

## Daily Market Outlook

### USD Firm, Rangebound

**Sim Moh Siong**  
FX Strategist

- **USD Firm, Rangebound:** Markets were quiet as US data supported a growth resilience narrative. USD stays firm but rangebound. Favour carry and commodities FX. Watch USDJPY near 160 with intervention risk and BoJ signals in focus.
- **Fragile Oil Balance:** Our base case still points to gradual easing of oil prices into 2H26. That said, prices remain sticky, supported by a structural risk premium, continued stockpiling and Iran's ability to disrupt flows.
- **CNY Holds Firm:** CNY strength remains intact on external demand and policy tolerance, but appreciation should be gradual. Watch the daily fix and dividend payment season for signs of a near-term slowdown in momentum.

**USD Firm, Rangebound:** Broader markets were subdued overnight, with no fresh progress on US-Iran tensions and renewed pressure in cryptocurrencies.

US job openings rose more than expected in April, although gains were skewed by hiring in professional and business services. Front-end US yields initially declined but reversed after the stronger labour data, leaving the curve slightly flatter.

At the margin, the data reinforces the US growth resilience narrative and supports a shift away from easing toward a more neutral stance at Chair Warsh's first FOMC meeting on 18 June. We remain neutral on USD, expecting it to stay firm but rangebound, with no compelling bearish case.

Risk-sensitive oil importers such as NZD, SEK, GBP and KRW may outperform in the near term if energy prices ease. Still, we prefer carry and commodity FX, including AUD, NOK and BRL. EUR and CHF are likely laggards, especially if oil prices decline only gradually.

USDJPY stands out near 160. Concerns over additional JGB issuance have eased following reports that a consumption tax cut could be funded without increasing issuance. Intervention risk remains, although recent verbal warnings from Finance Minister Katayama lacked force. BoJ Governor Ueda speaks Wednesday. Markets will

watch for signals on a potential June rate hike, with around 21bp currently priced.

**Fragile Oil Balance:** Ceasefire optimism has pushed Brent below USD100/bbl, but geopolitical risks remain elevated and price downside is limited by ongoing supply uncertainty and Hormuz vulnerability. Prices are capped by weaker Chinese buying, strong US exports and inventory drawdowns, though this buffer is temporary and could fade within months. Our base case remains for prices to ease into 2H26, but stickiness persists due to structural risk premium, stockpiling and Iran's capacity to disrupt flows (*Fragile Oil Balance*, 29 May 2026).

**CNY Holds Firm:** The CNY is up 3.3% year to date against the USD, outperforming Asian peers and shrugging off negative terms of trade from high oil prices. Strength is also evident in the CFETS basket, now nearing early-2025 highs. Key drivers remain solid external demand and increased corporate FX conversion. Authorities appear comfortable with further appreciation to support RMB internationalisation and ease undervaluation concerns. The issue is pace, not direction. Currency gains should continue but remain measured given soft domestic demand and export dependence. The daily USDCNY fix remains the key signal. Near term, currency appreciation may slow over the next two months as dividend payment picks up.

## Technical Levels Table

	EURUSD	USDJPY	GBPUSD	USDCHF	AUDUSD	NZDUSD	USDCAD	XAUUSD	USDSGD	USDPHP	USDINR
Resistance 3	1.1715	160.61	1.3528	0.7947	0.7244	0.5985	1.3914	4655	1.2851	61.94	95.69
Resistance 2	1.1674	160.22	1.3497	0.7907	0.7209	0.5957	1.3875	4576	1.2821	61.82	95.44
Resistance 1	1.1653	160.07	1.3482	0.7890	0.7194	0.5941	1.3857	4533	1.2809	61.75	95.36
Spot	1.1623	159.99	1.3456	0.7880	0.7174	0.5922	1.3841	4468	1.2803	61.68	95.27
Support 1	1.1612	159.68	1.3451	0.7850	0.7159	0.5913	1.3818	4454	1.2779	61.63	95.11
Support 2	1.1592	159.44	1.3435	0.7827	0.7139	0.5901	1.3797	4420	1.2761	61.58	94.94
Support 3	1.1551	159.05	1.3404	0.7787	0.7104	0.5873	1.3758	4341	1.2731	61.46	94.69
<b>Bollinger Band</b>											
Bollinger Upper	1.1772	160.59	1.3611	0.7909	0.7264	0.5998	1.3879	4751	1.2846	62.18	96.84
Bollinger Lower	1.1552	156.83	1.3326	0.7774	0.7098	0.5814	1.3648	4387	1.268	60.77	94.21

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](https://www.bankofsingapore.com/Disclaimers_and_Disclosures.html) for cross-border marketing disclaimers and disclosures.