

Daily Market Outlook

Resilient USD Story

- **Resilient USD Story:** USD downside looks contained. Oil tailwinds could be slow to fade, US growth stays resilient and Fed rhetoric turns firmer. We prefer carry and commodity FX, stay neutral USD, cautious EUR and CHF, and shift GBP to neutral.
- **Hormuz Hope Rises:** Diplomatic momentum builds for a 60-day ceasefire extension and Hormuz reopening. Vessel traffic resumes, oil slips below USD100, and equities firm despite lingering risks and thin holiday liquidity.
- **THB leads.** Most Asian FX rebounded on US-Iran de-escalation hopes. THB took the lead. Softer oil and firmer gold prices remain key drivers of near-term moves.
- **Retain sell rally on USDSGD.** Too early to lock in July MAS move. But if growth holds and inflation re-accelerates, more MAS tightening is still on the table. That keeps a firm floor under SGD.

Sim Moh Siong

FX Strategist
(G10 & oil)

Christopher Wong

FX Strategist
(Asia & precious metals)

Hormuz Hope Rises: Prospects for a US-Iran deal to extend the fragile ceasefire by 60 days and reopen the Strait of Hormuz have improved, though risks remain elevated. Traffic is picking up, with more than 30 vessels, including oil tankers, reported to have transited the waterway in the past 24 hours.

Mediation efforts led by Pakistan and Qatar have intensified over the past week, supporting expectations of a diplomatic breakthrough. Markets have responded: Brent crude has fallen back below USD100/bbl, while US equity futures have moved higher in a subdued session with US and UK markets closed for holiday.

Resilient USD Story: Our view that USD downside is limited remains intact (*Limits to USD Downside*, 5 May 2026). Lower oil prices supported oil importers such as GBP, SEK, THB and ZAR overnight.

We still expect a slow oil unwind, even if prices fall sustainably below USD100 per barrel in 2H26 (*Slower Oil Unwind*, 28 April 2026). This suggests the USD's terms of trade support should not fade quickly.

Markets are looking to sell USD on a US-Iran de-escalation. We think downside will be constrained. The US remains a relative growth outperformer, supported by the AI investment cycle.

US growth resilience and AI-driven inflation pressures have shifted Fed rhetoric more hawkish. Fed Governor Waller, typically dovish, has signalled support for removing the easing bias and no longer rules out rate hikes. Rates markets now fully price a 25bp Fed hike this year, while expectations for ECB and BoE tightening may ease.

There is no strong case to be bearish USD. We stay neutral and focus on FX crosses. We favour high carry and commodity-linked FX such as AUD, NOK and BRL. EUR and CHF may underperform.

On GBP, we move from bearish to neutral. Despite political risks and soft data, the currency has retraced post-election losses. Easing fiscal concerns, helped by Andrew Burnham's – the man seen as the most likely replacement for current Prime Minister Keir Starmer according to recent YouGov polling – commitment to fiscal discipline, alongside relatively attractive carry, should limit GBP downside.

Silver. Rebound risks dependent on deal. Precious metals, including silver started the week on a firmer footing on US-Iran de-escalation hopes. But there was some degree of hesitant to chase the move too aggressively as key details around Iran's nuclear programme and uranium enrichment remain unclear while thinner holiday liquidity saw markets somewhat sidelined. Oil remains the swing factor: if the deal is confirmed and oil extends lower, yields and the USD may ease. These can provide some support to silver. Last seen at 78 levels. Bearish momentum on daily chart shows early signs of fading while RSI rose. Further rebound risks not ruled out. Resistance at 81.30 (100 DMA), 84.1 (38.2% fibo retracement of 2026 high to low) and 91 levels (50% fibo). Support at 73/75 levels (recent low, 23.6% fibo).

USDTHB. Oil and gold supports. USDTHB gapped lower at the open yesterday on hopes of US-Iran de-escalation and a potential reopening path for the Strait of Hormuz, but follow-through was limited as key details including nuclear terms and implementation timeline remain unclear at this point. Softer oil is THB-positive while gold was another key driver. In the near term, USDTHB may stay offered on de-escalation hopes, but downside momentum could be choppy unless oil extends lower and gold continues to support. This is dependent on how de-escalation pans out. USDTHB last at 32.47 levels. Mild bullish momentum on daily chart faded while RSI eased. Support here at 32.50/50 levels (21, 50 DMAs). Decisive break puts next support at

32.20 (38.2% fibo retracement of 2026 low to high), 31.90/32.05 levels (200 DMA, 50% fibo). Resistance at 32.80, 33 levels (2026 high).

USDSGD. Sell rallies. USDSGD drifted a touch lower, riding on “Iran good news” but largely still traded in recent range. That said, de-escalation hopes still lack clarity on nuclear details. Hence the down drift lacks follow-through while US/UK markets were closed overnight. Markets should continue to keep a close watch for any real deal before the pair trades with greater momentum. Pair was last at 1.2770 levels. Daily momentum is mild bullish while RSI eased. 2-way trades likely. Area of support at 1.2720/60 levels (21, 100 DMAs, 61.8% fibo retracement of 2026 low to high) before 1.2650/70 levels (76.4% fibo). Bias to sell rallies. Resistance at 1.2840/50 levels (23.6% fibo, 200DMA).

On the data releases, Singapore’s final 1Q26 GDP was revised higher to 6.0% YoY from the 4.6% advance estimate, with sequential growth also rebounding to +1.0% QoQ. Meanwhile, April MAS core CPI surprised on the downside at 1.4% YoY (vs. 1.7% prior), largely due to softer services and retail goods inflation, though the moderation may prove temporary amid rising energy and imported cost pressures. It remains early to call MAS’ July move as geopolitical developments remain fluid, but if growth stays intact and inflation pressures broaden again in the months ahead, another tightening down the road cannot be ruled out. That should continue to lend SGD some underlying support even as broader USD and risk sentiment dynamics remain important for USDSGD.

Technical Levels Table

	EURUSD	USDJPY	GBPUSD	USDCHF	AUDUSD	NZDUSD	USDCAD	XAUUSD	USDSGD	USDPHP	USDINR
Resistance 3	1.1703	159.50	1.3622	0.7915	0.7257	0.5932	1.3863	4646	1.2850	61.73	95.92
Resistance 2	1.1671	159.20	1.3553	0.7872	0.7210	0.5900	1.3835	4605	1.2813	61.59	95.59
Resistance 1	1.1658	159.05	1.3529	0.7849	0.7192	0.5886	1.3819	4588	1.2791	61.53	95.41
Spot	1.1640	158.96	1.3500	0.7831	0.7171	0.5866	1.3805	4561	1.2773	61.47	95.23
Support 1	1.1626	158.75	1.3460	0.7806	0.7145	0.5854	1.3791	4546	1.2754	61.39	95.08
Support 2	1.1607	158.60	1.3415	0.7786	0.7116	0.5836	1.3779	4522	1.2739	61.31	94.94
Support 3	1.1575	158.30	1.3346	0.7743	0.7069	0.5804	1.3751	4480	1.2702	61.17	94.61
Bollinger Band											
Bollinger Upper	1.1796	160.23	1.3665	0.7904	0.7276	0.5982	1.3841	4757	1.2842	62.13	96.87
Bollinger Lower	1.1573	155.95	1.3340	0.7762	0.7097	0.5808	1.3565	4450	1.2663	60.74	93.88

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

Disclaimers

This report is solely for information purposes and general circulation only and may not be published, circulated, reproduced or distributed in whole or in part to any other person without our prior written consent. This report should not be construed as an offer or solicitation for the subscription, purchase or sale of the securities/instruments mentioned herein or to participate in any particular trading or investment strategy. Any forecast on the economy, stock market, bond market and economic trends of the markets provided is not necessarily indicative of the future or likely performance of the securities/instruments. Whilst the information contained herein has been compiled from sources believed to be reliable and we have taken all reasonable care to ensure that the information contained in this report is not untrue or misleading at the time of publication, we cannot guarantee and we make no representation as to its accuracy or completeness, and you should not act on it without first independently verifying its contents. The securities/instruments mentioned in this report may not be suitable for investment by all investors. Any opinion or estimate contained in this report is subject to change without notice. We have not given any consideration to and we have not made any investigation of the investment objectives, financial situation or particular needs of the recipient or any class of persons, and accordingly, no warranty whatsoever is given and no liability whatsoever is accepted for any loss arising whether directly or indirectly as a result of the recipient or any class of persons acting on such information or opinion or estimate. This report may cover a wide range of topics and is not intended to be a comprehensive study or to provide any recommendation or advice on personal investing or financial planning. Accordingly, it should not be relied on or treated as a substitute for specific advice concerning individual situations. Please seek advice from a financial adviser regarding the suitability of any investment product taking into account your specific investment objectives, financial situation or particular needs before you make a commitment to purchase the investment product. In the event that you choose not to seek advice from a financial adviser, you should consider whether the investment product mentioned herein is suitable for you. Oversea-Chinese Banking Corporation Limited ("OCBC Bank"), Bank of Singapore Limited ("BOS"), OCBC Securities Private Limited ("OSPL") and their respective related companies, their respective directors and/or employees (collectively "Related Persons") may or might have in the future, interests in the investment products or the issuers mentioned herein. Such interests include effecting transactions in such investment products, and providing broking, investment banking and other financial or securities related services to such issuers as well as other parties generally. OCBC Bank and its Related Persons may also be related to, and receive fees from, providers of such investment products. There may be conflicts of interest between OCBC Bank, BOS, OSPL or other members of the OCBC Group and any of the persons or entities mentioned in this report of which OCBC Bank and its analyst(s) are not aware due to OCBC Bank's Chinese Wall arrangement. This report is intended for your sole use and information. By accepting this report, you agree that you shall not share, communicate, distribute, deliver a copy of or otherwise disclose in any way all or any part of this report or any information contained herein (such report, part thereof and information, "Relevant Materials") to any person or entity (including, without limitation, any overseas office, affiliate, parent entity, subsidiary entity or related entity) (any such person or entity, a "Relevant Entity") in breach of any law, rule, regulation, guidance or similar. In particular, you agree not to share, communicate, distribute, deliver or otherwise disclose any Relevant Materials to any Relevant Entity that is subject to the Markets in Financial Instruments Directive (2014/65/EU) ("MiFID") and the EU's Markets in Financial Instruments Regulation (600/2014) ("MiFIR") (together referred to as "MiFID II"), or any part thereof, as implemented in any jurisdiction. No member of the OCBC Group shall be liable or responsible for the compliance by you or any Relevant Entity with any law, rule, regulation, guidance or similar (including, without limitation, MiFID II, as implemented in any jurisdiction).

The information provided herein may contain projections or other forward looking statements regarding future events or future performance of countries, assets, markets or companies. Actual events or results may differ materially. Past performance figures are not necessarily indicative of future or likely performance.

Privileged / confidential information may be contained in this report. If you are not the addressee indicated in the message enclosing the report (or responsible for delivery of the message to such person), you may not copy or deliver the message and/or report to anyone. Opinions, conclusions and other information in this document that do not relate to the official business of OCBC Bank, BOS, OSPL and their respective connected and associated corporations shall be understood as neither given nor endorsed.

Co.Reg.no.: 193200032W

Additional disclosures and disclaimers applicable only to clients of Bank of Singapore Limited

This material is being made available to you through an arrangement between Bank of Singapore Limited (Co Reg. No.: 197700866R) ("BOS") and Oversea-Chinese Banking Corporation Limited ("OCBC Bank") (Co Reg. No.: 193200032W). BOS and OCBC Bank shall not be responsible or liable for any loss (whether direct, indirect or consequential) that may arise from, or in connection with, any use of or reliance on any information contained in or derived from this material, or any omission from this material, other than where such loss is caused solely by BOS' or OCBC Bank's wilful default or gross negligence.

The DIFC Branch of BOS has not conducted or produced any research contained in this material and is acting solely as a conduit in forwarding it to you.

For BOS clients in the United Kingdom:

This research has been prepared by OCBC Bank and made available to BOS. It is intended solely for informational purposes and does not constitute investment advice, a personal recommendation, or an offer or solicitation to buy or sell any financial instruments. Any payments or non-monetary benefits received or paid will be fully disclosed in accordance with applicable regulations, promptly and transparently, and will not influence the advice or services offered to you. If you would like more information about any inducements received, please contact your Relationship Manager.

Cross Border Disclaimer and Disclosures

Please refer to https://www.bankofsingapore.com/Disclaimers_and_Disclosures.html for cross-border marketing disclaimers and disclosures.