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OCBC Group Research

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# Daily Market Outlook

## Focus on BOJ

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- ***A 25bp BOJ hike is largely priced*** *so the bigger FX signal is likely to come Ueda's guidance on the path ahead. Keeping the door to another hike within the next few meetings could support JPY bulls but disappointment could undermine JPY.*

- ***BoE held rates at 3.75% but kept inflation risks firmly in focus,*** *leaving the door open to further tightening. GBP slipped while long-end gilt yields fell sharply after the BoE paused active gilt sales.*

- ***AXJ saw some respite as the USD, UST yields and oil eased*** *overnight. A more durable recovery requires further easing in US rates and oil rather than just a short-term pullback.*

- ***CBC held at 2% with a mildly hawkish undertone,*** *raising growth and inflation forecasts while flagging sticky services inflation. TWD should still trade mainly off foreign equity flows, tech sentiment and the broader USD move.*

- ***August NODX surged*** *46.2% y/y, led by a sharp electronics rebound, reinforcing Singapore's strong external backdrop. Near term, however, USDSGD should remain driven mainly by the broad USD and US yields.*

**Focus on path of BOJ policy normalisation.** Attention now turns to BoJ policy decision (today likely after 1030am SGT), where a 25bp hike to 1.25% is widely expected. With the hike itself largely anticipated, the bigger question is how Governor Ueda frames the path beyond September, particularly whether the BoJ signals a faster pace of normalisation amid still-elevated inflation. If Ueda keeps the door open to another hike within the next few meetings, USDJPY could struggle to extend much beyond current levels, especially if UST yields continue to ease. A more cautious message would leave the yen vulnerable to renewed selling, given how much tightening is already priced. Either way, the reaction may be more sensitive to the press conference than the headline decision.

**USDJPY. Hanging man?** USDJPY stayed near recent highs of 156 levels but struggled to extend move higher. 2y UST yields have partially retraced lower after the earlier spike post-FOMC. While elevated UST yields may keep USDJPY supported, the pair could turn lower again if the BoJ delivers a firmer signal on further tightening or if UST yields continue to retrace from its earlier spike. Pair was last at 156 levels. Daily momentum shows is mild bullish but rise in RSI moderated. Some consolidation likely after the recent play-out of bullish divergence on MACD. Price action shows a potential hanging man pattern – which can be associated with a bearish reversal. We continue to watch price action. Immediate resistance at 156.30/40 levels, 156.70 (38.2% fibo retracement of 2026 low to high). Support at 155 (23.6% fibo), 153 levels.

**USDJPY (daily chart): Hanging man?**

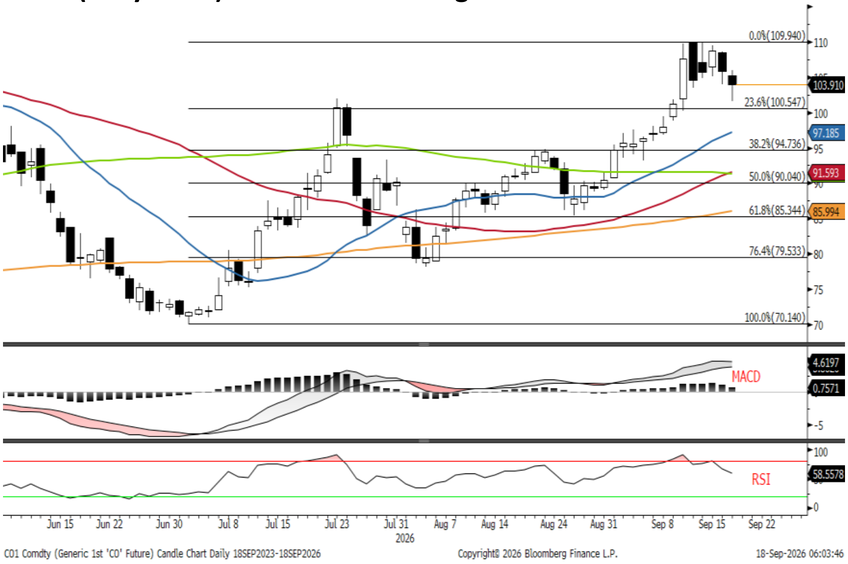

*Source: Bloomberg, OCBC Group Research*

**USD. Mild retracement after post-FOMC jump.** USD eased modestly overnight as UST yields partially retraced lower from its post-FOMC spike while oil pulled back. For now, this looks more like consolidation as markets digest post-FOMC reaction. The Fed's higher rate path may be supportive for the USD, but with a fair amount of hawkish expectation already priced, further gains in USD may need another leg higher in UST yields. Attention should increasingly shift back to the data. Any moderation in activity, labour-market conditions or inflation could prompt some unwinding of rate expectations and reopen downside in the USD.

DXY last at 100.2 levels. Daily momentum is bullish though RSI showed tentative signs of turning lower from near overbought conditions. Resistance at 100.32 (23.6% fibo retracement of 2026 low to high), 100.60. Support at 100/99.80 levels (50, 100 DMAs), 99.4 (38.2% fibo) and 99.2 levels (21, 200 DMAs).

**Oil. Prices ease as supply concerns recede.** Oil extended its decline, with Brent falling to around US$103/bbl as immediate supply concerns eased. Saudi Arabia has redirected more crude through Oman, while expectations have grown that the East-West pipeline could restart within days. That said, crude prices remain elevated and product markets are still tight. Further downside likely depends on whether supply disruptions continue to normalise.

**Brent (daily chart): Momentum easing**




*Source: Bloomberg, OCBC Group Research*

**AXJ. Some relief, but rates still matter.** AXJ saw some respite as the USD, UST yields and oil eased overnight. Lower crude is a welcome development for oil-importing AXJs including INR, THB and PHP, but the broader rates backdrop remains less friendly. AXJs is likely to stay sensitive to the US yield move, with a more durable recovery requiring some further easing in rates rather than just a short-term pullback.

**TWD. Growth strong but flows still matter.** Taiwan's CBC kept its policy rate unchanged at 2% for a tenth straight quarter but the hold carried a mildly hawkish undertone. CBC raised its 2026 growth forecast sharply to 11.48%, lifted its inflation forecasts and flagged sticky services inflation, but stopped short of signalling an imminent hike. That may offer some policy support at the margin, but near-term direction is still likely to be driven more by foreign equity flows and the broader USD move. A pullback in US yields or stabilisation in tech equities would help, while renewed foreign selling could keep USDTWD supported.

TWD held broadly steady despite the post-FOMC USD strength, helped by a rebound in domestic equities and a return of foreign equity inflows after five straight sessions of selling. Pair last seen at 31.9 levels. Bullish momentum on daily chart intact but rise in RSI moderated near overbought conditions. Some consolidation or risk of pullback is not ruled out intra-day, especially if broader risk sentiment holds up. Support at 31.83/86 levels (100 DMA, 50% fibo retracement of 2026 low to high) before 31.71/73 levels (21, 200 DMAs, 61.8% fibo). Resistance at 31.90/ 32 levels (38.2% fibo, 50 DMA).

**USDTWD (daily chart): Momentum stalled**


*Source: Bloomberg, OCBC Group Research*

**KRW. Flow pressure remains the key drag.** KRW weakened further as persistent foreign selling of Korean equities remained the main drag, while still-elevated US yields post-FOMC continued to weigh despite easing overnight. Foreign investors sold another KRW2.3tn of KOSPI shares on Thursday, taking cumulative selling to around KRW14tn over the past seven sessions. Large-cap technology names remain at the centre of the outflows, even as the broader KOSPI has held up relatively well. Nevertheless, the external backdrop has turned somewhat less negative overnight, with UST yields and the USD easing from their post-FOMC highs, while lower oil prices should also offer some relief. This may temper further upside in USDKRW near term, but a more sustained recovery in KRW probably requires foreign equity selling to slow.

USDKRW last at 1381 levels. Bullish momentum on daily chart intact though RSI shows signs of moderation after the recent rise. Support at 1373, 1365 levels (21 DMA). Resistance at 1387 (23.6% fibo retracement of the sharp decline from Jul to Sep), 1410 levels (38.2% fibo, 50 DMA).

**MYR. External pressure remains the main drag.** MYR weakened on Thursday Asian time zone amid firmer USD and higher UST yields post-FOMC. USDMYR briefly traded above 4.10, although the move remained orderly and there was little sign of Malaysia-specific stress. That said, some pressure eased overnight as the USD and UST yields came off their highs, while oil also pulled back. Near term, MYR may trade cautious if USR yields and the USD push higher again. But as the post-Fed rates move starts to settle, there should be room for some of the recent weakness to reverse, with domestic fundamentals still broadly supportive.

USDMYR last at 4.10 levels. Bullish momentum on daily chart intact but RSI rose into overbought conditions. Lack of follow-through to the upside may see USDMYR turn lower and close the earlier post-holiday gap. Support at 4.0870, 4.0730 levels (50 DMA). Resistance here at 4.10, 4.12 levels.

**USDMYR (daily chart): Bullish but Oversold**

*Source: Bloomberg, OCBC Group Research*

**SGD. Bumper NODX but USD still sets the tone.** August NODX jumped 46.2% y/y, well above the 35.3% consensus and up sharply from 24.1% in July. Electronics exports surged 131.8%, led by AI-related demand for ICs, disk media products and PCs, while non-electronics also rose. The strength was broad-based across most major markets, although a favourable base effect also contributed to the headline jump. Our Economists upgraded our 2026 NODX forecast from 15.2% to 20% y/y, taking into account that NODX already surged 22.4% y/y in the first 8 months and even after factoring a moderation to 15.6% YoY for the remaining four months of the year.

The data reinforce an already solid external-growth backdrop but are unlikely to be the main driver of spot in the near term. Overnight, USDSGD eased lower, taking cues from UST yields and USD. If UST yields continue to ease, SGD should be relatively well placed to benefit, while renewed USD strength/ higher UST yield would likely keep USDSGD supported.

USDSGD last at 1.2760 levels. Daily momentum is bullish but RSI eased lower from near overbought conditions. A death cross appears to be in the making (50 DMA cuts 200 DMA to the downside). We watch further price action for confirmation for any bearish reversal or if bearish signals are being nullified. Area of resistance at 1.2790 (50% fibo retracement of 2026 low to high) - 1.2810 (50, 100, 200 DMAs). Next level at 1.2840 (38.2% fibo). Support at 1.2740 (61.8% fibo), 1.27 (21 DMA).

**USDSGD (daily chart): Death cross**


*Source: Bloomberg, OCBC Group Research*

**GBP. BoE keeps options open as inflation risks rise.** The BoE kept Bank Rate unchanged at 3.75% in a 6–3 vote, while acknowledging a more challenging inflation backdrop. CPI is now expected to rise to around 3.75% in 4Q and slightly above 4% in early 2027, largely reflecting higher energy prices. BOE nevertheless noted that there has been little evidence so far of material second-round effects in wages and prices.

GBP weakened overnight even as broader USD/UST yield eased. The larger market reaction was in gilts, where 30y yields fell around 12bp, helped by the BoE's decision to overhaul its QT program and paused active gilt sales for six months.

While the near-term rates backdrop may marginally be supportive for GBP, but much will depend on whether higher energy costs start feeding more broadly into domestic inflation. Markets are already pricing a high probability of further tightening (nearly 100bps priced till Jul-2027), which may limit the incremental support from rate expectations alone. Further evidence of easing wage and price pressures would challenge that pricing. Against USD, relative rate dynamics remain important given the Fed's own tightening path.

GBP was last at 1.3360 levels. Daily momentum is bearish but RSI fell into oversold conditions. Some retracement higher is not ruled out intra-day but bias skewed towards fading the bounce (if any). Resistance at 1.3420 (38.2% fibo retracement of 2026 high to low), 1.3480 (50 DMA). Support at 1.3310 (23.6% fibo), 1.3270 levels.

**GBP (daily chart): Bearish but oversold for now**


*Source: Bloomberg, OCBC Group Research*

**Technical Levels Table**

| | EURUSD | USDJPY | GBPUSD | USDCHF | AUDUSD | NZDUSD | USDCAD | XAUUSD | USDSGD | USDPHP | USDINR |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Resistance 3 | 1.1561 | 157.84 | 1.3507 | 0.8324 | 0.7191 | 0.5811 | 1.4045 | 4574 | 1.2859 | 63.02 | 96.56 |
| Resistance 2 | 1.1519 | 156.86 | 1.3437 | 0.8284 | 0.7149 | 0.5771 | 1.4017 | 4450 | 1.2807 | 62.90 | 96.25 |
| Resistance 1 | 1.1497 | 156.41 | 1.3398 | 0.8265 | 0.7130 | 0.5752 | 1.4004 | 4396 | 1.2780 | 62.82 | 96.09 |
| Spot | 1.1478 | 155.96 | 1.3360 | 0.8245 | 0.7110 | 0.5731 | 1.3991 | 4343 | 1.2758 | 62.74 | 95.94 |
| Support 1 | 1.1455 | 155.43 | 1.3328 | 0.8225 | 0.7088 | 0.5712 | 1.3976 | 4273 | 1.2728 | 62.69 | 95.78 |
| Support 2 | 1.1435 | 154.90 | 1.3297 | 0.8204 | 0.7065 | 0.5691 | 1.3961 | 4203 | 1.2703 | 62.65 | 95.63 |
| Support 3 | 1.1393 | 153.92 | 1.3227 | 0.8164 | 0.7023 | 0.5651 | 1.3933 | 4080 | 1.2651 | 62.52 | 95.32 |
| **Bollinger Band** | | | | | | | | | | | |
| Bollinger Upper | 1.1714 | 161.47 | 1.3670 | 0.8260 | 0.7237 | 0.6011 | 1.3994 | 4652 | 1.2777 | 63.19 | 96.29 |
| Bollinger Lower | 1.1473 | 152.06 | 1.3364 | 0.7982 | 0.7092 | 0.5696 | 1.3750 | 4185 | 1.2631 | 61.50 | 94.37 |

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

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