

## Daily Market Outlook

### US Returns Matter for the USD

- **US Returns Matter for the USD:** Rising oil and stronger equities are delivering an atypical risk mix. Pro-cyclical FX holds up, USD weakness remains contained. Equity leadership matters: US tech outperformance is reinforcing the USD's return advantage, limiting USD downside even as risk appetite recovers.
- Bank Indonesia held at 4.75%, rolled out targeted NDF relief and offshore FX tools. IDR weakened on a firmer USD and geopolitics, but technicals hint at a possible pivot if geopolitical de-escalation delivers.

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**US Returns Matter for the USD:** Oil prices pushed higher, with Brent breaking above USD100/bbl, as attacks on commercial shipping and the continued blockade of the Strait of Hormuz kept diplomacy at an impasse. Mediators are attempting to arrange a US–Iran meeting on Friday, but Iranian officials have signalled talks will not begin until the US lifts the blockade.

US equities rallied to fresh all-time highs, led by strong tech outperformance. The rebound in global risk appetite has helped unwind the safe haven USD's March rally. Nonetheless, sustained US equity outperformance through earnings season could still provide near-term support for the USD. Relative US returns remain a key anchor for the USD.

While recent developments reinforce concerns around erratic US policymaking, we are less convinced by calls for an imminent, accelerating USD sell-off. A softer dollar later this year remains plausible if the US–Iran conflict continues to de-escalate. Even so, resilient US economic performance should limit the scope for any sharp USD decline.

Overnight price action deviated from the usual geopolitical pattern of higher oil and weaker equities. This unusual mix of firmer oil and stronger risk sentiment supported pro-cyclical, energy-exporting currencies such as the AUD and NOK against the USD. By contrast, weaker euro area consumer confidence—likely reflecting energy shock concerns—and downgraded German growth forecasts weighed on the oil-importing EUR.

**IDR. BI stays focused on IDR stability.** BI kept policy rate unchanged at 4.75% at its last meeting (21-22 Apr). The decision was widely expected. BI's statement continued to emphasise IDR stability, inflation management and use of its triple-intervention strategy across the NDF, spot and DNDF markets, while keeping macroprudential settings supportive of domestic growth. The interest rate structure of monetary instruments is also being strengthened to attract foreign portfolio inflows. As of 21 Apr, the position of outstanding SRBI instruments stood at IDR885.41 trillion, supported by non-resident holdings of IDR165.98 trillion (18.75% of total outstanding). It also indicated that BI is prepared to strengthen monetary policy measures further, as required, to maintain IDR stability and ensure that inflation in 2026 and 2027 remains within the 2.5%  $\pm$  1% target corridor. Notably the statement also mentioned 2 things: offshore NDF exemption for selected primary dealers (to sell FX against IDR in NDF markets) and the expansion of FX monetary operations to offshore CNH/IDR spot and swap instruments. The objectives of these measures are to support IDR stability and to expand trade and investment transactions using local currency transactions.

IDR was softer over the week, with USDIDR trading near recent highs of around 17170 levels amid mild USD strength and lingering geopolitical uncertainty (Iran conflict/ ceasefire outcome uncertain). Sentiment was also undermined by S&P's earlier mention that Indonesia is more vulnerable to weakening credit metrics if the conflict continues and energy prices remain high (the report indicated that this does not constitute a rating action). USDIDR last at 17176. Mild bullish momentum on daily chart intact but shows signs of fading while RSI eased lower. We are keeping a lookout if technical signals are hinting at an interim top, which can be possible if geopolitical de-escalation plays out more meaningfully. Resistance at 17190/200 levels. Support at 17150, 17060 (21 DMA). On policy rate view, our economists continue to expect no change to policy rate this year but should external pressures build, rate hikes cannot be ruled out.

**USDTWD. Fade the rebound.** USDTWD rebounded overnight, in line with our technical caution for falling wedge – typically associated with a near term bullish reversal. Pair was last at 31.53 levels. Bearish momentum on daily chart intact though there are early signs of it moderating while RSI turned higher from near oversold conditions. Near term rebound risks but bias to fade. Resistance at 31.60 (100 DMA), 31.70/80 levels (21, 50 DMAs). Support at 31.40/45, 31.20 (2026 low) before 30.90 (200 DMA). We had indicated that there are signs that TWD is recoupling with tech cycle again (TWD-TWSE 30d rolling correlation >0.90). Ongoing foreign inflows into domestic equities remain significant, with month-to-date net inflows at USD\$13bn, while exports momentum remain strong amid AI-related optimism. Mar

export orders up +65.9% YoY, exports up 61.8% YoY. So, if geopolitical de-escalation gets underway again and USD softness persists, then there is a good chance TWD can see gains catch up, riding on foreign inflows and strong AI-led export momentum.

**USDSGD. CPI Today.** USDSGD was a touch firmer overnight amid USD rebound. Focus is still on US-Iran ceasefire outcome as risk appetite may be curtailed ahead of weekend. Pair was last at 1.2760 levels. Bearish momentum on daily chart is fading but rise in RSI moderated. 2-way trades may take hold for now. Resistance here at 1.2750/60 levels (50 DMA, 50% fibo), 1.2790/1.28 levels (21, 100 DMAs, 38.2% fibo retracement of 2026 low to high), 1.2850 (200 DMA, 23.6% fibo). Key support at 1.2670 (76.4% fibo). Singapore CPI will be released today. Consensus looks for both headline and core CPI to tick higher to 1.8% and 1.7% YoY, respectively for March. Separately in a Singapore index of inflation expectations survey, more than 88% of those surveyed believe inflation will rise over the medium term and the drivers are due mainly to global trade policies and rising fuel prices.

## Technical Levels Table

	EURUSD	USDJPY	GBPUSD	USDCHE	AUDUSD	NZDUSD	USDCAD	XAUUSD	USDSGD	USDPHP	USDINR
Resistance 3	1.1844	160.31	1.3596	0.7946	0.7221	0.5978	1.3727	4856	1.2832	60.41	94.17
Resistance 2	1.1784	159.85	1.3553	0.7888	0.7191	0.5941	1.3695	4799	1.2789	60.26	93.98
Resistance 1	1.1744	159.66	1.3527	0.7867	0.7175	0.5923	1.3684	4770	1.2772	60.20	93.89
Spot	1.1707	159.48	1.3503	0.7848	0.7160	0.5907	1.3670	4722	1.2756	60.14	93.80
Support 1	1.1684	159.20	1.3484	0.7809	0.7145	0.5886	1.3652	4713	1.2729	60.04	93.69
Support 2	1.1664	158.93	1.3467	0.7772	0.7131	0.5867	1.3631	4686	1.2703	59.94	93.58
Support 3	1.1604	158.47	1.3424	0.7714	0.7101	0.5830	1.3599	4629	1.2660	59.78	93.39
<b>Bollinger Band</b>											
Bollinger Upper	1.1879	160.15	1.3667	0.8052	0.7275	0.5978	1.4008	4936	1.2918	60.78	94.68
Bollinger Lower	1.1444	158.36	1.3128	0.7747	0.6807	0.5661	1.3604	4471	1.2646	59.53	92.14

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

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