

## Daily Market Outlook

### Dialogue Helps, Data Drives

- **US–China optics constructive, but deliverables light.** *Trump–Xi talks struck a stabilising tone, with both sides signalling a desire to keep dialogue going and Trump inviting Xi to visit the White House in September. Still, concrete breakthroughs were limited, with tariffs, technology restrictions, rare-earth controls and Taiwan likely to remain on the negotiation track rather than be resolved in one meeting.*
- **USD strength remains the key constraint for Asia FX.** *Better-than-expected US retail sales reinforced US resilience, kept UST yields supported and added to hawkish Fed repricing. RMB remained the exception on US–China optimism and lower USDCNY fixes, but broader Asia FX stayed softer.*
- **Selective optimism, not broad risk-on.** *Silver’s post-breakout rally faded on profit-taking, firmer USD/rates and “buy rumour, sell fact” risk, while USDAsian FX continued to consolidate higher. Near term, two-way risks remain, but USD dips may still be supported unless US data or yields soften.*

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**Trump–Xi talks in Beijing were constructive in tone**, broadly in line with modest expectations, with the emphasis more on stabilising ties. Both sides signalled a desire to keep dialogue going, with trade, tariffs, rare earths, energy purchases and Iran/Hormuz among the issues in focus. The meeting also appeared to build on the preparatory Bessent–He Lifeng talks earlier this week, while Trump’s invitation for Xi to visit the White House in Sep suggests both sides are trying to keep a negotiation track open and avoid a near-term deterioration in ties. That helps reduce US–China tail risks at the margin, though markets may be reluctant to extrapolate too far without concrete follow-through. Taiwan remains a key red line for Beijing, while technology restrictions, rare-earth controls and tariff details are likely to stay on the negotiation track rather than be resolved in one meeting.

Attention now turns to Day 2 of the Trump–Xi meeting, where the leaders are expected to reconvene for a photo session, tea and a working lunch before Trump departs China. The second session may be less about fresh headline breakthroughs and more about consolidating the tone from Day 1, keeping communication channels open and testing whether broad areas of discussion — tariffs, rare earths, energy purchases and Iran/Hormuz — can translate into more concrete follow-through. For markets, the focus remains on whether constructive

optics can be backed by deliverables, or whether the initial optimism fades once the visit concludes.

**Asian FX. Softer.** The FX read-through was less clear-cut. Better US retail sales data reinforced the resilience of the US consumer and saw markets price in around a 23% probability of a 25bp Fed hike by Dec-2026, lending support to the USD and weighing on most major and Asian FX. RMB was the key exception, staying resilient on US–China optimism and policy-tolerated appreciation signals. Daily USDCNY fix continues to be set lower (6.8401 vs. 6.8431 prior). For now, this points to measured and selective optimism on RMB rather than a broad Asia FX rally. US–China tail risks have eased at the margin, but higher US yields and a firmer USD remain key constraints for Asian FX.

**DXY. Broadly Firmer.** USD extended gains overnight as resilient US data kept yields supported and added to hawkish Fed repricing. April retail sales rose 0.5% m/m, marking a third straight monthly gain, with 9 out of the 13 categories posting increases. Against the backdrop of recent upside inflation surprises, the print gave markets little reason to rebuild Fed easing expectations, at this point.

Most FX slipped against the firmer USD, with GBP and AUD among the softer performers. For now, USD may remain better bid on dips as long as US data resilience keeps front-end yields supported and markets continue to attach some probability to a more hawkish Fed reaction function. Data focus today on IP, empire manufacturing. DXY was last at 98.80 levels. Daily momentum turning mild bullish while RSI rose. 2-way risks likely to persist. Resistance at 99 (50 DMA), 99.40 (23.6% fibo). Support at 98.30/50 levels (21, 100, 200 DMAs), 98.10 (50% fibo retracement of 2026 low to high) and 97.50/60 levels (double bottom, 61.8% fibo retracement of 2026 low to high).

DXY Daily Chart



DXY Currency (DOLLAR INDEX SPOT) Candle Chart Daily 16MAY2023-15MAY2026 Copyright © 2026 Bloomberg Finance L.P. 15-May-2026 06:26:58

Source: Bloomberg, OCBC Group Research

**Silver. Near term caution played out.** Silver’s rally fizzled, broadly in line with our caution over a stretched, pre-positioning-led move. Overnight price action looked more consistent with profit-taking after a sharp breakout, firmer USD/rates after stronger US data, and a broader softening across precious and industrial-linked metals. The “buy rumour, sell fact” risk around the Trump–Xi meeting also appears to be playing out, as markets pare back some of the optimism priced into silver and other growth-sensitive metals.

Last at \$83.64 levels. Bullish momentum on daily chart intact though RSI turned lower from overbought territories. Technically, the key test is whether silver can hold the former breakout zone around USD83–84/oz. A clean break below would weaken the near-term setup, but if support holds, dips may still draw interest given silver’s industrial beta and still-tight medium-term supply narrative. Support at 81.30 (100 DMA), 76/77 (21, 50 DMAs) and 70 levels. Resistance at 90, 92.60 levels (38.2% fibo retracement of Oct low to 2026 high).

Silver Daily Chart



Source: Bloomberg, OCBC Group Research

**GBP. Political premium builds.** GBP remained under pressure as UK political uncertainty outweighed the stronger data dump. Wes Streeting resigned as health secretary and called for PM Starmer to step aside and allow a broad Labour leadership contest, though he has not formally launched his own challenge. PM Starmer has so far resisted calls to step aside, and some Labour MPs continue to back him, but the episode keeps a political-risk premium embedded in GBP, particularly with markets already sensitive to fiscal credibility and elevated gilt yields. Near term, sterling may struggle to find a firmer footing unless political headlines stabilise or the USD softens more decisively.

GBP last seen at 1.34 levels. Support seen closer to 1.3250. Resistance at 1.3520, 1.36 levels. Prefer to stay short.

**USDSGD. Consolidation.** USDSGD extended its run higher, tracking broader USDAXJs higher though the magnitude of the rise was also milder. Move continues to reflect SGD's lower beta characteristics but at the same time, SGD is not immune to external developments, including yields, oil and sentiments. Pair was last at 1.2760 levels. Daily momentum turned mild bullish but rise in RSI moderated. 2-way trades still likely. Resistance at 1.2770 (50, 100 DMAs), 1.28. Support at 1.2720/40 levels (21, DMA, 61.8% fibo retracement of 2026 low to high), 1.2650/60 levels (76.4% fibo), 1.2610 levels. Bias to sell rallies preferred.

### Technical Levels Table

	EURUSD	USDJPY	GBPUSD	USDCHF	AUDUSD	NZDUSD	USDCAD	XAUUSD	USDSGD	USDPHP	USDINR
Resistance 3	1.1798	160.24	1.3720	0.7895	0.7330	0.5987	1.3792	4820	1.2836	62.15	96.48
Resistance 2	1.1742	159.14	1.3582	0.7862	0.7282	0.5954	1.3756	4746	1.2791	61.85	96.13
Resistance 1	1.1705	158.75	1.3492	0.7849	0.7251	0.5933	1.3738	4699	1.2776	61.75	95.95
Spot	1.1671	158.38	1.3399	0.7838	0.7222	0.5912	1.3717	4659	1.2760	61.64	95.77
Support 1	1.1649	157.65	1.3354	0.7816	0.7203	0.5900	1.3702	4625	1.2731	61.45	95.60
Support 2	1.1630	156.94	1.3306	0.7796	0.7186	0.5888	1.3684	4597	1.2701	61.25	95.43
Support 3	1.1574	155.84	1.3168	0.7763	0.7138	0.5855	1.3648	4523	1.2656	60.95	95.07
<b>Bollinger Band</b>											
Bollinger Upper	1.1792	160.63	1.3649	0.7900	0.7274	0.5979	1.3740	4812	1.281	62.11	96.17
Bollinger Lower	1.1650	155.80	1.3409	0.7756	0.7114	0.5836	1.3585	4525	1.2665	59.65	92.79

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

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