Mizuho Daily

Aug 12, 2026

Three Take-Aways

1) Persistent uncertainty around Hormuz and US-Iran negotiations has kept oil prices elevated. While crude flows appearing more resilient than feared may prevent a sharper oil spike, inflation risks remain skewed to the upside on elevated refining margins.

2) The RBA left its policy rate unchanged, but Bullock's hawkish comments offset softer economic projections and signaled additional rate hikes remain on the table if required.

3) The Philippines' ProGRESS Bill delivers modest fiscal benefits, with higher excise taxes potentially adding to inflation pressures and reinforcing a higher-for-longer BSP policy stance.

MACRO THEME: Persistent Uncertainty

- US equities slipped overnight even as investor appetite for AI-related financing remained robust as Intel raised US$20b, a third more than targeted with reported demand exceeding US$100b. Meanwhile UST yields edged lower and Brent crude trended higher to trade just below US$90 per barrel as the lack of resolution on Hormuz kept oil elevated and markets stayed cautious before Wednesday's inflation print.

- Pakistan's defense minister said the US and Iran are “close to some sort of arrangement,” even as both sides hardened their public positions over the weekend.

- Separately, discussions between Iran and Oman on reopening Hormuz to selected shipping traffic are reportedly at an advanced stage, according to comments from a Qatari Foreign Ministry spokesperson. However, Iran's newly appointed National Security Council Secretary emphasised that any Oman-mediated arrangement should be viewed separately from the broader closure of Hormuz, underscoring that a shipping corridor does not equate to a full reopening of the waterway.

- Attacks have also continued with reports of a US Navy helicopter firing on a Panama-flagged cargo ship attempting to transit the blockade, while a refinery in Libya has been targeted.

- Given the lingering uncertainties surrounding a potential US-Iran arrangement, as well as unresolved details of any Oman-brokered Hormuz agreement, markets may still be some distance away from a return to unrestricted freedom of navigation through the strait.

Oil Keeps Flowing?

- Even as diplomacy remains inconclusive, physical oil flows may have been more resilient than headline risks suggest. Satellite imagery showed around a dozen ship-to-ship cargo transfers outside Hormuz on Monday, indicating some tankers continue to move crude in the region while operating "dark" to avoid detection.

- Meanwhile US Energy Secretary Chris Wright noted oil exports transiting Hormuz are currently averaging ~9mn barrels per day, rising to ~15m barrels/day when alternative pipeline routes are included. While below the ~20m barrels/day seen before the conflict, this suggests that significant volumes continue to reach global markets.

- Even as recent oil transits appear resilient which may help cap further upside in crude prices, elevated refining margins and persistent geopolitical risks will continue to pose upside risks to inflation.

***Yields** (2Y: -2.7bp; 10Y: -1.8bp; 30Y: -0.9bp)*

***Equities** (Nasdaq: -0.6%; S&P500: -0.3%; Dow: -0.3%)*

***FX** (DXY: +0.02%)*

RBA: Softer Projections Against Hawkish Guidance

- The AUD initially weakened following the RBA's decision to leave rates unchanged before subsequently recovering. Markets appear divided in their interpretation of Governor Bullock's press conference remarks versus forecasts in the Statement on Monetary Policy (SoMP).

- In the SoMP, the RBA revised its forecasts for headline CPI and trimmed mean inflation modestly lower, while projecting a slightly higher unemployment rate. This may have reinforced market expectations that current policy settings are sufficiently restrictive.

- Furthermore, acknowledgements to shifting housing market momentum also reflect caution around domestic activity.

- That said, Bullock struck a more hawkish tone during the press conference, reiterating that the RBA has "already raised three times, and we will go again if we need to," while emphasising that a rate cut "isn't on the agenda."

- Overall, RBA kept possibility of further tightening alive, with incoming economic data remaining key determinants of the next policy move.

Philippines' Tax Measures: Fiscal Gains, Inflation Risks

- Measures announced during President Marcos' State of the Nation Address have since been consolidated into the ProGRESS Bill, pairing personal income tax relief and a minimum corporate income tax exemption for micro and small enterprises with offsetting revenue-raising measures, targeted for implementation from January 2027.

- The package is expected to generate a net fiscal gain of PHP47.9bn (0.17% of GDP) annually. While the fiscal impact is modest, it should provide some support to the government's fiscal trajectory, helping to offset some slippage reflected in its medium-term fiscal plans.

- Revenue gains are centred on higher excise taxes on goods ranging from sweetened beverages to alcohol and tobacco products. While inelastic demand props up revenue, implementation challenges and industry lobbying are likely to outweigh and result in collections potentially below official estimates.

- On the demand side, while the tax relief could support household consumption, the boost is likely modest given the small impulse and the offsetting drag from higher excise taxes on consumption goods.

- The excise taxes could add around 0.5%-pt to headline inflation from January 2027, adding further impediments to disinflation. With inflation already projected above the BSP's 2-4% target range in 2027, this could reinforce a higher-for-longer policy stance.

- The PHP is unlikely to derive significant support from the package given its modest fiscal impact, and should remain driven mainly by oil prices, UST yields and broader risk sentiments.

DATA/EVENTS

Overnight	Actual	Exp.	Prior
(US) Existing Home Sales (Jul)	4.06m	4.05m	4.09m
(SG) GDP YoY/SA QoQ (2Q F)	5.9%/1.4%	5.8%/1.2%	5.7%/1.1%
(MY) Industrial Production YoY (Jun)	6.5%	7.2%	8.5%
(AU) RBA Cash Rate Target	**4.35%**	**4.35%**	**4.35%**

Today	Actual	Exp.	Prior
(US) CPI/Core YoY (Jul)		**3.4%/2.5%**	**3.5%/2.6%**
(US) Real Avg Weekly Earnings YoY (Jul)		--	0.2%
(JP) Machine Tool Orders YoY (Jun P)		--	52.7%
(IN) CPI YoY (Jul)		**4.4%**	**4.4%**
(KR) Unemployment rate SA (Jul)	2.8%	2.7%	2.7%

FX OUTLOOK

FX	Close (NY)	Open*	Daily %Δ	Forecast		
USDJPY	159.28	159.28	▼0.01%	158.50	-	160.00
EURUSD	1.1542	1.1543	▼0.01%	1.1460	-	1.1630
GBPUSD	1.3507	1.3509	+0.00%	1.3390	-	1.3600
AUDUSD	0.7062	0.7064	+0.10%	0.7020	-	0.7110
DXY	99.8	--	+0.02%	99.2	-	100.5
USDCNY	6.7456	--	▼0.01%	6.7200	-	6.8000
USDCNH	6.7465	6.7464	+0.01%	6.7200	-	6.8000
USDHKD	7.8467	7.8466	+0.02%	7.8200	-	7.8500
USDSGD	1.2797	1.2798	▼0.05%	1.2720	-	1.2890
USDKRW	1414	1414	+0.00%	1405	-	1425
USDTWD	32.29	--	+0.22%	32.10	-	32.50
USDINR	95.45	--	+0.15%	94.80	-	95.90
USDIDR	17840	--	+0.44%	17700	-	18000
USDMYR	4.092	4.093	+0.02%	4.060		4.120
USDPHP	61.27	--	+0.86%	60.90	-	61.70
USDTHB	33.16	33.14	+0.50%	32.9	-	33.4
USDVND	26137	26136	▼0.09%	25900	-	26350

*Open is as at 8am HKT/SGT.

MARKET MOVES

Bond Yields	2Y Close	10Y Close	2Y Δ (bps)	10Y Δ (bps)
UST (US)	4.216	4.690	-2.7	-1.8
JGB (JP)	1.614	2.809	0.0	0.0
Bunds (GE)	2.786	3.157	-1.2	-2.1
Gilts (UK)	4.309	4.963	-2.9	-2.4
AGB (AU)	4.588	5.035	2.7	4.0
SGS (SG)	1.689	2.305	2.2	1.7
CGB (CN)	1.247	1.706	0.2	0.5
KGB (KR)	3.605	4.242	0.0	0.0
SDL (IN)	6.171	6.779	4.0	1.5

Cross FX	Close (NY)	Open*	Daily %Δ
EUR/JPY	183.85	183.86	▼0.02%
GBP/JPY	215.159	215.169	▼0.00%
JPY/SGD (100yen)	0.8033	0.8035	▼0.05%
JPY/HKD (100yen)	4.9257	4.9264	+0.03%
CNH/JPY	23.612	23.612	+0.03%
CNH/HKD	1.1632	1.1632	+0.02%
EUR/GBP	0.85446	0.85449	▼0.01%
AUD/NZD	1.2007	1.2015	+0.12%
EUR/CNH	7.7872	7.7876	▼0.03%
GBP/CNH	9.1133	9.1138	+0.00%
CNY/HKD	1.1632	1.1632	+0.02%
EUR/HKD	9.057	9.0576	▼0.00%
SGD/HKD	6.1322	6.1311	+0.08%

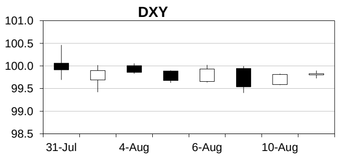
*Open is as at 8am HKT/SGT.

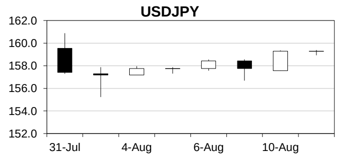
G3 Equities	Close	Net Chg	Daily %Δ
S&P500 (US)	7728.2	-24.91	▼0.32%
Nasdaq (US)	26445.45	-159.91	▼0.60%
DJIA (US)	53791.85	-184.13	▼0.34%
N225 (JP)	66970.22	0.00	+0.00%
STOXX50 (EU)	6551.22	15.60	+0.24%

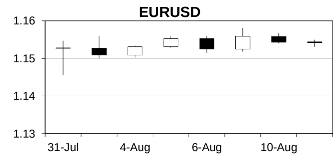
Asia Equities	Close	Net Chg	Daily %Δ
ASX (AU)	5847.9	-7.39	▼0.13%
STI (SG)	5754.17	55.74	+0.98%
SHCOMP (CN)	3934.093	-32.50	▼0.82%
SZCOMP (CN)	2577.619	-11.84	▼0.46%
HSI (HK)	25652.82	-284.67	▼1.10%
SENSEX (IN)	78154.25	-388.19	▼0.49%
JSE (ID)	6267.88	-97.49	▼1.53%
KLSE (MY)	1731.46	-3.91	▼0.23%
PSE (PH)	6326.89	37.68	+0.60%
SET (TH)	1612.62	-11.74	▼0.72%
VNINDEX (VN)	1773.41	0.00	▼0.19%

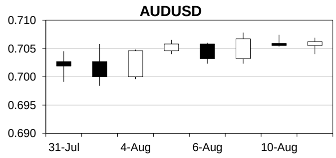
Commodity	Close	Net Chg	Daily %Δ
COPPER (LME)	14,352.36	18.13	+0.13%
IRON ORE (CN)	95.34	1.69	+0.57%
GOLD	4,370.11	-20.84	▼0.47%
SILVER	64.68	-0.03	▼0.97%
OIL (BRENT)	88.91	1.19	+1.36%
OIL (WTI)	83.20	1.07	+1.30%
NATURAL GAS	2.77	-1.06	▼1.61%

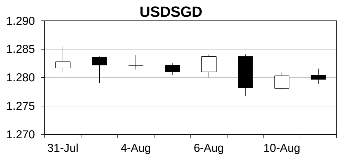
CHARTS

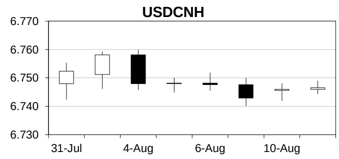


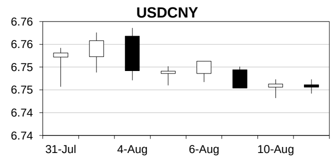


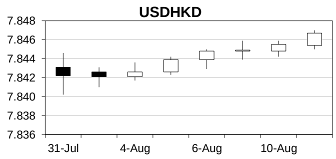


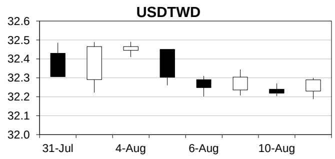


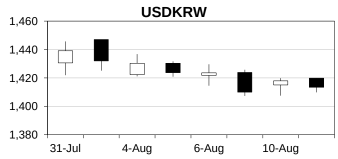


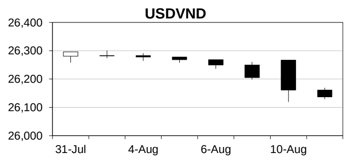


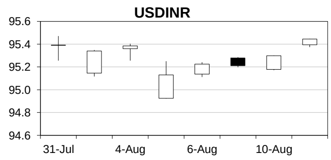


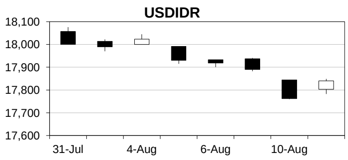


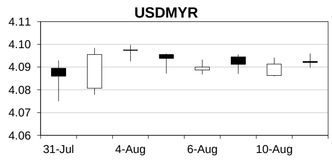


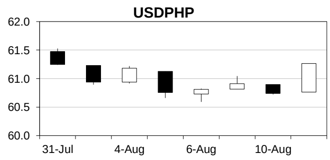


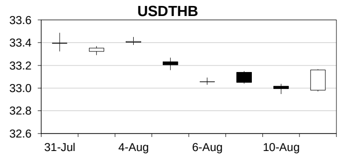


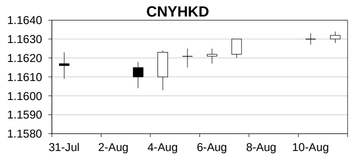


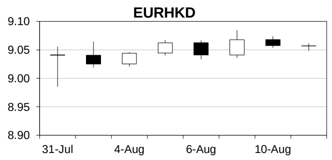


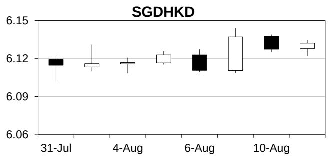


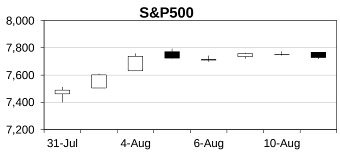


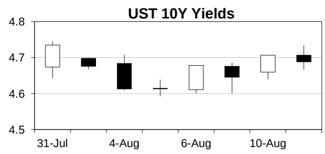


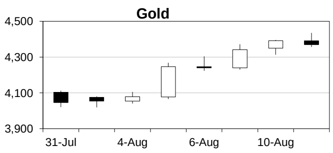


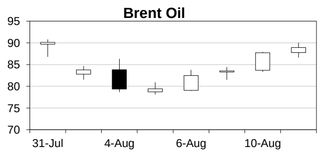












RESEARCH TEAM

Vishnu Varathan | Serena Zhou | Tan Boon Heng | Johnny Wong | Ng Jing Wen

MARKET COMMENTARY DISCLAIMER

THIS DOCUMENT IS NOT A RESEARCH REPORT AND IS NOT INTENDED AS SUCH.

Unless stated otherwise in the country specific distribution information below, this document has not been prepared in accordance with legal requirements in any country or jurisdiction designed to promote the independence of investment research and is not subject to any prohibition on dealing ahead of the dissemination of investment research. It is intended for informational purposes only and does not purport to make any investment recommendations.

This document has been prepared solely for the information of the intended recipients. Recipients in any jurisdiction should contact your usual Mizuho contact in relation to any matters arising from, or in connection, with this document.

This document has been prepared by Mizuho Bank, Ltd., Singapore Branch ("**MBSG**"), a full bank, exempt capital markets services entity and exempt financial adviser regulated by the Monetary Authority of Singapore ("**MAS**"), Mizuho Bank, Ltd., Hong Kong Branch ("**MBHK**"), a licensed bank regulated by the Hong Kong Monetary Authority, with business address at 12/F, K11 Atelier, 18 Salisbury Road, Tsim Sha Tsui, Kowloon, Hong Kong, Mizuho Bank, Ltd., Sydney Branch, an authorised deposit-taking institution regulated by the Australian Prudential Regulation Authority and holder of an Australian financial services licence ("**MBAU**"), Mizuho Securities Asia Limited ("**MHSA**"), licensed and regulated by the Hong Kong Securities and Futures Commission and/or Mizuho Securities (Singapore) Pte. Ltd. ("**MHSS**"), a holder of a capital markets services licence and an exempt financial adviser regulated by the MAS, as the case may be.

This does not constitute investment or personal advice.

This document has been prepared solely for the purpose of supplying general market information and/or commentary for general information purposes to clients of MBSG, MBHK, MBAU, MHSA, MHSS and their affiliates (collectively, "**Mizuho**") to whom it is distributed, and does not take into account the specific investment objectives, financial situation or particular needs of any client or class of clients and it is not prepared for any client or class of clients.

This is not an offer or solicitation.

This document is not and should not be construed as an offer to buy or sell or solicitation to enter into any transaction or adopt any hedging, trading or investment strategy, in relation to any securities or other financial instruments.

Mizuho shall have no liability for contents.

This document has been prepared solely from publicly available information. Information contained herein and the data underlying it have been obtained from, or based upon, sources believed by Mizuho to be reliable, but no assurance can be given that the information, data or any computations based thereon are accurate or complete and Mizuho has not independently verified such information and data. Mizuho is not obliged to update any of the information and data contained in this document.

Mizuho makes no representation or warranty of any kind, express, implied or statutory, regarding, but not limited to, the accuracy of this document or the completeness of any information contained or referred to in this document. Mizuho accepts no liability and will not be liable for any loss or damage arising directly or indirectly (including special, incidental or consequential loss or damage) arising from or in connection with any person's use or reliance of this document or the information contained in this document.

Information contained herein is no indication of future performance.

Some of the statements contained in this document may be considered forward-looking statements which provide current expectations or forecasts of futures events. Any opinions, projections, forecasts and estimates expressed in the document are solely those of Mizuho based on factors it considers relevant as at the date of the document and are subject to change without notice. Past performance is not indicative of future performance. Consequently, no expressed or implied warranty can be made regarding the projections and forecasts of future performance stated therein.

This material is confidential.

This document is intended for the exclusive use by the recipients, and is provided with the express understanding that the information contained herein will be regarded and treated as strictly confidential. All recipients may not reproduce or use this document in whole or in part, for any other purpose, nor disclose, furnish nor distribute this document to any other persons without the prior written permission of Mizuho. Any such reproduction, use, delivery or distribution in form or to any jurisdiction may be effected only in accordance with all applicable laws and regulations in the relevant jurisdiction(s).

Disclosure regarding potential conflicts of interest.

Mizuho, its connected companies, employees or clients may at any time, to the extent permitted by applicable law and/or regulation, take the other side of any order by you, enter into transactions contrary to any recommendations contained herein or have positions or make markets or act as principal or agent in transactions in any securities mentioned herein or derivative transactions relating thereto or perform or seek financial or advisory services for the issuers of those securities or financial instruments referred therein. Accordingly, Mizuho, its connected companies or employees may have a conflict of interest that could affect the objectivity of this document. This document has been prepared by employees who may interact with Mizuho's trading desks, sales and other related personnel when forming the views and contents contained within.

Financial instruments may not be for sale to all categories of investors.

There are risks associated with the financial instruments and transactions referred to in this document. Investors should not rely on any contents of this document in making any investment decisions and should consult their own financial, legal, accounting and tax advisors about the risks, the appropriate tools to analyse an investment and the suitability of an investment in their particular circumstances. Mizuho is not responsible for assessing the suitability of any investment. Investment decisions and the responsibility for any investments are the sole responsibility of the investor. Neither Mizuho nor of its directors, employees or agents accepts any liability whatsoever with respect to the use of this document or its contents.

WARNING: THE CONTENTS OF THIS DOCUMENT HAVE NOT BEEN REVIEWED BY ANY REGULATORY AUTHORITY. YOU ARE ADVISED TO EXERCISE CAUTION IN RELATION TO SUCH CONTENTS. THIS DOCUMENT IS NOT INTENDED TO CONSTITUTE ANY INVESTMENT, LEGAL, FINANCIAL, BUSINESS, ACCOUNTING, TAXATION OR OTHER ADVICE. IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD SEEK PROFESSIONAL ADVICE FROM YOUR RELEVANT ADVISERS ABOUT YOUR PARTICULAR CIRCUMSTANCES. YOU ARE RESPONSIBLE FOR YOUR OWN INVESTMENT CHOICES.

This document is not directed to, or intended for distribution to or use by, any person who is a citizen or resident of, or entity located in, any locality, territory, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to or restricted by law or regulation. Persons or entities into whose possession this document comes should inform themselves about and observe such restrictions.

COUNTRY SPECIFIC DISTRIBUTION INFORMATION

Australia: This document is intended only for persons who are sophisticated or professional investors for the purposes of section 708 ofthe *Corporation Act 2001* (Cth) of Australia ("**Corporations Act**"), or "wholesale clients" for the purpose of section 761G of the Corporations Act. It is not intended for and should not be passed on, directly or indirectly, to other classes of persons/investors in Australia. In Australia, Mizuho Bank, Ltd. Sydney Branch ("**MBSO**") is an authorised deposit-taking institution regulated by the Australian Prudential Regulation Authority in accordance with the *Banking Act 1959* (Cth), and holds an Australian financial services licence number 231240 (**AFSL**). Mizuho Securities Asia Limited (ABRN 603425912) and Mizuho Securities (Singapore) Pte. Ltd. (ARBN 132105545) are registered foreign companies in Australia and are each exempt from the requirement to hold an AFSL under the *ASIC Corporations (Repeal and Transitional) Instrument 2023/588*. MHSA is licensed by the Hong Kong Securities and Futures Commission under Hong Kong laws and MHSS is licensed by the Monetary Authority of Singapore under Singapore laws, which laws differ from Australian laws respectively.

Costa Rica: Nothing in this document constitutes a representation that any investment strategy or recommendation contained herein is suitable or appropriate to a recipient's individual circumstances or otherwise constitutes a personal recommendation. This document is published solely for information purposes, it does not constitute an advertisement and is not to be construed as a solicitation or an offer to buy or sell any securities or related financial instruments. In accordance with local laws, it does not constitute a public offering of securities under Regulations for Public Offering of Securities (National Counsel of Financial System Supervision, article 11 of Session Act 571-2006), and therefore cannot be understood and interpreted as an implicit or explicit offering that intends to place, issue, negotiate or trade securities transmitted by any means to the public or to certain groups. This document will not be disclosed to groups of more than 50 investors.

Guatemala: This document does not constitute an offering under the rules of the Ley del Mercado de Valores y Mercancías (Stock Exchange Act, Decree 34-96 of the Congress of the Republic of Guatemala), and any of its amendments, including without limitation, Decree 49-2008 of the Congress of the Republic of Guatemala, and its applicable regulation (Governmental Accord 557-97). The document will not be registered for public offering with the Securities Market Registry of Guatemala (Registro del Mercado de Valores y Mercancías), because the products will not be offered or sold: (1) to any person in an open market, directly or indirectly, by means of mass communication; (2) through a third party or intermediary to any individual person or entity that is considered an institutional investor, including entities that are under the supervision of the Guatemalan Superintendency of Banks (Superintendencia de Bancos), the Guatemalan banking regulator, the Guatemalan Social Security Institute (Instituto Guatemalteco de Seguridad Social) and its affiliates; (3) through a third party or intermediary to any entity or vehicle used for purposes of collective investment; or (4) to more than 35 individual persons or entities.

Hong Kong: This document, when distributed in Hong Kong ("**HK**"), is distributed by MHSA or MBHK, depending of the Mizuho entity which you are a client of.