By Global Markets | 16 September 2026

Daily Market Outlook

Awaiting the Fed

- ***Latest USD upswing has been fairly broad-based*** *across majors and Asian FX. Higher UST yields, softer risk sentiment and elevated oil prices have weighed most on higher-beta currencies, lower-yielders and oil-importing FX.*

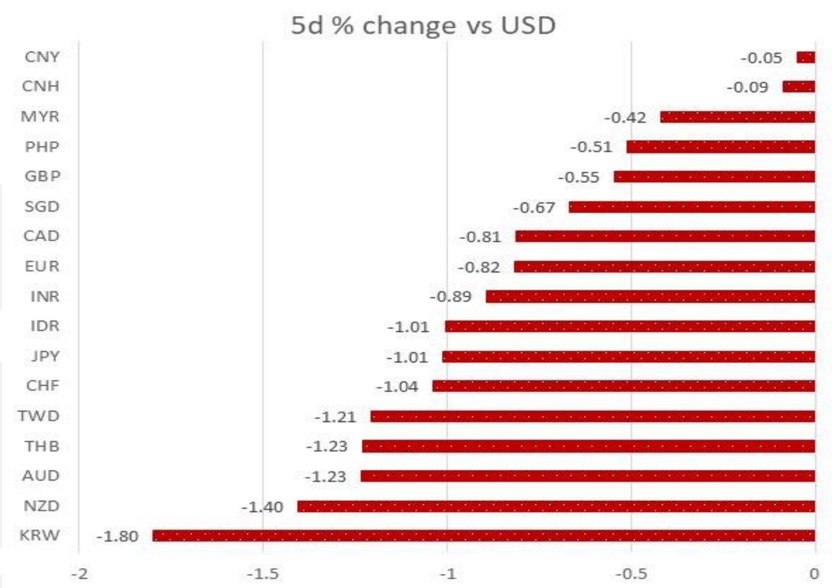
- ***RMB remains relatively steady*** *despite the firmer USD backdrop, with stronger CNY fixes continuing to limit volatility. Near-term direction should still hinge on the fixing and broader USD move.*

- ***MYR may remain driven by moves in USD, UST yields*** *even as domestic fundamentals stay intact. Onshore markets closed today.*

- ***IDR dragged lower*** *due to external factors. Domestic policy continuity offers some support, but the IDR is likely to stay sensitive to the global backdrop in the near term.*

Christopher Wong
FX Strategist

Broad USD strength, with uneven AXJ pressure. The latest USD upswing has been fairly broad-based across majors and Asian FX. Higher UST yields, softer risk sentiment and elevated oil prices have weighed most on higher-beta currencies, lower-yielders and oil-importing FX, with AUD, NZD, JPY and CHF weakening against the USD over the past five sessions.

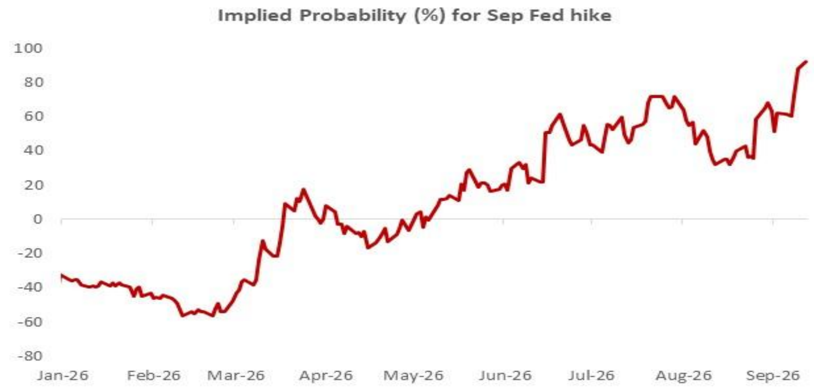


Source: Bloomberg, OCBC Group Research

Within AXJ, the pressure has still been uneven. IDR, TWD, THB and INR have been among the softer performers, while CNY and MYR have shown relative resilience.

FOMC decision awaits (2am Thu SGT). The September Fed hike is now largely priced, but uncertainty extends beyond this meeting. The bigger question is whether the Fed treats the move (if any) as sufficient for now or signals that further tightening may be needed if inflation remains sticky.

Sep Fed hike nearly fully priced



Source: Bloomberg, OCBC Group Research

Until there is greater clarity, elevated UST yields and oil prices are likely to keep sentiment towards AXJs cautious. That said, pressure should remain differentiated: oil importers such as INR remain more exposed to the energy shock, while KRW and TWD also face sensitivity to equity flows and risk sentiment. Elsewhere, CNY stability may continue to provide some offset. A meaningful reprieve for AXJ would likely require either UST yields to retreat from current levels or oil to give back more of its recent gains.

Brent and USD/AXJ rising alongside, again

Source: Bloomberg, OCBC Group Research

RMB. Firmer fix cushions broader USD strength. The PBoC continued to guide the RMB fixing stronger, even as the broader USD firmed on higher UST yields, elevated oil prices and Fed tightening expectations. We see the stronger fixing partly as a means of cushioning the RMB against these external pressures and limiting unnecessary FX volatility, rather than a signal that policymakers want to engineer a sharp appreciation.

USDCNY fix being set lower despite broader USD strength

Source: Bloomberg, OCBC Group Research

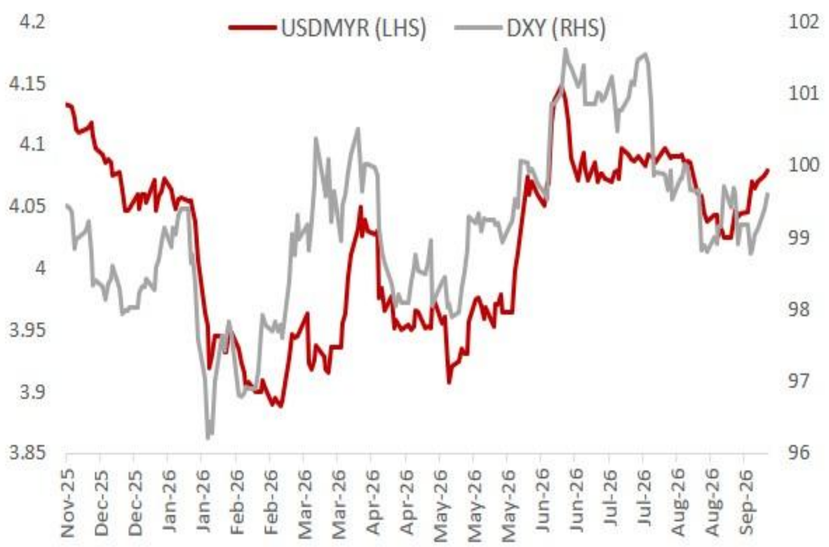
There may also be a diplomatic consideration ahead of the anticipated Trump-Xi meeting later this month. A broadly stable to mildly appreciating RMB would likely be preferable at this juncture, particularly if it helps keep currency issues from adding to bilateral tensions. Near term, we expect RMB moves to remain measured, with the fixing continuing to provide a buffer should broad USD strength persist.

USDCNH last at 6.7120 levels. Daily momentum shows tentative signs of turning mild bullish while RSI rose. Near term retracement higher not ruled out but range likely to remain subdued. Resistance at 6.7170 (21 DMA), 6.73 levels. Support at 6.7030 (recent low), 6.70 levels.

MYR. External headwinds dominate for now. MYR weakened alongside regional FX as the USD firmed and the US 10Y yield pushed above 5%, with markets largely positioned for a 25bp Fed hike. Higher oil prices have weighed on sentiment by keeping global inflation and rates concerns alive. Domestic market signals have also turned somewhat softer at the margin as foreign investors remained net sellers of Malaysian equities for a sixth consecutive week while MGS yields have continued to reprice higher amid higher global yields. Malaysia fundamentals remained intact with domestic growth resilient, inflation contained while ongoing fiscal consolidation remain intact.

Near term, MYR is likely to remain sensitive to the US rates leg. Malaysia's markets are closed today and reopen after the Fed decision, leaving some scope for potential adjustment on Thursday. With a 25bp hike already heavily priced, the bigger FX catalyst is likely to be the Fed's guidance on the path beyond September. A scenario of further hawkish Fed repricing alongside elevated oil and UST yields could keep USDMYR supported; conversely, if the Fed does not validate the amount of tightening currently embedded in markets, some of the external pressure on MYR could ease fairly quickly.

USD rebound driving the recent uptick in USDMYR



Source: Bloomberg, OCBC Group Research

USDMYR last closed at 4.0870 levels. Daily momentum is bullish but RSI is near overbought conditions. Resistance around 4.0980 levels (23.6% fibo). Support at 4.0720 (50 DMA), 4.0610 (38.2% fibo retracement of May low to 2026 high).

USDMYR (daily chart): Bullish but nearing overbought

Source: Bloomberg, OCBC Group Research

IDR. External pressure. USDIDR ticked higher amid rise in UST yields and oil. Elsewhere, domestic developments are somewhat more encouraging. The appointment of Suahasil Nazara as finance minister has been received relatively positively given his technocratic background and pledge to preserve fiscal credibility and keep the deficit within the 3% of GDP ceiling. But for now, the IDR is still trading more off the global rates and oil story. Near term, USDIDR is likely to stay supported if US yields and oil remain elevated. A pullback in either would give the domestic positives more room to show through, while BI is likely to continue leaning against excessive FX volatility. USDIDR last closed at 17691. Daily momentum shows tentative signs of turning mild bullish while RSI rose. Risks skewed to the upside. Immediate resistance at 17700 levels (21 DMA), 17750 (100 DMA). Support at 17620 (38.2% fibo retracement of 2026 low to high), 17500 (recent low).

USDIDR (daily chart): Some upside risks

Source: Bloomberg, OCBC Group Research

Technical Levels Table

	EURUSD	USDJPY	GBPUSD	USDCHF	AUDUSD	NZDUSD	USDCAD	XAUUSD	USDSGD	USDPHP	USDINR
Resistance 3	1.1593	156.91	1.3564	0.8248	0.7178	0.5828	1.3979	4402	1.2805	63.07	96.23
Resistance 2	1.1567	155.88	1.3523	0.8216	0.7154	0.5796	1.3947	4346	1.2760	62.97	95.99
Resistance 1	1.1556	155.49	1.3501	0.8202	0.7143	0.5778	1.3934	4319	1.2744	62.92	95.77
Spot	1.1538	155.14	1.3475	0.8186	0.7129	0.5757	1.3917	4293	1.2728	62.84	95.96
Support 1	1.1530	154.46	1.3460	0.8170	0.7119	0.5746	1.3902	4263	1.2699	62.82	95.53
Support 2	1.1515	153.82	1.3441	0.8152	0.7106	0.5732	1.3883	4235	1.2670	62.77	95.51
Support 3	1.1489	152.79	1.3400	0.8120	0.7082	0.5700	1.3851	4179	1.2625	62.67	95.27
Bollinger Band											
Bollinger Upper	1.1701	161.93	1.3658	0.8205	0.7229	0.6017	1.3938	4681	1.2753	63.14	96.20
Bollinger Lower	1.1534	152.11	1.3442	0.7982	0.7110	0.5740	1.3756	4203	1.2641	61.33	94.40

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

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