

Daily Market Outlook

Double Hit for GBP

- **Double Hit for GBP:** GBP faced dual headwinds from political uncertainty and a dovish BoE surprise. A March cut looks increasingly probable. If UK data holds and politics calm, GBP could stage a relative comeback.
- **Soft Data, Firm USD:** Soft US labour data lowered US yields but weather distortions likely inflated jobless claims. Risk-off sentiment kept the USD firm, pressuring AUD, NOK, gold, and silver. Moody's shifted Indonesia's credit rating outlook to negative while affirming its Baa2 rating.
- **Silver's sharp drop into the key USD 70–80 retracement zone** reflects stop-loss and margin-driven selling. Despite the correction, precious metals remain highly sensitive to USD moves, yield shifts, and policy uncertainty when the Fed leadership changes.

Sim Moh Siong

FX Strategist
(G10 & oil)

Christopher Wong

FX Strategist
(Asia & precious metals)

Soft Data, Firm USD: Soft US labour data pushed Treasury yields lower, with JOLTS openings falling, Challenger layoffs rising, and jobless claims ticking up. The claims jump, however, likely reflects weather-related distortions from January's winter storm rather than genuine labour market deterioration. Despite lower US yields, the USD firmed as a tech-led equity sell-off weighed on risk-sensitive currencies such as AUD and NOK, while anti-USD plays like gold and silver also underperformed. Separately, Moody's Ratings changed Indonesia's sovereign credit rating outlook from 'stable' to 'negative' while affirming its Baa2 sovereign rating. Please read [*Indonesia: Moody's changes outlook from stable to negative, 5 February 2026*](#) for more details.

Double Hit for GBP: Fresh UK political uncertainty and a dovish BoE hold weighed on GBP. Political tensions—intensified by pressure on PM Starmer over the Mandelson episode—also kept long-end gilts from rallying despite the BoE's dovish shift. The BoE surprised with a dovish 5–4 vote split (vs. 7–2 expected), signalling greater concern about softer growth and less worry about pay pressures. This reinforces the likelihood of a March rate cut – our base case –before a prolonged pause. Still, limits to further easing remain if the UK's improving data trend holds. If political uncertainty eases, the GBP could shed its "European laggard" tag, supported by relatively resilient UK data. By contrast, the ECB's latest hold was far less eventful, with policymakers staying firmly in wait-and-see mode.

Silver. Fragile sentiment for now. Sentiment turned soggy in Asia yesterday across most asset classes, including regional equities, cryptocurrencies and silver (-18%), with losses feeding onto one another and creating a self-reinforcing feedback loop amid thin market liquidity. The pullback has now taken prices back toward the 38.2%/50% Fibonacci retracement (~USD 70 – 80 range), a psychologically and technically important zone. The speed of the move suggests position-adjustment, stop-loss triggering and margin-related selling, consistent with silver's higher-beta profile as sentiment remain fragile. Even as prices of precious metals, including silver are now less elevated following the correction, sensitivity to the USD, yield repricing, and uncertainty around Fed policy under new leadership remains high. While positioning has likely reset to some extent, confidence may not have fully restored, pointing to a potential period of choppy, two-way trading. Silver was last seen at 74. Momentum is bearish on daily chart with RSI falling towards near oversold conditions. We continue to reiterate that 70–90 region now represents a critical stabilisation zone; sustained failure to hold above this area may risk deeper correction towards USD 58/60 levels. But should prices hold up in this range, then bullish momentum may rebuild at some point later.

THB. Temporary weakness. USDTHB extended its move overnight. Election-uncertainty risk premia, softer gold prices and firmer USD remain some of the near term drivers. Polls are not showing a clear indication as some pointed to Progressive People's party leading in voter intention while suggested that the race is more contested. Our economist has laid out 3 scenarios and we discuss the potential implications on THB. A clear outcome allowing for the formation of majority government is the most positive as economic policies can potentially be implemented smoothly. This should also be supportive of THB, and we reckon some of the weakness can dissipate and that THB should revert to taking cues from broader macro drivers including risk sentiment, USD trend. But in the event of no clear outcome or fragile coalition, then this makes implementing policies a challenge. And the risk of any election-related delay in budget disbursement may also weigh on consumption and growth. Consequentially, this may have implication on THB.

In the interim, potential election-related uncertainty, rebound in USD and the recent sell-off in gold, alongside checks on FX inflows and heightened scrutiny on gold-related THB inflows are some factors that may weigh on THB. On the other hand, THB weakness may be mitigated when USD bias turns softer and gold sentiment improves. USDTHB was last at 31.80 levels. Bullish momentum on daily chart intact while RSI rose to near-overbought conditions. Double-bottom bullish reversal is underway. Risks remain skewed to the upside for now. Resistance at 31.80/95 levels (38.2% fibo retracement of Oct high to 2026 low, 100

DMA), and 32.12 (61.8% fibo). Support at 31.65 (38.2% fibo), 31.30 levels (21 DMA, 23.6% fibo).

Technical Levels Table

	EURUSD	USDJPY	GBPUSD	USDCHF	AUDUSD	NZDUSD	USDCAD	XAUUSD	USDSGD	USDPHP	USDINR
Resistance 3	1.1885	158.57	1.3861	0.7860	0.7115	0.6093	1.3810	5382	1.2814	59.30	91.21
Resistance 2	1.1838	157.77	1.3716	0.7815	0.7034	0.6031	1.3751	5118	1.2779	59.05	90.76
Resistance 1	1.1808	157.41	1.3623	0.7799	0.6981	0.5991	1.3732	4949	1.2766	58.88	90.56
Spot	1.1777	156.80	1.3521	0.7778	0.6916	0.5939	1.3712	4706	1.2757	58.71	90.36
Support 1	1.1761	156.61	1.3478	0.7754	0.6900	0.5929	1.3673	4685	1.2731	58.63	90.11
Support 2	1.1744	156.17	1.3426	0.7725	0.6872	0.5907	1.3633	4591	1.2709	58.54	89.87
Support 3	1.1697	155.37	1.3281	0.7680	0.6791	0.5845	1.3574	4327	1.2674	58.29	89.42
Bollinger Band											
Bollinger Upper	1.2017	160.62	1.3869	0.8104	0.7127	0.6146	1.3993	5344	1.295	59.62	92.43
Bollinger Lower	1.1530	152.47	1.3274	0.7584	0.6593	0.5677	1.3491	4371	1.2592	58.66	89.45

Source: Bloomberg, OCBC Group Research. Potential resistance and support levels are identified based on pivot points

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