

Daily Market Outlook

21 November 2025

JPY weakness

- **USD rates.** USTs rallied overnight amid the risk off sentiment while job data was a mixed bag. Non-farm payroll change was 119K in September, beating consensus expectation; notably, the response rate to this September survey was relatively high at 80.2% as an initial release given the longer time for data collection. On the other hand, the unemployment rate edged further higher to 4.4% since October 2021. The number of long-term unemployed was little changed, accounting for 23.6% of all unemployed people. USTs benefitted from safe-haven flows, while investors may also look beyond the near-term and focus on additional cuts for the rest of the cycle. Fed funds futures last priced a total of 90bps of cuts between now and end-2026; such expectation is capping short-end UST yields. At the longer end, a benign supply outlook for at least the next couple of quarters keeps yields in ranges. We continue to see 10Y UST yield in 4.0-4.20% range as fair, which is consistent with 10Y breakeven at 2.3-2.4% and 10Y real yield at 1.7-1.8%. Next week, net bills settlement is relatively low at USD19bn. There are auctions of 2Y FRN, 2Y note, 5Y note and 7Y note, totalling USD211bn.
- **DXY. *Slight Retracement Ahead?*** USD traded a touch firmer on release of delayed Sep jobs report. NFP +119k, much higher than +53k expectations though unemployment rate crept higher at 4.4%. Nevertheless, this painted the job market before the government shutdown and does not reflect the labour market conditions today. The probability of Dec cut has been reduced to 31% but quantum of cut for 2026 remained. This probably explained why the USD did not go a lot higher as only near-term expectation was affected. DXY was last at 100.16 levels. Mild bullish momentum on daily chart observed while rise in RSI moderated. 2-way trades likely to persist though we may be slight bias for some retracement lower. Support at 99.50/70 levels (21 DMA, 61.8% fibo), 99.10 (50% fibo retracement of May high to Sep low). Resistance at 100.6 (76.4% fibo).
- **USDJPY. *Intervention Risk on the Rise.*** USDJPY continued to trade near elevated levels. Fiscal concerns, a delay in BOJ policy normalisation and USD strength are some of the factors that continued to underpin JPY weakness. PM Takaichi has approved stimulus of JPY17.7tn, much higher than the JPY13.9tn last year.

Frances Cheung, CFA
FX and Rates Strategy
FrancesCheung@ocbc.com

Christopher Wong
FX and Rates Strategy
ChristopherWong@ocbc.com

Global Markets Research and Strategy

Earlier in the week, there was proposal from LDP for an extra budget of JPY25tn. PM Takaichi had signalled her intent to ramp up the active use of fiscal policy to power economic growth. By dropping the annual budget-balancing goal and moving towards multi-year budget frameworks, with a preference for net debt-to-GDP targets rather than gross debt, the government is signalling greater fiscal flexibility. This approach potentially allows for increased bond issuance to finance expansive fiscal spending. While such fiscal expansion could support growth, it also raises concerns over a heavier fiscal burden amid rising debt servicing costs and questions about fiscal discipline, which may continue to undermine the yen in the near term. That said, intervention risks are rising as the JPY weakens further. Finance Minister Katayama told reporters this morning *the government will take appropriate action against disorderly FX moves, including those driven by speculation as needed*. We do not rule out a move as early as Fri London/NY hours ahead of 160 and if it happens, the move lower can be sharp especially if liquidity is thin. But comes the question if the move will prompt a rethink to buy on dips or will the bias switch for sell on rallies. *Leaning against the wind* activity is not likely to reverse the JPY's broader depreciation trend though it may moderate the pace of decline. A combination of fiscal policy shifts, monetary policy delays, and geopolitical uncertainties are some shifts that can underpin JPY weakness with potential intervention only acting as a limited counterbalance. That said, if the effect of intervention demonstrates policymakers' resolve to deter JPY weakness or if policy prudence is observed or if USD turned a lot softer, then perhaps JPY's weakness may be restraint. Pair was last seen at 157.40 levels. Daily momentum turned mild bullish while RSI shows tentative signs of turnaround from overbought conditions. Resistance at 158, 158.87 (previous high in 2025) and 160 levels. Support at 154.40 (21 DMA, 76.4% fibo), 151.60 (61.8% fibo retracement of 2025 high to low, 50 DMA).

- USDSGD. Double-Top?** USDSGD hovers near recent highs. Fears of slower Fed cut trajectory marginally added to USD strength. Pair last at 1.3070 levels. Bearish momentum on daily chart faded while RSI shows tentative signs of turning lower. Double-top pattern appears to be in the making, but it remains early to concur until we see the close tonight. Potentially, this may be a setup for a bearish reversal but we watch price action. 2-way trades likely in the interim with bias to fade upside. Resistance at 1.3090/1.31 levels (38.2% fibo). Support at 1.3020 (21 DMA), 1.30 levels (200 DMAs), 1.2950/60 levels (50 DMA, 23.6% fibo retracement of 2025 high to low). S\$NEER last around 1.2% above model implied mid. In data released this morning, Singapore's 3Q25 GDP was revised up more than expected to 4.2% YoY (2.4% QoQ sa), up from advance estimates of 2.9% YoY (1.3% QoQ sa) and exceeding our house forecast of 4.0% YoY (2.4% QoQ sa). Notably, the 3Q25 upgrades were across the board for manufacturing, construction and services

sectors. Our Economist noted that MTI upgraded the full-year 2025 growth forecast from 1.5-2.5% to around 4% YoY. This compares favourably to the 4.4% growth seen in 2024 and marks a significant improvement from the initial 0-2% forecast seen in May post-Liberation Day reciprocal tariff announcement. This implies that 4Q25 GDP growth could print around the 3% YoY. MTI opined that demand for AI-related electronics should continue to support manufacturing and wholesale trade sectors, whilst outward-oriented services sectors like infocomms, professional services and finance & insurance is also projected to stay resilient amid the positive spillovers. MTI also announced its 2026 growth forecast at 1-3% YoY. Our Economist upgraded our 2025 GDP growth forecast to 4% YoY and retain our 2026 growth forecast of 1-3% YoY.



Macro Research

Selena Ling

Head of Research & Strategy
lingssselena@ocbc.com

Herbert Wong

Hong Kong & Taiwan Economist
herberthtwong@ocbc.com

Jonathan Ng

ASEAN Economist
jonathannq4@ocbc.com

Tommy Xie Dongming

Head of Asia Macro Research
xied@ocbc.com

Lavanya Venkateswaran

Senior ASEAN Economist
lavanyavenkateswaran@ocbc.com

Ong Shu Yi

ESG Analyst
shuyionq1@ocbc.com

Keung Ching (Cindy)

Hong Kong & Macau Economist
cindyckeung@ocbc.com

Ahmad A Enver

ASEAN Economist
ahmad.enver@ocbc.com

FX/Rates Strategy

Frances Cheung, CFA

Head of FX & Rates Strategy
francescheung@ocbc.com

Christopher Wong

FX Strategist
christopherwong@ocbc.com

Credit Research

Andrew Wong

Head of Credit Research
wongvkam@ocbc.com

Ezien Hoo, CFA

Credit Research Analyst
ezienhoo@ocbc.com

Wong Hong Wei, CFA

Credit Research Analyst
wonghongwei@ocbc.com

Chin Meng Tee, CFA

Credit Research Analyst
mengteechin@ocbc.com

This report is solely for information purposes and general circulation only and may not be published, circulated, reproduced or distributed in whole or in part to any other person without our prior written consent. This report should not be construed as an offer or solicitation for the subscription, purchase or sale of the securities/instruments mentioned herein or to participate in any particular trading or investment strategy. Any forecast on the economy, stock market, bond market and economic trends of the markets provided is not necessarily indicative of the future or likely performance of the securities/instruments. Whilst the information contained herein has been compiled from sources believed to be reliable and we have taken all reasonable care to ensure that the information contained in this report is not untrue or misleading at the time of publication, we cannot guarantee and we make no representation as to its accuracy or completeness, and you should not act on it without first independently verifying its contents. The securities/instruments mentioned in this report may not be suitable for investment by all investors. Any opinion or estimate contained in this report is subject to change without notice. We have not given any consideration to and we have not made any investigation of the investment objectives, financial situation or particular needs of the recipient or any class of persons, and accordingly, no warranty whatsoever is given and no liability whatsoever is accepted for any loss arising whether directly or indirectly as a result of the recipient or any class of persons acting on such information or opinion or estimate. This report may cover a wide range of topics and is not intended to be a comprehensive study or to provide any recommendation or advice on personal investing or financial planning. Accordingly, it should not be relied on or treated as a substitute for specific advice concerning individual situations. Please seek advice from a financial adviser regarding the suitability of any investment product taking into account your specific investment objectives, financial situation or particular needs before you make a commitment to purchase the investment product. In the event that you choose not to seek advice from a financial adviser, you should consider whether the investment product mentioned herein is suitable for you. Oversea-Chinese Banking Corporation Limited ("OCBC Bank"), Bank of Singapore Limited ("BOS"), OCBC Investment Research Private Limited ("OIR"), OCBC Securities Private Limited ("OSPL") and their respective related companies, their respective directors and/or employees (collectively "Related Persons") may or might have in the future, interests in the investment products or the issuers mentioned herein. Such interests include effecting transactions in such investment products, and providing broking, investment banking and other financial or securities related services to such issuers as well as other parties generally. OCBC Bank and its Related Persons may also be related to, and receive fees from, providers of such investment products. There may be conflicts of interest between OCBC Bank, BOS, OIR, OSPL or other members of the OCBC Group and any of the persons or entities mentioned in this report of which OCBC Bank and its analyst(s) are not aware due to OCBC Bank's Chinese Wall arrangement. This report is intended for your sole use and information. By accepting this report, you agree that you shall not share, communicate, distribute, deliver a copy of or otherwise disclose in any way all or any part of this report or any information contained herein (such report, part thereof and information, "Relevant Materials") to any person or entity (including, without limitation, any overseas office, affiliate, parent entity, subsidiary entity or related entity) (any such person or entity, a "Relevant Entity") in breach of any law, rule, regulation, guidance or similar. In particular, you agree not to share, communicate, distribute, deliver or otherwise disclose any Relevant Materials to any Relevant Entity that is subject to the Markets in Financial Instruments Directive (2014/65/EU) ("MiFID") and the EU's Markets in Financial Instruments Regulation (600/2014) ("MiFIR") (together referred to as "MiFID II"), or any part thereof, as implemented in any jurisdiction. No member of the OCBC Group shall be liable or responsible for the compliance by you or any Relevant Entity with any law, rule, regulation, guidance or similar (including, without limitation, MiFID II, as implemented in any jurisdiction).

The information provided herein may contain projections or other forward looking statements regarding future events or future performance of countries, assets, markets or companies. Actual events or results may differ materially. Past performance figures are not necessarily indicative of future or likely performance.

Privileged / confidential information may be contained in this report. If you are not the addressee indicated in the message enclosing the report (or responsible for delivery of the message to such person), you may not copy or deliver the message and/or report to anyone. Opinions, conclusions and other information in this document that do not relate to the official business of OCBC Bank, BOS, OIR, OSPL and their respective connected and associated corporations shall be understood as neither given nor endorsed.

Co.Reg.no.: 193200032W

Follow our podcasts by searching 'OCBC Research Insights' on Telegram!