Mizuho Daily

Sept 09, 2026

Three Take-Aways

1) Escalating Gulf tensions pushed Brent towards US$100 amid growing supply and Hormuz disruption risks.

2) Bessent challenged yen bears as strong wages raised the odds of a September BoJ hike.

3) The ECB is set to hike 25bps, but weak growth and tighter financial conditions argue for a cautious, meeting-by-meeting path.

MACRO THEME: **Gulf Tensions Flare**

- **Middle East hostilities intensified further**, keeping the geopolitical risk premium elevated across energy markets.

- **Renewed attacks on Iranian tankers**, **Iranian retaliation against US targets** and **Houthi strikes on Saudi energy facilities** heightened concerns over regional production and shipping disruptions, particularly around the Strait of Hormuz.

- **Saudi Arabia temporarily halted operations at several affected facilities**, adding to near-term supply uncertainty.

- **Oil prices moved higher in response**. WTI settled at US$93.03/bbl, up 1.7%, while Brent was up 1.0% to US$97.92/bbl, moving closer to the psychologically important $100 threshold.

- Separately, **Washington sanctioned 27 Iranian airlines** under Operation Economic Outcast, tightening pressure on Tehran.

- While **a potential Oman-mediated shipping arrangement** offers a modest de-escalation channel, **oil prices will remain highly sensitive** to Hormuz access and further threats to Gulf shipping and energy infrastructure.

Bessent Challenges Yen Bears

- Treasury Secretary Scott Bessent delivered an unusually forceful message to yen bears, declaring that traders could “bet against” him following the joint US-Japan yen intervention on 31 July.

- Bessent argued that his position gives him superior insight into the likely actions of Japanese policymakers and the BoJ, potentially lending greater credibility to future intervention.

- While the yen’s initial gains subsequently faded amid doubts over the US Treasury’s intervention capacity, **expectations of a 25bp BoJ rate hike on 18 September could reinforce his efforts** and provide support for the currency.

July Earnings Growth Add Conviction to a BoJ Hike

- Japan’s **July labour earnings offered a clear hawkish signal** ahead of the BoJ’s September meeting.

- **Nominal cash earnings rose 4.7% YoY, the strongest increase since January 1997** and above the 3.8% consensus, **while real wages advanced 2.4% YoY, extending their positive run to seven months.**

- **Base pay also accelerated to 4.1% YoY**, suggesting wage momentum is broadening beyond volatile bonus payments.

- Importantly, **June’s nominal and real cash earnings growth were revised up** to 4.4% YoY and 2.2% YoY, respectively.

- The report **strengthens evidence that Japan’s wage-price spiral cycle is becoming more durable**.

- Governor Ueda’s recent comments that the Board would debate further tightening at upcoming meetings with upside price risks in mind reinforce the view for a September hike. **While strong wages materially raise the hurdle for another hold**.

- USD/JPY has responded accordingly, falling below 154 to its lowest level since February as markets price a faster pace of BoJ normalisation. **The move was amplified by thin US holiday liquidity and an unwinding of rebuilt yen shorts** following the coordinated intervention in July.

- However, **with a September hike largely priced in**, whether the yen can sustain its appreciation will increasingly depend on the BoJ’s forward guidance and the direction of US Treasury yields.

Yields ***(2Y: +2.8bp; 10Y: +0.7bp; 30Y: +0.2bp)***

Equities ***(Nasdaq: -0.3%; S&P500: -0.6%; Dow: -1.2%)***

FX ***(DXY: -0.4%)***

ECB Preview: A Firm Step, Not Pre-determined Path

- For the upcoming meeting, we expect the ECB to **raise rates by 25bps**, taking the deposit facility rate to **2.25%**, as inflation prints remain **stubborn** and inflation risks continue to rise amid elevated energy prices.

- ECB officials have also communicated the clear possibility of an increase in rates to "prevent inflation from remaining above 2% in the medium term," with the likes of Nagel saying that the decision is "relatively predictable."

- Looking ahead, while it may sound cliché to say there is no pre-determined path, there are several good reasons to stay nimble in policymaking.

- For one, even at the upcoming meeting, dovish members are likely to point to an **easing in services inflation to 3.0% in August** from 3.3% in June.

- Nonetheless, part of the easing may be due to the off-peak travel season, but elevated fuel prices imply that more muted discounts and compressed margins are par for the course in the months ahead.

- Second, **growth remains weak** with Q2 GDP growth at just 1.0% YoY, certainly not a clear signal of a positive output gap. That said, the unemployment rate depicts tight market conditions.

- Third, rising global yields are imparting **tighter financial conditions** in the Eurozone, with 2Y German bond yields widening relative to the ECB policy rate in a more significant manner in recent months. The adverse impact of inflation and tighter financial conditions may temper the pace of rate hikes ahead.

- All in, while the ECB looks set to hike at their meeting on **10 September**, the meeting-by-meeting approach implies that EUR bulls are likely to find a modest backstop rather than a catalyst for rallying above mid-1.16.

DATA/EVENTS

Overnight	Actual	Exp.	Prior
(US) NFIB Small Business Optimism (Aug)	9870.0%	99.3	99.8
(JP) BoP Current Account Balance (Jul)	¥2988.9b	¥2841.5b	-¥92.3b
(JP) Eco Watchers Survey Current/Outlook SA (Aug)	46.4/48.3	46.2/46.4	45.7/45.8
(JP) Labor/Real Cash Earnings YoY (Jul)	4.7%/2.4%	3.9%/1.8%	4.0%/2.2%
(JP) GDP Annualized SA QoQ (2Q F)	**2.4%**	**1.8%**	**1.1%**
(KR) GDP YoY/SA QoQ (2Q P)	**3.7%/0.6%**	**3.7%/0.6%**	**3.7%/0.6%**
(PH) Unemployment Rate (Jul)	6.0%	--	4.9%
(TH) Consumer Confidence Economic (Aug)	46.6	--	45.3
(TW) CPI/Core YoY (Aug)	**2.0%/2.3%**	**2.3%/2.5%**	**2.5%/2.4%**
(CH) Exports/Imports YoY (Aug)	25.0%/28.2%	25.9%/31.0%	23.9%/27.6%

Today	Actual	Exp.	Prior
(JP) Machine Tool Orders YoY (Aug P)		--	50.4%
(CH) PPI YoY (Aug)		**3.6%**	**3.5%**
(CH) CPI/Core YoY (Aug)		0.8%/0.9%	0.5%/0.9%
(KR) Unemployment Rate SA (Aug)		2.8%	2.8%
(MY) Industrial Production YoY (Jul)		5.5%	6.5%
(TW) Exports/Imports YoY (Aug)		34.9%/39.9%	32.9%/37.4%

FX OUTLOOK

FX	Close (NY)	Open*	Daily %Δ	Forecast		
USDJPY	153.98	153.46	▼0.25%	153.00	-	155.50
EURUSD	1.1624	1.1628	+0.01%	1.1550	-	1.1690
GBPUSD	1.3541	1.3543	+0.00%	1.3450	-	1.3620
AUDUSD	0.7217	0.7221	▼0.01%	0.7170	-	0.7280
DXY	98.8	--	▼0.39%	98.0	-	99.5
USDCNY	6.7102	--	▼0.01%	6.7000	-	6.7700
USDCNH	6.7068	6.7056	▼0.04%	6.7000	-	6.7700
USDHKD	7.8412	7.8412	+0.02%	7.8200	-	7.8500
USDSGD	1.2650	1.2644	▼0.07%	1.2650	-	1.2810
USDKRW	1340	1340	+0.00%	1335	-	1355
USDTWD	31.55	--	▼0.01%	31.40	-	31.70
USDINR	94.83	--	+0.36%	94.00	-	95.10
USDIDR	17630	--	▼0.06%	17500	-	17780
USDMYR	4.063	4.058	+0.40%	4.010		4.070
USDPHP	62.63	--	+0.04%	62.20	-	63.00
USDTHB	32.93	32.91	+0.20%	32.7	-	33.2
USDVND	25997	25998	▼0.18%	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)	4.395	4.790	2.8	0.7
JGB (JP)	1.845	2.891	0.6	-2.1
Bunds (GE)	2.996	3.365	-0.6	-2.0
Gilts (UK)	4.589	5.173	1.8	-0.3
AGB (AU)	4.804	5.188	0.0	-1.0
SGS (SG)	1.677	2.344	-1.2	-0.9
CGB (CN)	1.241	1.681	0.5	0.4
KGB (KR)	2.700	4.405	-102.3	1.8
SDL (IN)	6.278	6.943	-4.6	-1.8

Cross FX	Close (NY)	Open*	Daily %Δ
EUR/JPY	178.99	178.44	▼0.23%
GBP/JPY	208.494	207.838	▼0.25%
JPY/SGD (100yen)	0.8215	0.8239	+0.16%
JPY/HKD (100yen)	5.0917	5.1095	+0.24%
CNH/JPY	22.938	22.875	▼0.28%
CNH/HKD	1.1688	1.1688	+0.04%
EUR/GBP	0.85842	0.85855	+0.01%
AUD/NZD	1.2331	1.2325	+0.43%
EUR/CNH	7.7964	7.797	▼0.02%
GBP/CNH	9.0812	9.0815	▼0.04%
CNY/HKD	1.1688	1.1688	+0.04%
EUR/HKD	9.1151	9.1174	+0.03%
SGD/HKD	6.1983	6.2014	+0.09%

*Open is as at 8am HKT/SGT.

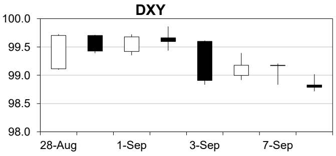
G3 Equities	Close	Net Chg	Daily %Δ
S&P500 (US)	7673.52	-45.08	▼0.58%
Nasdaq (US)	26421.41	-85.58	▼0.32%
DJIA (US)	52786.07	-628.18	▼1.18%
N225 (JP)	65269.33	-1130.51	▼1.70%
STOXX50 (EU)	6413.17	9.18	+0.14%

Asia Equities	Close	Net Chg	Daily %Δ
ASX (AU)	5820.54	-9.24	▼0.16%
STI (SG)	5767.45	-24.83	▼0.43%
SHCOMP (CN)	3940.551	7.85	+0.20%
SZCOMP (CN)	2526.926	-3.54	▼0.14%
HSI (HK)	25317.18	-95.94	▼0.38%
SENSEX (IN)	75577.58	-555.23	▼0.73%
JSE (ID)	6686.442	66.77	+1.01%
KLSE (MY)	1714.4	-0.39	▼0.02%
PSE (PH)	6105.99	22.31	+0.37%
SET (TH)	1621.89	3.07	+0.19%
VNINDEX (VN)	1830.44	0.00	+0.48%

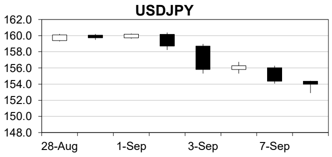
Commodity	Close	Net Chg	Daily %Δ
COPPER (LME)	14,741.19	153.39	+1.05%
IRON ORE (CN)	100.60	1.10	+0.34%
GOLD	4,355.99	-48.31	▼1.10%
SILVER	65.75	-0.06	▼1.98%
OIL (BRENT)	97.92	0.92	+0.95%
OIL (WTI)	93.03	1.55	+1.69%
NATURAL GAS	2.92	-0.41	▼0.62%

CHARTS

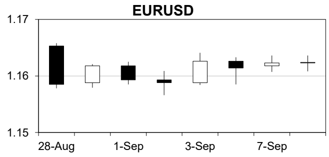
DXY



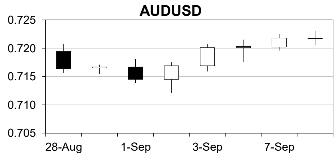
USDJPY



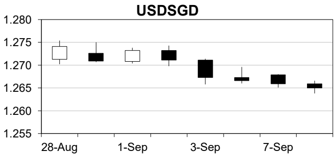
EURUSD



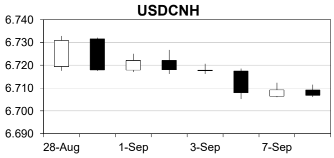
AUDUSD



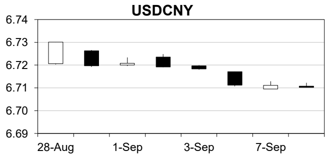
USDSGD



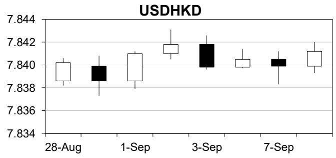
USDCNH



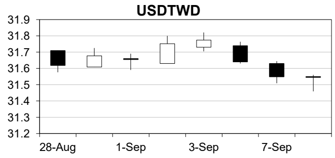
USDCNY



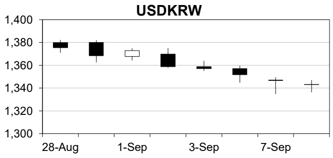
USDHKD



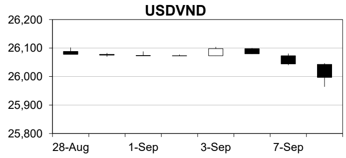
USDTWD



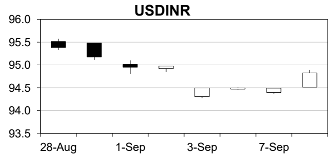
USDKRW



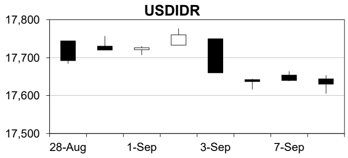
USDVND



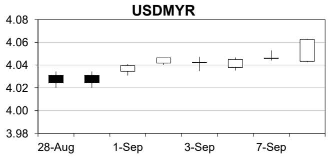
USDINR



USDIDR



USDMYR



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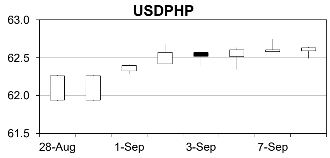
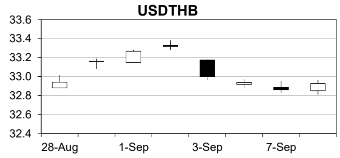
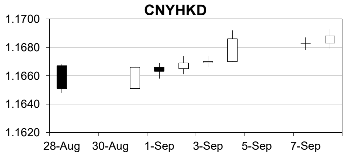


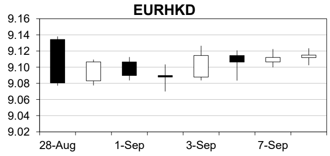
USDTHB



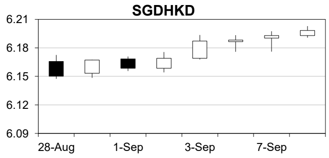
CNYHKD



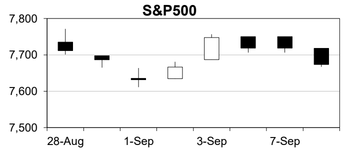
EURHKD



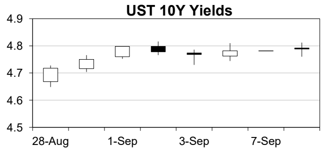
SGDHKD



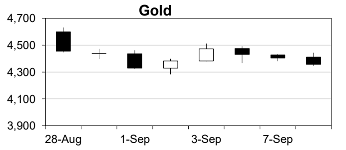
S&P500



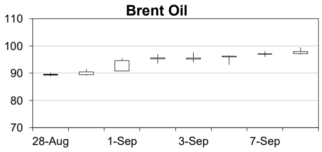
UST 10Y Yields



Gold



Brent Oil



RESEARCH TEAM
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