By Global Markets | 2 July 2026

Daily Market Outlook

Payrolls In Focus

Sim Moh Siong
FX Strategist
(G10 & oil)

Christopher Wong
FX Strategist
(Asia & precious metals)

- ***Payrolls In Focus:*** *With Chair Warsh offering little clarity on the Fed's next move, markets are turning to today's payrolls report for direction. While Fed pricing remains finely balanced, we continue to favour a modestly stronger USD on lingering hawkish policy risks.*

- ***Hormuz Flows Rebound****: Hormuz flows are improving, yet risks remain. Soft physical oil markets signal near-term looseness. Inventory restocking and shipping risks should cushion further oil price declines even as our oil forecasts are revised lower.*

- ***Gold's rebound overnight looks more like a tentative relief****. For gold to recover more convincingly, the macro backdrop needs to improve. Support at 3960 while resistance at 4110.*

- ***KRW underperformance reflects outflows and USD dynamics.*** *We watch for technical signs of fatigue, but any durable turnaround requires foreign equity outflows to slow, USD momentum to fade or US yields to ease more decisively.*

Payrolls In Focus: USD and US Treasury yields gave back earlier gains after Fed Chair Warsh's appearance at the ECB Forum in Sintra fell short of market expectations for a hawkish signal.

Warsh offered little guidance on the near-term policy outlook but noted that inflation risks and inflation expectations have eased over the past four weeks, likely reflecting recent developments in the Middle East and the decline in crude oil prices. He added that "late-breaking news" could influence the Fed's July decision, with markets currently pricing around 7bp of tightening.

As a result, attention now turns to today's US payrolls report, a key data release for the Fed. Consensus expects nonfarm payrolls to rise by 113,000, while the unemployment rate is projected to remain unchanged at 4.3%.

Despite the softer market interpretation of Warsh's remarks, we retain a modest bullish bias on the USD, supported by the risk that the Fed maintains a hawkish stance.

Separately, the US has opted not to renew the USMCA, instead moving to annual rolling reviews. The agreement remains in force and will continue until 2036 unless replaced by a renewed deal. Encouragingly, the US remains engaged in trade negotiations, with talks between the US and Mexico already scheduled for later this month.

Hormuz Flows Rebound: Shipping traffic – and thus oil flows – through the Strait of Hormuz has picked up following the US–Iran memorandum of understanding. Vessel transits have rebounded to about 30% of normal levels, though momentum slowed after a container ship incident off Oman on 25 June. The surge mainly reflects the release of floating storage previously stranded in the Gulf. Slower inbound traffic suggests shipowners remain cautious, indicating flows may ease once backlog cargoes clear.

Expectations of normalised flows quickly pushed crude prices back to pre-conflict levels, reviving the oversupply narrative. The physical market remains soft: Dated Brent trades at a discount to futures, and the front-end Brent curve has flattened, with the month 1/ month 2 time spread slipping into contango—signalling near-term looseness despite tighter oil balances further out.

We lower our end-2026 Brent forecast to USD75/bbl from USD80 and trim our 2027 outlook. Even so, we expect price declines to moderate, as markets appear overly optimistic about the speed and durability of supply recovery. De-mining in the Strait remains a key operational risk for shippers, while markets may be overestimating the durability of the US-Iran ceasefire. Strong US exports and weak China imports helped cap the initial price spike but drew down inventories. Restocking by both economies should absorb returning Middle East supply and help stabilise prices.

Crude Oil Forecasts						
	3Q26	**4Q26**	**1Q27**	**2Q27**	**3Q27**	**2026**
ICE Brent USD/bbl (new)	75.0	75.0	73.0	71.0	69.0	81.2
ICE Brent USD/bbl (previous)	85.0	80.0	75.0	75.0		85.8
NYMEX WTI USD/bbl (new)	71.0	71.0	69.0	67.0	65.0	76.7
NYMEX WTI USD/bbl (previous)	81.0	76.0	71.0	71.0		81.3

Source: OCBC Group Research

Gold. Tentative relief. Gold's rebound overnight should be seen as tentative relief for now. Fed's Warsh did acknowledge that inflation risks and expectations have come down, while the softer ADP print helped yields ease off their highs. But he also reaffirmed the Fed's 2% inflation objective and avoided giving markets a clear steer on the July decision. The price action still reinforces the real-yield linkage. Gold has struggled as markets repriced the real-rate path higher, lifting the opportunity cost of holding the metal and weighing on investor demand. Yesterday's bounce was the same channel in reverse: weaker labour data and a modest pullback in yields were enough to trigger some short-covering after a sharp drawdown. But without a more decisive turn lower in real yields, rallies can still fade quickly.

For gold to recover more convincingly, the macro backdrop needs to improve. US data need to soften enough to challenge further tightening risk, inflation and energy-price concerns need to stay contained, and the USD-real yield combination needs to stop moving against gold. Until then, the near-term bias remains challenging. Thu's US payroll data will be another data risk for gold. A hotter print would weigh on gold while a softer print may see gold attempt to rebound.

We remain cautious near term, but not structurally bearish. Central-bank demand and reserve diversification remain important medium-term supports, but they are unlikely to fully offset a renewed rise in real yields and the USD. The next leg higher in gold probably needs clearer evidence of softer US data, lower real yields and a less hawkish Fed repricing.

Gold last seen at 4030 levels. Bearish momentum on daily chart has faded while RSI showed tentative signs of turning higher. We continue to monitor if price action hints at signs of turnaround, but refrained from over-interpreting it at this point. Resistance at 4110, 4160/74 levels (21 DMA, 61.8% fibo retracement of Jul low to 2026 high). Support at 3960, 3890 levels.

Source: Bloomberg, OCBC Group Research

USDKRW. Technical turnaround soon? KRW remains on the back foot despite Korea's very strong export data (+70.9% YoY for Jun vs. 60.9% exp). The drag on KRW appears less about trade fundamentals and more about portfolio flow and broader USD dynamics. Foreign investors have continued to reduce exposure with net foreign equity outflows at USD8.5b week-to-date. KRW may stay under pressure unless foreign equity outflows slow, USD momentum fades or US yields ease more decisively. USDKRW last seen at 1550 levels. Daily momentum is mild bullish while RSI rose. Upside risk intact for now while we continue to watch if momentum struggles to hold up. Resistance at 1560/62 levels. Support at 1540, 1532 levels (21 DMA).

USDSGD. Eye US Payrolls. USDSGD continued to trade in recent range as markets await fresh catalyst. US payroll release on Thursday could be a trigger for USD. Pair was last at 1.2955 levels. Mild bullish momentum on daily chart intact but RSI is flat. 2-way trades likely for now. Resistance at 1.2980 levels (76.4% fibo), 1.3030 levels. Support at 1.29 (61.8% fibo retracement of Nov high to 2026 low), 1.2880 (21 DMA).

Technical Levels Table

	EURUSD	USDJPY	GBPUSD	USDCHF	AUDUSD	NZDUSD	USDCAD	XAUUSD	USDSGD	USDPHP	USDINR
Resistance 3	1.1509	163.65	1.3408	0.8182	0.6973	0.5737	1.4300	4346	1.3032	62.12	96.42
Resistance 2	1.1448	163.11	1.3335	0.8140	0.6936	0.5705	1.4257	4191	1.2994	61.84	95.73
Resistance 1	1.1413	162.85	1.3305	0.8118	0.6914	0.5689	1.4237	4111	1.2975	61.74	95.49
Spot	1.1378	162.59	1.3280	0.8093	0.6892	0.5676	1.4221	4040	1.2958	61.63	95.25
Support 1	1.1352	162.31	1.3232	0.8076	0.6877	0.5657	1.4194	3955	1.2937	61.45	94.80
Support 2	1.1326	162.03	1.3189	0.8056	0.6862	0.5641	1.4171	3880	1.2918	61.27	94.36
Support 3	1.1265	161.49	1.3116	0.8014	0.6825	0.5609	1.4128	3725	1.2880	60.98	93.67
Bollinger Band											
Bollinger Upper	1.1635	162.90	1.3461	0.8161	0.7116	0.5885	1.4324	4394	1.3001	62.03	95.93
Bollinger Lower	1.1308	159.47	1.3131	0.7908	0.6846	0.5596	1.3872	3927	1.281	60.30	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.