



**Economic Calendar**

Date	Country	Event	Period	Survey*	Prior
20 Jan	JP	Core Machine Orders YoY	Nov	4.2%	5.6%
	JP	Tertiary Industry Index MoM	Nov	0.1%	0.3%
21 Jan	GE	ZEW Survey Expectations/Current	Jan	--	15.7/-93.1
22 Jan	US	Leading Index	Dec	-0.1%	0.3%
23 Jan	US	Initial Jobless Claims		--	--
	EZ	Consumer Confidence	Jan P	-14.3	-1450.0%
	JP	Trade Balance	Dec	¥43.4b	¥110.3b
	US	Kansas City Fed Mfg. Activity	Jan	--	-4
24 Jan	US	Existing Home Sales	Dec	4.20m	4.15m
		PMI Mfg/Services (US, EZ, JP)	Jan P	--	--
	JP	Natl CPI/Ex Fresh Food, Energy YoY	Dec	3.4%/2.4%	2.9%/2.4%
	JP	BoJ Target Rate		0.50%	0.25%

**Week-in-brief: Navigating Surprises**

The week started off on softer risk sentiments at the prospects of hawkish Fed impulses after the prior week's NFP surge. While **softer-than-expected CPI print provided some reprieve**, sentiments still remained on cautious footing, with January MTD gains in equities lagging the corresponding post-CPI rallies. The **warniness was accentuated by geopolitics**, with Brent Crude buoyant above \$80/bbl on Russian sanctions with the Israel-Hamas cease-fire provided only limited relief. Canada's warnings of "tit-for-tat" tariffs if Trump imposes levies also serve a reminder that targeted countries may go on the offensive.

In Asia, Bank Indonesia and Bank of Korea surprised markets as ongoing external and/or domestic developments saw some shifts in policy calculus. **Bank Indonesia proceeded with a surprise cut**, as risks tilted towards growth concerns. But this is not to be misconstrued as unfettered easing cycle, as further cuts will still be conditional on relative rupiah stability. Meanwhile, **Bank of Korea left policy rate unchanged, defying expectations of a cut**. Even as the BoK alluded to FX volatility as a reason behind their hold, their surprise hold is very much a **skip rather than a prolong pause** as all six members of their policy committee were open to another cut in the next 6 months on top of the revelation that there was one dissenter against the hold. Governor Rhee has unequivocally said that Korea is in a rate cutting cycle and KRW gave up its gains from the initial shock of the surprise hold.

Next week, **BoJ arguably has a higher bar to meet to avoid disappointing markets** after expectations of a hike hardens (corresponding with a ~2.0% ascent on the JPY). **BNM is set to be on another hold** amid supportive growth and stable inflation. **MAS is also expected to be maintain policy settings given growth outrun** while dis-inflation has not provided a compelling case to ease at this juncture.

Taiwan Q4 GDP is expected to moderate on high base effects as growth remains powered by semiconductor push, coupled with resilience services and supportive construction/real estate activity.

Korea Q4 GDP should also moderate in part due to high base effects as well. But slowing external demand and services activity alongside unresolved construction sector woes should give credence to BoK's stance that they are in an easing cycle.

All said, it was an eventful week. And Trump's inauguration on Monday would be closely watched for any hints of surprises in Trump 2.0 policies.

**The BoJ Painted into a Corner**

Growing (bordering on overt) willingness by the BoJ to hike in January (at next week's meeting) does not distract from the fact that the **BoJ is painted into a (hawkish) corner**.

First and foremost, in terms of the **expected policy action** – a rate hike – and the **accompanying "policy speak"** that frames the hike.

And crucially, and perhaps most problematically for the BoJ, on **policy guidance**.

The **first order risk** is that the **BoJ now cannot afford to disappoint markets strident hike expectations**, as the **resultant volatility threatens is undesirable, potentially even destabilizing**.

The associated **stakes are higher given JPY surge**, marked by JPY out-performance – has built up on rate hike/hawkish BoJ expectations.

The critical corollary being, if the **BoJ disappoints markets expectations of a hike next week, a sharp JPY sell-off could be a significant risk**.

But the follow-up, **"shifting goalposts" risk** that is harder-to-tame is that markets quickly ramp up on hawkish expectation in the "what next?" style.

The **attendant threat then is that the JPY could still wobble if the BoJ delivers a "dovish hike"**, where it waters down the prospects of sustained tightening.

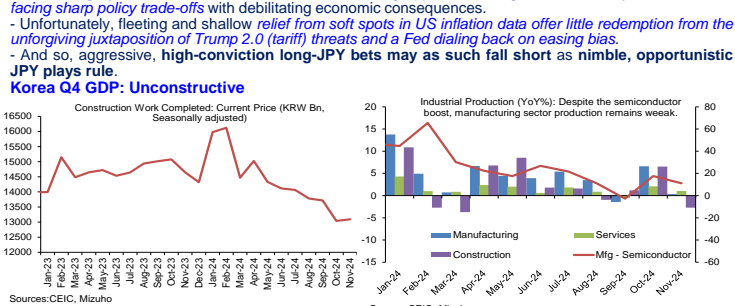
Potentially accentuating this threat may be unhelpful benchmarking against the Fed and other G4 central bank rates.

This is **highly undesirable** for the BoJ, which has to grapple with being **held ransom by markets whilst facing sharp policy trade-offs** with debilitating economic consequences.

Unfortunately, fleeting and shallow relief from soft spots in US inflation data offer little redemption from the **unforgiving juxtaposition of Trump 2.0 (tariff) threats and a Fed dialing back on easing bias**.

And so, aggressive, high-conviction long-JPY bets may as such fall short as nimble, opportunistic JPY plays rule.

**Korea Q4 GDP: Unconstructive**



For Q4 2024, we expected a slight sequential bump up in quarterly growth momentum to 0.2% QoQ from Q3's dismal 0.1%. That said, given high base effects, **YoY growth in Q4 may find it to be exceed Q3's 1.5%**.

Growth in external demand has clearly moderated as Q4 exports slow to 4.2% from Q3's 10.6% even though levels of semi-conductor related production remains at a high level.

That said, in the months ahead, we are cognisant of the effects of China frontloading imports ahead of plausible US tariffs on China.

Services activity has also moderated with real retail sales contracting on a year ago basis reflecting **stretched consumer wallets which is congruent with deteriorating consumer sentiments**.

Furthermore, **public spending is a key wild card and likely to have contracted amid the political debacle in December**.

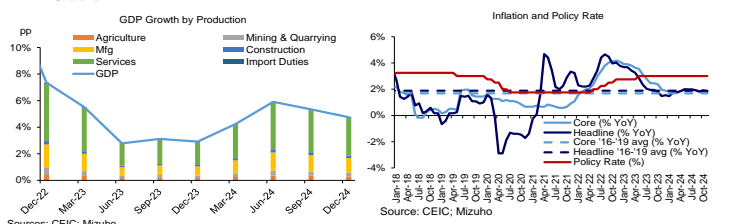
Construction sector woes also remain unresolved as activity completion remains weak plunging to new lows in the first two months of Q4 reflecting the reported financial issues from mid-size builders.

All in, this week GDP print will support the **BoK's stance that they are in an easing cycle and for the BoK to resume rate cuts at their next meeting**.

**Asia**

Date	Country	Event	Period	Survey*	Prior
17-18 Jan	CH	FDI YTD YoY CNY	Dec	--	-27.9%
20 Jan	CH	1/5Y Loan Prime Rate		3.10%/3.60%	3.10%/3.60%
	MY	Exports/Imports YoY	Dec	9.0%/5.5%	4.1%/1.6%
	PH	BoP Overall	Dec	--	-\$2276m
21 Jan	KR	Exports/Imports 20 Days YoY	Jan	--	6.8%/7.5%
	KR	PPI YoY	Dec	--	1.4%
22 Jan	MY	BNM Overnight Policy Rate		3.00%	3.00%
	MY	CPI YoY	Dec	1.8%	1.8%
	TW	Unemployment Rate	Dec	3.4%	3.4%
23 Jan	SG	CPI/Core YoY	Dec	1.5%/1.6%	1.6%/1.9%
	KR	GDP YoY/SA QoQ	4Q A	1.5%/0.2%	1.5%/0.1%
	TW	Industrial Production YoY	Dec	--	10.3%
24 Jan	SG	Industrial Production YoY	Dec	4.9%	8.5%
	PH	Exports/Imports YoY	Dec	2.3%/5.5%	-8.7%/-4.9%
	TW	GDP/Annual YoY	4Q A/2024	4.3%/1.6%	4.2%/1.4%
	SG	MAS Monetary Policy Statement			

**BNM: Stable**



In contrast to swings in rate cut expectations in G3 economies and surprise rate decisions in Asia, things should be stable here with **BNM**, as the central bank **looks on course for another hold**.

The **Malaysia economy is in a "sweet spot"**, as characterised by BNM Governor prior the GDP release. This was corroborated by Q4 advance GDP estimate, which registered 4.5% YoY growth (Q3: 5.3%), bringing annual 2024 growth to 5.1% (2023: 3.6%), which is around the mid-point of BNM's 4.8-5.3% forecast range. The moderation was in part due to base effects, with supported manufacturing, services and construction activity offsetting a moderation in agriculture output (amid bad weather) and contracting mining activity.

Looking ahead, growth is expected to hold up on continued manufacturing tailwinds (albeit could moderate on base effects), while consumer spending remains supported.

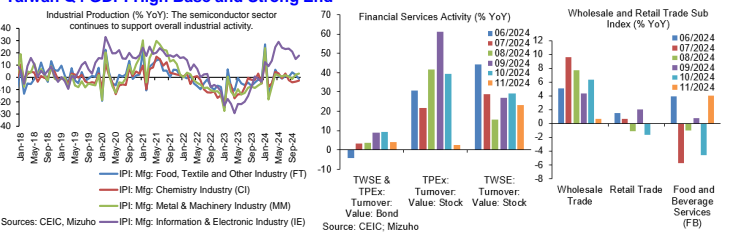
Meanwhile, **inflation remains stable with upside risks in 2025 rather managed**. Admittedly, upside risks are present on the back of a) expansion of scope of services tax from May (although details on affected goods/services await), b) RON95 subsidy rationalisation (expected to be implemented in mid-2025) and c) increases to minimum wages and rollout of progressive wage system. However, given the momentum of price increase in 2024 considering similar development 2024, we expect upside risks to be moderate.

All in, BNM is expected to be on a prolonged hold. But volatility surrounding MYR is still expected as an external driver (e.g. Fed rate cut expectations), direct/indirect impact from Trump 2.0 tariffs and China stimulus push.

Regardless, BNM's steadfast stance to focus on macrofundamentals for policy calculus, resilient growth and stable inflation could mean continued relative outperformance for the MYR.

\*Budget 2024 expanded the scope of Sales and Services Tax and the diesel subsidy rationalisation was rolled out in May 2024. Inflation in 2024 also remained relatively stable despite robust wage growth (as proxied by increase in formal sector wages).

**Taiwan Q4 GDP: High Base and Strong End**



While we expect Taiwan's Q4 GDP to end on a high note, high base effects imply that it is **avoidable to see growth slow on a year ago basis from the 4.2% in Q3**.

Specifically, we expect sequential growth momentum to rise higher from the 0.2% QoQ in Q3 to which implies that growth will likely hit above the 2% mark for Q4 which is admittedly on the higher end among consensus estimates.

First, the manufacturing sector will still be a key growth driver as **semiconductor sector's output levels continue to rise** while the metal and machinery industry maintain healthy growth. Exports also

Second, the services sector is likely to hold up even as Typhoon Krathon disrupted activity in October. Specifically, **retail trade and food and beverage services saw a dip in October before recovering in November** which enjoyed a further lift from baseball related consumption.

Surging tourist arrivals into the year end even on a year ago basis also bodes well for the accommodation and food services as well as the recreation and entertainment sectors.

Meanwhile, the financial services sector growth may have moderated but remain at a high level with turnover at various exchanges still robust.

Third, while the construction and real estate sector activity may have mellowed slightly as prices in Taipei stabilize and growth in outstanding housing loans slow, they are likely to remain supportive to aggregate growth.

All in, an above 4% growth for 2024 in Taiwan is a welcomed one after the dismal 1.4% in 2023 though the semiconductor led boost also keeps us watchful on any global downturn in capital spending in 2025.

### Forex Rate

	Close*	Chg <sup>^</sup>	% Chg <sup>^</sup>	Week Forecast	
USD/JPY	155.61	-2.120	-1.34%	152.00	~ 159.00
EUR/USD	1.0288	0.0044	0.43%	1.020	~ 1.040
USD/SGD	1.3667	-0.005	-0.35%	1.3550	~ 1.3820
USD/THB	34.438	-0.142	-0.41%	34.10	~ 35.00
USD/MYR	4.5035	0.006	0.13%	4.460	~ 4.540
USD/IDR	16365	180	1.11%	16,200	~ 16,500
JPY/SGD	0.8783	0.009	0.99%	0.852	~ 0.909
AUD/USD	0.6211	0.006	1.04%	0.610	~ 0.630
USD/INR	86.61	0.639	0.74%	86.0	~ 87.0
USD/PHP	58.615	0.259	0.44%	58.0	~ 59.0

<sup>^</sup>Weekly change.

### FX: Lofty Expectations and Falling Short

- In the G10 space, JPY led gains this week on hawkish comments from BoJ officials as well as Governor Ueda which sets the stage for possible rate hike next week. Given lofty expectations, the risk for JPY bulls grows should the BoJ fall short in providing firmer guidance on the path ahead.
- Commodities currencies such as the NOK have also enjoyed some tailwinds from higher Brent crude prices. The AUD buoyed above 62 cents as the jobs report point to a buoyed labour market to par back bets for RBA cut in February.
- EUR remain in the middle of the pack as ECB minutes suggest more cuts and Germany's economic woes restrain. GBP could not muster much as UK growth came in less than expected in November.

### EM-Asia: Not So Surprising Surprise?

- While the Bank of Korea's rate hold and Bank Indonesia's rate cut surprised markets, the FX reactions are hardly out of the norm.
- The IDR led losses this week after the rate cut as markets ponder the central bank's balance between growth and stability. Meanwhile the KRW led regional as it was enabled to ride onto gains from the broad USD softening even though the KRW's initial gain from the hold was erased after the Governor Rhee signal their on-going rate cut cycle.
- INR has also softened amid equity outflows and RBI signalling openness to rupee flexibility.

### FX Brief:

- 1) JPY: Outperformance on the back of markets pricing in a BoJ hike next week. Looking ahead, the risk for JPY bulls is that Governor Ueda may not provide the hawkish guidance which they may be looking forward to.
- 2) EUR: Restrained performance even as UST yields declined as Trump 2.0 uncertainty weighs.
- 3) AUD: Strong jobs report aided buoyancy above 62 cents. Volatility ahead as Trump 2.0 collides with BoJ/JPY spillovers and carry risks.
- 4) CNH: Mild gains on the back of softer UST yields. Macro performance unable to incite optimism but speak to need for continued stimulus.
- 5) INR: Could drift higher to 87 levels as RBI Governor Malhotra have shown willingness to allow the INR to move more freely in tandem with peers in the region.
- 6) SGD: Likely to continue performing in the middle of the pack amid lack of tangible boost from CNH (despite GDP outrun) and middling performance by EUR.
- 7) IDR: BI ought to be exercising vigilance on IDR above 16,400 following surprise cut, backstopping excessive IDR weakness.
- 8) THB: Middle of the pack performance this week. Looking ahead, some risks of easing bets may simmer as regional peers buckle.
- 9) MYR: Continued decline in UST yields could lend durability under 4.50 levels.
- 10) PHP: Ought to remain under 59 levels as FX moves hint of BSP's interventions.
- 11) KRW: Outperformed amid the rate hold and semblance of political stability resumed. Trade woes under Trump 2.0 to come under scrutiny. Buoyancy above 1440 expected while testing of 1480 cannot be ruled out on Trump threats.
- 12) TWD: Mild gains amid the broadly softer USD speaks to worries ahead of Trump 2.0 as trade and defense set to become hot topics. Trading in the 32.8-33.1 range with upside bias.



### Bond Yield (%)

17-Jan	2-yr	Chg (bp) <sup>^</sup>	10-yr	Chg (bp) <sup>^</sup>	Curve
USD	4.228	-15.1	4.599	-16.0	Flattening
GER	2.203	-7.3	2.523	-6.8	Steepening
JPY	0.673	4.1	1.189	0.4	Flattening
SGD	2.827	-1.9	2.944	-5.6	Flattening
AUD	3.920	1.2	4.495	0.1	Flattening
GBP	4.318	-20.6	4.630	-20.5	Steepening

### Stock Market

	Close	% Chg
S&P 500 (US)	5,937.34	1.89
Nikkei (JP)	38,451.46	-1.89
EuroStoxx (EU)	5,106.93	2.61
FTSE STI (SG)	3,807.89	0.17
JKSE (ID)	7,149.42	0.85
PSEI (PH)	6,352.12	-2.22
KLCI (MY)	1,564.67	-2.36
SET (TH)	1,348.08	-1.46
SENSEX (IN)	76,609.06	-0.99
ASX (AU)	8,310.38	0.20

### USTs: Steepening Bias

- UST yields pared gains from the jump following a surge in NFP print last Friday, as a softer-than-expected core CPI print mid-week led a ~10bps drop across the curve.
- While front-end yields should be more stable in the coming week on relatively quiet US data calendar, there is a downside bias insofar as markets' pricing appears more hawkish than the Fed.
- Meanwhile, Trump inauguration could see more volatility on the longer-end as there could be developments on US fiscal front on appointment of candidates in key positions.
- In particular, Treasury Secretary nominee Bessent's professed commitment to fix US budget deficit blowup will be tested given some conflict with his other goal of 3% US growth.
- All said, we expect 2Y yields to trade in the 4.10-4.35% range while the 10Y trade in the 4.5-4.7% range, with a steepening bias.

## **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 future 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.

**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.

© Mizuho Bank, Ltd. (“**MHBK**”), MHSA and MHSS. All Rights Reserved. This document may not be altered, reproduced, disclosed or redistributed, or passed on to any other party, in whole or in part, and no commercial use or benefit may be derived from this document without the prior written consent of MHBK, MHSA or MHSS.