

## Daily Market Outlook

### Whipsawed by Headlines

- **Whipsawed by Headlines:** *Geopolitics continues to whipsaw risk sentiment. Tentative ceasefire supports our medium-term oil view of lower prices, but near-term risks skew higher. AUD remains our preferred way to play de-escalation.*
- **NZD Rallies, Risks Remain:** *NZD bounced on hawkish RBNZ rhetoric and easing oil risks, but markets may be overpricing tightening. Weak growth and a negative output gap should keep NZD lagging AUD, with rate hikes likely deferred until late-2026.*
- **Gold rebounded in choppy trade, reflecting the fragile ceasefire deal between US and Iran as well as direct talks between Israel and Lebanon. The next leg for gold from here depends on whether the ceasefire holds and whether lower oil prices revive room for dovish Fed repricing.**

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**Whipsawed by Headlines:** Middle East headlines continued to drive volatile price action, with overnight moves reversing the prior session. Risk sentiment weakened during Asia hours as the ceasefire appeared increasingly fragile and shipping traffic through the Strait of Hormuz failed to recover. Bloomberg ship tracking data showed just three vessels departing the region on Thursday, some with links to Iran.

Sentiment improved in US hours. Oil prices retraced earlier gains and the USD softened after Israel's Prime Minister signalled openness to direct talks with Lebanon, President Trump urged restraint, and ahead of scheduled US-Iran talks this weekend in Pakistan.

Despite the rebound in oil prices following the sharp ceasefire-related sell-off, the tentative truce still offers a pathway to normalising energy flows through Hormuz. This aligns with our base case for Brent to ease toward USD70–85/bbl in 2H26. That said, with conditions fluid and the ceasefire fragile, risks to energy prices remain skewed to the upside. Looking further out, a softer USD later this year remains plausible if oil prices decline as expected, improving non-US growth dynamics, while ongoing US policy uncertainty continues to encourage portfolio diversification away from the USD. Growth outside of the US should slow and inflation should rise for a while but effects are expected to be temporary. However, resilient US growth and renewed evidence of the USD's safe-haven appeal during this energy shock should limit the scope for a sharp depreciation. A broad range of US employment indicators point to stabilisation in the labour market after last year's slowdown scare.

Our preferred relief trade remains the AUD. It is not only a pro-cyclical currency that is relatively resilient to energy shocks, but it could also benefit from firmer industrial metals prices if further de-escalation lifts global growth as the energy shock fades.

**NZD Rallies, Risks Remain:** The NZD firmed after hawkish comments from RBNZ Governor Breman, who warned the Bank would respond forcefully with rate hikes if core inflation accelerated. This has reinforced the rebound from earlier underperformance seen during the US-Iran conflict, supported by the subsequent two-week ceasefire and easing oil risks for high-beta energy importers like the NZD.

While softer oil prices could allow the NZD to strengthen further against the USD, we still expect it to underperform the AUD. Market pricing has shifted sharply hawkish, with nearly three rate hikes now priced by year-end. This looks demanding given New Zealand's sizeable negative output gap and sub-par growth over recent quarters, which raise the bar for aggressive tightening.

We expect the RBNZ hiking cycle to begin only in 4Q26, with a single 25bp hike lifting the policy rate to 2.75% by end-2026 (see [Central bank outlook: policy responses depend on inflation pass-through](#), 9 April 2026).

**Gold. Slight Upside Risk.** Gold rebounded in choppy trade, reflecting the fragile ceasefire deal between US and Iran as well as direct talks between Israel and Lebanon. While geopolitical headlines can swing both ways, there is some bias towards an improved risk sentiment, with most asset classes including equities, high-beta FX and gold trading in synchronous fashion. Overnight, both US nominal and real yields also fell and this can be supportive of gold prices. The next leg for gold from here depends on whether the ceasefire holds and whether lower oil prices revives room for dovish Fed repricing. Gold was last seen at 4780 levels. Bullish momentum on daily chart intact while RSI rose. Risks somewhat skewed to the upside. Next resistance at 4850 levels (50% fibo retracement of 2026 high to low), 4915 (50 DMA) and 5023 levels (61.8% fibo). Support at 4670 (21, 100 DMAs, 38.2% fibo) before 4250 (23.6% fibo).

**USDSGD. Downside pressure building.** USDSGD was a touch softer overnight as peace talks get underway. Apart from US-Iran, Israel has agreed to start direct talks with Lebanon. Pair was last seen at 1.2720. Daily momentum turned mild bearish while RSI fell. Rising wedge pattern – typically associated with bearish reversal – has played out.

Key support at 1.2710 (23.6% fibo). Decisive break out puts next support at 1.2620., 1.2580 levels (2026 low). Resistance at 1.2780 levels (38.2% fibo retracement of Nov high to 2026 low), 1.2810 (21, 100 DMAs) and 1.2840/50 levels (50% fibo, 200 DMA). The upcoming Monetary Policy Statement (MPS) is scheduled to be released on 14 Apr 2026. Our base case is for MAS to tighten policy stance by increasing the slope of the S\$NEER policy band (i.e. quickening the pace of appreciation) to lean against rising imported inflation pressures. Past episodes over the last 15-16 years have revealed how large swings in global energy prices can influence Singapore’s inflation outlook and, by extension, monetary policy settings.

### Technical Levels Table

	EURUSD	USDJPY	GBPUSD	USDCHF	AUDUSD	NZDUSD	USDCAD	XAUUSD	USDSGD	USDPHP	USDINR
Resistance 3	1.1835	160.54	1.3581	0.7988	0.7212	0.5965	1.3937	4960	1.2828	60.22	93.52
Resistance 2	1.1763	159.73	1.3503	0.7945	0.7139	0.5907	1.3882	4858	1.2781	59.95	93.12
Resistance 1	1.1731	159.34	1.3470	0.7924	0.7111	0.5883	1.3848	4812	1.2756	59.85	92.89
Spot	1.1688	159.17	1.3424	0.7913	0.7072	0.5850	1.3826	4753	1.2735	59.75	92.66
Support 1	1.1659	158.53	1.3392	0.7881	0.7038	0.5825	1.3793	4710	1.2709	59.58	92.49
Support 2	1.1619	158.11	1.3347	0.7859	0.6993	0.5791	1.3772	4653	1.2687	59.41	92.31
Support 3	1.1547	157.30	1.3269	0.7816	0.6920	0.5733	1.3717	4551	1.2640	59.14	91.90
<b>Bollinger Band</b>											
Bollinger Upper	1.1696	160.39	1.3483	0.8031	0.7139	0.5910	1.3992	5049	1.2917	60.83	94.78
Bollinger Lower	1.1437	158.02	1.3159	0.7833	0.6821	0.5673	1.3658	4297	1.2709	59.37	91.18

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

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