

Daily Market Outlook

JPY Under Pressure

- **JPY Under Pressure:** Intervention risk remains. But markets see a higher bar for intervention as fundamentals partly drive JPY weakness. Unless the BoJ signals a quickening of the tightening pace, USDJPY is likely to stay supported.
- **Sintra Central Bank Watch:** Sintra is unlikely to deliver policy surprises, but Fed Chair Warsh's tone on oil and labour market is key. Stable US labour data and hawkish Fed risks support modest USD upside, while softer eurozone inflation lowers pressure for near-term ECB tightening.
- **Gold and silver forecast levels have been lowered,** but not the direction. The revision reflects a tougher near-term macro setup.
- **Asian FX is in consolidation for now** as markets await Warsh at Sintra and US payrolls on Thursday; with many positives already priced for the USD, further USD/Asia upside may require fresh hawkish rhetoric or a strong data surprise.

Sim Moh Siong

FX Strategist
(G10 & oil)

Christopher Wong

FX Strategist
(Asia & precious metals)

JPY Under Pressure: USDJPY has climbed to fresh 40-year highs above 162. Intervention risk remains elevated, but officials have not issued the strong pre-emptive warnings seen before the 30 April operation. This points to greater tolerance for JPY weakness, at least for now.

The bar for intervention looks higher as recent moves reflect external drivers rather than purely speculative activity. Higher US yields and a stronger dollar have been key. As a rate-sensitive safe haven, the yen tends to underperform when US yields and equities rise together. AI-driven gains in US equities supported risk sentiment overnight, while firmer US labour data pushed Treasury yields higher.

Domestic factors are also unhelpful. Fiscal concerns are resurfacing, driving bear-steepening and weakness at the JGB long end. The government's potential explicit reference to the BoJ's role in its policy framework have also raised market concerns that the BoJ could fall behind the curve. Japan's real rates remain too low relative to the US. We would need the BoJ to exceed already priced-in tightening expectations to turn more constructive on the JPY.

Sintra Central Bank Watch: Fed Chair Warsh speaks at Sintra today, but expectations for fresh policy guidance are low after June's FOMC press conference. The key will be his framing of recent Middle East developments and the drop in crude oil prices. Labour market signals also matter. The May JOLTS report supports the view that US labour conditions have stabilised after earlier softening. We retain a modest bullish bias on USD, underpinned by hawkish Fed risks.

On the ECB side, a dovish shift from Lagarde at Sintra looks unlikely. However, softer eurozone inflation should reduce the urgency for near-term tightening following June's hike. ECB officials continue to flag uncertainty around second-round effects, but several have indicated no pressing need to hike in July if energy markets remain stable.

Precious metals. Forecasts revised. Gold and silver forecasts have been revised lower to \$4360 and \$67, respectively for end-2026 (*Precious Metals Focus – Gold and Silver: Forecasts revised lower, 30 Jun 2026*). The change reflects a more challenging near-term macro backdrop, rather than a full reassessment of the medium-term structural case for precious metals. In particular, the near-term setup has deteriorated for both metals. Real yields have repriced higher, the USD has strengthened, Fed expectations have shifted in a more hawkish direction while ETF demand has slowed.

Turnaround in gold and silver prices require the macro environment to improve and the includes easing in real yields, a softer USD or a clearer unwind in hawkish Fed expectations. Without that, rallies are likely to be faded and gold, silver may spend more time consolidating below previous highs. That said, the broader constructive case remains, hence the mild upward sloping trajectory stays. Gold's medium-term diversification role remains valid, while silver's structural deficit story is intact. Gold and silver need a friendlier macro backdrop before we rebuild stronger conviction.

Asian FX looks to be in tentative consolidation mode, with most pairs lacking strong direction as markets wait for the next USD catalyst. The key focus is Fed Chair Kevin Warsh's Sintra panel later today, followed by the US payrolls report due a day earlier than usual on Thursday. For now, many positives appear to be in the price for the USD, after the recent hawkish Fed repricing and still-resilient US data backdrop. Asian FX can be vulnerable to further USD upside if Warsh leans hawkish or payrolls surprise strongly, but that also means the bar for fresh USD strength is arguably higher. Softer oil prices remain a partial buffer for net oil importer FX, while the absence of fresh negative catalysts should allow some consolidation for now. We stay cautious but would not

chase USD/Asia higher into event risk, especially if US data disappointment starts to slow USD momentum.

USDSGD. 2-way trades. USDSGD consolidated as markets await fresh catalyst. Warsh’s comments later today is likely to come under scrutiny for any fresh hawkish leaning while US payroll release on Thursday could be another trigger. Pair was last at 1.2940 levels. Bullish momentum on daily chart faded but decline in RSI also moderated. 2-way trades likely for now. 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), 1.3030.

Technical Levels Table

	EURUSD	USDJPY	GBPUSD	USDCHF	AUDUSD	NZDUSD	USDCAD	XAUUSD	USDSGD	USDPHP	USDINR
Resistance 3	1.1522	163.91	1.3379	0.8161	0.7035	0.5768	1.4347	4245	1.2998	61.65	95.12
Resistance 2	1.1468	163.14	1.3315	0.8122	0.6970	0.5719	1.4277	4125	1.2968	61.47	94.88
Resistance 1	1.1445	162.85	1.3288	0.8103	0.6944	0.5698	1.4237	4067	1.2953	61.40	94.77
Spot	1.1415	162.61	1.3252	0.8087	0.6915	0.5675	1.4202	4008	1.2942	61.34	94.67
Support 1	1.1391	162.08	1.3224	0.8064	0.6879	0.5649	1.4167	3946	1.2923	61.22	94.54
Support 2	1.1360	161.60	1.3187	0.8044	0.6840	0.5621	1.4137	3885	1.2908	61.10	94.41
Support 3	1.1306	160.83	1.3123	0.8005	0.6775	0.5572	1.4067	3765	1.2878	60.91	94.18
Bollinger Band											
Bollinger Upper	1.1649	162.72	1.3477	0.8160	0.7135	0.5901	1.4313	4447	1.2993	62.05	95.93
Bollinger Lower	1.1321	159.40	1.3127	0.7888	0.6853	0.5599	1.3850	3915	1.2805	60.29	93.97

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.