

*Mizuho Treasury Quick Webinar -  
FOMC: November Takeaways and  
December Early Preview - Grinch or  
Santa*

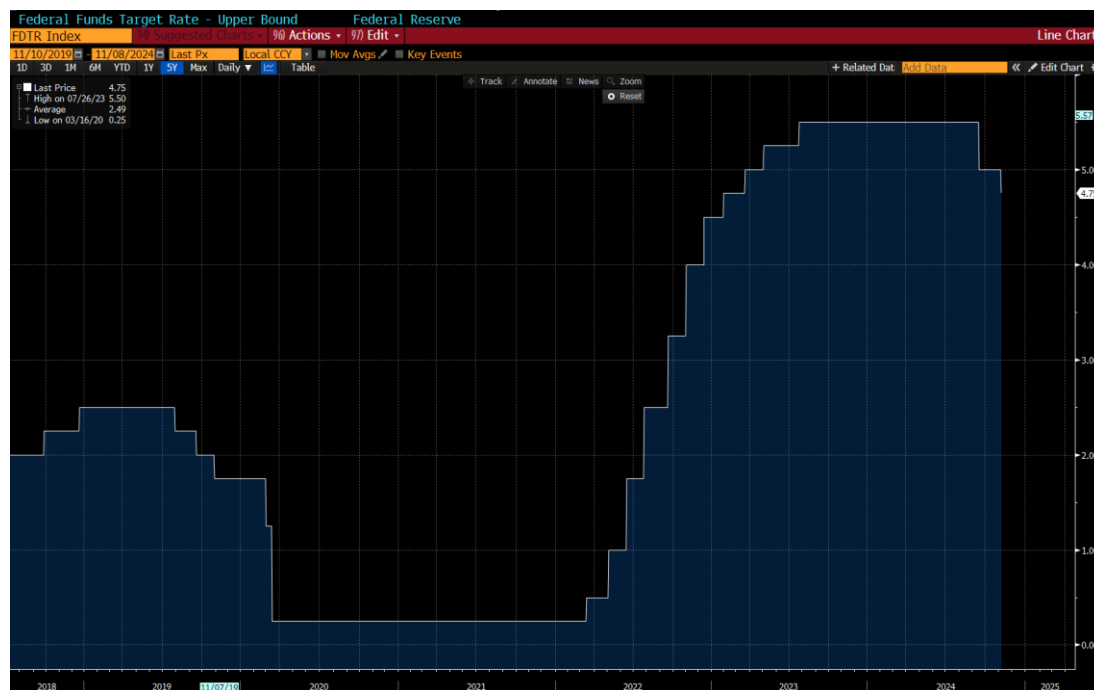
**MIZUHO**

Private and confidential

Photo Credits: Shutterstock, FT

September 2024

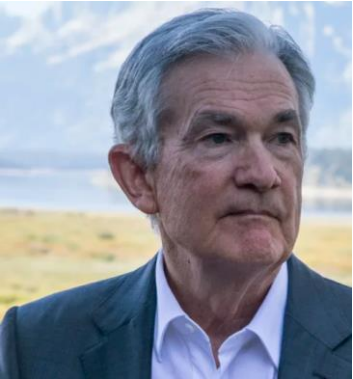
## 1a. Takeaways from November FOMC



The Committee seeks to achieve maximum employment and inflation at the rate of 2 percent over the longer run. ~~The Committee has gained greater confidence that inflation is moving sustainably toward 2 percent, and~~ The Committee judges that the risks to achieving its employment and inflation goals are roughly in balance. The economic outlook is uncertain, and the Committee is attentive to the risks to both sides of its dual mandate.

Recent indicators suggest that economic activity has continued to expand at a solid pace. ~~Job gains~~ Since earlier in the year, labor market conditions have ~~slowed~~ generally eased, and the unemployment rate has moved up but remains low. Inflation has made ~~further~~ progress toward the Committee's 2 percent objective but remains somewhat elevated.

## 1a. Takeaways from November FOMC



Economic activity has continued to expand at a solid pace

Labour market conditions **are less tight than before the pandemic**

**It is not permitted under law for the Fed to remove the Fed Chair. He would not resign if asked to leave.**



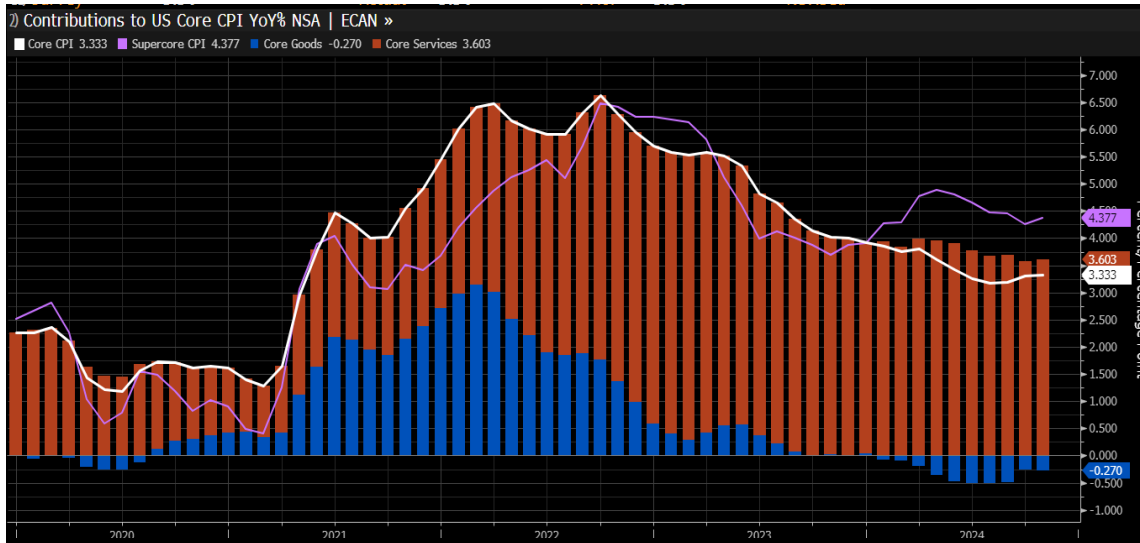
**Doesn't rule in or out a December rate cut**

We don't know what **the timing or substance** of economic policy changes going forward. The Fed is not going to assume or guess what's going to happen. In the near term, the election will have **no** effect.

We don't guess, we don't speculate and we don't assume.



## 2. US CPI: Back to demand and supply debates?



### US Mortgage Rates Continue to Rise

Contract rate on 30-year fixed mortgage



Source: Mortgage Bankers Association

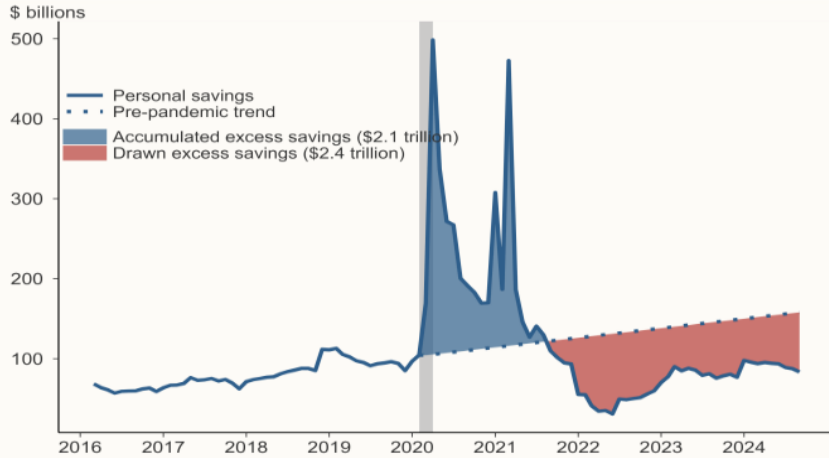
Bloomberg

### Difficult Last Mile Inflation

- Housing – Double Edge Sword
- 0.3% MoM on Core CPI
- Tariffs Complication

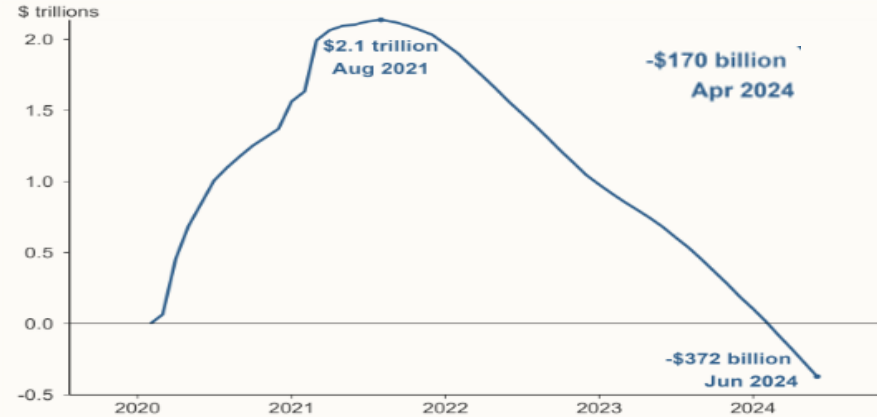
# 3. December FOMC: Grinch or Santa

**Chart 1: Aggregate personal savings compared with the pre-pandemic trend**



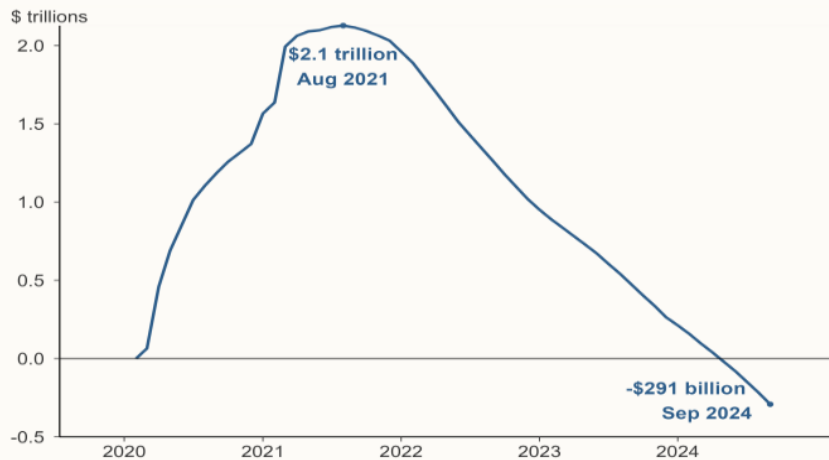
Note: Gray shaded area represents NBER recession dates. Source: Bureau of Economic Analysis and authors' calculations.

**Chart 2: Cumulative aggregate pandemic-era excess savings**



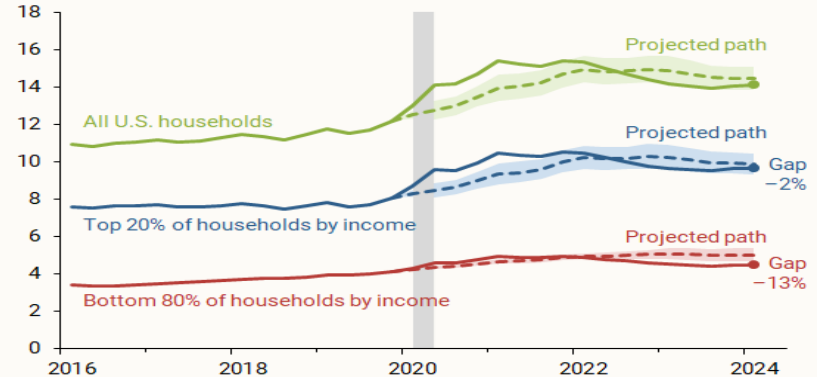
Source: Bureau of Economic Analysis and authors' calculations.  
Real household liquid wealth vs. "no-pandemic" estimates

**Chart 2: Cumulative aggregate pandemic-era excess savings**



Source: Bureau of Economic Analysis and authors' calculations.

**\$ trillions (2017 value)**



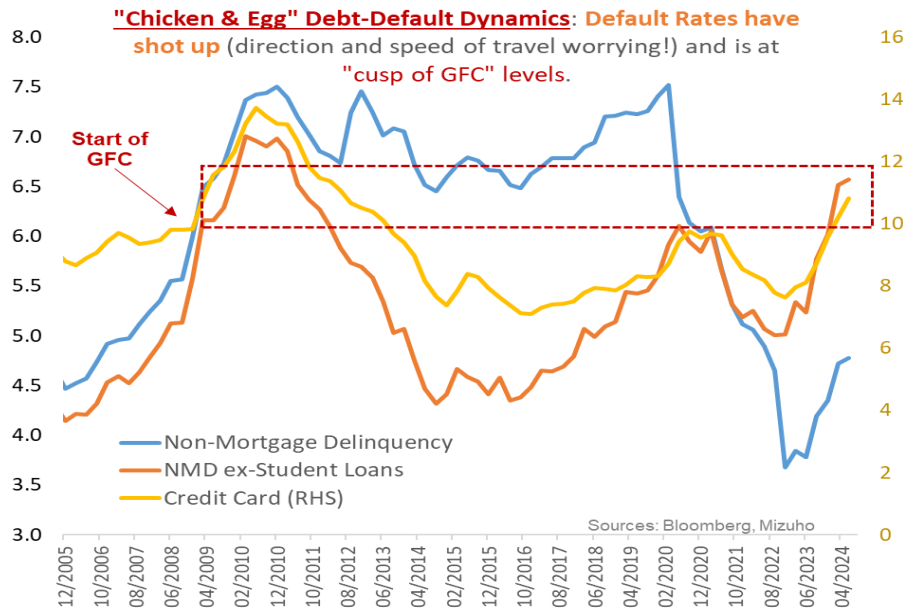
Note: Quarterly data adjusted for inflation using the overall personal consumption expenditures price index. Gaps show the changes between the pre-pandemic projection and the latest data as of end of 2024:Q1. Shaded areas around dashed line projections represent 90% confidence bands. Gray bar marks pandemic recession as defined by the NBER.

Source: Federal Reserve Board of Governors and authors' calculations.

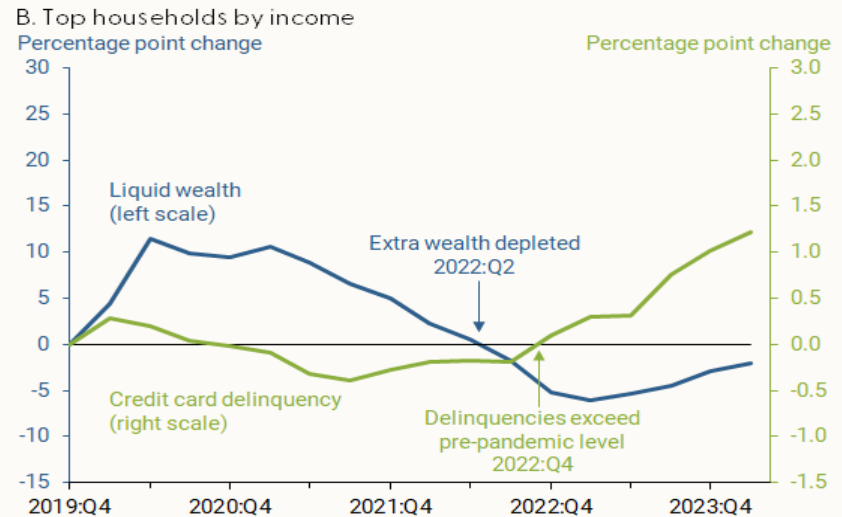
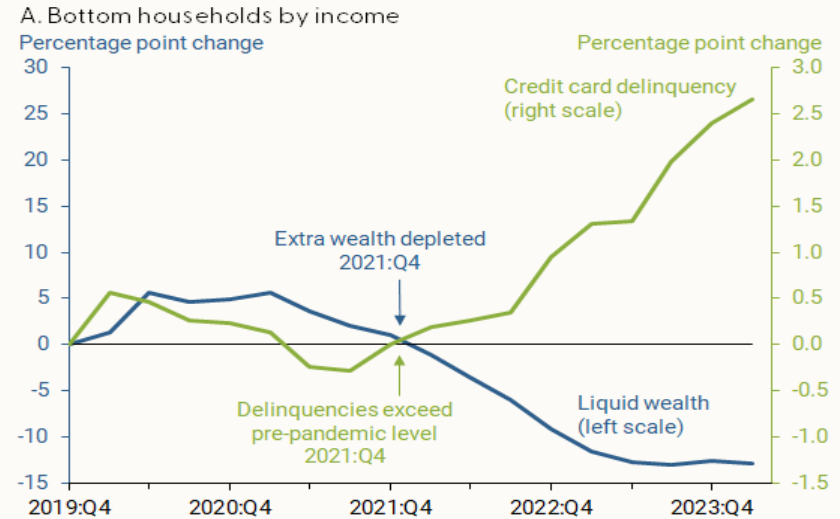
### 3. December FOMC: Grinch or Santa

#### US Consumer - Tightening Cash-flows

- Drawdown of savings, increased credit (and attendant servicing burden) and softening wage gains translate into tighter consumer cash-flows.
- In turn the hit on demand will have negative multiplier effects at the margin, which **significantly dampen growth** outcomes; *even if an outright recession is averted.*
- For a Fed that is decidedly not setting out to break something, this will be a jolt out of the Type 2 error resulting from the earlier Type-1 error.



#### Credit card delinquencies and pandemic-era liquid assets



# December FOMC: Grinch or Santa

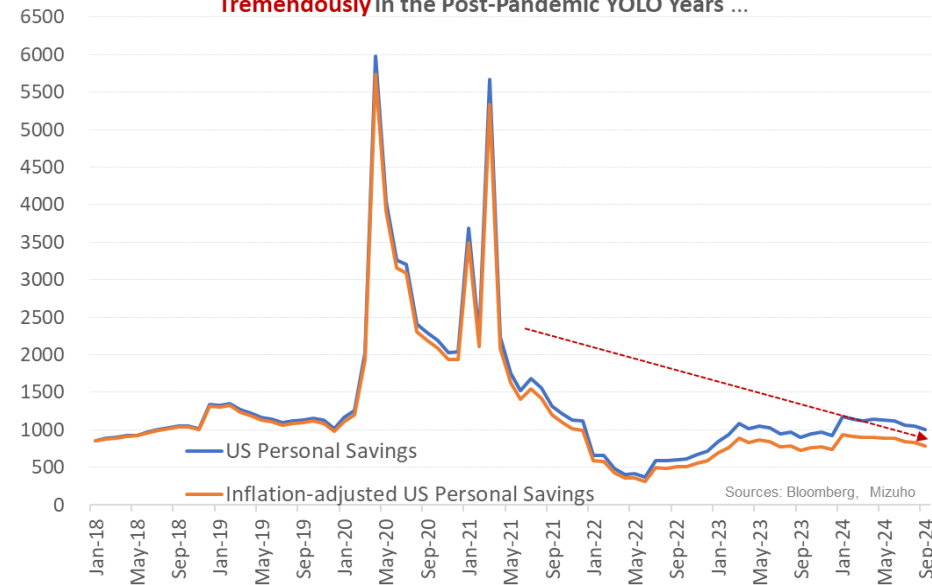
## US Consumer - **Tightening Cash-flows**

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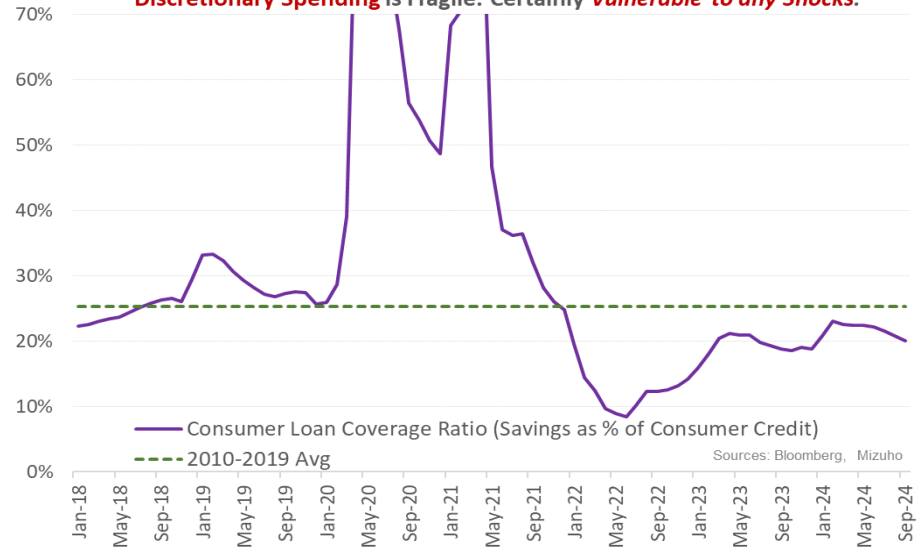
“Type-1” Error: Wrongly rejecting null hypothesis of inflation risks.

“Type-2” Error: Wrongly failing to reject null hypothesis of persistent inflation risks

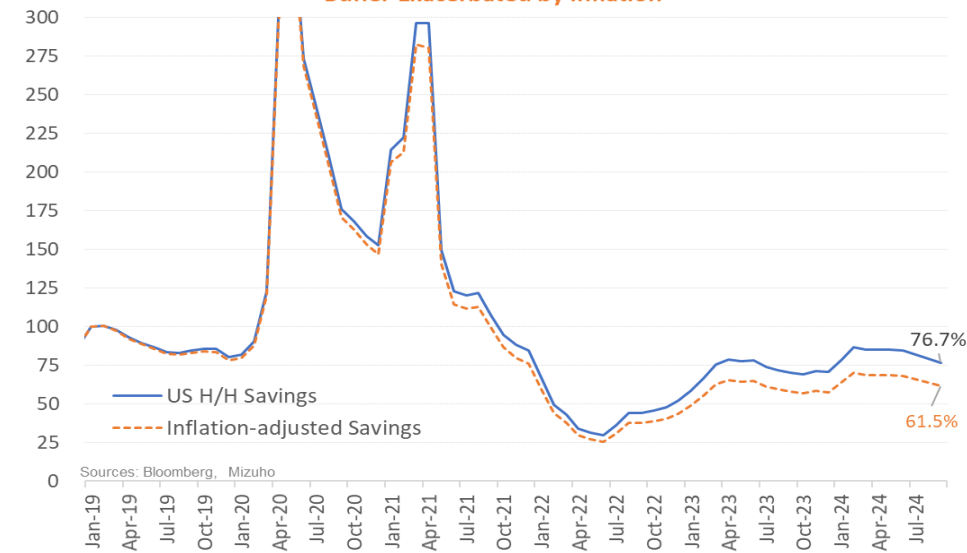
US Household Savings (US\$bn) Have Really Been **Depleted**  
**Tremendously** in the Post-Pandemic YOLO Years ...



Significantly Eroded Household Buffer (vs. Consumer Debt) Suggests that **Discretionary Spending is Fragile**. Certainly **Vulnerable to any Shocks**.

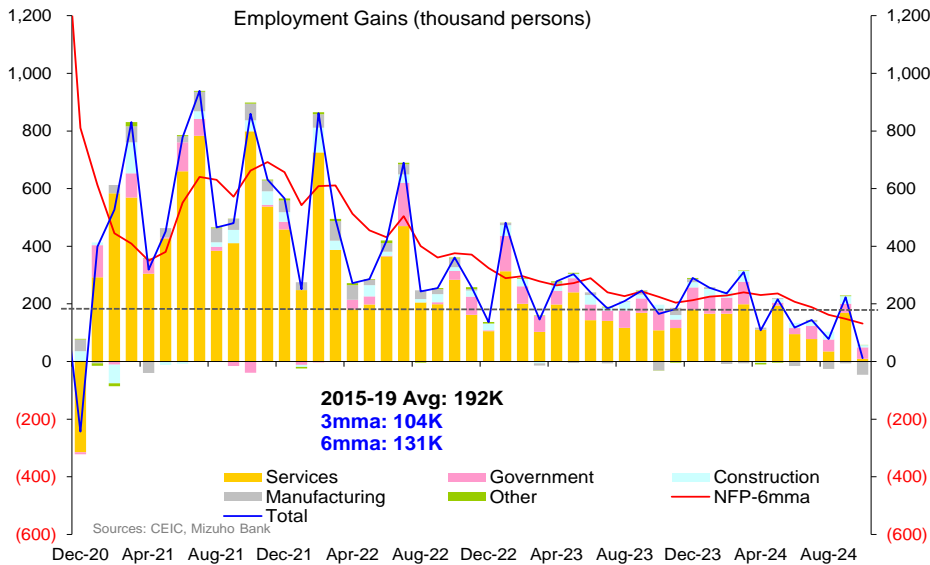


US Household Savings (Indexed: Jan-2019=100): With the **Erosion of Buffer Exacerbated by Inflation**



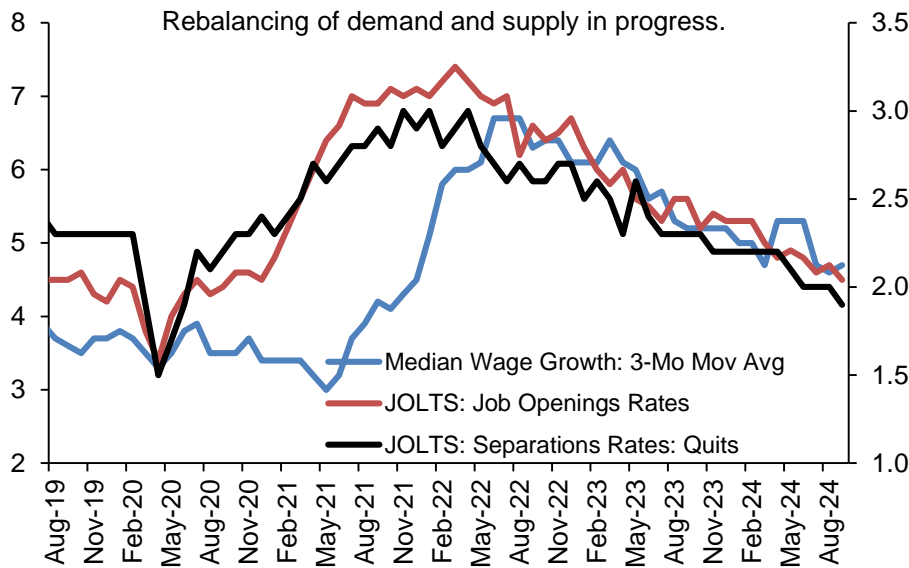


### 3. December FOMC: Remaining Signposts to Watch - Santa's Elves or Grinch Spirit



#### Labour Market

- NFP Rebound Expected on 6 Dec
- Prior Revisions to be Watched for
- Strikes – Boeing
- Hurricanes (Milton and Helene)
- Need Driven vs Supply Driven



Source: CEIC; Mizuho



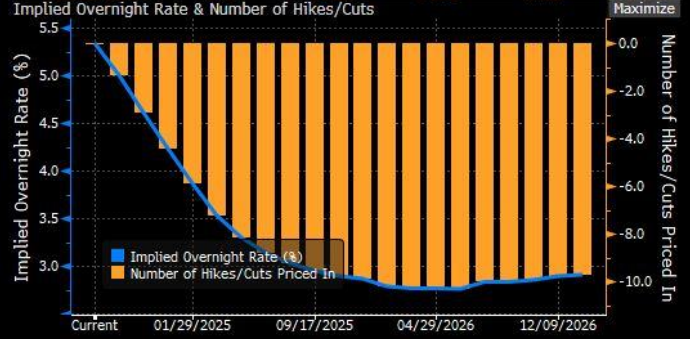
### 3. December FOMC: Mind the Gap – Fed and Markets

Analysis of 2024 'Dot Plot' Evolution

		2024	2025	2026
Sep-24	Fed Fund Rate* (%)	4.375	3.375	2.875
	Implied Cuts (bp)	100	100	50
Jun-24	Fed Fund Rate* (%)	5.125	4.125	3.125
	Implied Cuts (bp)	25	100	100
Mar-24	Fed Fund Rate* (%)	4.625	3.875	3.125
	Implied Cuts (bp)	75	75	75
Additional Cuts vis-à-vis March 'Dot Plot'		25	25	-25
Additional Cuts vis-à-vis June 'Dot Plot'		75	0	-50
Average Additional Dovish Shift		50	12.5	-37.5
Once the "extra" 25bp is backed out		25	-12.5	-62.5

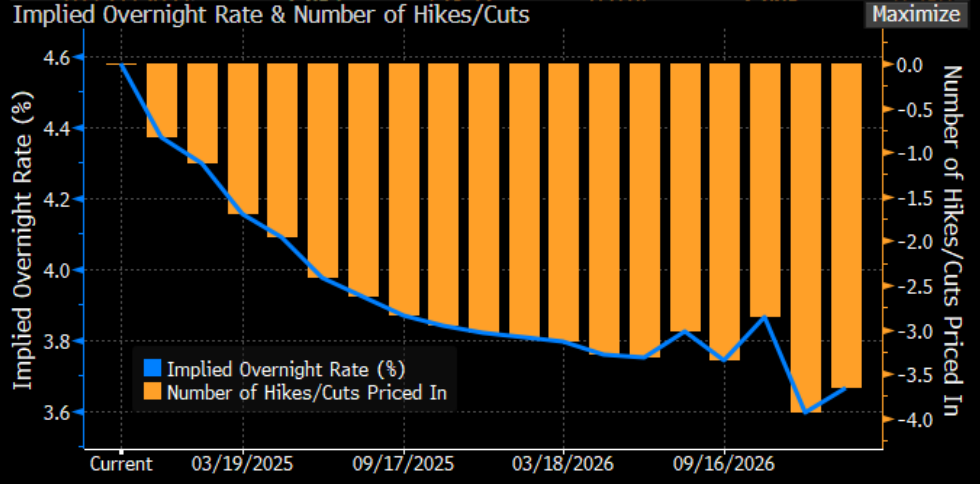
Region: United States » Instrument: Fed Funds Futures » Enable Overrides  
 Target Rate 5.50 Pricing Date 09/10/2024  
 Effective Rate 5.33 Cur. Imp. O/N Rate 5.339

Meeting	#Hikes/Cuts	%Hike/Cut	Imp. Rate Δ	Implied Rate	A.R.M.
09/18/2024	-1.325	-132.5%	-0.331	5.008	0.250
11/07/2024	-2.890	-156.5%	-0.723	4.616	0.250
12/18/2024	-4.453	-156.3%	-1.113	4.226	0.250
01/29/2025	-5.865	-141.2%	-1.466	3.873	0.250
03/19/2025	-7.220	-135.5%	-1.805	3.534	0.250
05/07/2025	-8.148	-92.8%	-2.037	3.302	0.250
06/18/2025	-8.778	-63.0%	-2.195	3.144	0.250
07/30/2025	-9.225	-44.7%	-2.306	3.033	0.250
09/17/2025	-9.543	-31.8%	-2.386	2.953	0.250
10/29/2025	-9.785	-24.2%	-2.446	2.892	0.250
12/10/2025	-9.889	-10.4%	-2.472	2.867	0.250
01/28/2026	-10.195	-30.6%	-2.549	2.790	0.250
03/18/2026	-10.283	-8.8%	-2.571	2.768	0.250
04/29/2026	-10.275	+0.8%	-2.569	2.770	0.250
06/17/2026	-10.316	-4.1%	-2.579	2.760	0.250
07/29/2026	-10.015	+30.1%	-2.504	2.835	0.250
09/16/2026	-10.009	+0.6%	-2.502	2.836	0.250
10/28/2026	-9.915	+0.4%	-2.479	2.860	0.250

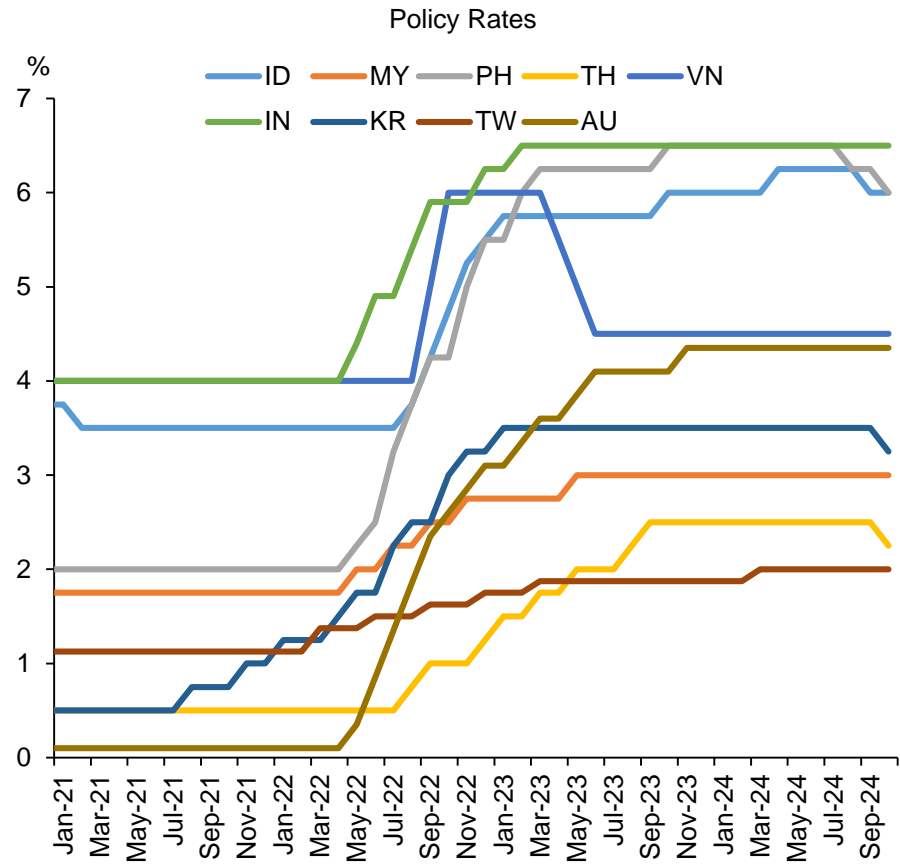


Region: United States » Instrument: Fed Funds Futures » Enable Overrides  
 Target Rate 4.75 Pricing Date 11/14/2024  
 Effective Rate 4.58 Cur. Imp. O/N Rate 4.579

Meeting	#Hikes/Cuts	%Hike/Cut	Imp. Rate Δ	Implied Rate	A.R.M.
12/18/2024	-0.828	-82.8%	-0.207	4.372	0.250
01/29/2025	-1.127	-29.9%	-0.282	4.298	0.250
03/19/2025	-1.701	-57.4%	-0.425	4.154	0.250
05/07/2025	-1.965	-26.4%	-0.491	4.088	0.250
06/18/2025	-2.420	-45.4%	-0.605	3.974	0.250
07/30/2025	-2.637	-21.7%	-0.659	3.920	0.250
09/17/2025	-2.837	-20.0%	-0.709	3.870	0.250
10/29/2025	-2.957	-12.0%	-0.739	3.840	0.250
12/10/2025	-3.044	-8.7%	-0.761	3.818	0.250
01/28/2026	-3.087	-4.3%	-0.772	3.807	0.250
03/18/2026	-3.134	-4.7%	-0.784	3.796	0.250
04/29/2026	-3.277	-14.3%	-0.819	3.760	0.250
06/17/2026	-3.318	-4.1%	-0.830	3.750	0.250
07/29/2026	-3.017	+30.1%	-0.754	3.825	0.250
09/16/2026	-3.346	-32.9%	-0.837	3.743	0.250
10/28/2026	-2.867	+47.9%	-0.717	3.863	0.250
12/09/2026	-3.938	-107.1%	-0.984	3.595	0.250



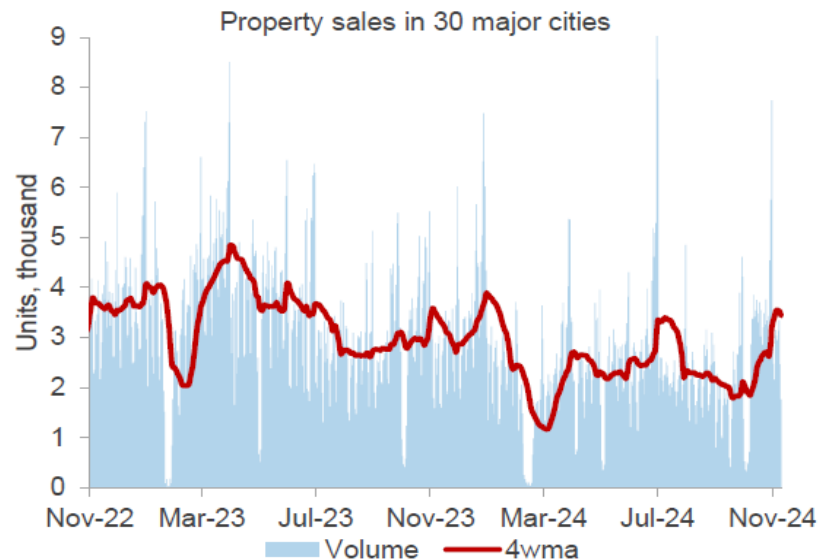
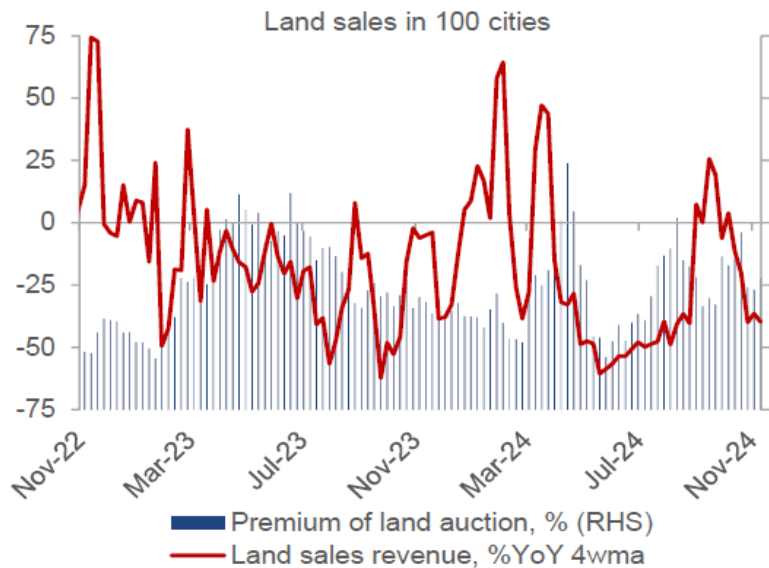
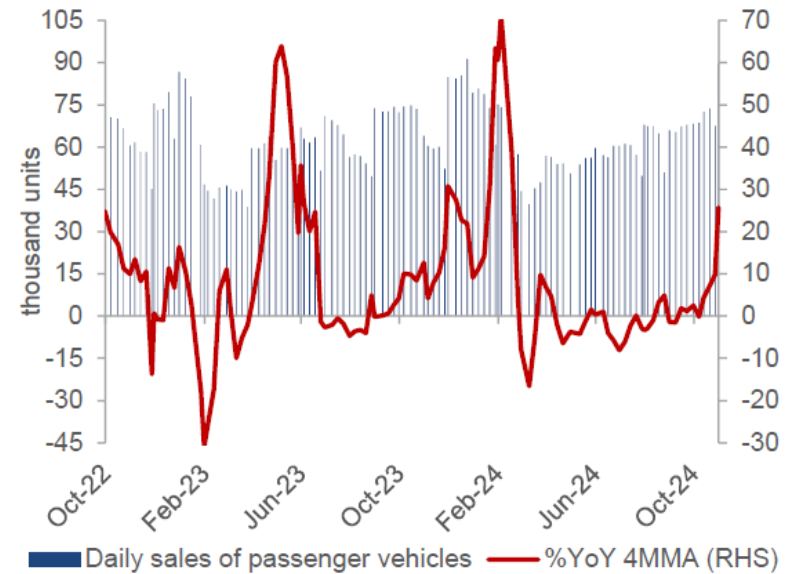
### 3. FX Outlook - EM-Asia: Examining the FX "gains" since September FOMC



### 3. FX Outlook - China's Dragon Year: Of Wood and Fire - A Brief Take on Stimulus

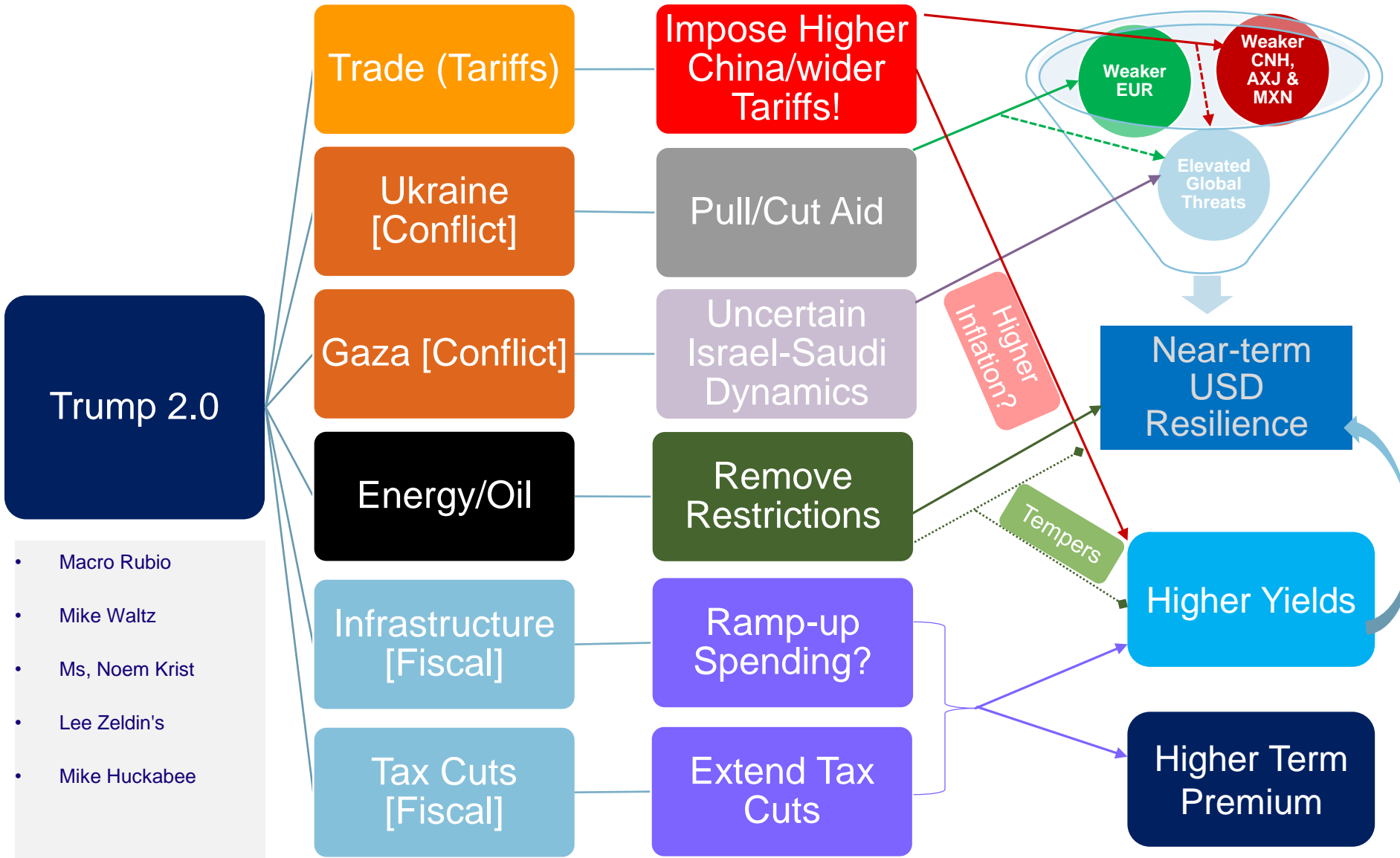
#### Stimulus

- Cash for Clunkers
- Property Market Restrictions Removal
- Local Government Concerns
- 10 trillion debt relief – Tepid reaction
  - Expectations
  - Lack of fiscal support
  - LGFV concerns remains



Source: Wind, Mizuho

# Trump 2.0: A New Era



- Macro Rubio
- Mike Waltz
- Ms, Noem Krist
- Lee Zeldin's
- Mike Huckabee

## Q and A

FX Forecasts	As at end Sep 24	Dec 24	Mar 25	Jun 25	Sep 25	Dec 25
USD/CNY	7.02	6.92 - 7.52 (7.20)	6.94 - 7.45 (7.16)	6.91 - 7.30 (7.08)	6.82 - 7.21 (7.03)	6.82 - 7.23 (7.05)
USD/INR	83.8	82.7 - 86.8 (84.1)	82.3 - 85.8 (83.3)	80.9 - 84.8 (82.5)	81.1 - 84.5 (82.8)	80.4 - 83.9 (82.4)
USD/KRW	1314	1240 - 1420 (1350)	1250 - 1390 (1320)	1240 - 1390 (1290)	1230 - 1340 (1280)	1230 - 1340 (1285)
USD/SGD	1.285	1.291 - 1.350 (1.320)	1.287 - 1.344 (1.305)	1.279 - 1.327 (1.300)	1.268 - 1.331 (1.290)	1.270 - 1.332 (1.293)
USD/TWD	31.7	30.2 - 33.1 (32.1)	30.3 - 32.9 (31.3)	30.0 - 32.2 (30.9)	29.6 - 31.8 (30.5)	29.8 - 32.0 (30.8)
USD/IDR	15140	14980 - 16030 (15400)	14710 - 15750 (15050)	14790 - 15580 (14980)	14180 - 15390 (14650)	14330 - 15550 (14800)
USD/MYR	4.12	4.12 - 4.48 (4.27)	3.91 - 4.28 (4.08)	3.85 - 4.25 (4.02)	3.78 - 4.07 (3.94)	3.84 - 4.09 (3.97)
USD/PHP	56.0	55.2 - 59.3 (57.0)	54.1 - 59.0 (56.2)	53.5 - 57.1 (55.0)	53.0 - 56.3 (54.2)	53.0 - 56.1 (54.8)
USD/THB	32.2	31.2 - 34.9 (33.9)	31.8 - 34.8 (33.4)	32.1 - 34.3 (33.0)	31.2 - 33.4 (32.1)	31.2 - 33.4 (32.1)
USD/VND	24568	24700 - 25600 (25100)	24700 - 25200 (24800)	24200 - 24900 (24470)	24100 - 24700 (24300)	24200 - 24800 (24400)
AUD/USD	0.691	0.657 - 0.703 (0.664)	0.656 - 0.698 (0.673)	0.652 - 0.720 (0.686)	0.671 - 0.719 (0.706)	0.676 - 0.721 (0.701)

**Kindly Drop Your Questions in the Chat Box**

# Mizuho Global e-Banking FX Web Service

November 2024

Mizuho Bank  
Singapore Corporate Banking Department  
Global Transaction Banking Department Asia & Oceania Office  
Asia & Oceania Treasury Department

**MIZUHO**

Private and confidential

# Additional service FX Web

Online FX service	
<b>Features &amp; Benefits</b>	✓ Users will deal FX transaction through Mizuho Global e-banking (MGeB)
	✓ Users will have indication quickly and timely
	✓ Do not need to submit confirmation letter
	✓ Users can check the list of historical transactions ( Users can refer to the reference number on FX Web )
<b>Available Currency pair</b>	USD/SGD, JPY/SGD, EUR/SGD, THB/SGD, AUD/SGD, GBP/SGD, CHF/SGD, CAD/SGD, NZD/SGD, GBP/USD, EUR/USD, AUD/USD, USD/JPY, EUR/JPY, USD/THB, USD/CHF, NZD/USD, USD/CAD, USD/DKK, EUR/GBP, USD/NOK, USD/SEK, USD/CNH, CNH/SGD (For currency pairs not listed here, please contact us)

## 【New workflow for FX dealing】

Step1 Call for the deal and Done FX dealing

Step2 Need to sign back the Confirmation to Bank

Done FX dealing and Confirm through one platform

Do not need to sign back the Confirmation to Bank



Function	Opening time of FX Web service
FX Transaction	Weekdays 8 : 30 ~ 17 : 00 * * <b>Exclude value same day transaction(Value Same day transaction will be available until 11:00AM in the FX Web)</b> Above service hour is subject to change without prior notice
Inquiry /Setting	Weekdays 7 : 00 ~ 23 : 00 Saturday 7 : 00 ~ 21 : 00

### Notes

- The customer needs to apply with documents to add online FX service.
- For FX transactions done after 16:00, the contract date will be the next business day
- Online FX Service can provide FX Forward transactions within 1 Year, also can provide value same day transactions
- Dealing FX Forward is subject to bank's assessment. For your eligibility, please check with the branch



# Sample Screen of FX web

## 1. Transaction Input

You can input the Amount, Currency pair and Value date for Outright

1

## 2. Deal Done

Click the [Done] button.

2

## 3. Download Deal Slip

You can print out the Deal Slip by clicking the [Deal Slip] button.

3

## 4. Manage historical data

You can view the historical deal information

4

State	Company Name	Customer ID	Transaction Date & Time	Mets No	CCY Pair	Sell CCY
Time out	ABC CORR	050011	2023/06/22 17:02:45		USD/SGD	SGD
Contract	ABC CORR	050011	2023/06/22 16:59:31	00000446-001	USD/SGD	SGD
Cancel	ABC CORR	050011	2023/06/22 16:59:09		USD/SGD	SGD
Time out	ABC CORR	050011	2023/06/22 16:39:19		USD/SGD	SGD
Contract	ABC CORR	050011	2023/06/22 14:15:42	00000445-001	USD/SGD	SGD
Time out	ABC CORR	050011	2023/06/22 14:15:21		USD/SGD	SGD
Cancel	ABC CORR	050011	2023/06/22 14:14:54		USD/SGD	SGD
Contract	ABC CORR	050011	2023/06/22 13:41:42	00000443-001	USD/SGD	SGD
Cancel	ABC CORR	050011	2023/06/22 13:41:11		USD/SGD	SGD
Contract	ABC CORR	050011	2023/05/24 11:52:41	00000284-001	USD/JPY	JPY
Contract	ABC CORR	050011	2023/05/24 11:51:45	00000283-001	USD/SGD	SGD
Contract	ABC CORR	050011	2023/05/22 16:40:15	00000266-001	USD/SGD	USD
Contract	ABC CORR	050011	2023/05/22 16:39:44	00000265-001	USD/SGD	USD
Contract	ABC CORR	050011	2023/05/22 16:28:15	00000263-001	USD/SGD	SGD
Cancel	ABC CORR	050011	2023/05/22 16:28:05		USD/SGD	SGD
Contract	ABC CORR	050011	2023/05/19 16:41:46	00000255-001	USD/SGD	SGD
Contract	ABC CORR	050011	2023/05/19 16:11:31	00000254-001	USD/SGD	SGD
Contract	ABC CORR	050011	2023/05/19 09:32:04	00000247-001	EUR/JPY	JPY

# Necessary Documents to Start the online FX service

## Necessary Documents To Start Online FX Service

1	Terms and Conditions Governing Use of the Mets Global Service(No signature required)
2	MIZUHO GLOBAL e-BANKING Appendix A for Mets Global(Signature required)
3	MIZUHO GLOBAL e-BANKING FX Web Application(Signature required)

### Notes:

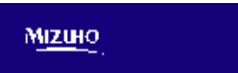
- The above documents are examples of customers who have already signed a contract with MIZUHO GLOBAL e-BANKING(MGeb)
- If Customer dose not have a MGeb service, we would appreciate it if customer would consider joining MGeb service first

1. Terms and Conditions Governing Use of the Mets Global Service

2. MIZUHO GLOBAL e-BANKING Appendix A for Mets Global

3. MIZUHO GLOBAL e-BANKING FX Web Application

Note: The above consent letter format is a sample and the format differs by Mizuho branches



# Setup before FX Web Use

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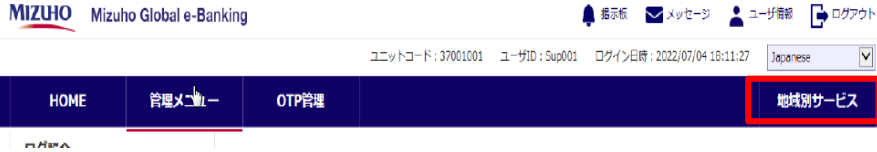
After applying for FX Web, the following two settings are required before customer can use the service  
(Both settings must be made by Super User)

1. FX Web Usage Settings (p. 5)
2. Local Service Usage Settings (p. 6)

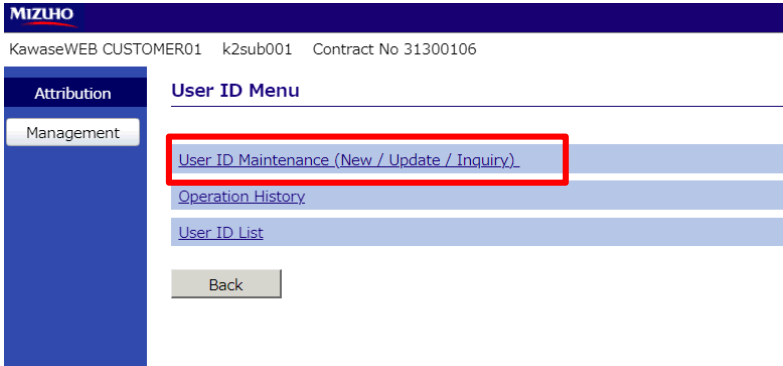
Changes to the settings in "1. FX Web Usage Settings" will be reflected on the next business day.  
Please complete the setup by one business day before to the actual execution of the FX transaction.

# 1.FX Web Setup

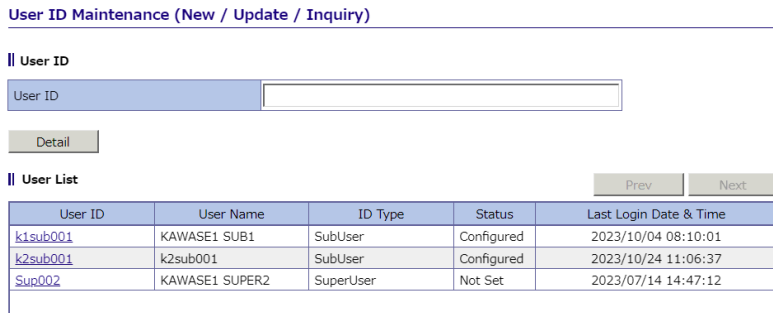
1, Login to Mizuho Global e-Banking (MGeB) with Super User ID and select FX Web from "Local Service"



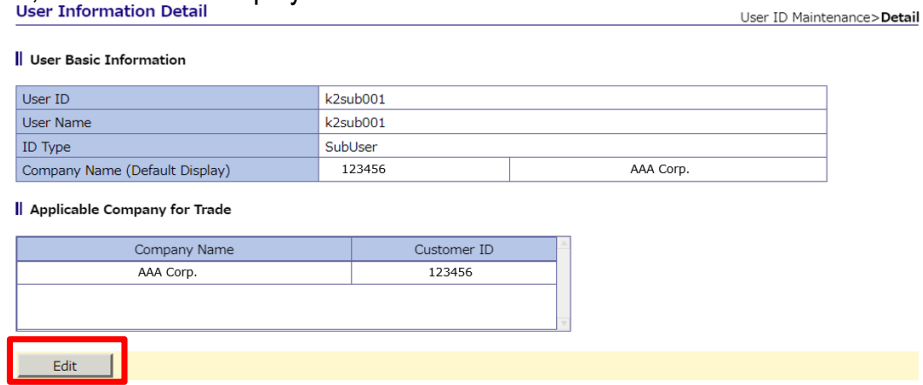
2, Select "User ID Maintenance" on the screen



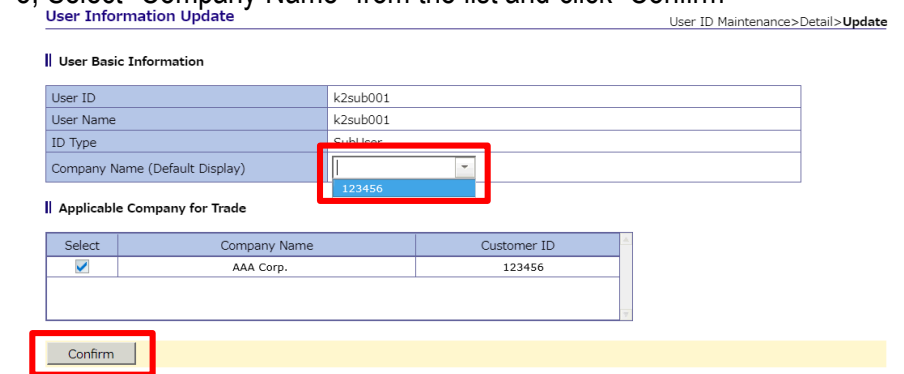
3, Select the Sub User ID to be authorized.



4, Click "Edit" to display the selected user information.



5, Select "Company Name" from the list and click "Confirm"



6, The registration contents screen is displayed.  
If all done the check, click "Update" to reflect the registration.

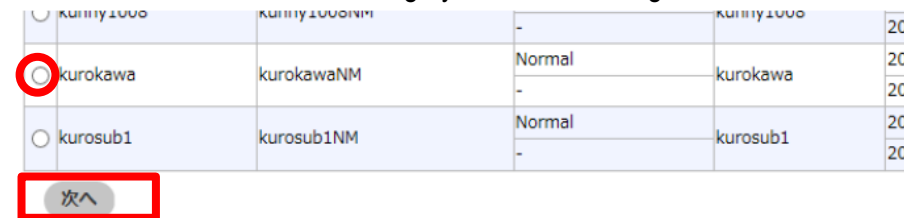
\*The attached image may differ from the actual screen display.

## 2. local service use setting

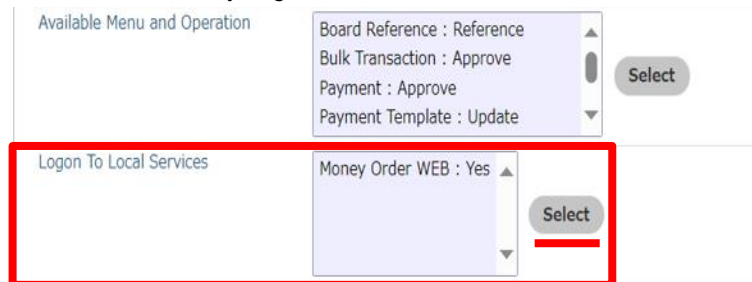
- 1、 Login to Mizuho Global e-Banking (MGeB) with your Super User ID, and select Administration Menu > Sub User Information > Change



- 2、 Select the user whose settings you want to change and click "Next"



- 3、 Click "Select" for services by region



- 4、 Change "FX Web" to "Yes" from the pop-up window and click "OK."



- 5、 Confirm that the changes are reflected on the original screen (the screen in item 3) and click "OK".



- 6、 Configuration change is completed.

Management Menu > Subuser Information > Modify

Result - Modify

Data is modified.

OK

\*The attached image may differ from the actual screen display.

# (For group workflow setting customer)

## 2. local service use setting

1, Login to Mizuho Global e-Banking (MGeB) with your Super User ID, and select Management Menu > Group Information > Modify



2, Select Approver Group and Click Continue



3, Click Next (Important: Do not remove the tick beside the User ID)

### Group Information Edit (1/2) - Modify

User Group Name APPROVER MY/SG

	User ID	User Name
<input checked="" type="checkbox"/>	I	E
<input checked="" type="checkbox"/>		F

Next Cancel

4, Click "Yes" for FX Web (online FX transaction service)

Click OK

Message "Ready to execute", click OK (Ensure you see a message "Data is modified")

### Group Information Edit (2/2) - Modify

User Group Name APPROVER MY/SG

COPY If you wish to copy another user group's setting, please click 'COPY'.

Menu	Authority	Detail
Board Reference	Reference	-
Message	No	-
Balance Report	Reference	-
Outstanding Report	Reference	-
Remittance Instruction	Approve	-
Internal Transfer UploadFile Format	No	-
Internal Transfer Template	No	-
Conversion Rate Management	Approve	-
Converting Currency Management	Approve	-

Logon To Local Services Subscription

FX Web (online FX transaction service) Yes

Instruction Approve Only  Yes  No  
Reference Authority  Non Confidential  Confidential  
Display Individual Record (Bulk Transaction)  Show All  Hide All  Hide for Selected Payment Methods (below)

OK

Back

\*The attached image may differ from the actual screen display.

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