Mizuho Daily

MIZUHO

Aug 27, 2026

Three Take-Aways

1) July PCE showed slightly firmer headline inflation but softer consumer spending.

2) Hormuz de-escalation hopes pushed oil lower, though tighter-than-expected US inventories limited losses.

3) The BoK hiked its policy rate by 25bp as a pre-emptive move to address inflation and debt sustainability issues, helping KRW consolidate recent gains.

MACRO THEME: PCE Signals Cooling Demand

- Headline PCE inflation in July rose **0.2% MoM** and held at **3.7% YoY**, both coming in slightly above market expectations. However, underlying price pressures remained more contained, with **core PCE rising 0.2% MoM and 3.3% YoY**, broadly in line with consensus expectations.

- Importantly, the details suggest that inflation momentum was less concerning than the headline readings imply. **A significant share of the monthly increase in core prices came from higher portfolio-management fees, which contributed 0.16ppt.** These fees typically reflect changes in investment valuations in the previous month and are therefore inherently volatile. **Meanwhile, several discretionary services categories recorded softer price increases. Travel-related prices weakened notably as the boost from the World Cup faded**, pointing to more selective consumer spending.

- The spending side of the report was arguably more dovish. **Real consumer spending was flat in July**, down from a 0.4% increase in June. While some moderation reflected payback following Amazon Prime Day and FIFA-related spending in June, **households also appear to be feeling the squeeze from elevated fuel costs and restrictive financial conditions**. Meanwhile, personal income rose 0.4%, allowing the saving rate to edge higher.

- Overall, while the headline inflation reading was slightly firmer than expected, the combination of **in-line core inflation and subdued real spending is unlikely to alter the Fed's policy stance for the September FOMC meeting.**

Hormuz Hopes Push Oil Lower

- US-Iran tensions showed **further signs of de-escalation** overnight. **Iran and Oman agreed on a temporary maritime route** for commercial ships travelling through the Strait of Hormuz and reportedly **reached an understanding on their respective shares of the waterway and related revenues**. However, Tehran said the agreement would not automatically trigger a full reopening, leaving implementation dependent on further negotiations.

- Diplomatic efforts are also broadening. **Qatar's Prime Minister and Foreign Minister will visit Tehran on Thursday** to discuss de-escalation, freedom of navigation and conditions for renewed dialogue.

- Oil prices initially fell by around 2% as hopes for improved shipping access reduced the Hormuz risk premium. However, losses were **partly reversed after US crude inventories rose by .just 95,000 barrels, well below market expectations**. Brent settled 0.8% lower at US$87.84/bbl, while WTI edged down 0.2%.

Yields ***(2Y: +3.6bp; 10Y: +1.8bp; 30Y: +0.3bp)***

Equities ***(Nasdaq: -0.08%; S&P500: -0.02%; Dow: -0.2%)***

FX ***(DXY: +0.3%)***

Bank of Korea: Shifting Calculus & Compounding Concerns

- This morning, the **BoK raised rates by 25bp** to 3.00% as they upgraded growth forecasts with 2026 GDP growth projected at 3.3%.

- A relatively rare **consecutive increase in rates** with inflation at 2.8% point to **broader financial stability concerns compounding onto increasing upside inflation risks**.

- The decision may also be reflecting Governor Shin's inclination to be pre-emptive on both inflation and debt sustainability issues.

- At this juncture, given the shifts in monetary policy response function, we envisage room for two more rate hikes which would take the policy rate to 3.50%, a recent high in 2022-23.

- While the BoK may be inclined that the **front-loaded nature of their move may imply less need for hikes**, the rather sticky nature of housing price momentum may be hard to quell with their 50ps of hikes thus far.

- This is especially so as **supply and demand dynamics** collide with risk asset price buoyancy as the KOSPI continues to recover alongside perverse tendencies to front run further rate increase.

- While we await further communication from the press conference, **KRW bulls** have further impetuous to consolidate recent gains.

High Bar for US Fiscal (Consolidation) Conviction

- Impending **US fiscal consolidation plans risks being a damp squib**. Even if the Treasury recovers $200bn-$400bn may **merely temper UST yields**.

- Focus on **recovering tariff revenue forgone** (from Supreme Court strike down) may **underwhelm**, even compound economic/fiscal worries – as with US-Canada now. And **further revenue-boosting initiatives** are **limited**, partly worsened to mid-terms.

- Most conspicuously, aversion to rollback "Big Beautiful Bill" tax cuts undermines credibility/commitment.

- To be sure, **Bessent may attempt strategic expenditure cuts**. **But** binding limitation suggest subpar responses, not a convincing solution.

- Above all, Iran and **wider geo-political aggression/conflicts conspiring with the global race for AI supremacy warn of structural fiscal deterioration** exacerbated by higher rates (amid cost shocks) that trigger worries of "doom loop".

- Meanwhile, **acutely polarized US politics raise the bar** for committed bi-partisan endorsement required for any **convincing fiscal consolidation**.

- Market Implication: Skeptical markets raise the bar for fiscal consolidation, measuring yield pullback (to 10-20bp), with long-end especially vulnerable to "Sell America" risks.

DATA/EVENTS

Overnight	Actual	Exp.	Prior
(US) PCE/Core Price Index YoY (Jul)	**3.7%/3.3%**	**3.6%/3.3%**	**3.7%/3.3%**
(US) Personal Consumption (2Q S)	3.4%	3.2%	3.2%
(US) GDP Annualized QoQ (2Q S)	**1.5%**	**1.5%**	**1.5%**
(US) Durable Goods Orders/Nondef Ex Air	1.1%/0.2%	0.5%/0.7%	0.5%/1.2%
(US) Personal Income/Spending (Jul)	0.4%/0.2%	0.2%/0.1%	0.2%/0.3%
(JP) PPI Services YoY (Jul)	3.6%	3.2%	3.2%
(SG) Industrial Production YoY (Jul)	6.8%	6.7%	7.5%
(AU) CPI/Trimmed Mean YoY (Jul)	**3.5%/3.6%**	**3.3%/3.5%**	**3.8%/3.6%**
(TH) BoT Benchmark Interest Rate	**1.00%**	**1.00%**	**1.00%**
Today	**Actual**	**Exp.**	**Prior**
(US) Initial Jobless Claims		**208k**	**206k**
(US) Kansas City Fed Manf. Activity (Aug)		10	9
(US) Wholesale Inventories MoM (Jul P)		0.2%	0.2%
(JP) Machine Tool Orders YoY (Jul F)		--	50.4%
(CH) Industrial Profits YoY (Jul)		--	15.1%
(KR) BOK Base Rate		**3.00%**	**2.75%**
(PH) BSP Overnight Borrowing Rate		**5.00%**	**4.75%**
(PH) Budget Balance PHP (Jul)		**--**	**-264.3b**

FX OUTLOOK

FX	Close (NY)	Open*	Daily %Δ	Forecast		
USDJPY	159.31	159.26	+0.08%	158.00	-	160.30
EURUSD	1.1651	1.1655	▼0.21%	1.1590	-	1.1740
GBPUSD	1.3595	1.3596	▼0.40%	1.3530	-	1.3720
AUDUSD	0.7170	0.7181	+0.10%	0.7100	-	0.7200
DXY	99.2	--	+0.25%	98.3	-	99.8
USDCNY	6.7221	--	+0.03%	6.7000	-	6.7700
USDCNH	6.7225	6.7209	+0.08%	6.7000	-	6.7700
USDHKD	7.8390	7.8390	+0.01%	7.8200	-	7.8500
USDSGD	1.2719	1.2715	+0.20%	1.2620	-	1.2750
USDKRW	1385	1384	+0.00%	1373	-	1390
USDTWD	31.82	--	▼0.18%	31.70	-	32.15
USDINR	95.42	--	+0.00%	94.70	-	96.30
USDIDR	17712	--	+0.00%	17600	-	17850
USDMYR	4.027	4.028	▼0.40%	4.010		4.070
USDPHP	61.63	--	▼0.17%	61.30	-	62.20
USDTHB	32.76	32.80	+0.09%	32.5	-	32.9
USDVND	26099	26097	▼0.06%	25900	-	26300

*Open is as at 8am HKT/SGT.

MARKET MOVES

Bond Yields	2Y Close	10Y Close	2Y Δ (bps)	10Y Δ (bps)
UST (US)	4.211	4.648	3.6	1.8
JGB (JP)	1.687	2.885	1.4	-0.4
Bunds (GE)	2.839	3.233	3.0	3.3
Gilts (UK)	4.351	5.031	4.1	4.3
AGB (AU)	4.628	5.032	5.2	1.0
SGS (SG)	1.628	2.272	-1.2	-1.2
CGB (CN)	1.247	1.685	1.0	0.3
KGB (KR)	3.719	4.296	2.1	-3.0
SDL (IN)	6.246	6.850	0.0	0.0

Cross FX	Close (NY)	Open*	Daily %Δ
EUR/JPY	185.62	185.62	▼0.12%
GBP/JPY	216.561	216.52	▼0.33%
JPY/SGD (100yen)	0.7982	0.7984	+0.14%
JPY/HKD (100yen)	4.9206	4.922	▼0.04%
CNH/JPY	23.713	23.692	+0.10%
CNH/HKD	1.1662	1.1661	▼0.01%
EUR/GBP	0.8571	0.85724	+0.20%
AUD/NZD	1.206	1.2075	+0.63%
EUR/CNH	7.8328	7.8331	▼0.11%
GBP/CNH	9.1406	9.137	▼0.30%
CNY/HKD	1.1662	1.1661	▼0.01%
EUR/HKD	9.1339	9.1361	▼0.18%
SGD/HKD	6.1642	6.1651	▼0.19%

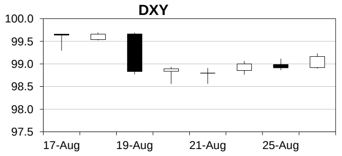
*Open is as at 8am HKT/SGT.

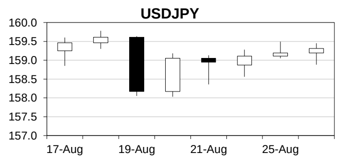
G3 Equities	Close	Net Chg	Daily %Δ
S&P500 (US)	7675.7	-1.58	▼0.02%
Nasdaq (US)	26130.2	-21.10	▼0.08%
DJIA (US)	53463.88	-113.52	▼0.21%
N225 (JP)	66262.16	405.73	+0.62%
STOXX50 (EU)	6470.74	15.11	+0.23%

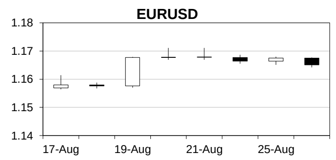
Asia Equities	Close	Net Chg	Daily %Δ
ASX (AU)	5866.59	-2.70	▼0.05%
STI (SG)	5721.59	-14.09	▼0.25%
SHCOMP (CN)	3912.523	23.08	+0.59%
SZCOMP (CN)	2517.871	12.47	+0.50%
HSI (HK)	25652.97	141.87	+0.56%
SENSEX (IN)	77472.94	-183.15	▼0.24%
JSE (ID)	6405.685	-95.98	▼1.48%
KLSE (MY)	1748.54	12.21	+0.70%
PSE (PH)	6137.23	-53.00	▼0.86%
SET (TH)	1601.92	5.91	+0.37%
VNINDEX (VN)	1821.32	0.02	+1.67%

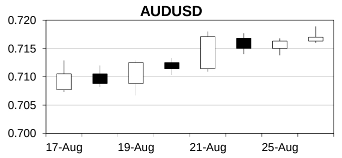
Commodity	Close	Net Chg	Daily %Δ
COPPER (LME)	14,461.57	-44.37	▼0.31%
IRON ORE (CN)	96.00	0.64	+0.31%
GOLD	4,591.07	-66.10	▼1.42%
SILVER	68.12	0.07	+2.60%
OIL (BRENT)	87.84	-0.74	▼0.84%
OIL (WTI)	82.23	-0.13	▼0.16%
NATURAL GAS	2.84	-0.54	▼0.78%

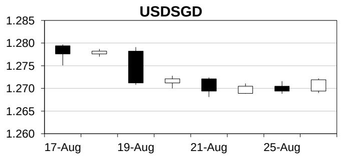
CHARTS

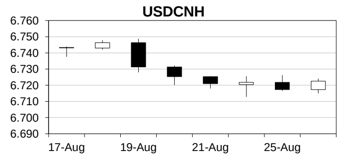


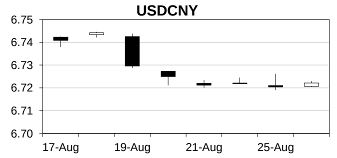


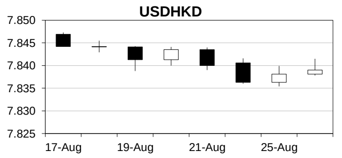


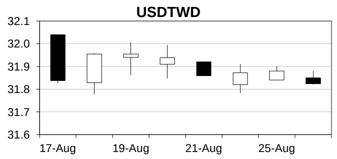


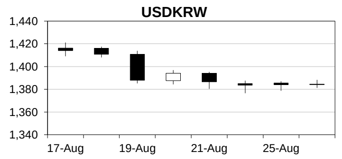


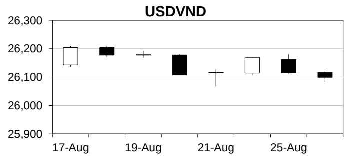


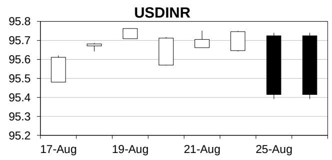


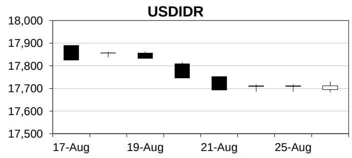


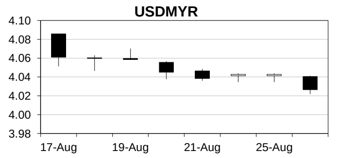


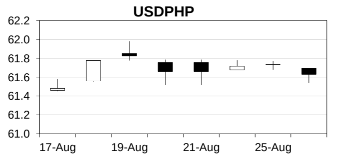


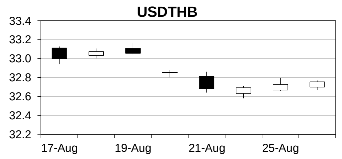


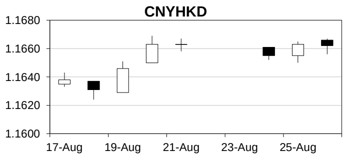


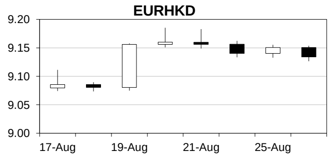


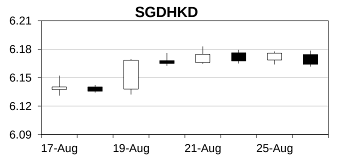


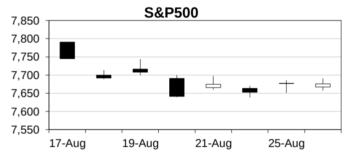


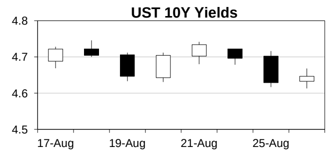


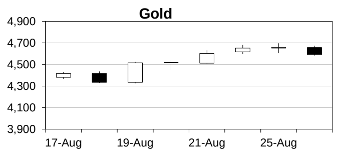


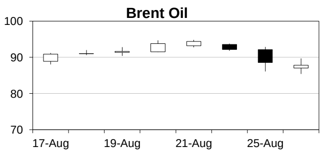












RESEARCH TEAM
Vishnu Varathan | Serena Zhou | Tan Boon Heng | Johnny Wong | Ng Jing Wen

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 of the *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.

Brazil: This material is distributed only to professional or qualified investors according to the definitions of the Brazilian regulator Comissão de Valores Mobiliários. This material is provided for informational purposes only and does not constitute an offer to buy or sell or the solicitation of an offer to buy or sell any security or instrument. You understand and agree that Banco Mizuho do Brazil S.A. (BMB) has not made any commitment to provide you any financing, products or services with respect to any matters contemplated in this material. BMB does not have any obligation to update any of the information contained in this material and no representation, warranty or other assurance of any kind is made with respect to the accuracy, completeness, or suitability of its content.

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.

Japan: This document is intended only for certain categories of persons to whom a foreign securities broker is allowed to carry out regulated activities under the relevant articles of the Financial Instruments and Exchange Act (the "**Act**") and the subordinate legislative instruments (as amended), including but not limited to Financial Services Providers who are engaged in an Investment Management and certain Financial Institutions subject to conditions and limitations in Article 17-3(i) of the Order for Enforcement of the Act. It is solely for the use of such investors and shall not be distributed, forwarded, passed on or disseminated to any other person. This document is solely for the purpose of supplying general information and shall not constitute any investment or financial advice in relation to any products or services.

Malaysia: These documents shall be distributed solely to existing subscribers or clients of Mizuho Securities, and do not constitute an invitation, offer, or recommendation to subscribe for or purchase any securities mentioned therein. These materials also do not, whether directly or indirectly, refer to a prospectus in respect of securities of a corporation; in the case of a unit trust scheme or prescribed investment scheme, a prospectus in respect of any unit of the unit trust scheme or prescribed investment scheme, as the case may be; an issue, intended issue, offer, intended offer, invitation or intended invitation in respect of securities; or another notice that refers to a prospectus in relation to an issue, intended issue, offer, intended offer, invitation or intended invitation in respect of securities. Whilst there may be statements concerning securities and/or derivatives of a certain corporation or entity in these materials, we wish to highlight that these do not constitute, whether directly or indirectly, any form of advice, recommendation, encouragement, promotion, analysis, report or inducement to take any action , i.e., to buy, sell, or hold any securities and/or derivatives, nor is it a form of inducement for the reader to take any position regarding a particular class, sector, or instrument in relation to the securities and/or derivatives so mentioned.

New Zealand: This document is intended only for persons who are "wholesale investors" and "wholesale clients" under the Financial Markets Conduct Act 2013 ("**FMCA**"), as persons who are an "investment business", meet relevant investment activity criteria, are "large" or are a "government agency", in each case within the meaning of clauses 37 to 40 of Schedule 1 of the FMCA. It is not intended for, and should not be reproduced or distributed in any form to any other person in New Zealand. This document is distributed in New Zealand by MHSA or MHSS, which are licensed in their respective jurisdictions but are not registered as overseas companies or financial service providers in New Zealand or licensed under the FMCA. Nothing in this document constitutes or is supplied in connection with a regulated offer nor an offer to the public within the meaning of the FMCA.

Singapore: This document is distributed in Singapore by MBSG or MHSS, a holder of a capital markets services licence and an exempt financial adviser regulated by the MAS. Nothing in this document shall be construed as a recommendation, advertisement or advice to transact in any investment product mentioned herein.

Where the materials may contain a recommendation or opinion concerning an investment product, MHSS is exempted from complying with sections 34, 36 and 45 of the Financial Advisers Act 2001 of Singapore. This document is only intended for distribution to "institutional investors", "accredited investors" or "expert investors", as defined under the Financial Advisers Regulations, and is solely for the use of such investors. It shall not be distributed, forwarded, passed or disseminated to any other person.

South Korea: This document is distributed in South Korea by Mizuho Securities Asia Limited, Seoul branch solely acting as a broker of debt securities under the Korea Financial Investment Services and Capital Markets Act.

Switzerland: This document is not intended to be relied upon as a forecast, research or investment advice, and is not a recommendation, offer or solicitation to buy or sell any financial instrument or to adopt any investment strategy mentioned in this document. The information contained on this document shall not be construed to be an advertisement for any of the financial instruments or services mentioned herein.

Taiwan: This document distributed via MHSA or MHSS from outside Taiwan shall not be re-distributed within Taiwan and does not constitute recommendation of, and may not be used as a basis for recommendation of, securities within Taiwan. This document may not be distributed to the public media or used by the public media without prior written consent of MHSA or MHSS (as the case may be).

Thailand: This document does not constitute any investment or financial advice or any general advice in relation to any products or services and, when distributed in Thailand, is intended only for "institutional investors", as defined in the Notification of the Office of the Securities and Exchange Commission No. Gor Thor. 1/2560 Re: Provision of Advice to the Public which is not classified as the undertaking of Investment Advisory Business dated 12 January 2017 (as amended). It is solely for the use of such investors and shall not be distributed, forwarded, passed on or disseminated to any other person. The distribution of this document to such institutional investors in Thailand, is solely for the purpose of supplying general information, without charge. It neither constitutes any intention to conduct, or any engagement in any securities business, service business, investment or financial advisory business, or any other business in Thailand, for which Thai licensing is required, nor marketing, offering, solicitation or sale of any products, securities, or services to customers, potential customers or any person in Thailand.

United Arab Emirates (excluding the Dubai International Financial Centre and the Abu Dhabi Global Market): This document is intended only for persons who qualify as professional investors as defined in the Securities and Commodities Authority ("**SCA**") Rulebook. It is not intended for or should not be passed on, directly or indirectly, to other classes of persons/investors in the United Arab Emirates. The contents of this document have not been reviewed or approved by, or deposited with, the Central Bank of the United Arab Emirates, SCA or any other regulatory authority in the United Arab Emirates. If you do not understand the contents of this document you should consult an authorised financial adviser.

United Kingdom / Germany / European Economic Area: This document is being distributed in the United Kingdom by Mizuho International plc ("**MHI**"), 30 Old Bailey, London EC4M 7AU. MHI is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority and is a member of the London Stock Exchange. This document may be distributed in the European Economic Area by MHI or Mizuho Securities Europe GmbH ("**MHEU**"), Taunustor 1, 60310 Frankfurt, Germany. MHEU is authorised and regulated by the Bundesanstalt für Finanzdienstleistungsaufsicht ("**BaFin**"). For the avoidance of doubt this report is not intended for persons who are Retail Clients within the meaning of the FCA's or the BaFin's rules. Details of organizational and administrative controls for the prevention and avoidance of conflicts of interest can be found at https://www.mizuhoemea.com.

United States: This document is being distributed in the United States by Mizuho Securities USA LLC ("**MSUSA**") and is the responsibility of MSUSA. The content of publications distributed directly to US customers by non-US members of Mizuho Securities is the responsibility of such member of Mizuho Securities which distributed it. US investors must affect any order for a security that is the subject of this document through MSUSA. For more information, or to place an order for a security, please contact your MSUSA representative by telephone at 1-212-209-9300 or by mail at 1271 Avenue of the Americas, New York, NY 10020, USA. MSUSA acts as agent for non-US members of Mizuho Securities for transactions by US investors in foreign sovereign and corporate debt securities and related instruments. MSUSA does not guarantee such transactions or participate in the settlement process.