

Daily Market Outlook

11 August 2025

Ceasefire Hopes; RBA Tomorrow

- **DXY. *Watching CPI.*** USD traded a touch softer this morning. Trump's nomination of Stephen Miran was the latest factor that weighed on USD though there were chatters that Miran may not be confirmed before Sep FOMC. While his tenure is temporary, his dovish presence may still influence the votes at upcoming FOMCs. There are 3 more FOMC meetings in Sep, Oct and Dec this year. Understandably, several officials, including the 2 dissenters Bowman, Waller as well as possibly Lisa Cook, Goolsbee (judging from their recent Fedspeaks) may already have tilted dovish. US CPI report will be closely scrutinised this week. Softer than expected print may weigh on USD. DXY was last at 98 levels. Bullish momentum on daily chart shows signs of fading while RSI fell. Support here at 98 levels, 97.20. Resistance at 99.50 (100 DMA), 100.50 levels.
- **EURUSD. *Ceasefire Hopes.*** EUR was a touch firmer this morning amid mild USD softness and likely in response to US-Russia meeting this Friday in Alaska. According to WSJ, Russian President Putin proposed Ukraine ceasefire in exchange for Eastern Ukraine. But earlier, Ukraine President Zelensky had said that his country would not give its land to Russia and that Ukraine must be part of any negotiation to end the war. While negotiations may not be smooth and takes time, Europe potentially participating in Ukraine's reconstruction plans at some point, may lend a boost to EUR, to some extent. EUR was last at 1.1670 levels. Daily momentum shows signs of turning mild bullish while RSI also shows signs of rising. Slight risk to the upside. Resistance at 1.1730, 1.18 levels. Support at 1.1610/30 levels (21, 50 DMAs), 1.1570 levels.
- **AUDUSD. *RBA's Guidance, Labor Market Data.*** AUD's near-term fate hinges on RBA (meeting on Tue 1230pm SGT), AU wage price index, labor market data and USD moves this week. Softer 2Q CPI, PPI and decline in job advertisements had paved the way for RBA to cut cash rate at the next meeting tomorrow. For the year remaining, cash rate futures pointed to about 62bps cut. But it remains uncertain if RBA language will tilt more dovish or if the MPC prefers to stick to current "cautious and gradual" pace of rate cut. A less dovish or "no hurry" type of language/ guidance may frustrate AUD bears, but Thu labor market data will also be key to watch. AUD was last at 0.6520 levels. Bearish momentum on daily

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chart show signs of fading while the rise in RSI faded. Resistance at 0.6550 levels. Support at 0.65, 0.6430 levels.

- USDJPY. Consolidation.** USDJPY's price action remains caught in a holding pattern as markets mull various factors including PM Ishiba's political career, tariff implication and Fed-BoJ policy divergence. US CPI (tomorrow) may be a trigger for UST yields, depending on the outcome of the reading, and this will have impact on USDJPY. On PM Ishiba's political career, he will assess his responsibility for LDP's poor results in the Upper House elections based on an upcoming review by LDP party later this month. It was reported that a few LDP members has called for PM Ishiba to step down at the last LDP meeting held on Fri. On tariff development, trade negotiator Akazawa said that US agreed to end the so-called stacking on universal tariffs and reduce tariffs on cars. US will also payback tariffs that were overpaid due to stacking. Pair was last at 147.50 levels. Daily momentum is mild bearish though RSI is flat. Near term consolidation; but retain bias still to sell rallies. Resistance at 147.90 (21 DMA), 149.40/50 levels (200 DMA, 50% fibo retracement of 2025 high to low). Support at 147.10 levels (38.2% fibo), 146.20 (50 DMA). To some extent, political uncertainty (referring to PM Ishiba's political career/ LDP leadership) and credit rating concerns (dependent on fiscal health) can be supportive of the pair, but "sell USD" momentum and narrowing UST-JGB yield differentials can also counter.
- Gold. Await Clarity.** There are still confusion over US tariffs on 1-kg and 100-oz gold bar imports from Switzerland. Gold was initially exempted from tariffs (back in Apr) but the letter from customs and border protection agency (which was seen by FT) had reclassified this one kilo gold bar import from Switzerland under a custom code that is subjected to 39% tariff, instead of being tariff-free. Subsequently there was a report from Trump administration quoting an official to suggest that it would issue a new policy clarifying that imports of gold bars shouldn't face tariffs. According to the official, the administration intends to post an executive order in the near future to clarify what it called misinformation about the tariffing of gold and other specialty products. As of now, Swiss refiners have stopped sending kilobar gold to US, pending clarification, which should come soon. Interim confusion may see heightened volatility. XAU slipped, in response to the report quoting a White House official. Last seen at 3379 levels. Mild bullish momentum on daily chart intact but RSI shows signs of falling. Support at 3350 (21, 50 DMAs), 3290 levels. Resistance at 3450, 3500 (2025 high).
- USDSGD. Slight Risk to the Downside.** USDSGD started the week on a slightly softer footing amid mild USD softness. Pair was last at 1.2835. Daily momentum shows signs of turning mild bearish while

RSI shows signs of falling. Slight risks to the downside. Support at 1.2830 levels (21 DMA), 1.2760 levels. Resistance at 1.2850 (50 DMA), 1.2970 (100 DMA). Singapore release 2Q final GDP tomorrow. Pair is expected to take cues from broader moves in USD, and US CPI report can be a potential catalyst. Softer than expected US CPI can tip markets to price in some chance of 50bp Fed cut in Sep. This can drag USD/AXJs, including USDSGD lower. S\$NEER was steady at around +1.92% above our model-implied midpoint.



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