

Daily Market Outlook

Risk Mood Firms

- **Risk Mood Firms:** Risk sentiment improved on easing geopolitical tensions and tech rebound. Most of the easy downside in oil prices is likely behind us. A softer USD overnight awaits catalysts from central banks and US data. Fed independence concerns eased, supporting modest USD upside.
- **GBP Holds Firm:** GBP stays supported by carry and steady growth. Fiscal clarity from the incoming leadership is key. Markets want delivery at the Autumn Budget. For now, we remain neutral with EURGBP broadly range-bound.
- **THB weakness shows tentative signs of moderation.** Sustained gains require USD momentum to fade, oil prices to stay contained and gold to rebound.

Sim Moh Siong

FX Strategist
(G10 & oil)

Christopher Wong

FX Strategist
(Asia & precious metals)

Risk Mood Firms: Global risk appetite firmed as geopolitical tail risks eased and large-cap tech rebounded after recent underperformance. Oil rose after a brief US-Iran exchange of fire over the weekend, but a ceasefire is now in place and talks will resume in Doha. With de-escalation underway, most of the easy downside in oil prices is likely behind us.

The USD softened slightly in the more constructive risk backdrop. Near-term direction now hinges on stronger catalysts, notably central bank signals from the ECB Sintra forum and Thursday's US payrolls report.

In a narrow 5-4 ruling, the Supreme Court allowed Governor Cook to remain on the Fed Board while her case proceeds. By limiting removal risk, the decision reinforces Fed independence versus other agencies. Markets took it in stride, suggesting expectations were aligned.

Still, it helps ease concerns about Fed independence and "debasement" risk. Debasement trades have already started to unwind, reflected in a flatter US yield curve and softer gold and crypto. Resilient US data, hawkish Fed signals and sustained AI capex contrast with weaker momentum in Europe and China, and a behind-the-curve BoJ. This backdrop supports scope for modest USD upside.

GBP Holds Firm: The GBP has proven resilient to local political developments and associated fiscal risks. Carry support from foreign

inflows into gilts should be in place for longer, as the BoE remains reluctant to ease policy amid resilient growth – even with ongoing disinflation. Attention now turns to prime ministerial candidate Andy Burnham’s choice of Chancellor and fiscal approach. Early signals suggest continuity with the current fiscal framework, but markets will place greater weight on execution at the Autumn Budget than on early guidance. In Manchester, Burnham pledged to stick to existing fiscal rules while prioritising re-industrialisation and devolution. We maintain a neutral view on GBP, reflected in a broadly flat EURGBP profile.

Asian FX may find a breather if USD momentum fades. A fair bit of Fed hawkishness and US data resilience are already in USD pricing, leaving the USD potentially vulnerable to any downside surprise in US labour market data. At the same time, contained oil prices should help ease external-balance and inflation concerns for net oil importer FX in the region. Against this backdrop, we see scope for some recovery in selected Asian FX, with IDR standing out given the easing oil drag, still-supportive BI stance and room for positioning to stabilise if broader USD momentum cools.

USDTHB. Pullback. USDTHB’s rebound is showing signs of running into interim resistance around the 33.40 levels, after a sharp move higher last week. BOT officials recently attributed THB weakness mainly to broad USD strength and Thai equity outflows, while also signalling readiness to manage excessive FX moves. Overall, softer oil can help slow USDTHB upside, but THB recovery may remain shallow unless USD momentum fades, oil stay contained portfolio outflows and gold prices stabilise. USDTHB last seen at 33.28 levels. Mild bullish momentum on daily chart remains intact though RSI shows signs of easing from overbought conditions. Retracement lower not ruled out. Support at 33.20, 33 levels. Resistance at 33.41 (61.8% fibo retracement of 2025 high to 2026 low).

USDSGD. Slippage. USDSGD slipped, tracking the moves in USD while broader risk sentiment tentatively stabilised. Pair was last at 1.2925 levels. Bullish momentum on daily chart faded while RSI fell. Risks skewed to the downside. Support at 1.29 (61.8% fibo retracement of Nov high to 2026 low), 1.2880 (21 DMA). Resistance at 1.2980 levels (76.4% fibo). S\$NEER model shows S\$NEER trading around 1.65% above model implied mid. On data release, deposits and balances of residents out Singapore is expected later today.

Technical Levels Table

	EURUSD	USDJPY	GBPUSD	USDCHF	AUDUSD	NZDUSD	USDCAD	XAUUSD	USDSGD	USDPHP	USDINR
Resistance 3	1.1513	162.58	1.3379	0.8148	0.6958	0.5734	1.4287	4205	1.3031	61.53	95.08
Resistance 2	1.1462	162.21	1.3308	0.8116	0.6925	0.5693	1.4244	4120	1.2978	61.37	94.76
Resistance 1	1.1442	162.08	1.3283	0.8097	0.6906	0.5672	1.4228	4068	1.2953	61.27	94.65
Spot	1.1418	161.93	1.3252	0.8080	0.6880	0.5649	1.4212	4014	1.2928	61.18	94.54
Support 1	1.1391	161.71	1.3212	0.8065	0.6873	0.5631	1.4185	3982	1.2900	61.11	94.34
Support 2	1.1360	161.47	1.3166	0.8052	0.6859	0.5611	1.4158	3949	1.2872	61.05	94.14
Support 3	1.1309	161.10	1.3095	0.8020	0.6826	0.5570	1.4115	3864	1.2819	60.90	93.83
Bollinger Band											
Bollinger Upper	1.1662	162.35	1.3491	0.8155	0.7156	0.5916	1.4307	4477	1.2988	62.09	95.94
Bollinger Lower	1.1326	159.46	1.3128	0.7876	0.6849	0.5600	1.3827	3928	1.2798	60.28	94.00

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

Disclaimers

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 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, 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, OSPL and their respective connected and associated corporations shall be understood as neither given nor endorsed.

Co.Reg.no.: 193200032W

Additional disclosures and disclaimers applicable only to clients of Bank of Singapore Limited

This material is being made available to you through an arrangement between Bank of Singapore Limited (Co Reg. No.: 197700866R) ("BOS") and Oversea-Chinese Banking Corporation Limited ("OCBC Bank") (Co Reg. No.: 193200032W). BOS and OCBC Bank shall not be responsible or liable for any loss (whether direct, indirect or consequential) that may arise from, or in connection with, any use of or reliance on any information contained in or derived from this material, or any omission from this material, other than where such loss is caused solely by BOS' or OCBC Bank's wilful default or gross negligence.

The DIFC Branch of BOS has not conducted or produced any research contained in this material and is acting solely as a conduit in forwarding it to you.

For BOS clients in the United Kingdom:

This research has been prepared by OCBC Bank and made available to BOS. It is intended solely for informational purposes and does not constitute investment advice, a personal recommendation, or an offer or solicitation to buy or sell any financial instruments. Any payments or non-monetary benefits received or paid will be fully disclosed in accordance with applicable regulations, promptly and transparently, and will not influence the advice or services offered to you. If you would like more information about any inducements received, please contact your Relationship Manager.

Cross Border Disclaimer and Disclosures

Please refer to https://www.bankofsingapore.com/Disclaimers_and_Disclosures.html for cross-border marketing disclaimers and disclosures.