Mizuho Daily

Nov 17, 2025

Three Take-Aways

1) Trump signed executive order to exempt some agricultural goods from reciprocal tariffs while the US and Switzerland struck an agreement to lower tariffs.

2) Amid hawkish Fed speak, markets watch for upcoming release of the delayed job report this Thursday.

3) Thailand Q3 GDP set to slow as tourism sector remains weak and exports remain a supportive pillar.

MACRO THEME: Box of Chocolates

- Last Friday, markets endured a very volatile session as risk off start subsequently gave way to some stabilisation on some positive developments on the tariff front.

- The **US and Switzerland reached an agreement** to lower tariffs on Swiss exports from 39% to 15%.

- There was also **affirmation of widely expected reduction in tariffs on agricultural products** ranging from beef, bananas, cocoa to oranges, kiwifruit and durians. Notably, the notice has **already gone into effect** with 13 November being the retrospective date. This perhaps highlights the urgency of providing relief to prevent costs escalation and passthrough. Agricultural sectors in many trading partners are expected to cheer the decision.

Questioning Evidence and Assumption

- There was not much cheer though from Fed speakers. Schmid said that **rate cuts may dent the Fed's credibility** by putting their **commitment to their 2% target into question**. Meanwhile, Logan said that there is **no convincing evidence that inflation is really coming down faster**.

- Even Bostic who said that he was able to get behind the last two cuts, sounded hesitant saying that he wants the information to guide where appropriate policy should be.

- On information, the **BLS is set to release the delayed September jobs report this week on the 20 November** and the barrage of upcoming data may instead be the one testing the Fed's commitment.

- Across the Atlantic, gilt yields soared on the back of a reversal of a widely speculation increase income taxes. That said, given that this was on the back of revised forecasts from the Office of Budget Responsibility, this back tracking is in short contingent on a better outlook rather than an improvement of current fiscal situation/policy.

***Yields** (2Y: +1.6p; 10Y: +2.9bp; 30Y: +3.6bp)*

***Equities** (Nasdaq: +0.1%; S&P 500: -0.1%; Dow: -0.7%)*

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

- USD managed to hold ground with most G10 peers. EUR has slipped towards 1.16 while USD/JPY remain hovering around mid-154, back up from testing below 154 on risk off sentiments last Friday. AUD stays buoyed above 65 cents but not making much ascendency.

- EM-Asia FX may remain cautious as risk sentiments appear weak amid continued slippage in the crypto space.

China: Investment as the weakest link

- It is unsurprising that investment remained the weakest link in China's economy in October. YTD fixed asset investment (FAI) fell by 1.7% YoY, implying a sharp decline of 12.2% YoY for the month alone—the steepest drop since December 2022.

- Unlike last time, which was driven by temporary disruptions from surging COVID infections and quickly reversed in 2Q23, the current downturn is broad-based and has accelerated notably since July. Several factors contributed to this unusual weakness, including 1) ongoing deterioration in the property market, 2) a lack of public-led investment, and 3) dented sentiment in export-oriented sectors.

- This investment weakness is mirrored by subdued credit growth. Aggregate financing to the non-financial sector (excluding government) rose just 5.8% YoY in October, down from 6.4% in September last year when Beijing introduced a series of stimulus measures.

Edging closer to additional stimulus

Given these trends, Beijing appears to be edging closer to the threshold for additional stimulus to prevent an economic derailment. Our best guess is that high-level officials will likely focus on fully implementing existing supportive measures until the Central Economic Work Conference expected in early December, where top policymakers are expected to set economic targets and outline further policy support.

Other Activity Indicators

Despite a slower-than-expected increase in industrial value added, growth is likely to recover slightly in November, supported by the pause on US tariffs and port fees. October retail sales were likely buoyed by the early start of the "Double 11" shopping festival and a surge in jewelry sales (Oct: 37.6% YoY) amid rising gold prices.

Thailand Q3 GDP: Slowdown

- Amid various soft sports weighing on strong external tailwinds, we **downwardly revise Q3 GDP growth in Thailand to slow down to 2.0% YoY** from Q2's 2.8% and for 2025 growth to come in at 2.5% YoY. Nominal exports revenue grew 11.5% YoY in Q3 which led to a US$6.9bn current account surplus for Q3 and this will be a supportive of Q3 growth.

- **Domestic demand likely improved** in Q3 on the back of strong durables consumption expanding 8.0% YoY which was driven by EV sales and new hybrid models. Nonetheless, **lacklustre non-durables consumption growing just 0.2% YoY** point to still fragile consumer sentiments. Businesses also appear restrained as investment spending also grew at a slower pace.

- **Tourist arrivals contracting 13.5% YoY** remains worrying despite the 4.1% QoQ increase from Q2 which tends to be a seasonal low. A decomposition reveals that the out of net YoY decline of 1.1m tourists in Q3, 876k and 484k stemmed from North East Asia and South East Asia respectively while arrivals from Europe and South Asia grew. Admittedly, our estimates are above consensus. That said, we do not think that a better than expected GDP print alleviate the BoT's worries about credit quality and growth. We **envisage USD/THB buoyancy** on available room for rate cuts which in turn pressures front end yields.

DATA/EVENTS

Yesterday	Actual	Exp.	Prior
(US) Retail Sales Adv/Ex Auto & Gas MoM (Oct)	Delayed	-0.2%/0.4%	--
(EZ) GDP SA YoY (3Q)	1.4%	1.3%	1.3%
(JP) Tertiary Industry Index MoM (Sep)	0.3%	0.3%	-0.4%
(CH) Industrial Production YoY (Oct)	4.9%	5.5%	6.5%
(CH) Retail Sales YoY (Oct)	2.9%	2.8%	3.0%
(CH) Fixed Assets Ex Rural YTD YoY (Oct)	-1.7%	-0.8%	-0.5%
(IN) Wholesale Prices YoY (Oct)	-1.2%	-0.78%	0.13%

Today	Actual	Exp.	Prior
(JP) GDP Annualised SA QoQ (3Q P)	-1.8%	-2.4%	2.2%
(US) Empire Manufacturing (Nov)		5.8	10.7
(TH) GDP YoY (3Q)		1.6%	2.8%
(PH) Overseas Remittances YoY (Oct)		3.0%	3.2%

FX OUTLOOK

FX	Close (NY)	Open*	Daily %Δ	Forecast		
USDJPY	154.55	154.62	▼0.01%	152.00	-	155.20
EURUSD	1.1621	1.1614	▼0.10%	1.1500	-	1.1700
GBPUSD	1.3171	1.3158	▼0.16%	1.3000	-	1.3300
AUDUSD	0.6538	0.6533	+0.14%	0.6450	-	0.6590
DXY	99.3	--	+0.14%	98.5	-	100.5
USDCNY	7.0993	--	+0.05%	7.0900	-	7.1500
USDCNH	7.0991	7.0991	+0.05%	7.0900	-	7.1700
USDHKD	7.7732	7.7721	+0.02%	7.7600	-	7.8200
USDSGD	1.2986	1.2992	▼0.15%	1.2950	-	1.3100
USDKRW	1455	1454	+0.00%	1450	-	1475
USDTWD	31.15	--	+0.26%	30.60		31.30
USDINR	88.74	--	+0.09%	87.50	-	89.50
USDIDR	16704	--	▼0.14%	16500	-	16800
USDMYR	4.133	4.132	+0.12%	4.120	-	4.200
USDPHP	59.06	--	+0.07%	58.50	-	59.30
USDTHB	32.40	32.47	+0.33%	32.2	-	32.8
USDVND	26350	26350	+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)	3.608	4.149	1.6	2.9
JGB (JP)	0.930	1.705	0.3	1.7
Bunds (GE)	2.034	2.719	0.8	3.2
Gilts (UK)	3.840	4.574	8.0	13.7
AGB (AU)	3.692	4.439	-3.8	1.8
SGS (SG)	1.278	1.845	-3.3	0.0
CGB (CN)	1.429	1.806	0.0	0.0
KGB (KR)	2.828	3.312	-0.1	4.2
SDL (IN)	5.780	6.486	0.0	1.3

Cross FX	Close (NY)	Open*	Daily %Δ
EUR/JPY	179.61	179.58	▼0.11%
GBP/JPY	203.56	203.449	▼0.16%
JPY/SGD (100yen)	0.8401	0.8403	▼0.18%
JPY/HKD (100yen)	5.0299	5.0266	+0.02%
CNH/JPY	21.775	21.78	+0.07%
CNH/HKD	1.0948	1.0948	▼0.03%
EUR/GBP	0.88224	0.88266	+0.03%
AUD/NZD	1.1507	1.151	▼0.35%
EUR/CNH	8.249	8.2449	▼0.07%
GBP/CNH	9.3523	9.341	▼0.11%
CNY/HKD	1.0948	1.0948	▼0.03%
EUR/HKD	9.0331	9.0265	▼0.09%
SGD/HKD	5.9866	5.9822	+0.19%

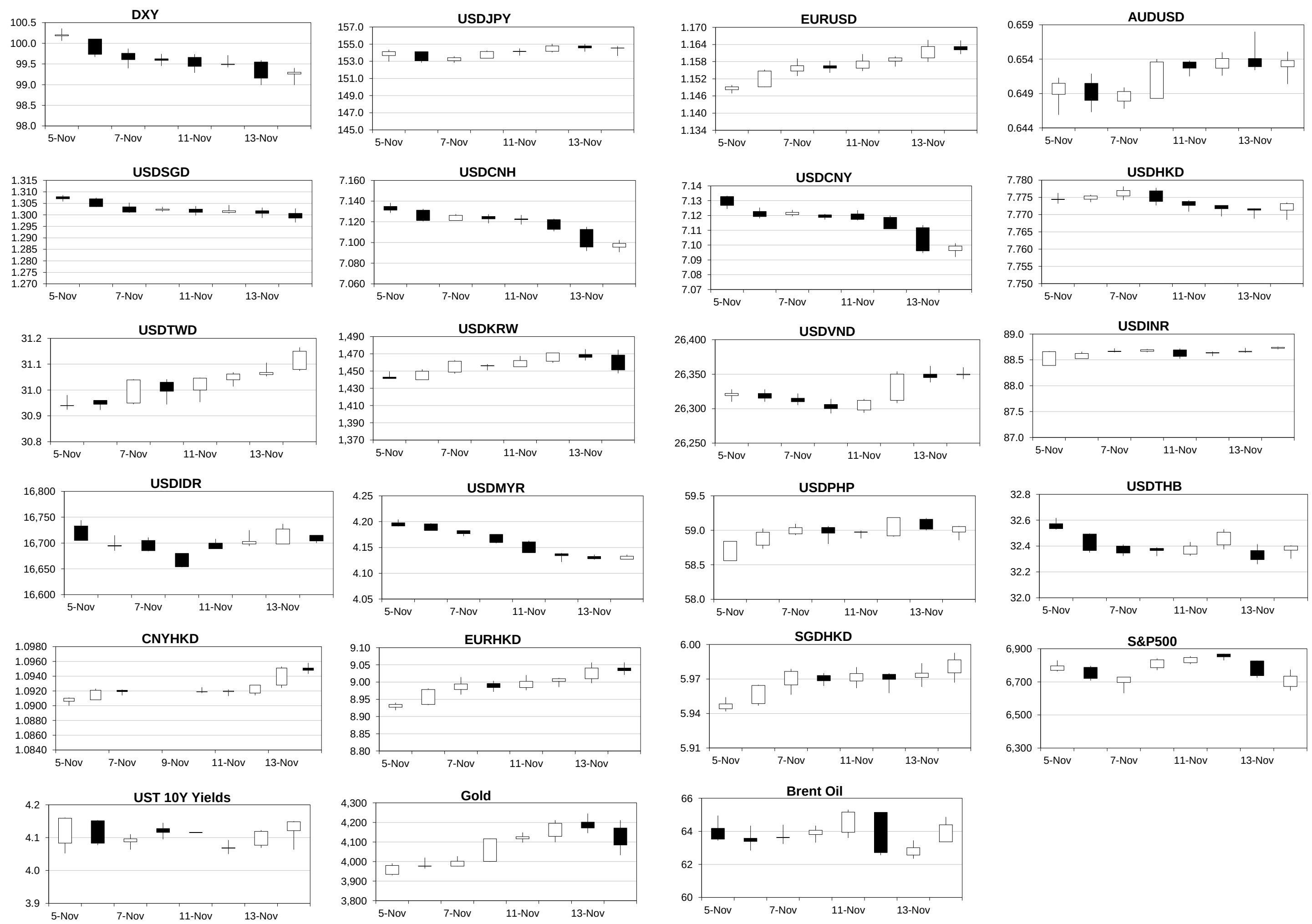
*Open is as at 8am HKT/SGT.

G3 Equities	Close	Net Chg	Daily %Δ
S&P500 (US)	6734.11	-3.38	▼0.05%
Nasdaq (US)	22900.59	30.23	+0.13%
DJIA (US)	47147.48	-309.74	▼0.65%
N225 (JP)	50376.53	-905.30	▼1.77%
STOXX50 (EU)	5693.77	-49.02	▼0.85%

Asia Equities	Close	Net Chg	Daily %Δ
ASX (AU)	5220.97	-56.68	▼1.07%
STI (SG)	4546.07	-29.84	▼0.65%
SHCOMP (CN)	3990.492	-39.01	▼0.97%
SZCOMP (CN)	2511.554	-34.58	▼1.36%
HSI (HK)	26572.46	-500.57	▼1.85%
SENSEX (IN)	84562.78	84.11	+0.10%
JSE (ID)	8370.436	-1.56	▼0.02%
KLSE (MY)	1625.67	-6.60	▼0.40%
PSE (PH)	5584.35	-142.64	▼2.49%
SET (TH)	1269.26	-18.18	▼1.41%
VNINDEX (VN)	1635.46	0.00	+0.25%

Commodity	Close	Net Chg	Daily %Δ
COPPER (LME)	10,855.88	-94.16	▼0.86%
IRON ORE (CN)	103.60	1.01	▼0.09%
GOLD	4,084.06	-87.46	▼2.10%
SILVER	50.58	-0.08	▼1.72%
OIL (BRENT)	64.39	1.38	+2.19%
OIL (WTI)	60.09	1.40	+2.39%
NATURAL GAS	4.57	-1.71	▼3.27%

CHARTS



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