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FX Weekly

Firm, Not One-Way

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- ***Firm, Not One-Way****: USD should stay supported into 1H27, with EURUSD potentially slipping below 1.10. But AI uncertainty and firmer Asian FX management should cap USD gains, setting the stage for a EURUSD recovery in 2H27.*

- ***Buffers Running Thin****: We raise our Brent forecasts as months of Middle East disruption erode the market's buffers. Even as Gulf exports recover, depleted inventories, stretched logistics and persistent shipping risks argue for a higher-for-longer oil price environment.*

- ***RMB****: Revised forecasts reflect a more constructive appreciation bias, as recent PBoC fixing patterns suggest slightly greater policy tolerance for RMB strength, while market expectations for further appreciation have also firmed. We expect the pace to remain measured.*

- ***Gold****: Near-term headwinds persist from Fed tightening expectations, elevated yields and potential AI-related deleveraging. Nevertheless, we remain constructive into 2027, supported by ETF inflows, central-bank purchases and scope for speculative longs to rebuild following the positioning washout.*

- ***KRW****: Maintain moderate appreciation bias into 2027, supported by resilient exports, AI-related demand and expectations for hawkish Fed repricing to unwind. However, KRW's high-beta characteristics and elevated US yields may sustain near-term two-way volatility.*

- ***IDR****: Revised forecasts reflect lingering MSCI uncertainty, elevated oil prices and Fed tightening risks. Pressures may intensify into 1Q27 as MSCI scrutiny increases, with risks of spot temporarily overshooting our forecast trajectory.*

- ***GBP's Bar Gets Higher****: GBP resilience should extend into early 2027 as fiscal discipline, resilient growth and political stability remain supportive. But with substantial BoE tightening already priced, further gains will require increasingly positive UK surprises.*

Firm, Not One-Way: Uncertainty around the AI trade is rising, raising questions over how long US growth can remain resilient if the investment boom starts to fade. At the same time, geopolitical risk

premia remain elevated in energy markets, with Iran risks keeping oil prices high. The 3 November US midterms could bring both risks into sharper focus. A Democratic sweep may increase scrutiny of AI and weigh on US tech sentiment, although major federal regulation would still face significant political hurdles under President Trump.

For now, central banks have provided some stability. The Federal Reserve, European Central Bank and Bank of Japan all paused at their latest meetings, but the message was hardly dovish. Inflation remains a concern and further tightening is still in play.

These conflicting forces have kept the USD broadly range-bound. AI concerns are challenging the US growth premium, while higher energy prices reinforce inflation risks. At the same time, markets may increasingly question how far the Fed can tighten if AI-related stress leads to a material tightening in financial conditions.

We still think it is too early to position for sustained USD weakness. AI remains broadly supportive of US growth and the USD, but it is no longer a one-way trade. USD upside should also be more contained, particularly as firmer currency management in China and potentially Japan helps anchor regional Asian currencies.

We remain constructive on the USD against the EUR into 1H27 and see scope for EURUSD to slip below 1.10. European tail risks remain unresolved. While Moody's decision to retain France's Aa3 rating provided some relief, the negative outlook and lingering fiscal risks should limit the scope for a sustained OAT rally ahead of the 2027 French presidential election. Beyond 1H27, we retain our U-shaped EURUSD profile. As the US AI growth impulse peaks and fades, the hawkish Fed risks that have supported the USD should also ease, creating room for EURUSD to turn higher in 2H27.

Buffers Running Thin: We raise our end-2026 Brent forecast to USD100/bbl from USD85 and end-2027 to USD85 from USD75. The shift is less about greater conviction on how the US-Iran conflict ends and more about responding to today's tighter market. Brent remains above USD110/bbl despite a recovery in Gulf exports.

Escalation is not inevitable, but the market has less capacity to absorb another shock. Months of disruption have drawn down inventories, tightened tanker availability, stretched alternative export routes and depleted refined-product stocks. Renewed attacks on shipping or regional energy infrastructure could therefore have an outsized price impact.

The bottleneck is increasingly transportation, not production. Longer voyages, security risks and disrupted routes tie up vessels, reducing effective tanker capacity and pushing freight costs higher. Oil may still be flowing, but it is becoming slower and more expensive to move.

That matters most for refined products. Higher freight costs disrupt trade flows and raise replacement costs, reinforcing tight diesel markets and supporting cracks. For Brent-WTI, higher transatlantic freight can widen the spread as WTI must trade at a deeper discount to remain competitive in Europe.

GBP's Bar Gets Higher: GBP has held up better than expected despite the fiscal strain from higher energy and borrowing costs. Crucially, the Budget did not add to those concerns. The government kept within its fiscal rules and retained a GBP15bn buffer against the stability rule, despite absorbing higher debt interest costs linked to the Middle East conflict.

The broader UK backdrop also remains relatively supportive. Growth has proved resilient, with the OBR upgrading its 2026 growth forecast to 1.2%. Greater political stability and continued fiscal discipline should provide some relative support for GBP, while closer UK-EU economic ties could offer an additional medium-term tailwind.

We revise our EURGBP forecast to reflect continued GBP resilience against EUR into early 2027, although the easier sterling gains may now be behind us. With markets already pricing an aggressive BoE tightening cycle, much of the rates support is already in the price. The bar for the next leg higher in GBP is therefore getting increasingly high.

RMB. Upgrading forecasts. We maintain a constructive outlook on RMB, with USDCNY projected at 6.62 at end-2026 and 6.46 at end-2027. The recent pattern of stronger PBoC fixings appears to suggest slightly greater policy tolerance for continued RMB appreciation, although we expect the pace to remain measured. RMB's resilience despite broader USD strength also points to an increasingly constructive market bias towards appreciation, reinforcing expectations for further currency gains. We expect this appreciation trajectory to extend into 2027, supported by a gradual easing in USD strength, although periodic consolidation is likely. A renewed USD rally, softer domestic growth or a shift in the fixing trajectory could temper the pace of appreciation.

KRW. Recovery bias but unlikely a straight line. We expect KRW to appreciate moderately into 2027, with USDKRW projected at 1320 at

end-2026 and 1260 at end-2027. The recovery is unlikely to be a straight line, given KRW's high-beta characteristics and sensitivity to global risk sentiment and portfolio flows. Korea's export resilience and continued strength in AI-related semiconductor demand should provide support, while expectations for hawkish Fed repricing to unwind and USD strength to moderate reinforce our medium-term constructive bias. Near term, however, still-elevated US Treasury yields and expectations of another Fed hike could sustain two-way volatility, while resident overseas investment flows may continue to complicate KRW's response to equity market strength.

IDR – External headwinds and MSCI uncertainty. We retain a cautious outlook on IDR, with USDIDR projected at 18100 at end-2026 and 18200 in 1Q27, before easing towards 17850 by end-2027. MSCI-related uncertainty remains an overhang, although Indonesian policymakers appear to be making efforts to address investor concerns and stabilise sentiment. In addition, concerns of further Fed tightening and elevated oil prices could compound near-term pressures, potentially pushing spot USDIDR temporarily above our forecast trajectory. Pressures may intensify into 1Q27 as MSCI's review deadline draws closer and investor scrutiny of Indonesia's progress increases. We expect some stabilisation later in 2027, conditional on an easing in external headwinds and progress in addressing MSCI's concerns.

Gold – Near-term challenges, medium-term constructive. We remain constructive on gold over the medium term. But lowered forecast levels, now projecting gold at 4250 at end-2026 and 4710 at end-2027. Near-term conditions remain challenging amid softer risk sentiment, while weakness in AI-related equities could risk triggering broader deleveraging and liquidity-driven selling in gold. Fears of another Fed hike in December, which remains our house baseline, and the prospect of US rates staying restrictive for longer could keep yields elevated, raising the opportunity cost of holding gold. Nevertheless, ETF inflows and central-bank purchases continue to underpin underlying demand, while the recent positioning washout may allow long positions to rebuild from pre-breakout levels. Looking into 2027, an eventual unwinding of hawkish Fed expectations and moderation in USD strength and yields should provide support for gold's recovery.

The week for Asian FX starts with China's private-sector PMIs (2, 4 Nov). The RBA policy decision (3 Nov) is another key event for regional FX, alongside Korea's October CPI (3 Nov). In the US, midterm elections (3 Nov) could also influence market sentiment and expectations surrounding the policy outlook. Regional attention then turns to BNM's policy decision (5 Nov), with focus on its assessment of growth and

inflation risks against a backdrop of relatively resilient domestic activity. Indonesia's 3Q26 GDP and October CPI releases in the Philippines, Thailand and Taiwan (5 Nov) will also feature, particularly as elevated energy prices continue to complicate the regional inflation outlook. Globally, US October payrolls (6 Nov) will be important for Fed expectations, US Treasury yields and the USD. Separately, Malaysia's Election Commission is scheduled to set the Sarawak state election timetable (6 Nov), although the polling date has yet to be confirmed.

Technical Levels Table

	EURUSD	USDJPY	GBPUSD	USDCHF	AUDUSD	NZDUSD	USDCAD	XAUUSD	USDSGD	USDPHP	USDINR
Resistance 3	1.1328	159.35	1.3520	0.8357	0.7088	0.5700	1.4069	4236	1.2881	63.97	95.76
Resistance 2	1.1249	158.41	1.3460	0.8295	0.7059	0.5667	1.4019	4080	1.2835	63.84	95.41
Resistance 1	1.1205	157.99	1.3425	0.8273	0.7045	0.5649	1.3997	3977	1.2807	63.79	95.18
Spot	1.1158	157.48	1.3390	0.8240	0.7027	0.5629	1.3965	3875	1.2786	63.74	94.96
Support 1	1.1126	157.05	1.3365	0.8211	0.7016	0.5616	1.3947	3821	1.2761	63.66	94.83
Support 2	1.1091	156.53	1.3340	0.8171	0.7001	0.5601	1.3919	3768	1.2743	63.58	94.70
Support 3	1.1012	155.59	1.3280	0.8109	0.6972	0.5568	1.3869	3611	1.2697	63.45	94.35
Bollinger Band											
Bollinger Upper	1.1263	158.85	1.3447	0.8360	0.7066	0.5712	1.4330	4255	1.2836	64.21	96.97
Bollinger Lower	1.1125	156.96	1.3172	0.8199	0.6926	0.5570	1.3893	3944	1.276	62.27	94.07

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

FX Forecasts

Currency Pair	Current (30 October)	Dec-26	Mar-27	Jun-27	Sep-27	Dec-27
USD-JPY	157	155	154	153	151	150
EUR-USD	1.12	1.10	1.08	1.08	1.11	1.13
GBP-USD	1.34	1.32	1.31	1.31	1.34	1.35
AUD-USD	0.70	0.71	0.71	0.71	0.72	0.72
NZD-USD	0.57	0.57	0.59	0.60	0.62	0.62
USD-CAD	1.40	1.39	1.38	1.37	1.36	1.35
USD-CHF	0.82	0.85	0.86	0.86	0.85	0.83
DXY	101.6	102.9	104.1	103.9	101.6	100.3
USD-SGD	1.2771	1.2700	1.2670	1.2630	1.2610	1.2550
USD-CNY	6.6527	6.6200	6.5800	6.5300	6.5100	6.4600
USD-CNH	6.6505	6.6200	6.5800	6.5300	6.5100	6.4600
USD-THB	33.68	33.20	33.00	32.60	32.50	32.20
USD-IDR	18127	18100	18200	18050	17950	17850
USD-MYR	4.0582	4.0500	4.0300	4.0100	4.0000	3.9800
USD-KRW	1333.70	1320	1300	1290	1280	1260
USD-TWD	32.52	32.30	32.20	32.10	31.90	31.60
USD-HKD	7.84	7.84	7.83	7.82	7.82	7.80
USD-PHP	63.74	63.20	62.80	62.50	62.40	62.00
USD-INR	94.96	95.00	94.80	94.20	94.00	94.00
USD-VND	25802	25600	25700	25600	25500	25400
EUR-JPY	175.96	171	166	165	167.61	169.50
EUR-GBP	0.8340	0.83	0.83	0.83	0.83	0.84
EUR-CHF	0.9196	0.93	0.93	0.93	0.94	0.94
EUR-AUD	1.5915	1.55	1.52	1.52	1.54	1.57
EUR-NOK	10.30	10.40	10.50	10.50	10.80	11.00
AUD-NZD	1.2457	1.24	1.21	1.19	1.17	1.16
EUR-SGD	1.4308	1.40	1.37	1.36	1.40	1.42
GBP-SGD	1.7155	1.67	1.65	1.65	1.69	1.69
AUD-SGD	0.8990	0.90	0.90	0.90	0.91	0.90
NZD-SGD	0.7217	0.73	0.74	0.75	0.78	0.78
CAD-SGD	0.9155	0.91	0.92	0.92	0.93	0.93
CHF-SGD	1.5558	1.50	1.47	1.47	1.49	1.51
JPY-SGD	0.8133	0.82	0.82	0.83	0.84	0.84
SGD-MYR	3.1772	3.19	3.18	3.17	3.17	3.17
SGD-CNY	5.2094	5.21	5.19	5.17	5.163	5.147
SGD-IDR	14205	14252	14365	14291	14235	14223
SGD-THB	26.37	26.14	26.05	25.81	25.77	25.66
SGD-PHP	49.88	49.76	49.57	49.49	49.48	49.40
SGD-VND	20205	20157	20284	20269	20222	20239
SGD-CNH	5.21	5.21	5.19	5.17	5.16	5.15
SGD-TWD	25.53	25.43	25.41	25.42	25.30	25.18
SGD-KRW	1044	1039	1026	1021	1015	1004
SGD-HKD	6.14	6.17	6.18	6.19	6.20	6.22
SGD-JPY	122.99	122	122	121	120	120
Gold $/oz	3980	4250	4400	4490	4590	4710
Silver $/oz	50	54	59	60	64	68
Platinum $/oz	1445	1526	1643	1676	1785	1861
Palladium $/oz	984	1052	1133	1156	1231	1283
ICE Brent $/bbl	118	100	98	95	90	85
NYMEX WTI $/bbl	104	93	92	91	86	81
Aluminium $/mt	3268	3,050	3,075	3,100	3,100	3,100
Copper $/mt	14623	13,000	13,100	13,300	13,300	13,300

Source: OCBC Group Research (Latest Forecast Update: 30 October 2026)

Note: These are not meant to serve as point forecast for the quarter-end but meant as trajectory bias of the currency pair.

FX Forecasts

	Current (30 Oct)	3M	6M	12M
Forecast for G10 Currencies				
EURUSD	1.12	1.09	1.08	1.12
GBPUSD	1.34	1.31	1.31	1.34
USDJPY	158	155	154	151
USDCHF	0.83	0.85	0.86	0.84
AUDUSD	0.70	0.71	0.71	0.72
NZDUSD	0.56	0.58	0.59	0.62
USDCAD	1.40	1.39	1.38	1.36
EURNOK	10.27	10.43	10.50	10.87
Forecast for Asian Currencies				
USDCNY	6.65	6.61	6.56	6.49
USDIDR	18147	18133	18150	17917
USDINR	94.96	94.93	94.60	94.00
USDKRW	1334	1313	1297	1273
USDMYR	4.06	4.04	4.02	3.99
USDPHP	63.74	63.07	62.70	62.27
USDSGD	1.28	1.27	1.27	1.26
USDTHB	33.78	33.13	32.87	32.40
USDTWD	32.60	32.27	32.17	31.80
Forecast for Precious Metals				
Gold $/oz	3875	4300	4430	4630
Silver $/oz	49.10	55.9	59.1	65.3
Platinum $/oz	1435	1565	1654	1810
Palladium $/oz	979	1079	1141	1248
Forecast for Crude Oil				
NYMEX WTI $/bbl	104.1	93	92	84
ICE Brent $/bbl	117.6	99	97	88

Source: OCBC Group Research (Latest Forecast Update: 30 October 2026)

Note: The 3-, 6-, and 12-month forecasts may vary slightly over time even when the underlying FX outlook remains unchanged. This is because we use a single set of core FX and interest-rate forecasts anchored on quarter-end levels. From these quarter-end projections, we derive the 3-, 6-, and 12-month forecasts using straightforward methodologies, including interpolation. This approach ensures internal consistency across all forecast horizons.

Interest Rates Forecasts

	3M	6M	12M
Forecasts for US interest rates			
Fed Funds Rate	4.25	4.25	4.25
SOFR	4.15	4.15	4.15
2-Year US Treasury	4.75	4.65	4.45
5-Year US Treasury	4.85	4.75	4.55
10-Year US Treasury	5.05	4.95	4.80
30-Year US Treasury	5.40	5.40	5.30
Forecast for US SOFR swap rates			
2-Year Rate	4.65	4.55	4.35
5-Year Rate	4.65	4.55	4.35
10-Year Rate	4.70	4.60	4.40
30-Year Rate	4.75	4.70	4.55

Source: OCBC Group Research

Weekly Economic Calendar

Date	Spore time	Country/ Currency	Data/ Event	Period	Actual	Cons.	Prior
02-Nov	23:00	US	ISM Manufacturing	Oct		54.7	54.5
03-Nov	11:30	AU	RBA Cash Rate Target	46329		4.85%	4.60%
	15:30	SZ	CPI YoY	Oct		1.3%	1.0%
	15:30	SZ	CPI Core YoY	Oct		0.5%	0.5%
	23:00	US	JOLTS Job Openings	Sep		7100k	7079k
04-Nov	05:45	NZ	Unemployment Rate	3Q		5.5%	5.6%
	09:45	CH	RatingDog China PMI Composite	Oct		--	52.4
	16:30	SW	Riksbank Policy Rate	4-Nov		2.00%	1.75%
	18:00	EC	CPI Estimate YoY	Oct P		3.9%	3.8%
	18:00	EC	CPI Core YoY	Oct P		2.5%	2.5%
	21:15	US	ADP Employment Change	Oct		70k	90k
	21:30	US	US Treasury Quarterly Refunding Announcement				
	23:00	US	ISM Services Index	Oct		54.7	54.9
05-Nov	15:00	MA	BNM Overnight Policy rate			2.75%	2.75%
	15:00	SW	CPIF YoY	Oct P		--	1.5%
	15:00	SW	CPIF Excl. Energy YoY	Oct P		--	0.5%
	15:00	GE	Factory Orders WDA YoY	Sep		--	2.7%
	17:00	NO	Deposit Rates	5-Nov		4.50%	4.50%
	20:00	UK	Bank of England Bank Rate	5-Nov		4.00%	3.75%
	21:30	US	Nonfarm Productivity	3Q P		3.0%	1.4%
	21:30	US	Unit Labor Costs	3Q P		1.5%	1.2%
	21:30	US	Initial Jobless Claims	31-Oct		--	194k
06-Nov	07:30	JN	Labor Cash Earnings YoY	Sep		3.8%	3.8%
	15:00	GE	Industrial Production WDA YoY	Sep		--	2.3%
	18:00	EC	Retail Sales YoY	Sep		--	0.8%
	21:30	US	Change in Nonfarm Payrolls	Oct		55k	29k
	21:30	CA	Unemployment Rate	Oct		6.5%	6.5%
	21:30	US	Average Hourly Earnings YoY	Oct		2.9%	3.0%
	21:30	US	Unemployment Rate	Oct		4.2%	4.2%
	23:00	US	U. of Mich. Sentiment	Nov P		47.3	48.0

Source: Bloomberg, OCBC Group Research

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