

Yen slumps, dollar jumps as US rate cut bets recede

By Tom Westbrook, Reuters, November 19, 2025

SINGAPORE- The dollar was riding high on Thursday after notching its sharpest gain in six weeks as Fed minutes made a December U.S. rate cut seem less likely, while the yen tumbled on bets that Japan would not immediately step in to stem its weakness. The yen hit a 10-month low of 157.48 in the Asia session, extending a slide that began after Finance Minister Satsuki Katayama said there was no specific discussion on foreign exchange at a meeting with Bank of Japan Governor Kazuo Ueda. The yen is down around 6% since Prime Minister Sanae Takaichi was elected leader of her party, in spite of rising Japanese bond yields, as markets are uneasy about the scale of borrowing needed to fund her stimulus plans. "You must either believe that there's a 'Sell Japan' narrative going on, or you take the view that these relationships are no longer stable," said Vishnu Varathan, Mizuho's head of research in Asia, referring to how the yen has fallen even while the U.S.-Japan interest rate gap has narrowed. Having sunk past 157 per dollar to near where it began the year, traders now figure Japanese authorities may intervene somewhere around the 160 mark, or if there are any more sudden moves. Chief Cabinet Secretary Minoru Kihara said moves were sharp, one-sided and concerning on Thursday.

Beyond Japan, the euro, sterling, kiwi and Aussie all fell against the dollar after minutes from October's Federal Reserve meeting showed "many" participants had already ruled out a December cut, while "several" saw a December cut as likely. "In Fedspeak, 'many' means more than 'several', so I think there's a bit of a hawkish message that's supporting the dollar," said Bank of Singapore strategist Moh Siong Sim. The euro fell to a two-week low of \$1.1510 in Asia trade, as did sterling, which inched down to \$1.3040. The New Zealand dollar had dived 1% and touched a seven-month trough of \$0.5591 on Wednesday as the outlooks for interest rates in New Zealand and the U.S. diverge. It steadied at \$0.5611 on Thursday. A rate cut next week is fully priced in for New Zealand. In the U.S., expectations for a December cut have fallen below 25%, after being priced as a near-certainty a month ago. The dollar index rose 0.5% overnight, climbing through its 200-day moving average, and was last up 0.15% at 100.25.

Japanese seafood caught up in escalating diplomatic dispute with China

By Kaori Kaneko, Tamiyuki Kihara and Eduardo Baptista, Reuters, November 19, 2025

TOKYO/BEIJING - China has indicated it will ban all imports of Japanese seafood, two government officials in Tokyo said on Wednesday, in what appears to be the latest salvo in an escalating diplomatic dispute between Asia's top two economies. Tensions between the two countries ignited after new Japanese Prime Minister Sanae Takaichi said this month that a Chinese attack on Taiwan threatening Japan's survival could trigger a military response. China has demanded she retract the remarks and urged its citizens not to travel to Japan, resulting in mass cancellations that could deal a sizable blow to the world's fourth-largest economy. Asked about the seafood restrictions at a press conference, China's foreign ministry spokesperson Mao Ning said: "Under the current circumstances, even if Japanese seafood were to be exported to China, it would find no market." She reiterated that if Takaichi did not retract her remarks, China would have to take "stern and resolute" countermeasures.

Japan's Chief Cabinet Secretary Minoru Kihara told reporters Tokyo had not received any official notification from the Chinese government about a ban on seafood. Beijing just months ago partially eased restrictions on Japanese seafood that had been imposed due to Tokyo's decision two years ago to release treated wastewater from its Fukushima power plant, the site of a 2011 nuclear meltdown that followed a massive earthquake and tsunami. China informed Japan's ministry of agriculture, forest and fisheries on Wednesday that current import procedures were not sufficient, indicating a likely re-imposition of the blanket ban, Japanese government officials said, requesting anonymity due to the sensitivity of the matter. China said the move was due to concerns about Japan's screening method, the officials said, adding they believe it was likely further retaliation for Takaichi's remarks. Facing a wave of vitriolic responses by a Chinese diplomat in Japan and Chinese state media aimed at Takaichi, Japan warned its citizens in China on Monday to step up safety precautions and avoid crowded places. Tokyo has said Takaichi's remarks in parliament are in line with the government's position, suggesting no breakthrough is imminent.

JAPAN COUNTS COST OF DISPUTE

China had said in June that it would resume importing Japanese seafood products from all but 10 of Japan's 47 prefectures. The re-imposition will be a painful blow for many companies eager to re-enter a market that previously accounted for more than a fifth of all Japan's seafood exports. Nearly 700 Japanese exporters had applied to re-register for shipments to China, Japanese Agriculture Minister Norikazu Suzuki told reporters on Tuesday. However, only three had been approved to date. Before the 2023 ban, China was Japan's top scallop buyer and a major importer of sea cucumbers. More immediately, China's travel boycott could have far-reaching consequences for Japan's shaky economy. Tourism accounts for around 7% of Japan's overall gross domestic product, according to the World Travel & Tourism Council, and has been a major driver

of growth in recent years. Visitors from mainland China and Hong Kong account for around a fifth of all arrivals, official figures show. More than 10 Chinese airlines have offered refunds on Japan-bound routes until December 31, with one airline analyst estimating that around 500,000 tickets have already been cancelled. A person at a state-owned Chinese bank said staff were informally told by managers on Tuesday that requests to travel to Japan would not be approved for the time being. The person declined to be named due to the sensitivity of the matter.

JAPANESE COMEDIANS, BANDS CANCEL SHOWS

An annual meeting of academics from both countries due to start in Beijing on Saturday has been postponed, China's foreign ministry said, citing the political fallout. Another event promoting Japan-China friendship scheduled for November 21 in the western Japanese city of Hiroshima has also been cancelled. Japanese artists have also been caught up in the furore. Performances by Japanese comedians at an upcoming festival in Shanghai have been cancelled due to "unavoidable circumstances", entertainment firm Yoshimoto Kogyo said on Tuesday. Screenings of upcoming Japanese films in China have also been suspended, while a Japanese boy band cancelled a fan event in Guangzhou earlier this week citing "force majeure". Other Japanese celebrities popular in China have tried to head off potential backlash with messages showing their support for China. "China is like my second homeland to me and all my friends in China are my cherished family — I will always support One China," Japanese singer MARiA wrote on Weibo on Tuesday.

World's richest nations are pulling back from global development efforts, study show

By Reuters, November 19, 2025

Two dozen of the world's richest nations, including the United States and Japan, are pulling back from their global development push, a study published on Thursday shows, with many slashing aid budgets and cash funnelled through multilateral lenders. The Commitment to Development Index ranks 38 major economies across more than 100 data points to assess how their policies affect poorer nations across development finance, investment, migration, trade, environment and health as well as security and technology. Sweden, Germany, Norway and Finland kept their place at the top of the list, which is compiled and published by Washington-based think tank Center for Global Development every two years. The United Kingdom gained two places to become number 5 in the latest ranking. That was based on data prior to the government announcing its 40% aid cut, which is expected to see the country slide lower again in future index estimates.

Meanwhile, the United States fell two places to number 28 in the ranking in this latest report; however, this did not reflect the billions of dollars in cuts in aid announced since Donald Trump became president. "The changes the Trump administration is making are very significant," said Ian Mitchell, a senior policy fellow at the CGD, predicting a further slide ahead. The ranking is being published as South Africa is gearing up to host leaders of the Group of 20 major economies this weekend where it will also hand over its presidency to the United States. Trump, who has slashed the U.S. foreign aid budget and shuttered USAID earlier this year, will not attend the first G20 summit in Africa. Aid and development financing has been cut by many developed economies in favour of defence spending. There were some bright spots in the index, said Mitchell. More than three-quarters of countries were cutting their emissions between 2019-2023, the research found, even though a rise in China lifted the overall level. More countries were hosting migrants and refugees, he added. "While some improved on migration or environment, overall the trend is backward with arms exports, trade barriers and fossil fuel subsidies all rising," CGD said.

Rupee, forward premiums bogged down by pullback in Fed cut hopes

By Jaspreet Kalra, Reuters, November 19, 2025

The Indian rupee slipped on Thursday and dollar-rupee forward premiums eased as traders pared bets on a U.S. Federal Reserve rate cut next month, after minutes of its latest meeting signalled a hawkish lean among policymakers. The rupee was at 88.72 against the U.S. dollar, down 0.15% on the day. The currency has retreated back to within touching distance of its all-time low at 88.80 after touching a two-week high of near 88.40 in the previous session. Minutes of the Fed's October policy meeting reflected an emerging split over whether potential weakness in the job market should take priority over the fact that inflation has been above the central bank's target for four and a half years. Traders scaled back wagers on a rate cut next month following the release of the minutes and after the U.S. Bureau of Labor Statistics said on Wednesday it would not be publishing the closely watched employment report for October. "While Sep non-farm payrolls release will resume tonight, the data is already stale while the next Oct-Nov payrolls report will not arrive until after the Dec FOMC meeting, so there is likely to be little to change FOMC members' outlook then," analysts at DBS said in a note. Asian currencies were down between 0.1% to 0.3% while the dollar index rose past the 100-handle, tracking a jump in U.S. Treasury yields. Dollar-rupee forward premiums eased as well with the 1-year implied yield down slightly at 2.17%. While the reassessment of the Fed's rate cut path presents headwinds for the rupee, traders expect the Reserve Bank of India to continue capping its decline near 88.80, a level that it has defended for nearly two months now.