and the unfortunate Typhoon that is still ravaging the Philippines. Structural shifts may not have set in though the lack of public investments for an extended period may worry investors.

Vietnam: Expansion on Track

- Vietnam's growth narrative remains compelling, with October's headline inflation easing slightly to 3.2% from 3.4%, though this moderation was largely driven by fuel price adjustments.

- Beneath the surface, inflationary pressures persist, as evidenced by a rise in core inflation to 3.3% and broad-based price increases across 10 of 12 CPI categories.

- Industrial production growth slowed to 10.8% YoY from 13.6%, but this was primarily due to base effects; sequential momentum remains firm with a solid 2.4% month-on-month expansion. The resource sector posted mixed results, with coal mining output up 8.2% while metal ore mining contracted.

- Manufacturing showed pockets of softness, particularly in electronics, where flat demand for computer and optical products masked strength in communication equipment and weakness in components and electrical gear. Encouragingly, the textile and footwear sectors continued their recovery, likely in anticipation of year-end holiday demand, while the furniture sector delivered robust growth despite lingering tariff headwinds.

- Overall, Vietnam's economic engine is running strong, and we maintain our full-year GDP growth forecast at 8.1%.

- However, the currency outlook warrants caution — FX reserves remain low at US$80bn as of July, raising concerns about external resilience despite a persistent trade surplus.

DATA/EVENTS

Yesterday	Actual	Exp.	Prior
(US) Change in Nonfarm Payrolls (Oct)	Delayed	-23k	--
(US) Unemployment Rate (Oct)	Delayed	4.4%	--
(US) U. of Mich. Sentiment (Nov P)	50.3	53.0	53.6
(US) U. of Mich. 1 Yr/5-10 Yr Inflation (Nov	4.7%/3.6%	4.6%/3.8%	4.6%/3.9%
(CH) Exports/Imports YoY (Oct)	-1.1%/1%	2.9%/2.7%	8.3%/7.4%
(PH) GDP YoY (3Q)	4.0%	5.2%	5.5%
(TW) Exports/Imports YoY (Oct)	49.7%/14.6%	31.5%/25.0%	33.8%/25.1%

Today	Actual	Exp.	Prior
(JP) Leading Index CI (Sep P)		107.9	107.0
(EZ) Sentix Investor Confidence (Sep P)		-4.00	-5.400

FX OUTLOOK

FX	Close (NY)	Open*	Daily %Δ	Forecast		
USDJPY	153.42	153.83	+0.24%	152.00	-	155.00
EURUSD	1.1566	1.1543	+0.16%	1.1480	-	1.1600
GBPUSD	1.3162	1.3141	+0.19%	1.3100	-	1.3300
AUDUSD	0.6493	0.6501	+0.20%	0.6450	-	0.6590
DXY	99.6	--	▼0.13%	98.5	-	100.5
USDCNY	7.1221	--	+0.04%	7.0900	-	7.1500
USDCNH	7.1262	7.1271	+0.07%	7.0900	-	7.1700
USDHKD	7.7770	7.7769	+0.02%	7.7600	-	7.8200
USDSGD	1.3012	1.3029	▼0.18%	1.2950	-	1.3100
USDKRW	1454	1461	+0.00%	1420	-	1440
USDTWD	31.04	--	+0.30%	30.60	-	31.10
USDINR	88.67	--	+0.05%	87.50	-	89.50
USDIDR	16685	--	▼0.05%	16500	-	16800
USDMYR	4.177	4.175	▼0.15%	4.160	-	4.250
USDPHP	59.04	--	+0.11%	58.20	-	59.30
USDTHB	32.35	32.40	▼0.06%	32.2	-	33.0
USDVND	26310	26308	▼0.02%	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)	3.563	4.098	0.7	1.4
JGB (JP)	0.935	1.674	0.1	-0.6
Bunds (GE)	1.987	2.665	0.2	1.6
Gilts (UK)	3.792	4.465	1.2	3.2
AGB (AU)	3.582	4.352	-1.7	-1.4
SGS (SG)	1.334	1.845	-3.5	-0.2
CGB (CN)	1.430	1.806	0.1	0.4
KGB (KR)	2.808	3.237	6.3	5.0
SDL (IN)	5.781	6.514	-0.9	-0.1

Cross FX	Close (NY)	Open*	Daily %Δ
EUR/JPY	177.44	177.56	+0.39%
GBP/JPY	201.905	202.141	+0.41%
JPY/SGD (100yen)	0.8482	0.847	▼0.43%
JPY/HKD (100yen)	5.069	5.0557	▼0.22%
CNH/JPY	21.519	21.598	+0.11%
CNH/HKD	1.0919	1.0919	▼0.02%
EUR/GBP	0.87877	0.8784	▼0.02%
AUD/NZD	1.154	1.1555	+0.35%
EUR/CNH	8.2412	8.2268	+0.23%
GBP/CNH	9.3794	9.3657	+0.26%
CNY/HKD	1.0919	1.0919	▼0.02%
EUR/HKD	8.9944	8.9769	+0.18%
SGD/HKD	5.9766	5.9689	+0.20%

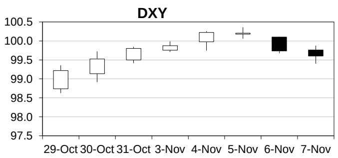
*Open is as at 8am HKT/SGT.

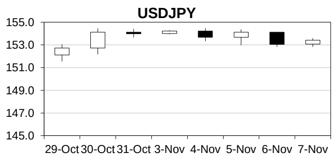
G3 Equities	Close	Net Chg	Daily %Δ
S&P500 (US)	6728.8	8.48	+0.13%
Nasdaq (US)	23004.54	-49.45	▼0.21%
DJIA (US)	46987.1	74.80	+0.16%
N225 (JP)	50276.37	-607.31	▼1.19%
STOXX50 (EU)	5566.53	-44.65	▼0.80%

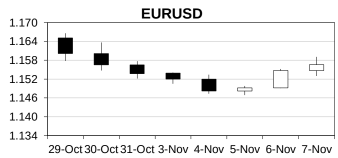
Commodity	Close	Net Chg	Daily %Δ
COPPER (LME)	10,698.28	46.74	+0.44%
IRON ORE (CN)	102.59	-3.24	▼2.12%
GOLD	4,001.26	24.05	+0.60%
SILVER	48.32	-0.04	▼0.96%
OIL (BRENT)	63.63	0.25	+0.39%
OIL (WTI)	59.75	0.32	+0.54%
NATURAL GAS	4.32	0.29	+0.60%

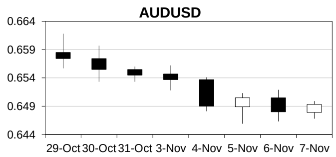
Asia Equities	Close	Net Chg	Daily %Δ
ASX (AU)	5211.88	-29.02	▼0.55%
STI (SG)	4492.24	7.25	+0.16%
SHCOMP (CN)	3997.556	-10.20	▼0.25%
SZCOMP (CN)	2519.288	-7.65	▼0.30%
HSI (HK)	26241.83	-244.07	▼0.92%
SENSEX (IN)	83216.28	-94.73	▼0.11%
JSE (ID)	8394.59	57.53	+0.69%
KLSE (MY)	1619.13	0.19	+0.01%
PSE (PH)	5759.37	-76.22	▼1.31%
SET (TH)	1302.91	-10.40	▼0.79%
VNINDEX (VN)	1599.1	-0.03	▼2.65%

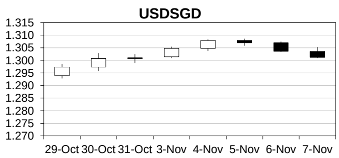
CHARTS

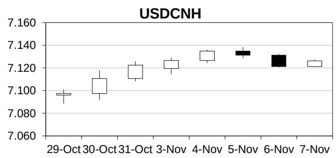


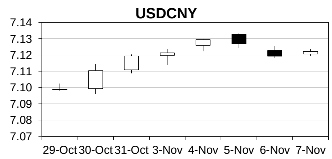


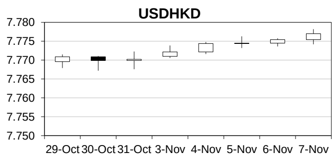


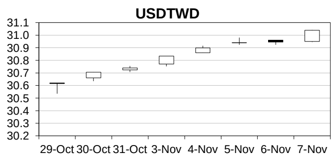


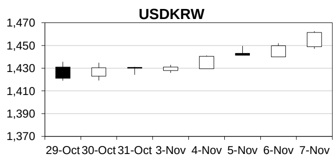


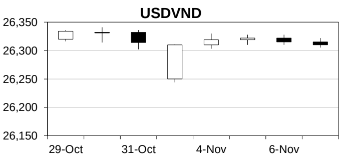


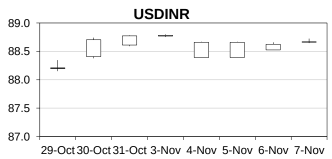


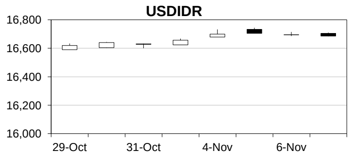


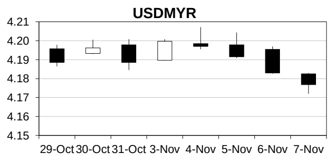


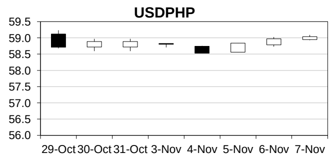


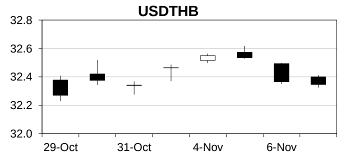


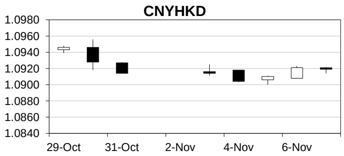


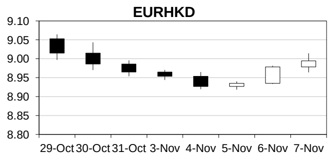


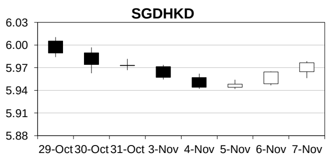


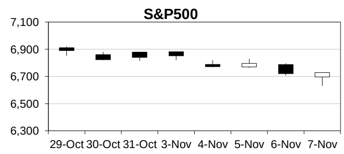


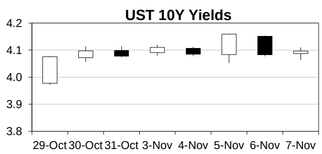


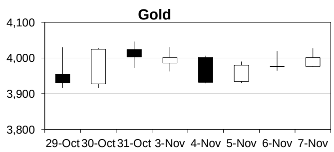


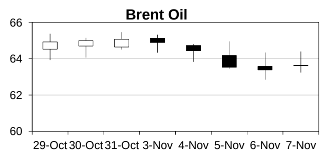












RESEARCH TEAM
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