GLOBAL MARKETS RESEARCH

FX Weekly

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Of TACO, Takaichi Trades

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TACO Trade? Risk proxies come under pressure while safe haven proxies were better bid into NY close last Fri following the unexpected twist in US-China relations. Trump plans to impose additional 100% tariff on China and export controls on "any and all critical software" in response to China's recent actions. China had imposed export controls on rare earth and other critical materials, added new port fees on US ships and started an antitrust investigation into Qualcomm Inc. Trump also said there is no point to meet China's Xi at the APEC sidelines later this month in Gyeongju. it remains to be seen if this was another Trump's negotiation tactic or a revival of a full-fledged US-China trade war. At this point, there are signs to suggest that both sides may want some form of dialogue. Trump's threat of imposing fresh tariffs will only come into effect on 1 Nov, 2 days after the initial planned meeting at APEC, suggesting room for manoeuvre if any talks between now and then show progress. Although Trump said he might cancel the meeting, he later also said he hasn't cancelled it, but he doesn't know if they are going to have it. He added that he will be in Gyeongju regardless, so he would assume they might have it. Over the weekend, Beijing said US should stop threatening it with higher tariffs and urged more negotiations on outstanding issues to agree on a trade deal. They highlighted that since the US-China meeting in Madrid last month, US had "continuously introduced a series of new restrictions against China". The Commerce Ministry also clarifies that export control is not a ban on exports and applications that meet the regulations will be approved. China had notified relevant countries and regions through the bilateral export control dialogue mechanism even before the measures were announced. Recent US-China developments have become more fluid, and situation can worsen before improving. Caution however remains warranted in the interim though TACO trade may prevail. Risk-sensitive FX to growth and sentiments including AUD, NZD, MYR, RMB may be more sensitive to swings, safe haven proxy FX such as gold, JPY and CHF could remain better bid if uncertainty heightens while trade policy unpredictability may restrain USD bulls.

Takaichi Volatility. The near 4% decline in JPY at one-point last week post LDP. This was loosely termed the Takaichi trade, due to perceived policies associated with the PM to-be Takaichi while market pushed out rate hike expectations. But USDJPY reversed some of its upmove into NY close on Fri on heightened tensions between US and China while long-time political party, Komeito announced decision to pull out of LDP coalition. To some extent, this may suggest that some of Takaichi's policies may have to be watered down or there is greater risk that policies may not be passed smoothly in parliament. The political uncertainty at the moment and absence of more forceful jawboning from MoF officials, alongside fluid US-China developments may well suggest that USDJPY could face more 2-way risks in the interim. Watch parliamentary vote on 15 Oct.

We Look for MAS to Hold (Tue). A MAS hold should see little to modest strengthening in the S$NEER while USDSGD may trade a touch softer, post-decision. A flattening of the slope would see S$NEER weakening more asymmetrically. Potentially, USDSGD may see knee-jerk reaction to trade higher.

Bloomberg FX Forecast Ranking (3Q 2025)
By Region:
No. 2 for Asia FX
No. 8 for 13 Major FX

By Currency:
No. 1 for THB, CNH
No. 2 for CNY, MYR
No. 3 for PHP, HKD
No. 4 for SGD, TWD

(2Q 2025)
By Region:
No. 2 for Asia FX
No. 4 for 13 Major FX

By Currency:
No. 1 for SGD, THB
No. 2 for TWD
No. 3 for CNY, NZD
No. 4 for MYR

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AxJ Positioning Bias (Reuters Poll)

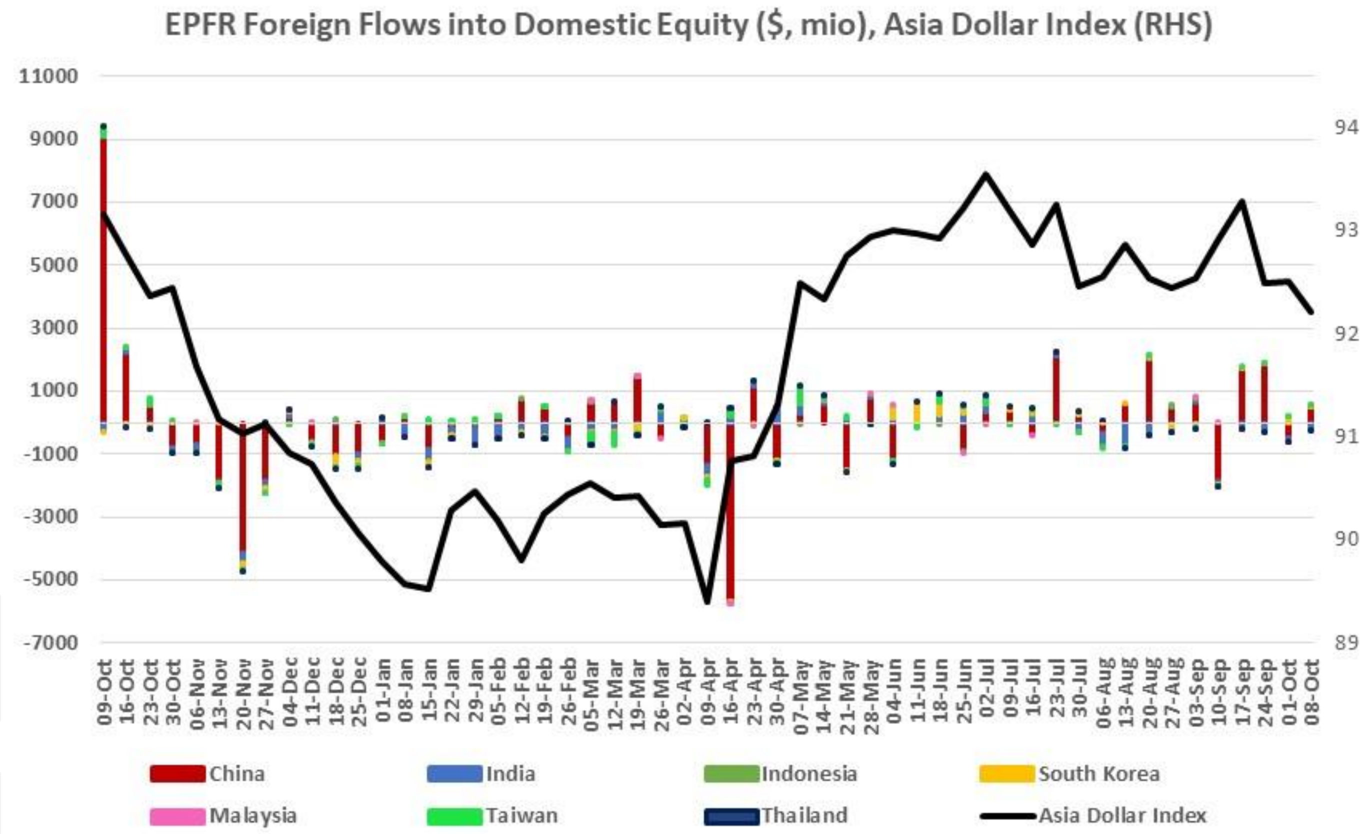
Based on Reuters survey on Asia FX positioning, the positioning on AxJ FX remains mixed. Long position was seen in CNY, THB, SGD and MYR while shorts were seen in INR, IDR, KRW and PHP. In terms of sentiment shifts, longs in AxJ FX was reduced while shorts in AxJ FX increased. KRW and PHP turned more net long to net short while shorts in IDR and INR increased further.

	29-May-25	12-Jun-25	26-Jun-25	10-Jul-25	24-Jul-25	07-Aug-25	21-Aug-25	04-Sep-25	18-Sep-25	02-Oct-25	Trend
USD/CNY	-0.67	-0.78	-0.74	-0.54	-0.57	-0.09	0.06	-0.77	-1.05	-0.67	
USD/KRW	-1.2	-1.37	-1.06	-0.63	-0.1	0.35	0.35	0.1	-0.2	0.8	
USD/SGD	-1.34	-1.24	-1.22	-1.3	-1.09	-0.87	-0.73	-0.71	-0.64	-0.38	
USD/IDR	-0.32	-0.6	-0.2	-0.38	-0.05	0.35	-0.08	0.53	0.85	1.47	
USD/TWD	-1.5	-1.58	-1.48	-1.65	-1.06	-0.5	-0.35	0.29	-0.44	-0.32	
USD/INR	-0.08	0.03	0.89	0.36	0.51	1.33	0.94	1.42	1.5	1.53	
USD/MYR	-1.04	-1.25	-0.76	-0.48	-0.57	-0.58	-0.4	-0.63	-0.65	-0.56	
USD/PHP	-1.19	-0.93	0.21	-0.06	0.21	0.35	0.22	-0.02	-0.22	0.44	
USD/THB	-1.14	-1.24	-0.33	-0.11	-0.14	-0.4	-0.31	-0.46	-1.16	-0.76	

Note: Asian FX poll is conducted by Reuters, on bi-weekly basis on what analysts and fund managers believe the current market positioning are. Poll uses estimates of net short or long on a scale of -3 to +3. A score of +3 indicates significant long USD against the AxJ FX. Arrow direction indicates change in positioning from last date. Source: Reuters [latest avail: 2 Oct 2025], OCBC Research.

EPFR Foreign Flows to Selected AxJ Equities vs. Asiadollar Index

EM Asia net foreign equity inflows remain subdued last week. China, Taiwan saw inflows but India continued to see outflows. Asian FX stayed under pressure.



Note: Latest data available as of 8 Oct 2025 (weekly frequency); ASIADOL index refers to Bloomberg Asia Dollar Index
Source: EPFR, Bloomberg, OCBC Research

	Key Themes and Trades
DXY	***USD Short Squeeze Underway.*** DXY traded broadly higher last week, in absence of data while technical pattern reinforces momentum. Broader risk appetite was also more curtailed. Renewed political noises in Europe and Japan have been weighing on EUR and JPY, respectively (the 2 currencies made up over 71% of DXY basket). Meanwhile, US government remains shut since 1 Oct, resulting in data drought. This puts emphasis on private sector data and Fedspeaks. Meanwhile, US-China developments added a twist to USD. Recent US-China developments have become more fluid, and situation can worsen before improving. Caution however remains warranted in the interim though TACO trade may prevail. Risk-sensitive FX to growth and sentiments including AUD, NZD, MYR, RMB may be more sensitive to swings, safe haven proxy FX such as gold, JPY and CHF could remain better bid if uncertainty heightens while trade policy unpredictability may restrain USD bulls. This week, NFIB small business optimism (Tue); empire manufacturing, Fed's Beige book (Wed); Philadelphia Fed business outlook, NAHB housing market index (Thu); industrial production (Fri). US CPI initially scheduled for release on 15 Oct, will now be released on 24 Oct, as confirmed by BLS. In terms of Fedspeaks, officials' opinions have been mixed. Williams said that he supported further interest-rate cuts this year and said he is paying close attention to risks of a further slowdown in the labor market. Barr said that "common sense would indicate that when there is a lot of uncertainty, one would move cautiously" – referring to the pace of Fed cut. On FOMC minutes, our rates strategist shared that the FOMC minutes carried both dovish and hawkish elements, as expected, plainly reflecting a split Committee amid economic and trade policy uncertainties. It cited "a shift in the balance of risks" as the reason for the rate cut decision at the September meeting. While "a few participants stated there was merit in keeping the federal funds rate unchanged at this [September] meeting or that they could have supported such a decision", the minutes also noted "most participants observed that it was appropriate to move the target range for the federal funds rate toward a more neutral setting". Current fed funds rate at 4.00-4.25% is still above the long-run median dot of 3.00% as depicted on the Fed's dot-plot. We maintain our long-held expectation for additional 50bps of cuts before year end, followed by another 25bp cut in Q1-2026. In the absence of key US data, however, risk to our forecast is that rate cuts may be paced out. DXY last at 99 levels. Daily momentum is bullish while RSI rose into overbought conditions. Double-bottom bullish reversal and a breakout of the descending wedge may still see DXY finding some momentum though a pullback is not ruled out in the interim. Support at 98.40 (38.2% fibo) and 98 levels (21, 50 DMAs). Immediate resistance at 99.10 levels (50% fibo retracement of May high to Sep low), 99.80 (61.8% fibo), 100.20 levels. Over the forecast horizon into 2026, we continue to expect USD to trade moderately softer as Fed resumes easing while US exceptionalism fade. Our house view looks for 2 more Fed cuts for 2025, following the last 25bp cut at Sep FOMC. USD has room to fall as long as broader risk-on sentiment stays intact, growth conditions outside US remains supported and the Fed stays on easing path. USD's decline is not a linear extrapolation and will likely be a bumpy path, driven by data surprises, market expectations of Fed cut and tariff risks. In the near term, Fed's "risk management cut" at Sep FOMC and cautious/ divided comments from Fed officials may not be sufficiently dovish to see USD break fresh year low at this point, especially when Fed cut expectations are more or less priced. At some point, USD bears can return with more conviction but that would require US data to come in softer (when data gets released), alongside Fed easing rates more decisively. USD re-allocation momentum can pick up when USD decline accelerates, and this may result in feedback loop for further USD weakness. More broadly, US policy unpredictability, and concerns of about the rising trajectory of US debt and deficits in the medium term should continue to underpin the broad (and likely, bumpy) decline in the USD.
EURUSD	***Fluid.*** EUR fell below 1.15 at one-point last week before rebounding amid fluid French political developments. Lecornu appointed less than a month ago had resigned as PM on Monday but was subsequently appointed as PM again on Fri. A cabinet reshuffle has also taken place over the weekend, but it remains unclear how long this new team can last, given the deep political divide. The new team will

have to seek compromises on budget measures to avoid any vote of no confidence. Additionally, the Netherlands will hold General Elections on October 29. These political developments may still pose downward pressure on the EUR in the near term. However, the broader fundamental outlook remains supportive of the euro, suggesting a bias for buy-on-dips approach.

EUR last seen at 1.1610 levels. Bearish momentum on daily chart intact while RSI showed tentative signs of turnaround from oversold conditions. Resistance at 1.1640 (100 DMA, 23.6% fibo), 1.1690 (50 DMA). Support at 1.1550, 1.1460 (38.2% fibo retracement of Apr low to Sep high).

Political uncertainties may temporarily weigh on EUR but we maintain our broadly constructive outlook on EUR. (1) ECB cut cycle likely nearing its end cycle while there is room for Fed to continue with it easing cycle. This helps to narrow EU-UST yield differentials. (2) German/European defence spending plans can lend a boost to growth. (3) China's economic growth showing tentative signs of stabilisation (stable to stronger RMB can see positive spillover to EUR) and (4) portfolio flows and reserve diversification that may favour alternative reserve currencies such as the EUR. Also, the main factors that previously constrained reserve managers' allocation to EUR was the European sovereign debt crisis/fears on Euro breakup in 2011/12, the era of negative rates in EU, and limited availability of EUR-denominated bond papers. Today, these issues are less of a hurdle. The EUR today is in a better position to benefit from a potential reduction in USD dominance in trade flows, international payments, reserve diversification and FX turnover. There may also be indirect benefits for EUR in the medium term, should there be a peace deal and that Europe participates in Ukraine's reconstruction efforts. A peace deal at some point can lead to supply chain normalisation, lower energy costs, in turn reducing existing burden on corporates and households, improving sentiments and growth outlook.

USDJPY

Fading "Takaichi trade". The near 4% decline in JPY at one-point last week post LDP. This was loosely termed the Takaichi trade, due to perceived policies associated with the PM to-be Takaichi. She was vocal against BoJ hiking rates last year, and on winning the race two weekends ago, she made it clear that the government will take the lead in setting fiscal and monetary policy, and that her priority is to reflate demand and the broader economy. Markets have also pushed out BoJ rate hike expectations, only pricing in a hike sometime in Mar next year.

But into the week's close, the pace of USDJPY's rise showed some signs of moderation. Long-time partner Komeito party is pulling out of the LDP coalition. This means LDP party can either try again to form a coalition with Komeito or need to require bigger support from the smaller opposition parties. A formal vote in parliament (on 15 Oct) is needed for Takaichi to be named a PM and it may not be as assured like in the past as the LDP no longer commands a majority in either house. LDP only has 196 seats, short of the 233 required for a simple majority in the lower house. To some extent, this may suggest that some of her policies may have to be watered down or there is greater risk that policies may not be passed smoothly in parliament. The political uncertainty at the moment and absence of more forceful jawboning from MoF officials may well suggest that USDJPY could face more 2-way risks in the interim.

To add, heightened tensions between US and China amid tit-for-tat measures saw demand for safe haven. This saw USDJPY trading lower into NY close. Pair was last at 151.90 levels. Daily momentum is bullish but RSI fell from overbought conditions. A turn lower is not ruled out. Support at 151 and 150 levels. Resistance at 151.60 (61.8% fibo), 153.10, 154.40 (76.4% fibo retracement of 2025 high to low).

Our view for USDJPY to trend lower is premised on the USD sell-off story and Fed-BoJ policy divergence (Fed rate cut cycle to resume while the BoJ to continue its policy normalisation). Wage growth, broadening services inflation and upbeat economic activities in Japan should continue to support BoJ policy normalisation although tariff and political uncertainty may temporarily delay policy normalisation in the near term. While the timing of BoJ policy normalisation may be deferred, policy normalisation is not derailed. Fed-BoJ policy divergence and USD diversification theme should still support USDJPY's broader direction of movement to the downside. We may review JPY forecasts depending on the outcome of parliamentary vote on 15 Oct.

USDSGD

USD's Directional Bias and Expectations on MAS policy to Drive FX. USDSGD inched higher above 1.30-mark overnight, tracking the uptick in USD moves, slippages in EUR and JPY while broader risk appetite was more curtailed. Pair last seen at 1.2980 levels. Mild bullish momentum on daily chart intact but RSI shows tentative signs of turning lower from overbought conditions. Bullish crossover observed, as 21 DMA cut 50, 100 DMAs to the upside). Mixed technical readings continue to suggest 2-way trades ahead. Resistance at 1.3010, 1.3090/1.3100 levels (200 DMA, 38.2% fibo). Support at 1.2950 (23.6% fibo retracement of 2025 high to low), 1.2880 (21 DMA). A prolonged USD short squeeze may have spillover effect onto USDSGD in the near term.

Elsewhere on the data, policy front, we watch advance estimate of 3Q GDP, MAS policy decision (14 Oct) and NODX (17 Oct). On policy decision, it is likely a close call between flattening of the slope and keeping policy stance on hold. Softer core CPI print has likely added to expectations that MAS may ease policy at its upcoming MPC but path of inflation outlook matters. Our house view has inflation forecast skewed higher above 1% for 2026 while growth still holds up overall. The door for MAS to ease remains open should growth-inflation dynamics worsen more than expected. But for now, we expect MAS to preserve policy ammunition and **maintain current policy stance** – which is still a slight appreciating bias.

We also observed that the relative strength in SGD (vs. basket) has moderated, with S$NEER easing away from its upper bound to about 1.36% above our model-implied mid. The past 2 episodes of MAS easing in 1H 2025 saw similar move in our model and judging from price pattern, markets may have also somewhat priced in a mild expectation of MAS easing. But that is no pre-cursor to easing. In Oct-2024, S$NEER had also eased but MAS maintained policy status quo.

Implications: In terms of S$NEER implication, a **MAS hold should see little to modest strengthening in the S$NEER while USDSGD may trade a touch softer, post-decision** (assuming broader USD trend is more nuanced). But this does not necessarily imply that the S$NEER must return to its upper bound. Keep in mind that the MAS's current policy stance aims for only a mild appreciation. Therefore, there is still potential for the S$NEER to remain near its current level or even decline moderately. To some extent, the S$NEER arguably should not have been that strong, considering the 2 rounds of easing in the first half of the year, if not for safe haven inflows. **A flattening of the slope to neutral would see S$NEER weakening more asymmetrically. Potentially, USDSGD may see knee-jerk reaction to trade higher** (even with the assumption that broader USD trend is more nuanced).

While the MAS policy may have implication on the USDSGD, it is only one aspect. Broader market thematics, such as Fed policy, moves in RMB, growth-inflation dynamics, risk sentiments, USD trend, etc. also matter. If the broader USD trend is a bullish one, then even in the event of MAS keeping policy on hold at the upcoming meeting, USDSGD can still take cues from the bullish USD trend to drift higher.

Taking stock, SGD had performed well in 1H 2025, up about 7.4% despite MAS easing policy twice earlier this year. The resilience was largely due to a softer USD trend, SGD's appeal as a safe haven (especially in the environment of Trump's tariff uncertainty, policy unpredictability) and still solid fundamentals at home. In the 2H-to-date (as of 9 Oct), SGD saw a mild pullback and was down 2.2% vs. USD.

For the forecast horizon into 2026, we continue to project a mild degree of USDSGD downside, premised on (1) moderately softer, albeit bumpy USD trend to continue amid Fed cuts underway; (2) still-resilient RMB; (3) while tariff impact on regional, Singapore growth to be largely manageable (i.e. no sharp recession).

We continue to pay close attention to a few key risks that may impact SGD: (1) how sectoral tariff may play out – if Singapore growth, exports will ultimately be impacted by higher tariffs on pharmaceuticals while monitoring tariff developments on semiconductor goods; (2) broad USD trend given that USDSGD and DXY is highly correlated – if USD sees an extended bounce, then USDSGD may even be exposed to upside risks; (3) moves in EUR, JPY, can also affect SGD, given relative strong correlation and weights in S$NEER basket; (4) trends in RMB is also another development to watch – in particular China's economic recovery, RMB fixing trend and sentiments. While economic fundamentals, including real estate sector

	in China still appear soft for now, financial markets have diverged. Domestic equities and RMB fixing have been strong. These factors can have spillover effects onto SGD. For example, more positive developments on these fronts (i.e. Weaker USD, stronger recovery in EUR, RMB) can imply downside risks to our USDSGD forecasts. On the contrary, direct hit on SG growth owing to tariff implications or MAS easing can weigh on SGD.
AUDUSD	***Weigh by renewed US-China tensions.*** AUD fell into the week's close on news that Trump plans to impose additional 100% tariff on China over its exports controls on rare earths. Trump also said there is no point to meet China's Xi. There were expectations of a Xi-Trump meeting at the APEC sidelines later this month in Gyeongju. AUD broke out of its bullish trend channel. Last at 0.6470 levels. Daily momentum turned bearish while RSI fell towards near oversold conditions. Price action puts next support at 0.6420/30 levels (200 DMA, 50% fibo retracement of 2024 high to 2025 low), 0.6310 (38.2% fibo). Resistance at 0.6530.50 levels (50, 100 DMAs, 61.8% fibo), 0.66 (21 DMA). Heightened tensions between US and China may weigh on the pair but at the same time, any reversal of the fluid development can also see AUD reverse higher rapidly. Post-RBA meeting, our rates strategist shared that RBA kept Cash Rate unchanged at 3.60% as widely expected. Bank bills futures fell (implied rates higher) as the statement and Bullock's comments were seen as hawkish. The statement fell short of giving any hint of further easing and instead indicated that "inflation may be persistent in some areas". Governor Bullock said policy is still "a bit" restrictive, but the board don't know how restrictive it is; will look at rates meeting by meeting based on data; will decide in November whether to cut rates or hold. These signal that the RBA is nearing the end of the easing cycle. We maintain our view that there is likely only one final 25bp cut in the cycle. After the previous August MPB meeting, Cash Rate futures once priced additional 60bps of cuts for the rest of the cycle, but market has since pared back rate cut expectation to the latest additional 30bps of cuts (by mid-2026). We have pencilled in our expected cut in Q4-2025. Australia growth remains intact, but pace of economic recovery is expected to moderate, due to weaker global demand, trade related uncertainties and softer domestic consumption momentum. Slowing CPI into RBA's target range and a less tight labour market allowed for RBA to go on a gradual path of easing but we reckon the rate cut cycle is nearing its end. Nevertheless, AUD, a high-beta FX, can be exposed to geopolitical shocks, swings in RMB, equity sentiments, and global growth prospects. The interplay of tariff uncertainty (implication on global growth) are factors that restrain AUD from breaching higher but on the other hand, a resilient RMB and RBA nearing end of rate cut cycle can also be supportive of AUD. Bias remains for AUD to trend gradually higher as USD softness is likely to return and markets re-focus on Fed cut in the months ahead.
NZDUSD	***Under Pressure.*** NZD had come under pressure amid unexpected twist in US-China relations and dovish RBNZ cut. At the last MPC meeting (Wed), RBNZ surprised with a 50bp cut. Committee highlighted that economic activity through the middle of 2025 was weak. In part, this reflects domestic constraints on the supply of goods and services in some industries, and the impact of global economic policy uncertainty. It was also mentioned that more timely indicators suggest that economic activity recovered modestly in the September quarter, but there remains significant spare capacity in the New Zealand economy. Importantly, the committee remains open to further reductions in the OCR as required. A somewhat dovish assessment and an explicit openness to further rate cut, alongside fresh uncertainties over US-China relations may see greater volatility and possible interim downward pressure on Kiwi. But another surprise twist leading to US and China engaging in talks can also see NZD recovering some loss grounds. Pair was last seen at 0.5725. Daily momentum turned bearish while RSI fell towards near oversold conditions. Immediate support at around 0.5720 (61.8% fibo retracement of Apr low to Jul high) if broken, puts next support at 0.5640 (76.4% fibo). Resistance at 0.58 (50% fibo), 0.5840/50 levels (21, 50 DMAs).
XAUUSD	***Buy on Dips.*** The run-up in gold prices to 4059 reflects a mix of structural, fundamental, sentiment and even seasonal demand. On one aspect, official sector demand continues, with China buying gold for 11th consecutive month and surveys indicating that gold reserves will continue to increase. The US

government shutdown is also another trigger as the persistent shutdown injects another layer of uncertainty into the near-term growth outlook. Latest tariffs on patented drugs, heavy trucks suggest that tariff drama has broadened beyond reciprocal to sectoral and more potentially, may also stoke stagflation concerns for US. Not forgetting, geopolitical concerns have not gone away and that the global political calendar just turned more active, with the resignation of French PM, snap election in Netherlands. Recent twist in US-China tensions (for the worst) further add to support for gold prices. In summary, the recent in surge in gold prices underscores gold's unique role as both a hedge against geopolitical stress and a store of value in times of policy and institutional uncertainty.

Gold last seen at 4046. Mild bullish momentum on daily chart intact though RSI shows signs of turning lower from overbought conditions. Risk of pullback lower is not ruled out especially the sharp run-up in a short span of time while there were also signs of ceasefire deal in Israel-Hamas. Buy dips preferred. Support at 3940, 3880/90 levels (23.6% fibo retracement of Aug low to Oct high), 3810 (21 DMA). Resistance at 4060 (recent high), 4150 levels.

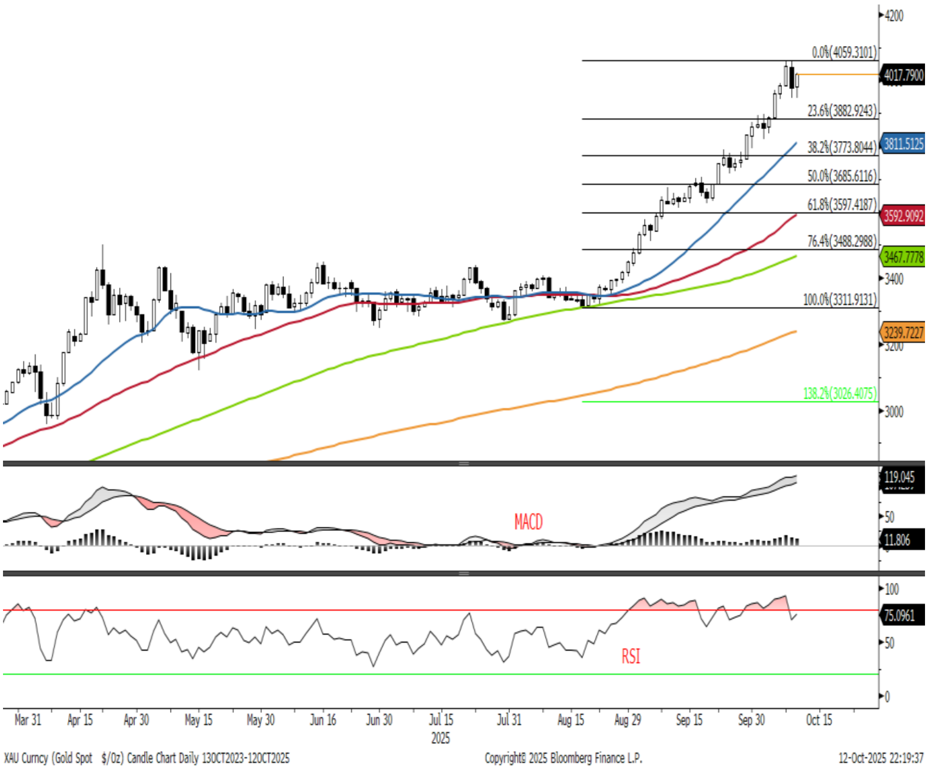
Trade Ideas

Entry Date	Trade	Entry	Close	Profit/ Loss (%)	Remarks	Exit Date
05-May-25	Short SGDKRW	1072.2			An expression of short S$NEER, riding on tariff de-escalation narrative. High-beta KRW may have more room to catch-up on gains while much gentler slope in S$NEER policy band implies that SGD may appreciate less than trade peers. A proxy trade for short S$NEER. Target move towards 1015. SL: 1105 [LIVE]	
13-May-25	Short USDJPY	148	147.22	0.52	90d trade truce may be a surprise turnaround but devil is in the details during negotiations. Some degree of caution remains warranted. Separately, Finance Minister Kato said he will seek an opportunity to discuss currency matters with US Treasury secretary Scott Bessent without offering specifics. Target move towards 141. SL: 147.22. [TP]	25-Jul-25
05-Aug-25	Short CHFJPY	182.1	187	-2.69	Entered into short at 182.10 (5 Aug), looking for a move towards 170.10. SL at 187. The 12% run-up this year may also provide an opportunity to re-enter short, from a risk-reward perspective. 39% tariff on Swiss imports to US can hurt Swiss economy and lead to SNB cutting rates into negative. SNB-BOJ policy divergence play could return, and this can underpin the direction of travel to the downside. [SL]	19-Sep-25

Note: TP refers to take profit; SL refers to stop-loss. Trade can take profit or stopped earlier than indicated levels, depending on market conditions.

Precious Metals

Gold Daily Chart: Prefer to buy dips



Gold as high as 4059 last week. Last seen at 4046.

Mild bullish momentum on daily chart intact though RSI shows signs of turning lower from overbought conditions. Risk of pullback lower is not ruled out especially the sharp run-up in a short span of time while there were also signs of ceasefire deal in Israel-Hamas. Buy dips preferred.

Support at 3940, 3880/90 levels (23.6% fibo retracement of Aug low to Oct high), 3810 (21 DMA). Resistance at 4060 (recent high), 4150 levels.

Silver Weekly Chart: Bullish but overbought

Silver extended its run higher to break above 51 at one-point last week before easing off. The sharp move higher has also breached above its last high in 2011. Last seen at 50.10 levels.

While silver may have retreated, it sits in a sweet spot benefiting from dual characteristics of precious and industrial demand. Tight supply and industrial demand, Fed easing cycle while global growth still hold up may see white metal supported

Weekly, daily momentum remain bullish while RSI rose into overbought conditions (on weekly, daily chart). Risk of pullback not ruled out. Support at 48.50, 45.60 (21 DMA) levels.

Resistance at 51.20 (recent high), 52.40 levels (138.2% fibo extension).

Note: blue line – 21SMA; red line – 50 SMA; green line - 100 SMA; yellow line - 200 SMA

Medium Term FX Forecasts

Currency Pair	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26
USD-JPY	149.00	145.00	144.00	143.00	141.00
EUR-USD	1.1800	1.1900	1.2000	1.2050	1.2100
GBP-USD	1.3600	1.3600	1.3650	1.3700	1.3750
AUD-USD	0.6700	0.6700	0.6750	0.6800	0.6850
NZD-USD	0.5800	0.5900	0.6000	0.6050	0.6100
USD-CAD	1.3900	1.3800	1.3700	1.3600	1.3600
USD-CHF	0.7980	0.7900	0.7900	0.7850	0.7800
USD-SEK	9.27	9.16	9.07	8.90	8.83
DXY	97.40	96.43	95.73	95.21	94.70
USD-SGD	1.2820	1.2750	1.2700	1.2680	1.2650
USD-CNY	7.1000	7.0700	7.0600	7.0500	7.0000
USD-CNH	7.1000	7.0700	7.0600	7.0500	7.0000
USD-THB	32.50	32.30	32.20	32.20	32.00
USD-IDR	16400	16350	16300	16250	16200
USD-MYR	4.1600	4.1500	4.1400	4.1200	4.1000
USD-KRW	1390	1370	1350	1340	1320
USD-TWD	30.30	30.30	30.20	30.00	29.80
USD-HKD	7.7800	7.7500	7.7500	7.7600	7.7600
USD-PHP	57.80	57.40	57.40	56.90	56.90
USD-INR	88.40	88.20	88.50	88.20	88.00
USD-VND	26500	26600	26700	26800	26800
EUR-JPY	175.82	172.55	172.80	172.32	170.61
EUR-GBP	0.8676	0.8750	0.8791	0.8796	0.8800
EUR-CHF	0.9416	0.9401	0.9480	0.9459	0.9438
EUR-AUD	1.7612	1.7761	1.7778	1.7721	1.7664
EUR-SGD	1.5128	1.5173	1.5240	1.5279	1.5307
GBP-SGD	1.7435	1.7340	1.7336	1.7372	1.7394
AUD-SGD	0.8589	0.8543	0.8573	0.8622	0.8665
AUD-NZD	1.1552	1.1356	1.1250	1.1240	1.1230
NZD-SGD	0.7436	0.7523	0.7620	0.7671	0.7717
CHF-SGD	1.6065	1.6139	1.6076	1.6153	1.6218
JPY-SGD	0.8604	0.8793	0.8819	0.8867	0.8972
SGD-MYR	3.2449	3.2549	3.2598	3.2492	3.2411
SGD-CNY	5.5382	5.5451	5.5591	5.5599	5.5336
SGD-IDR	12793	12824	12835	12815	12806
SGD-THB	25.35	25.33	25.35	25.39	25.30
SGD-PHP	45.09	45.02	45.20	44.87	44.98
SGD-VND	20671	20863	21024	21136	21186
SGD-CNH	5.5382	5.5451	5.5591	5.5599	5.5336
SGD-TWD	23.63	23.76	23.78	23.66	23.56
SGD-KRW	1084.24	1074.51	1062.99	1056.78	1043.48
SGD-HKD	6.0686	6.0784	6.1024	6.1199	6.1344
SGD-JPY	116.22	113.73	113.39	112.78	111.46
Gold $/oz	4060	4110	4170	4210	4230
Silver $/oz	50.75	51.38	52.13	53.29	53.54

Source: OCBC Research

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

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