

## Daily Market Outlook

8 August 2025

### Tariff on Gold Bars

- **DXY. Next Week CPI a Focus.** USD slipped in reaction to Trump nominating Stephen Miran to temporarily serve as Fed Governor (seat vacated by Kugler). This is still pending senate confirmation and is only intended to be temporary (until end-Jan) while the administration continues its search for a permanent replacement. While his tenure is temporary, he is known to be a dove, and that may still influence the votes at upcoming FOMCs. There are 3 more FOMC meetings in Sep, Oct and Dec this year. Understandably, several officials may already have tilted dovish. Labour market softness seen from 3 months of payrolls, and the employment subcomponent of both ISM manufacturing and services have shifted markets to price in a good chance of a cut in Sep. Depending on the outcome of US CPI next Tue, markets may even shift toward a 25 or 50bp cut for Sep. Recall last year, when the Fed first cut rate, they delivered a 50bp cut at the Sep-2024 FOMC. Increase in dovish expectations can weigh on USD. DXY was last at 98 levels. Bullish momentum on daily chart shows signs of fading while RSI fell. Remain bias to sell rallies but we prefer to wait for outcome of CPI report. Support here at 98 levels, 97.20. Resistance at 99.50 (100 DMA), 100.50 levels.
- **Gold. Futures Rose.** According to an FT report, the US has imposed tariff on imports of 1-kg and 100-oz gold bars. The re-classification of the custom codes meant that gold export from Switzerland to US will be subjected to Switzerland's 39% tariff. Unexpected imposition of tariff on imports of kilobar sparked a sharp rally in gold futures, driven by expectations of tighter supply, and potential shifts in physical flows. There are already reports that Swiss refiners may be preparing to reduce shipments as they await legal clarity due to product re-classification. The spread of Gold 100oz futures for Dec2025 delivery over spot has surged to over \$100, from about \$58 end July. Uncertainty may still keep gold prices broadly supported. To add, China was seen to maintain its streak of purchasing gold for 9<sup>th</sup> straight month. Fed resuming rate cut cycle in due course should also boost the appeal of gold prices. XAU last seen at 3395 levels. Mild bullish momentum on daily chart intact but RSI is flat. Resistance at 3450, 3500 (2025 high) needs to be broken in order for gold bulls to reassert. Support at 3350 (21, 50 DMAs).

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- **GBPUSD. Surprise Vote Split.** GBP rose on BoE decision. MPC delivered a 25bp cut to bring policy rate to 4%, as widely expected but vote outcome caught markets by surprise. A re-vote was required after the initial vote saw a 3-way split of 4 members voting for hold, 4 members voting for 25bp cut and 1 member voting for 50bp cut. Some members warned that higher food prices would drive inflation higher. BoE Deputy Governor Ramsden said that the nature of the persistence of inflation has surprised him. Governor Bailey said the path continues to be downwards but added that was now “genuine uncertainty” over the scope for further cuts because BoE was balancing risks of a sharper downturn in activity against the risk of inflation failing to ease as forecast. Markets are now only pricing in 70% chance of a 25bp cut by end-2025. GBP was last at 1.3440. Daily momentum shows tentative signs of turning mild bullish while the rise in RSI moderated. Next resistance at 1.35 levels (50 DMA). Support at 1.34 (21 DMA), 1.3360 (100 DMA) and 1.3140 (38.2% fibo retracement of 2025 low to high). We look for consolidation in 1.33 – 1.35 range.
- **USDJPY. Consolidation.** USDJPY consolidated this week, in absence of fresh catalyst as markets await US CPI next Tue. 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 147.20 levels. Daily momentum is mild bearish though decline in RSI moderated. Near term consolidation; but retain bias still to sell rallies. Support here at 147.10 levels (38.2% fibo), 145.80/146 levels (50, 100 DMAs). Resistance at 147.90 (21 DMA), 149.40/50 levels (200 DMA, 50% fibo retracement of 2025 high to low). Carry trade allure is somewhat reduced as softer US data builds the case for Fed to resume rate cut cycle soon while BoJ is likely to continue to hike rate in due course. 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.
- **USDSGD. Sideways.** USDSGD slipped but continued to trade in subdued range. Pair was last at 1.2840 levels. Mild bullish momentum on daily chart faded while decline in RSI slowed. Sideways trading likely. Support at 1.2830/50 levels (21, 50 DMAs), 1.2760 levels. Resistance at 1.2990 (100 DMA). S\$NEER was steady at around +1.90% above our model-implied midpoint.



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