

Daily Market Outlook

New Oil Call

- **New Oil Call:** *No clear path to de-escalation as the US–Iran conflict enters week three; limited vessel movement keeps the Strait of Hormuz effectively shut and oil flows at a near standstill. We revise Brent forecast higher, with prices staying elevated at around USD100/bbl through mid-year before easing towards USD70/bbl by early 2027.*
- **AUD Holds Firm:** *AUD gained on RBA hawkishness after whipsawing initially. The BoC is expected to stay firmly on hold amid soft domestic data. Policy divergence and uncertainty over USMCA renewal favours AUD outperformance versus CAD.*
- *Asian FX held steady as Indonesia rolled out targeted FX measures — cutting cash purchase limits and boosting DNDf/forward capacity — to shore up the IDR while onshore markets pause for holidays until 25 March.*

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New Oil Call: No clear path to de-escalation as the US–Iran conflict enters week three; limited vessel movement keeps the Strait of Hormuz effectively shut and oil flows at a near standstill. We revise Brent forecast higher, with prices staying elevated at around USD100/bbl through mid-year before easing towards USD70/bbl by early 2027. Persistent shipping paralysis is forcing Gulf output shut ins, raising the risk that short lived disruptions turn into durable supply losses. Mitigating measures still leave a sizable gap, with up to 10mb/d of offsets unable to fully counter a prolonged Strait shutdown. Please read [Commodity Compass: Oil Tensions Intensify, 17 March 2026](#) for more details.

AUD Holds Firm: The AUD recovered after initial volatility following the Reserve Bank of Australia's (RBA) 5–4 split decision to deliver a second consecutive 25bp hike to 4.10%. Markets interpreted Governor Bullock's press conference as hawkish, especially her clarification that dissenting votes reflected timing preferences—some members favoured waiting until May—rather than disagreement over the policy path.

Bullock highlighted rising inflation expectation risks, with domestic price pressures compounded by the surge in oil prices driven by Middle East tensions. We maintain our call for another 25bp hike to 4.35% in May. As a net energy exporter, Australia stands to benefit indirectly from higher oil prices, leaving the AUD better positioned than many

G10 peers. We expect continued AUD outperformance, particularly against risk-sensitive currencies such as the NZD, CAD and GBP.

So far, terms of trade have been the primary driver of currency moves. However, as central banks confront a stagflationary mix of firmer inflation and slowing growth due to higher energy costs, diverging policy priorities could increasingly shape relative FX performance and lift volatility.

Next up are the Bank of Canada (BoC) and the Fed, and we expect both to stay on hold. For the FOMC, attention will focus on the 2026 median dot and the extent of dovish dissents. While the CAD shares similarities with the AUD—both being risk-sensitive, energy-linked currencies—Canada’s softer recent data (weak employment and inflation prints) and uncertainty over USMCA renewal leave scope for further CAD underperformance relative to AUD.

IDR. Policy responses to support FX. Month-to-date since the onset of the conflict in Middle East, IDR has depreciated around 1.2% vs USD, largely in line with moves seen in other Asian FX. In fact, peers including THB, PHP, KRW fell by larger magnitude of 3-4% (vs. USD). We had also noted that responses from regional policymakers, including Indonesia have been fairly quick to reassure markets. Senior deputy Governor Destry Damayanti communicated in a statement that BI will continue to be present in the market to maintain exchange rate stability and prevent the impact of the escalating Middle East conflict.

Yesterday BI announced FX market transaction measures, targeted to support IDR. These include lowering the FX cash purchase limit to USD50k (from USD100k) per buyer per month, raising DNDF/forward (sell and swap B/S) transaction limits to USD10mn (from USD5mn), and adjusted the threshold for supporting documents for outgoing FX fund transfers to USD50k (from USD100k). These will take effect in April and appears targeted at reducing non-essential USD demand while facilitating hedging activity. Potentially these can help to reduce pressure on spot market and improving onshore USD liquidity conditions. Onshore markets will be closed for holidays and will reopen on 25 Mar.

On BI meeting, policy rate was kept on hold at 4.75%, in line with expectations. BI Governor Perry said that *the decision is aimed at strengthening rupiah exchange rate stability amid worsening global conditions due to the conflict in the Middle East, while also ensuring the achievement of the 2026–2027 inflation target*. In particular, BI also dropped its earlier reference to room for further rate cuts. Our economists have removed earlier call for cumulative 50bp rate cut at

this point and will reassess should tensions in the Middle East ease in coming months. USDIDR closed at 16985.

USDSGD. Breather. USDSGD continued to trade modestly lower, in line with tactical bias to lean against strength. USD strength taking a breather amid fatigue over geopolitical headlines and rising expectations for MAS to tighten policy at upcoming meeting in Apr have added to modest SGD recovery. That said, geopolitical situation remains fluid and price action can react on new developments. Pair was last at 1.2760 levels. Bullish momentum on daily chart shows signs of fading while RSI eased lower. Tentative signs of bearish divergence observed on daily MACD. Support at 1.2740 (50 DMA) and 1.2710/20 levels (21 DMA, 23.6% fibo). A decisive break below these support levels is needed for bearish momentum to gather traction. Resistance at 1.2840/60 levels (50% fibo retracement of Nov high to 2026 low, 100, 200 DMAs). Retain tactical bias to lean against strength.

Technical Levels Table

	EURUSD	USDJPY	GBPUSD	USDCHF	AUDUSD	NZDUSD	USDCAD	XAUUSD	USDSGD	USDPHP	USDINR
Resistance 3	1.1680	160.61	1.3514	0.7976	0.7229	0.5952	1.3782	5149	1.2855	60.17	92.61
Resistance 2	1.1599	159.84	1.3423	0.7920	0.7160	0.5900	1.3740	5079	1.2814	59.98	92.51
Resistance 1	1.1569	159.42	1.3389	0.7884	0.7132	0.5879	1.3715	5042	1.2789	59.89	92.44
Spot	1.1541	158.92	1.3359	0.7849	0.7109	0.5859	1.3693	5002	1.2764	59.81	92.38
Support 1	1.1488	158.65	1.3298	0.7828	0.7063	0.5827	1.3673	4971	1.2748	59.70	92.34
Support 2	1.1437	158.30	1.3241	0.7808	0.7022	0.5796	1.3656	4937	1.2732	59.59	92.31
Support 3	1.1356	157.53	1.3150	0.7752	0.6953	0.5744	1.3614	4866	1.2691	59.39	92.21
Bollinger Band											
Bollinger Upper	1.1885	160.40	1.3561	0.7901	0.7158	0.6033	1.3746	5308	1.2844	60.15	92.82
Bollinger Lower	1.1418	154.34	1.3262	0.7683	0.6995	0.5806	1.3573	4945	1.2616	56.99	90.21

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

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