

FX Weekly

30 September 2025

Focus on US Data, LDP Elections This Week

ISM, Payrolls Data in Focus. USD started the week on a softer footing amid pullback in UST yields, post-core PCE release last Fri. Data was in line with market expectations, keeping hopes of Fed easing cycle intact. Ahead of data-packed week of JOLTS job openings (Tue); ADP employment, ISM manufacturing (Wed); payrolls, ISM services (Fri), and concerns of looming US government shutdown risk, there may well be some mild unwinding of long dollars, given the run-up post-FOMC. The risk is a hotter-than-expected NFP print that may spur bullish bets on USD. 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. Near term, Fed's "risk management cut" at Sep FOMC and cautious comments from Fed officials may not be sufficiently dovish to see USD break fresh year low at this point. But if US data pans out to be softer, alongside Fed easing rates more decisively, then USD bears can return with more conviction.

Retain Bias to Sell Rally in USDJPY. LDP party goes into voting to select its new leader on Sat. It is a full-spec vote, meaning that the election is conducted in its complete format. Each of the LDP's 295 Diet members will cast a vote, and another 295 votes will be determined based on ballots of rank-and-file members (about 1.1mio of them). If no candidate obtains an outright majority in the 1st round of the election, a runoff between the top 2 contenders will be held on the same day. Public polls suggest that the race is tight between Takaichi and Koizumi. But the survey of LDP lawmakers shows more than 80 members endorse Koizumi, 60 backed Hayashi (chief cabinet secretary) while around 40 supported Takaichi. We expect BoJ to carry on policy normalisation and JPY weakness (due to politics) to reverse when political uncertainty fades. The next meeting is on 30 Oct and another one in Dec. Markets are starting to come close to pricing in a hike at Dec meeting. We believe an Oct hike is plausible.

Plenty of Market Closures Coming Up. Later half of the week, going into first half of next week sees plenty of market closure in major centers. China will be closed from 1 – 8 Oct, KR to close between 3 and 9 Oct, AU to close next Mon on 6 Oct, TW to close on 8 and 10 Oct and HK is out on 1 and 7 Oct. Market liquidity could possibly thin and data surprises may possibly see outsized moves in FX markets.

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FX and Rates Strategy

ChristopherWong@ocbc.com**Herbert Wong**Herberhtwong@ocbc.com**Bloomberg FX Forecast Ranking
(2Q 2025)**By Region:

No. 1 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

(1Q 2025)By Currency:

No. 2 for THB

No. 3 for SGD

No. 9 for CHF



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 and IDR. In terms of the magnitude of swings, THB and TWD turned from short to long. On the extent of positioning, INR and IDR shorts continued to see an increase while CNY longs rose.

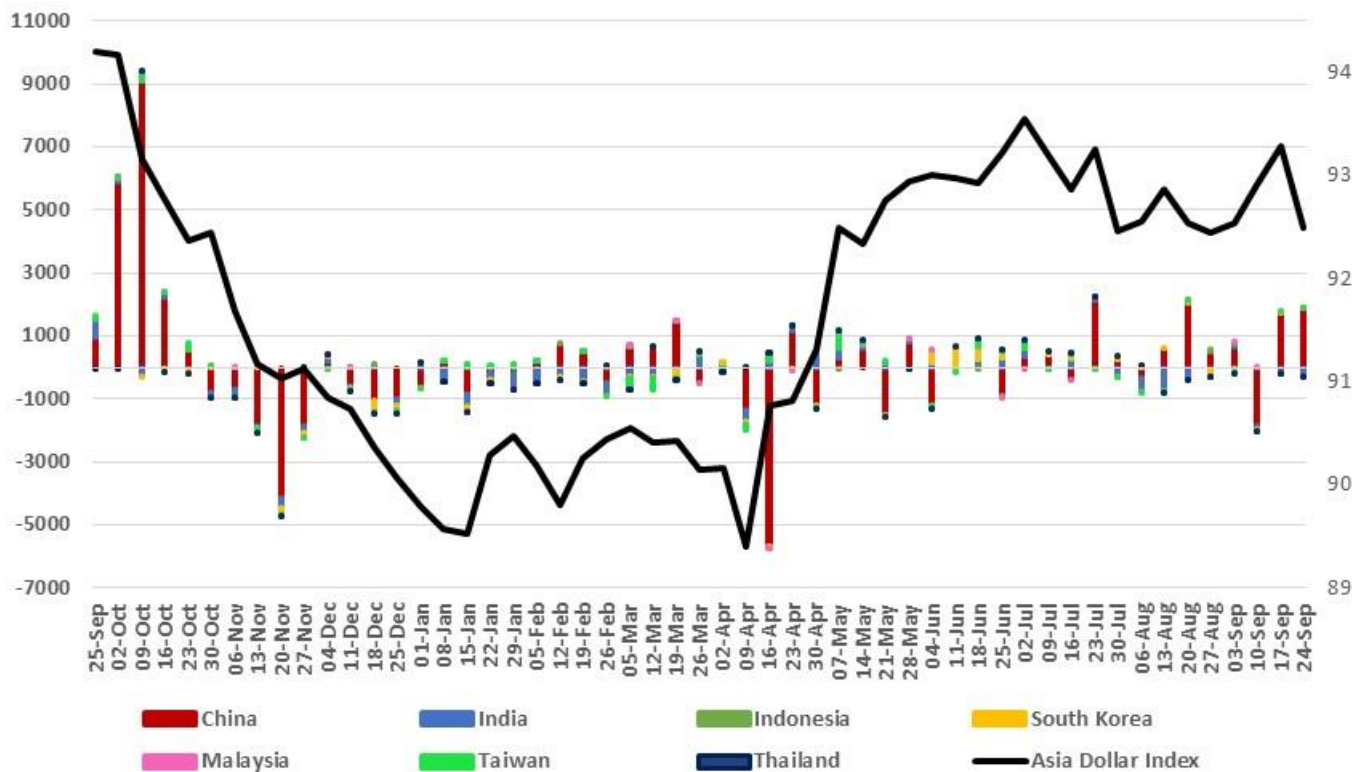
	15-May-25	29-May-25	12-Jun-25	26-Jun-25	10-Jul-25	24-Jul-25	07-Aug-25	21-Aug-25	04-Sep-25	18-Sep-25	Trend
USD/CNY	0	-0.67	-0.78	-0.74	-0.54	-0.57	-0.09	0.06	-0.77	-1.05	
USD/KRW	-0.22	-1.2	-1.37	-1.06	-0.63	-0.1	0.35	0.35	0.1	-0.2	
USD/SGD	-0.54	-1.34	-1.24	-1.22	-1.3	-1.09	-0.87	-0.73	-0.71	-0.64	
USD/IDR	0.7	-0.32	-0.6	-0.2	-0.38	-0.05	0.35	-0.08	0.53	0.85	
USD/TWD	-1.01	-1.5	-1.58	-1.48	-1.55	-1.06	-0.5	-0.35	0.29	-0.44	
USD/INR	-0.19	-0.08	0.03	0.39	0.36	0.51	1.33	0.94	1.42	1.5	
USD/MYR	-0.15	-1.04	-1.25	-0.76	-0.48	-0.57	-0.58	-0.4	-0.63	-0.65	
USD/PHP	-0.68	-1.19	-0.93	0.21	-0.06	0.21	0.35	0.22	-0.02	-0.22	
USD/THB	-0.45	-1.14	-1.24	-0.33	-0.11	-0.14	-0.4	-0.31	-0.46	-1.16	

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: 18 Sep 2025], OCBC Research.




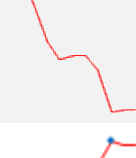




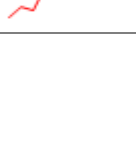
EPFR Foreign Flows to Selected AxJ Equities vs. Asiadollar Index

EM Asia continued to see net foreign equity inflows last week, led by China, Korea and Taiwan. Net outflows were observed in India. Meanwhile, Asian FX reversed strength seen from first half of the month.

EPFR Foreign Flows into Domestic Equity (\$, mio), Asia Dollar Index (RHS)



Note: Latest data available as of 24 Sep 2025 (weekly frequency); ASIADOL index refers to Bloomberg Asia Dollar Index
Source: EPFR, Bloomberg, OCBC Research

FX	Key Data and Events for the Week	14D Trend	Support/Resistance
Dollar	Mon: Pending home sales (Aug); Dallas Fed Mfg survey (Sep); Tue: Chicago PMI, Conf board consumer confidence (Sep); JOLTS job openings (Aug); Wed: ADP employment, ISM mfg (Sep); Thu: Durable goods orders (Aug F); Initial jobless claims; Fri: NFP, wage growth, unemployment rate (Sep);		S: 97.20; R: 99.70
EURUSD	Mon: Consumer confidence (Sep); Tue: ECB's Lagarde speaks; German retail sales (Aug); Wed: Mfg PMI, CPI estimate (Sep); Thu: Unemployment rate (Aug); Fri: Services PMI (Sep)		S: 1.1600; R: 1.1930
GBPUSD	Mon: - Nil – Tue: GDP (2Q F); Wed: Nationwide house prices, Mfg PMI (Sep); Thu: 1y CPI expectations; Fri: Services PMI (Sep); BOE's Bailey speaks		S: 1.3350; R: 1.3560
USDJPY	Mon: - Nil – Tue: IP, retail sales (Aug); Wed: Tankan survey (3Q); PMI Mfg (Sep); Thu: Consumer confidence (Sep); Fri: Jobless rate (Aug); PMI services (Sep)		S: 147.70; R: 151.00
AUDUSD	Mon: - Nil – Tue: Building approvals (Aug); RBA policy decision; Wed: PMI Mfg (Sep); Thu: Trade (Aug); Fri: PMI Services (Sep)		S: 0.6450; R: 0.6700
USDCNH	Mon: - Nil – Tue: NBS, RatingDog PMIs (Sep) Wed: - Nil – Thu: - Nil – Fri: - Nil –		S: 7.1000; R: 7.1710
USDKRW	Mon: - Nil – Tue: Industrial production (Aug); Wed: PMI Mfg, Trade (Sep); Thu: Current account (Aug) CPI (Sep) Fri: - Nil –		S: 1,385; R: 1,420
USDSGD	Mon: - Nil – Tue: Deposit & balances of residents outside SG (Aug); Wed: URA private home prices (3Q P); Thu: PMI Mfg (Sep); Fri: Retail sales (Aug)		S: 1.2700; R: 1.3000
USDMYR	Mon: - Nil – Tue: - Nil – Wed: PMI Mfg (Sep) Thu: - Nil – Fri: - Nil –		S: 4.2000; R: 4.2500
USDIDR	Mon: - Nil – Tue: - Nil – Wed: PMI Mfg, CPI (Sep); Trade (Aug) Thu: - Nil – Fri: - Nil –		S: 16450; R: 16,900

Key Themes and Trades

DXY

US Data May Provide Directional Cues for USD. USD started the week on a softer footing amid pullback in UST yields, post-core PCE release last Fri. Data was in line with market expectations, keeping hopes of Fed easing cycle intact. Ahead of data-packed week of JOLTS job openings (Tue); ADP employment, ISM manufacturing (Wed); payrolls, ISM services (Fri), and concerns of looming US government shutdown risk, there may well be some mild unwinding of long dollars, given the run-up post-FOMC. The risk is a hotter-than-expected NFP print that may spur bullish bets on USD.

DXY last seen at 98 levels. Daily momentum is mild bullish but RSI fell. Support here at 98 levels (50 DMA), 97.60 (21 DMA, 23.6% fibo). Resistance at 98.40/60 levels (100 DMA, 38.2% fibo retracement of May high to Sep low), 99 levels (50% fibo). This week, there is also focus on potential US government shutdown. Federal funding would expire if Trump and the Congressional leaders cannot agree on a short-term spending bill by 30 Sep. The US government will then shutdown on 1 Oct. BLS has already confirmed that it will delay the release of the jobs report (due on Fri) if the US government shutdown occurs and Trump has threatened mass firings of federal workers if government shutdown is not averted. The last time there was a shutdown was back in 2018-19 (during Trump's 1st presidency), when the length of shutdown lasted longer than 30 days. Proxy play may likely include long gold, JPY; short USD if the shutdown persists for longer, in turn affecting risk appetite or even economic activities.

Prior to the DXY starting this week on a slightly softer footing, we note that earlier cautious remarks from Fed officials had dampened bearish bets on USD. Last week, Fed's Goolsbee told FT that he could be less willing to support "overly frontloading a lot of rate cuts" on the presumption that inflation will just be transitory and go away as many midwest businesses are still concerned that inflation was not under control. He also added that a new set of labour statistics produced by Chicago Fed showed only a "mild" cooling and did not suggest the US economy was in a sharp slowdown. Fed Chair Powell also said that market expectations for another 2 cuts this year were far from a done deal. He struck a cautious tone in highlighting challenges for policymakers in deciding to prioritise fighting inflation or protecting jobs.

Over the forecast horizon into 2026, we continue to expect USD to trade moderately softer as Fed resumes easing while US exceptionalism fades. 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. Nevertheless, we do not expect the same 10% magnitude decline seen in 1H 2025 to play out for 2H, but a more moderate dip. We believe USD decline is not a linear extrapolation and will likely to be a bumpy path, driven by data surprises, market expectations of Fed cut and tariff risks. Near term, Fed's "risk management cut" at Sep FOMC and cautious comments from Fed Chair Powell may not be sufficiently dovish to see USD break fresh year low at this point. But if US data pans out to be softer, alongside Fed easing rates more decisively, then USD bears can return with more conviction. 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

Short Term Political Risks. EUR remains fairly resilient at 1.17-handle despite French political risks and also appears somewhat immune to recent headlines on geopolitics. There was a report of Russia violating the airspace of Poland and Estonia while Trump's speech at the UN General Assembly indicated that any prospects for a Russia-Ukraine ceasefire remain distant. He even went as far to say NATO nations should shoot down Russian aircraft that violated their airspace. It is unclear whether these remarks reflect a genuine policy shift or a negotiation tactic; they represent some of the strongest rhetoric from Trump since his meeting with President Putin in Alaska. On French developments, new PM Sebastien Lecornu has ruled out wealth tax, aims to cut budget deficit to 4.7% of GDP in attempt to get budget 2026 by early Oct. It remains early to concur if he can turn things, but early polls show he only has a positive opinion of 16%. Additionally, the Netherlands will hold General Elections on October 29. These political developments may still pose short-term downward risk on the euro. However, the broader fundamental outlook remains supportive of the euro, suggesting a buy-on-dips approach.

EUR was last at 1.1720 levels. Daily momentum is mild bearish but decline in RSI moderated. 2-way trades still likely. Resistance at 1.1740/50 levels (21 DMA), 1.1810 and 1,1920 levels (2025 high). Support at 1.1640/70 levels (50 DMA, 23.6% fibo retracement of Mar low to Sep high), 1.16 (100 DMA) and 1.1460 (38.2% fibo).

We remain broadly constructive on EUR's outlook due to factors including: (1) German/European defence spending plans can lend a boost to growth; (2) prospects of ECB cut cycle nearing its end while there is room for Fed to resume easing cycle; (3) China's economic growth showing tentative signs of stabilisation (stable to stronger RMB can see positive spillover to EUR); (4) signs of 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 no longer 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

Room for Decline to Accelerate Should 200 DMA Breaks. USDJPY extended the Fri decline into the start of the week amid pullback in UST yields. This spurred some unwinding of short JPY position ahead of US and JP data heavy week while technicals and positioning suggest that JPY shorts may seem stretched for now. This week, various factors including the LDP contest (Sat), Tankan survey (Wed), US payrolls (Fri), broader USD trend (contingent on US data) and expectations on BoJ will influence USDJPY.

Pair was last at 148.70 levels. Mild bullish momentum on daily chart intact but RSI fell from overbought conditions. Pullback risk (lower) not ruled out. Support at 148.30/40 levels (200 DMA, 23.6% fibo retracement of Apr low to Aug high), 147.80 levels (21, 50 DMAs). Resistance at 150, 150.90 levels (Aug high).

The LDP leadership campaign is underway, with election scheduled on 4 Oct. It is a full-spec vote, meaning that the election is conducted in its complete format. Each of the LDP's 295 Diet members will cast a vote, and another 295 votes will be determined based on ballots of rank-and-file members (about 1.1mio of them). If no candidate obtains an outright majority in the 1st round of the election, a runoff between the top 2 contenders will be held on the same day.

5 names have surfaced but the race is tight between Sanae Takaichi and Shinjiro Koizumi. Various public polls show split results between the 2 candidates but the survey of LDP lawmakers shows more than 80 members endorse Koizumi, 60 backed Hayashi (chief cabinet secretary) while around 40 supported Takaichi. Sanae Takaichi who favours stimulus measures and was vocal against BoJ hiking rates, had suggested that she wants to review the US trade deal especially the \$550 billion Japanese investment fund. Shinjiro Koizumi is an agriculture minister and was known as the "Rice man" - responsible for bringing down rice prices. He is the youngest candidate at 44yo and is getting support from LDP members seeking generational change. He has recently spoke about boosting wages and productivity to counter rising prices. He acknowledges the Japan economy is in a transition phase from deflation to inflation and calls for wage growth to accelerate at a pace exceeding inflation, so consumption becomes a driver of growth. On monetary policy, Koizumi said he hoped the BoJ would work in lock step with the government to achieve stable prices and solid economic growth. We expect JPY weakness (due to politics) to reverse when uncertainty fades. Wage growth, broadening services inflation and upbeat economic activities in Japan should continue to support BoJ policy normalisation. The next meeting is on 30 Oct and another one in Dec. Markets are starting to come close to pricing in a hike at Dec meeting. We believe an Oct hike is plausible.

In recent BoJ speaks, Noguchi said that it is necessary for BoJ to assess underlying inflation as carefully as possible for the time being and that the bank needs to pay attention to not only downside risks but also upside risks. BoJ will require a new policy perspective to address upside risks in the not-too-distant future. At the last BoJ meeting in Sep, 2 members had voted for a rate hike. And recently released BoJ minutes (for Jul meeting) revealed that one member said BoJ should not be overly cautious and missed an opportunity to raise rate. Another member indicated that it is important for the bank to raise rates in a timely manner as rapid rate hikes later would inflict considerable damage on the economy. BoJ resuming policy normalisation in due course should help to limit JPY's weakness.

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.

USDCAD

Cautious on Upside Risks. CAD is down 1.08% on the week against the greenback and underperformed most G10 peers last week. Despite a moderate uptick in the commodity space in recent days, the Loonie remains under pressure, weighed by the broader US Dollar strength and softer risk appetite.

Domestically, Canada's GDP delivered an upside surprise in July, growing by 0.2% versus a 0.1% contraction in the prior month. This suggests downside risks to economic growth could be limited though ongoing trade tensions and tariff uncertainty remain key headwinds to Canada's economic outlook. Markets have continued to push back expectations for the next cuts in the October meeting, with only 11.7bps now priced into the OIS market.

Ahead of the data-packed week of JOLTS job openings (Tue); ADP employment, ISM manufacturing (Wed); payrolls, ISM services (Fri), we expect mild unwinding of dollar but any hotter-than-expected print may spur bullish bets on USD. For USD/CAD, seasonal charts show the pair typically trends higher in the near term before moderating lower in the next few months. On the chart, 1.3798 (50 DMA) before the next at 1.3763 (100 DMA) are the support levels to watch. On resistance, the key level is now at 1.4000.

USDSGD

USD's Directional Bias and Expectations on MAS policy to Drive FX. USDSGD eased away from recent highs, tracking the slippage in UST yields and USD. But the pullback lower appears to lack momentum. Pair last seen at 1.29 levels. Daily momentum is mild bullish but RSI fell from overbought conditions. Compression of moving averages (21, 50 and 100 DMAs) observed. This is typically a precursor to a breakout trade, though directional play is only confirmed on breakout. Support here at 1.2890, 1.2845/55 levels (21, 50, 100 DMAs). Resistance at 1.2950 (23.6% fibo retracement of 2025 high to low), 1.30 levels. US data this week, in particular payrolls report could influence USD's directional bias and that should be spillover effect onto USDSGD (given the significantly strong correlation between DXY and USDSGD) while expectations on MAS policy stance is another factor that could shape USDSGD play over the next fortnight.

MAS MPC meeting is expected to be held no later than 14 Oct. The last MAS survey of professional forecasters noted that 42% of respondents anticipated MAS to ease policy in Oct. This is an increase from about 17% respondents seen in the Jun survey results. Our S\$NEER model shows that the SGD strength against its basket of peers has continued to ease. Last seen 1.44% above model-implied mid (vs. 1.75% seen in first half of Sep). Softer core CPI print for Singapore at 0.3% y/y for Aug likely added to expectations that MAS may ease policy at its upcoming MPC in Oct, after the pause in July. Downward pressure on core CPI was largely due to moderation in services inflation and external factors (like energy prices, etc.) and that the moderation in price pressure is within expectations of MAS. 2025 core inflation is likely still within the lower bound of MAS's projection of 0.5% to 1.5% range. Our house view looks for inflation to go higher to 1.5% in 2026 on base effects. The door for MAS to ease remains open should growth-inflation dynamics worsen more than expected. But we believe MAS may be more inclined to

keep current policy stance on hold at Oct MPC – i.e. still maintain a slight appreciating bias, giving that inflation outlook is biased higher.

For the remainder of the year, we continue to project a mild degree of USDSGD downside over the forecast trajectory, premised on (1) tariff impact on regional, Singapore growth to be largely manageable (i.e. no sharp recession); (2) softer USD trend to continue and Fed easing cycle to remain intact; (3) resilient RMB. We continue to pay close attention to a few key risks that may impact SGD: (1) sectoral tariff developments – if SG is directly impact 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 weakness can extend deeper then USDSGD may even be exposed to further downside risks; (3) trends in RMB is also another development to watch – in particular China's economic recovery and RMB fixing trend. 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. 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.

USDMYR

Steady Range. MYR has been far more resilient when compared against its Asean peers. % change since post FOMC to 30 Sep, MYR fell 0.45% vs USD – one of the least affected amongst Asian FX. This is in line with our favourable outlook for MYR that we earlier envisioned. Our projection for a firmer MYR takes into consideration both domestic and external factors. On the domestic front, supportive drivers include robust FDI inflows, prospects of continued foreign fund inflows, current account surplus while commitment to follow through fiscal consolidation also provides reassurance to foreign investors. In terms of external factors, a more resilient RMB is helping to anchor relative stability in MYR. More sustained economic stabilisation for Chinese economy, and recovery in sentiment and confidence in Chinese assets, including RMB can have positive spillover effects onto MYR. Overall, we see room for MYR to gain if foreign fund inflows to Malaysia pick-up pace, and when USD softness resumed.

Spot last seen at 4.2155. Daily momentum is flat while the recent rise in RSI shows tentative signs of moderation. Near term, we see consolidation in 4.20 – 4.25 range.

USDIDR

Consolidation. Recent spike higher to >16700 levels in USDIDR was largely due to both external factor (rebound in USD, UST yields post-FOMC) and domestic uncertainties, surprise BI rate cut in Indonesia. Historically, politics can leave a short-term bearing on the IDR but the weakness can reverse when the domestic uncertainty fades. Softer fundamentals in Indonesia including fiscal concerns, expectations for current account deficit, economic soft patch/ US tariff hit and domestic uncertainty are some factors that will undermine the IDR in the interim. Foreign portfolio flows is typically a significant driver of IDR. Fund flow data shows global investors sold a net \$2.3 billion of rupiah bonds this month through 24 Sept (on track for largest monthly outflow since Mar 2022) while outflows from equities persist. These foreign outflows can weigh on IDR. Elsewhere, strong correlation between USD and USDIDR implies that a broadly stronger USD risk fuelling IDR weakness. Nevertheless, we acknowledged that authorities have said that BI is intervening “boldly” to stabilise the IDR and should USD rebound momentum fades (depending on how US data pans out), we believe IDR's pace of depreciation should also start to moderate. When domestic uncertainties dissipate, we would expect IDR to recover lost grounds over time.

USDIDR last seen at 16690 levels. Bullish momentum on daily chart shows signs of easing while RSI eased lower from overbought conditions. Consolidation likely. Support seen at 16625 (61.8% fibo retracement of 2025 high to Aug low), 16520 (21 DMA, 50% fibo) and 16400/420 levels (50 DMA, 38.2% fibo). Resistance at 16750/800 levels (76.4% fibo), 16880.

XAU

Bullish But Not Ruling Out The Risk of a Pullback. Gold has broken out of its consolidation range of USD3200-3500/oz which had persisted since April, reaching a new record high above USD3800/oz. The rally has been driven by a combination of factors including 1) safe-haven demand amid renewed geopolitical concerns; 2) Fed resuming easing cycle; 3) announcement of more tariff measures (such as a 100% tariff on branded or patented drugs, 50% tariff on kitchen cabinets and bathroom vanities, a 30% tariff on upholstered furniture and 25% tariff on heavy trucks), in turn raising doubts on inflation—growth dynamics; 4) frequent threat to Fed’s independence, with regards to make-up of the FRB board and being more verbal about interest rate expectations; 5) looming US government shutdown; 6) a spike of political uncertainties with Dutch elections, French government collapse (due to budget, fiscal issues), Japan LDP election as well as some domestic uncertainties in the region including Indonesia, Thailand.

Gold last seen at 3815 levels. Underlying momentum remains bullish but RSI shows tentative signs of turning lower from overbought conditions. Resistance at 3,890 (138.2% fibo extension), 4,006 levels (150% fibo ext). Support at 3,750, 3,657 (21 DMA) and 3,500.

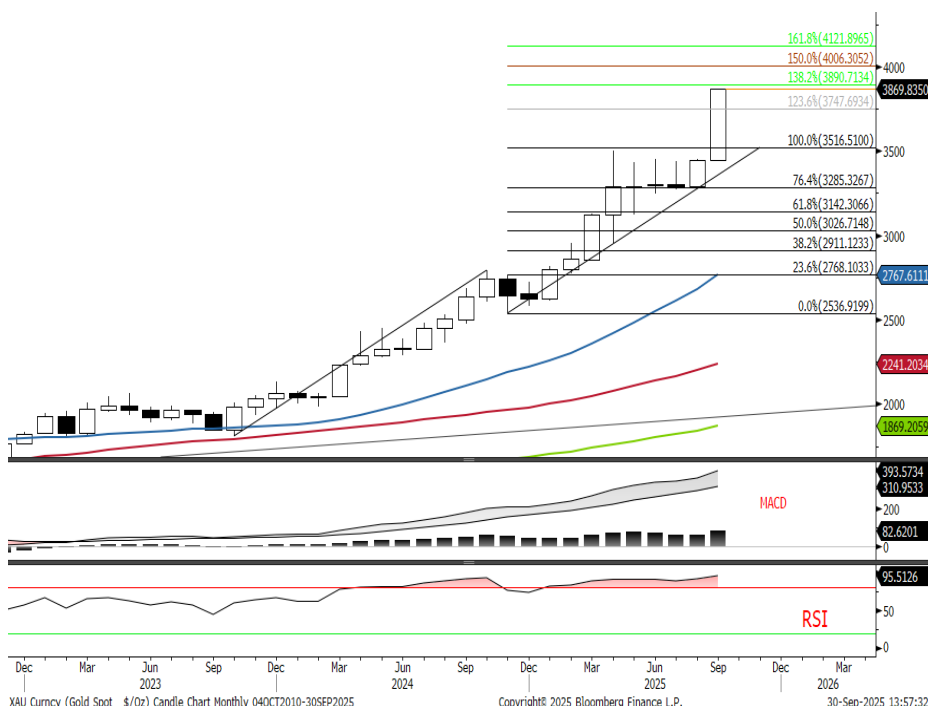
Trade Ideas

Entry Date	Trade	Entry	Close	Profit/ Loss (%)	Remarks	Exit Date
15-Jan-25	Short SGDJPY	115.1	113.8	1.13	To express MAS-BOJ monetary policy/ inflation divergence trade. Targeting a move towards 110 levels. SL at 117.12. [TP]	03-Feb-25
25-Feb-25	Long NZDSGD	0.7665	0.755	-1.50	Riding on RBNZ nearing end of rate cut cycle with next cut a step-down to 25bp/ clip, improvement in China sentiments (NZD as a higher beta play) and NZD short at extreme levels. On the other hand, there is room for SGD strength to fade should MAS eases policy again. Entry at 0.7665, targeting move towards 0.80. SL below 0.7550. [SL]	04-Apr-25
05-May-25	Short CHFJPY	174.7	178.5	-2.17	Long CHF (safe haven) position should have room to unwind if de-escalation narrative further gain traction. On the other hand, policy divergence between SNB-BOJ may still underpin the direction of travel to the downside. Target move towards 166. SL: 178.5 [SL]	20-Jun-25
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	181.9			Entered into short at 181.90 (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. [LIVE]	

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 Monthly Chart: Bulls to mind the extended run-up



Gold extended its run higher following the break of 3,500 earlier this month. Intra-day high traded 3871. Last seen at 3815 levels.

Underlying momentum remains bullish but RSI shows tentative signs of turning lower from overbought conditions.

Resistance at 3,890 (138.2% fibo extension), 4,006 levels (150% fibo ext).

Support at 3,750, 3,657 (21 DMA) and 3,500.

Silver Weekly Chart: Bullish but cautious of corrective pullback



Silver continued to trade higher, in line with our last FX weekly to stay long. Last seen at 46.70 levels.

Monthly, weekly, daily momentum remain bullish while RSI rose into overbought conditions (on weekly, daily chart).

Resistance at 47.20 (recent high), 48 and 49.80 levels (200 all-time high).

Support at 44.30, 42 and 40.80 levels.

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	146.00	145.00	144.00	143.00	141.00
EUR-USD	1.1900	1.2000	1.2050	1.2100	1.2150
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	0.6000	0.6150	0.6200	0.6250	0.6300
USD-CAD	1.3850	1.3800	1.3700	1.3600	1.3600
USD-CHF	0.8000	0.7900	0.7900	0.7850	0.7800
USD-SEK	9.27	9.16	9.07	8.90	8.83
DXY	96.64	95.96	95.50	94.98	94.48
USD-SGD	1.2750	1.2700	1.2640	1.2620	1.2600
USD-CNY	7.0800	7.0700	7.0600	7.0500	7.0000
USD-CNH	7.0800	7.0700	7.0600	7.0500	7.0000
USD-THB	32.30	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	1370	1360	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	57.40	57.00	57.00	56.90	56.90
USD-INR	88.40	88.20	88.50	88.20	88.00
USD-VND	26599	26703	26786	26898	27012
EUR-JPY	173.74	174.00	173.52	173.03	171.32
EUR-GBP	0.8750	0.8824	0.8828	0.8832	0.8836
EUR-CHF	0.9520	0.9480	0.9520	0.9499	0.9477
EUR-AUD	1.7761	1.7910	1.7852	1.7794	1.7737
EUR-SGD	1.5173	1.5240	1.5231	1.5270	1.5309
GBP-SGD	1.7340	1.7272	1.7254	1.7289	1.7325
AUD-SGD	0.8543	0.8509	0.8532	0.8582	0.8631
AUD-NZD	1.1167	1.0894	1.0887	1.0880	1.0873
NZD-SGD	0.7650	0.7811	0.7837	0.7888	0.7938
CHF-SGD	1.5938	1.6076	1.6000	1.6076	1.6154
JPY-SGD	0.8733	0.8759	0.8778	0.8825	0.8936
SGD-MYR	3.2627	3.2677	3.2753	3.2647	3.2540
SGD-CNY	5.5529	5.5669	5.5854	5.5864	5.5556
SGD-IDR	12863	12874	12896	12876	12857
SGD-THB	25.33	25.43	25.47	25.52	25.40
SGD-PHP	45.02	44.88	45.09	45.09	45.16
SGD-VND	20862	21026	21191	21314	21438
SGD-CNH	5.5529	5.5669	5.5854	5.5864	5.5556
SGD-TWD	23.76	23.86	23.89	23.77	23.65
SGD-KRW	1074.51	1070.87	1068.04	1061.81	1047.62
SGD-HKD	6.1020	6.1024	6.1313	6.1490	6.1587
SGD-JPY	114.51	114.17	113.92	113.31	111.90
Gold \$/oz	3800	3850	3900	3950	3970
Silver \$/oz	46.91	47.53	48.75	49.38	50.25

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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