

Daily Market Outlook

17 November 2025

Waiting for data

- USDTWD. Forward Points Fell but Spot Up.** 1m USDTWD NDF fell sharply (over 2.5% at one point) in London/NY hours on Fri, in response to joint statement from CBC and US Treasury, where both parties agreed that intervention in FX market should only be used to address excessive volatility or disorderly currency movements. Both also agreed that public investment vehicles like pension funds should invest overseas mainly for risk-adjusted returns and diversification purposes. CBC will also disclose FX intervention operations on at least a quarterly basis (vs. current once every 6 months). Sharp decline in USDTWD may remind markets of a similar move seen in May though this episode of decline is much smaller. Bearish bets on TWD may be deterred in the near term as markets reassess implications. Should USD softness reassert, the pair may have room to fall. Spot fell in the open but quickly retraced losses to trade higher. Move is consistent with softness seen in most AXJs. But in the forward points space, 1m point remained low near Fri London/NY levels at -225. 1m outright last at 30.90 levels. Daily momentum is flat while RSI rose. Support at 30.55 (50 DMA), 30.30 levels. Resistance at 31, 31.15. We continue to pay close attention to fix-points-spot dynamics.
- DXY. Supported by Caution.** DXY was a touch firmer this morning. Market narrative has shifted towards concerns of what the backlog of US data may reveal about the US economy but at the same time, there is also rising caution that Fed may slow pace of rate cuts. Dec cut is now <50% probability as Fed officials continue to paint a clear division in opinions. Bostic said that while he was able to support the most recent 2 interest-rate cuts, he wasn't yet convinced about another move next month. Logan said it would be hard to support another rate cut unless we were to get convincing evidence that inflation is really coming down faster than my expectations or that we were seeing more than the gradual cooling that we've been seeing in the labour market. Schmid said additional interest-rate cuts could do more to ingrain higher inflation than shore up the labour market. DXY was last at 99.40 levels. Daily momentum is mild bearish but RSI rose. 2-way trades likely to persist though risks skewed to upside. Resistance at 100 levels (200 DMA), 100.6 (76.4% fibo). Support at 99.10/30 levels (21 DMA, 50% fibo retracement of May high to Sep low), and 98.30/50 levels (50, 100 DMAs, 38.2% fibo). There are quite a number of FedSpeaks on 19 occasions this

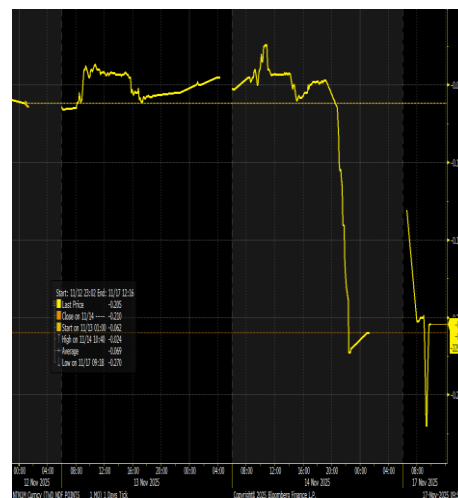
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1m USDTWD NDF points fell sharply



Source: Bloomberg, OCBC Research

week, including Williams, Waller, Miran and FOMC minutes (Thu). On data releases this week, BLS confirmed that the employment situation report for Sep (initially scheduled for release on 3 Oct) will be released on 20 Nov (Thu, 830pm SGT) and the real earnings report will be released on Fri.

- **USDJPY. Will 155 Break?** USDJPY continued to trade near recent highs. Opposing forces of fiscal concerns, delayed BOJ policy normalisation, risk sentiments and intervention risks should continue to drive the pair. Last week, PM Takaichi signalled her intent to ramp up the active use of fiscal policy to power economic growth by dropping an annual budget-balancing goal. She said that the government's long-held target of achieving a primary balance surplus will no longer be reviewed on a single-year basis. She made mention of multi-year budgets and also favour net debt to GDP (which is a lower figure at 130% of GDP instead of gross debt to GDP of 230%). This may imply that government can issue bonds with greater ease, to finance bigger fiscal spending targeted to boost growth. Risk of heavier fiscal burden amid rise in debt servicing cost and worries of lack of fiscal discipline can undermine JPY in the interim. USDJPY last seen at 154.75 levels. Daily momentum and RSI indicators are flat for now. 2-way trades likely. Resistance at 155.10, 156 levels. Support at 153.20 (21 DMA), 151.60 (61.8% fibo retracement of 2025 high to low).
- **USDSGD. Consolidation.** USDSGD was a touch firmer this morning, tracking USD higher. Pair last at 1.3010 levels. Daily momentum is mild bearish but RSI rose. 2-way trades likely. Support at 1.2930/50 levels (50 DMA, 23.6% fibo retracement of 2025 high to low) and 1.2890 (100 DMA). USDSGD bears can gather momentum if those support levels are breached. Failing which, the pair may consolidate. Resistance at 1.3000/20 levels (21, 200 DMAs), 1.31 (38.2% fibo). In the past week, USDSGD had fell due to moves in EUR and RMB. Looking on, we expect broader market narratives, including USD trend, moves in RMB, JPY and risk sentiments, etc. to influence the pair more as MAS policy takes a back seat for now. While S\$NEER had eased, it has recently stabilised. Last at 1.30% above model implied mid. 3Q final GDP is scheduled for release on Fri – markets including our Economist are looking for upward revision.



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