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Daily Market Outlook

Forecast Reset

- ***Reset, Not Reversal**: We have updated forecasts after the earlier USD sell-off but still expect moderate USD strength into early 2027. Warsh's hawkish tone reinforced Fed credibility, while resilient growth and sticky inflation should keep policy restrictive and support the USD.*

- ***Supply Recovery Delayed:** We raise our end-2026 Brent forecast to USD80/bbl from USD75/bbl as Middle East supply disruptions look more prolonged. Inventories are falling, transport costs are rising, and diesel shortages are emerging as the key constraint, keeping geopolitical risk firmly embedded in prices.*

- ***Asian FX forecasts were calibrated modestly firmer** vs USD, reflecting developments over recent weeks. Revisions are more notable for KRW, on firmer domestic/flow dynamics, and MYR, where resilient fundamentals, supportive external balances and fading political noise have improved the backdrop.*

- ***Precious metals forecasts were also revised slightly higher,** reflecting a firmer starting point, improving investment participation and still-supportive structural demand, while Jackson Hole outcome may keep the near-term path more two-way.*

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Reset, Not Reversal: We have marked our forecasts to market following the USD's earlier decline, which was driven by policy uncertainty after the Treasury's surprise EURJPY intervention and expanded buyback plans. Even so, we continue to expect modest USD strength into early 2027.

Concerns over currency debasement have eased since Fed Chair Warsh's Jackson Hole speech, which helped restore confidence in the Fed's commitment to controlling inflation. His remarks were notably more hawkish than those delivered at the July FOMC press conference.

Market pricing also resembled the post-June FOMC reaction, with investors refocusing on inflation risks and central bank credibility. A resilient labour market, sticky inflation and the Fed's determination to protect its anti-inflation credentials should keep policy biased toward restraint, providing ongoing support for the USD.

Supply Recovery Delayed: More than five months into the Middle East conflict, oil prices remain driven by geopolitics. We raise our end-2026 Brent forecast to USD80/bbl from USD75/bbl, reflecting a slower recovery in Middle East supply as US-Iran negotiations over reopening the Strait of Hormuz remain stalled. Brent crude rose above USD90/bbl overnight as Middle East tensions escalated, with the US and Iran exchanging strikes for the first time in roughly a month and new concerns emerging over shipping through the Strait of Hormuz.

The global oil market has so far adapted well enough to avoid a crude shortage. Gulf producers have diverted exports through alternative routes, while increased use of "dark" shipping has helped sustain flows through the Strait of Hormuz.

But this resilience is becoming more costly. Inventories are being drawn down, freight costs are rising, and refined fuel markets are coming under growing strain.

The market's overall buffer continues to shrink. US Strategic Petroleum Reserve drawdowns have slowed as stockpiles approach operational minimum levels, leaving reserves near historic lows. China remains a key swing factor. Its sharp drop in oil imports has helped prevent a tighter global market. But China’s ability to keep imports low will be tested by falling domestic inventories and as seasonal demand picks up.

The clearest stress is emerging in refined products. US diesel crack spreads have surged towards USD100/bbl, pointing to severe middle-distillate shortages. Refineries in the US and China are running at high utilisation rates, yet inventories remain thin and strategic reserves continue to support supply.

The oil market has largely adjusted to crude supply disruptions, but only by depleting buffers. The key bottleneck is no longer crude. It is diesel.

Revisions to Asian FX forecasts. We have recalibrated some of our Asian FX forecasts to reflect a slightly firmer profile against the USD. The revisions incorporated recent market developments and shifts in underlying FX drivers over the past few weeks. The adjustments are more notable for KRW and MYR. For KRW, the revision reflects a stronger-than-expected currency response amid improved domestic fundamentals, more supportive corporate and exporter-related flows, and reduced concerns around persistent capital outflows. For MYR, resilient growth and supportive external balances remain constructive, while the easing of recent domestic political noise has helped reduce the political risk premium. Earlier measures to encourage FX inflows should also provide some support at the margin.

More broadly, we continue to expect a differentiated path across Asian currencies rather than a uniform trend, with the extent and pace of gains likely to remain dependent on country-specific fundamentals, monetary policies, fund flows and external developments including shifts in yields, oil price movements.

Upward adjustment to precious metals forecasts. We have also revised our precious metals forecasts higher, largely reflecting recent market developments. The macro backdrop has turned more supportive, with softer US data, some easing in yield pressure and a less consistently firm USD helping precious metals regain traction. At the same time, investment participation has improved, particularly through ETF accumulation and a rebuilding in futures positioning, while underlying structural supports, including central-bank demand for gold and persistent supply constraints in silver and selected PGMs remain intact.

Jackson Hole outcome may have temporarily temper the near-term upside by keeping Fed tightening risks in focus, but it does not materially alter the broader picture. Overall, the stronger starting point and more constructive demand backdrop warrant a slightly higher forecast path, albeit with scope for consolidation should yields and the USD re-strengthen.

Technical Levels Table

	EURUSD	USDJPY	GBPUSD	USDCHF	AUDUSD	NZDUSD	USDCAD	XAUUSD	USDSGD	USDPHP	USDINR
Resistance 3	1.1690	161.25	1.3620	0.8172	0.7198	0.5963	1.3991	4586	1.2808	62.78	96.03
Resistance 2	1.1648	160.53	1.3584	0.8125	0.7181	0.5939	1.3932	4511	1.2765	62.58	95.64
Resistance 1	1.1633	160.13	1.3566	0.8104	0.7174	0.5928	1.3893	4474	1.2737	62.49	95.41
Spot	1.1617	159.78	1.3547	0.8084	0.7168	0.5918	1.3854	4447	1.2711	62.40	95.17
Support 1	1.1591	159.41	1.3530	0.8057	0.7157	0.5904	1.3834	4399	1.2694	62.29	95.03
Support 2	1.1564	159.09	1.3512	0.8031	0.7147	0.5891	1.3814	4360	1.2679	62.18	94.88
Support 3	1.1522	158.37	1.3476	0.7984	0.7130	0.5867	1.3755	4285	1.2636	61.98	94.50
Bollinger Band											
Bollinger Upper	1.1712	160.37	1.3668	0.8172	0.7213	0.5986	1.4016	4691	1.2847	62.39	95.84
Bollinger Lower	1.1488	157.89	1.3432	0.7979	0.7012	0.5837	1.3758	4204	1.2663	60.59	95.06

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

FX Forecasts

Currency Pair	Current (31 Aug)	Sep-26	Dec-26	Mar-27	Jun-27	Sep-27
USD-JPY	160	160	160	161	161	159
EUR-USD	1.16	1.15	1.14	1.13	1.13	1.14
GBP-USD	1.35	1.34	1.31	1.30	1.30	1.31
AUD-USD	0.72	0.73	0.73	0.72	0.72	0.72
NZD-USD	0.60	0.60	0.61	0.62	0.62	0.62
USD-CAD	1.39	1.39	1.39	1.40	1.40	1.39
USD-CHF	0.81	0.82	0.82	0.83	0.83	0.82
DXY	99.7	100.3	101.1	101.9	101.9	100.8
USD-SGD	1.2740	1.2710	1.2650	1.2620	1.2580	1.2560
USD-CNY	6.7300	6.7200	6.6900	6.6700	6.6400	6.6200
USD-CNH	6.7300	6.7200	6.6900	6.6700	6.6400	6.6200
USD-THB	32.90	33.20	32.70	32.50	32.40	32.20
USD-IDR	17692	17820	17720	17620	17580	17550
USD-MYR	4.0200	4.0400	4.0200	4.0000	3.9800	3.9600
USD-KRW	1375	1375	1360	1340	1320	1300
USD-TWD	31.60	31.80	31.60	31.50	31.40	31.30
USD-HKD	7.84	7.84	7.84	7.83	7.82	7.82
USD-PHP	62.30	62.60	62.20	61.80	61.30	61.20
USD-INR	95.40	95.20	94.80	94.50	94.20	94.00
USD-VND	26078	26100	26000	25900	25800	25800
EUR-JPY	185	184	182	182	182	181.26
EUR-GBP	0.86	0.86	0.87	0.87	0.87	0.87
EUR-CHF	0.94	0.94	0.94	0.94	0.94	0.94
EUR-AUD	1.62	1.58	1.56	1.57	1.57	1.58
EUR-NOK	10.86	11.00	11.10	11.10	11.10	11.00
AUD-NZD	1.21	1.21	1.19	1.17	1.16	1.16
EUR-SGD	1.48	1.46	1.44	1.43	1.42	1.43
GBP-SGD	1.70	1.70	1.66	1.64	1.63	1.65
AUD-SGD	0.91	0.93	0.92	0.91	0.91	0.90
NZD-SGD	0.75	0.77	0.78	0.78	0.78	0.78
CAD-SGD	0.92	0.91	0.91	0.90	0.90	0.90
CHF-SGD	1.58	1.55	1.53	1.52	1.51	1.52
JPY-SGD	0.80	0.79	0.79	0.78	0.78	0.79
SGD-MYR	3.17	3.18	3.18	3.17	3.16	3.15
SGD-CNY	5.28	5.29	5.29	5.29	5.278	5.29
SGD-IDR	13924	14020	14008	13962	13975	13973
SGD-THB	26.00	26.12	25.85	25.75	25.76	25.64
SGD-PHP	49.01	49.25	49.17	48.97	48.73	48.73
SGD-VND	20460	20535	20553	20523	20509	20541
SGD-CNH	5.28	5.29	5.29	5.29	5.28	5.27
SGD-TWD	24.79	25.02	24.98	24.96	24.96	24.92
SGD-KRW	1080	1082	1075	1062	1049	1035
SGD-HKD	6.10	6.17	6.20	6.20	6.22	6.23
SGD-JPY	126	126	126	128	128	127
Gold $/oz	4455	4400	4600	4720	4850	4960
Silver $/oz	66.38	66.67	69.70	71.52	73.48	75.15
Platinum $/oz	1824	1867	1952	2002	2058	2104
Palladium $/oz	1425	1425	1490	1529	1571	1606
ICE Brent $/bbl	88	85	80	78	76	74
NYMEX WTI $/bbl	83	81	76	74	72	70
Aluminium $/mt	3242	3,150	3,050	3,075	3,100	3,100
Copper $/mt	14294	12,500	12,500	12,600	12,800	12,800

Source: OCBC Group Research (Latest Forecast Update: 31 August 2026)

Note: These are not meant to serve as point forecast for the quarter-end but meant as trajectory bias of the currency pair.

FX Forecasts

	Current (31 Aug)	3M	6M	12M
Forecast for G10 Currencies				
EURUSD	1.16	1.14	1.13	1.14
GBPUSD	1.35	1.32	1.30	1.31
USDJPY	160	160	161	160
USDCHF	0.81	0.82	0.83	0.83
AUDUSD	0.72	0.73	0.72	0.72
NZDUSD	0.60	0.61	0.61	0.62
USDCAD	1.39	1.39	1.40	1.39
EURNOK	10.86	11.07	11.10	11.03
Forecast for Asian Currencies				
USDCNY	6.73	6.70	6.68	6.63
USDIDR	17692	17753	17653	17560
USDINR	95.40	94.93	94.60	94.07
USDKRW	1375	1365	1347	1307
USDMYR	4.02	4.03	4.01	3.97
USDPHP	62.30	62.33	61.93	61.23
USDSGD	1.27	1.27	1.26	1.26
USDTHB	32.90	32.87	32.57	32.27
USDTWD	31.60	31.67	31.53	31.33
Forecast for Precious Metals				
Gold $/oz	4455	4533	4680	4923
Silver $/oz	66.38	68.80	70.91	74.60
Platinum $/oz	1824	1923	1985	2089
Palladium $/oz	1425	1468	1516	1594
Forecast for Crude Oil				
NYMEX WTI $/bbl	83	77.7	74.7	70.7
ICE Brent $/bbl	88	81.7	78.7	74.7

Source: OCBC Group Research (Latest Forecast Update: 31 August 2026)

Note: The 3-, 6-, and 12-month forecasts may vary slightly over time even when the underlying FX outlook remains unchanged. This is because we use a single set of core FX and interest-rate forecasts anchored on quarter-end levels. From these quarter-end projections, we derive the 3-, 6-, and 12-month forecasts using straightforward methodologies, including interpolation. This approach ensures internal consistency across all forecast horizons.

Interest Rates Forecasts

	3M	6M	12M
Forecasts for US interest rates			
Fed Funds Rate	3.75	3.75	3.75
2-Year US Treasury	4.15	4.05	4.00
5-Year US Treasury	4.25	4.20	4.15
10-Year US Treasury	4.55	4.45	4.45
30-Year US Treasury	5.10	5.10	5.15
Forecast for US SOFR swap rates			
2-Year Rate	3.95	3.90	3.85
5-Year Rate	4.00	3.95	3.90
10-Year Rate	4.15	4.10	4.05
30-Year Rate	4.35	4.35	4.30

Source: OCBC Group Research

Central Bank Forecast Table

	Current (3 Aug)	3Q26	4Q26	1Q27	2Q27	3Q27
Fed Funds Rate (upper)	3.75	3.75	3.75	3.75	3.75	3.75
BoE Bank Rate	3.75	3.75	3.75	3.50	3.50	3.50
ECB Depo Rate	2.25	2.50	2.50	2.50	2.50	2.50
BOJ Policy Rate	1.00	1.00	1.25	1.25	1.50	1.50
RBA Cash Rate	4.35	4.35	4.35	4.35	4.10	4.10
RBNZ Official Cash Rate	2.50	2.50	2.75	3.00	3.00	3.00

Source: OCBC Group Research (Latest Forecast Update: 3 Aug 2026)

Weekly Economic Calendar

Date	Spore time	Country/ Currency	Data/ Event	Period	Actual	Cons.	Prior
31-Aug	07:50	JN	Industrial Production YoY	Jul P	4.1%	3.3%	4.9%
	09:30	CH	Manufacturing PMI	Aug	49.8	49.5	49.2
	09:30	CH	Composite PMI	Aug	49.5	--	49.3
	20:00	GE	CPI YoY	Aug P	2.9%	3.0%	2.8%
01-Sep	09:45	CH	RatingDog China PMI Mfg	Aug		51.0	50.9
	17:00	EC	CPI Estimate YoY	Aug P		3.3%	2.9%
	17:00	EC	CPI Core YoY	Aug P		2.5%	2.5%
	22:00	US	ISM Manufacturing	Aug		55.2	55.6
	22:00	US	JOLTS Job Openings	Jul		7313k	7359k
02-Sep	09:30	AU	GDP YoY	2Q		1.9%	2.5%
	10:00	NZ	RBNZ Official Cash Rate			2.75%	2.50%
	20:15	US	ADP Employment Change	Aug		47k	44k
	21:45	CA	Bank of Canada Rate Decision			2.25%	2.25%
03-Sep	14:30	SZ	CPI YoY	Aug		0.5%	0.4%
	14:30	SZ	CPI Core YoY	Aug		--	0.3%
	15:00	SZ	GDP YoY	2Q		--	0.5%
	15:00	MA	BNM Overnight Policy Rate			2.75%	2.75%
	20:30	US	Initial Jobless Claims	29-Aug		205k	203k
	22:00	US	ISM Services Index	Aug		54.3	54.1
04-Sep	14:00	GE	Factory Orders WDA YoY	Jul		--	6.5%
	16:30	UK	DMP 1 Year CPI Expectations	Aug		--	3.4%
	17:00	EC	Retail Sales YoY	Jul		--	0.7%
	20:30	US	Change in Nonfarm Payrolls	Aug		55k	-23k
	20:30	CA	Net Change in Employment	Aug		17.5k	75.1k
	20:30	CA	Unemployment Rate	Aug		6.4%	6.4%
	20:30	US	Average Hourly Earnings YoY	Aug		3.0%	3.2%
	20:30	US	Unemployment Rate	Aug		4.1%	4.1%

Source: Bloomberg, OCBC Group Research

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