

FX Weekly

22 October 2024

Election Risk Premium

Demand for Trump Hedges. USD rose for a third straight week as recent US data - retail sales, Philly Fed business outlook, CPI - came in better-than-expected. This underscores the potential return of US exceptionalism. Additionally, markets were also factoring in geopolitical risks in the Middle East and US election risk premium. On US elections, traditional polls show the election as neck and neck between Trump and Harris but prediction markets show Trump's lead widened to as much as 60.7 vs. Harris at 39 (referenced to Polymarket* as of 21 Oct). The main message here is that traditional polls and decentralized betting polls have diverged significantly, even as we get closer to elections. Defensive positioning/trump hedges (long USD, long gold, short CNH) may still gather traction given the fluidity of election developments and geopolitical uncertainties. Chart below shows Trump-Harris spread vs. DXY (ever since Biden stepped down).

Little on the Data Docket but Eventful Week. This week is relatively quiet on the US data docket. More notable ones are Fed's Beige book (Wed), prelim PMIs (Thu) and durable goods order (Fri). But the real market movers would be in the following week, when JOLTS job openings, consumer sentiment (29 Oct); ADP employment (30 Oct); core PCE (31 Oct) and NFP (1 Nov) is due. Between now and then, we should continue to see 2-way trades in USD. Top side looks stretched technically while any pullback may also be shallow as interests to buy USD (proxy for Trump hedges) should also return. Elsewhere, prelim PMIs are released for Euro-area, UK, Australia and Japan (Thu). This week will also see a barrage of CPI reports from SG (Wed), Malaysia (Thu) and Tokyo CPI (Fri) as well as inflation expectations Euro-area (Fri) and 3Q GDP report from Korea (Thu). IMF/World Bank meetings in DC (Fri-Sun) will see many ECB, BOE officials, including Lagarde, Bailey speak. Elsewhere, Russia hosts BRICS summit (Tue – Thu).

Christopher Wong
 FX and Rates Strategy
ChristopherWong@ocbc.com

Bloomberg FX Forecast Ranking (3Q 2024)

By Region:
 No. 7 for 13 Major FX

By Currency:
 No. 3 for EUR, TWD
 No. 8 for CHF

(2Q 2024)

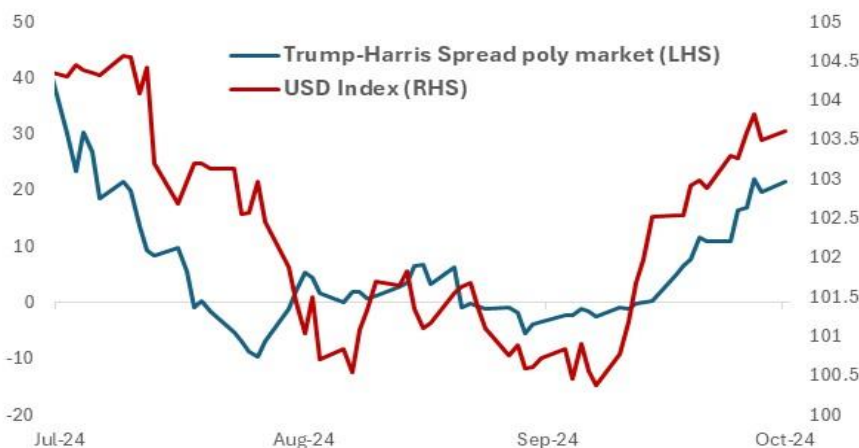
By Currency:
 No. 3 for TWD, THB
 No. 8 for EUR, CHF

(1Q 2024)

By Region:
 No. 7 for 13 Major FX

By Currency:
 No. 3 for EUR
 No. 4 for TWD
 No. 5 for GBP

Chart of the Week: USD Rising Alongside Trump Premium



Source: Bloomberg, OCBC Research



AxJ Positioning Bias (Reuters Poll)

Based on Reuters survey on Asia FX positioning, bullish bets on most AxJs saw significant adjustments. THB, IDR and KRW saw the biggest unwinding. Bullish bets for SGD, CNY, MYR still remain but had also saw notable adjustments. Overall, markets are mixed on AXJs. KRW, TWD, INR and PHP turned bearish. Amongst these, markets are most bearish on INR.

	13-Jun-24	27-Jun-24	11-Jul-24	25-Jul-24	8-Aug-24	25-Aug-24	5-Sep-24	19-Sep-24	3-Oct-24	17-Oct-24
USD/CNY	0.95	1.34	1.05	1.07	-0.02	-0.62	-0.85	-0.67	-1.14	-0.43
USD/KRW	0.87	1.28	0.87	0.79	0.05	-0.93	-1.09	-0.9	-0.79	0.26
USD/SGD	0.62	0.8	0.06	-0.33	-0.61	-1.08	-1.26	-1.12	-1.26	-0.44
USD/IDR	1.22	1.49	0.73	0.35	-0.02	-1.26	-1.05	-1.18	-1.08	0.04
USD/TWD	0.64	0.88	0.68	0.86	0.59	-0.7	-0.77	-0.66	-0.59	0.24
USD/INR	0.37	0.46	0.22	0.12	0.6	0.21	0.21	0.33	-0.04	0.67
USD/MYR	1	1	1.03	0.39	-0.78	-1.57	-1.46	-1.3	-1.18	-0.4
USD/PHP	1.23	1.37	0.86	0.43	-0.29	-1.03	-1	-1.11	-0.7	0.26
USD/THB	0.92	0.91	0.51	0.02	-0.57	-1.16	-1.22	-1.33	-1.45	-0.28

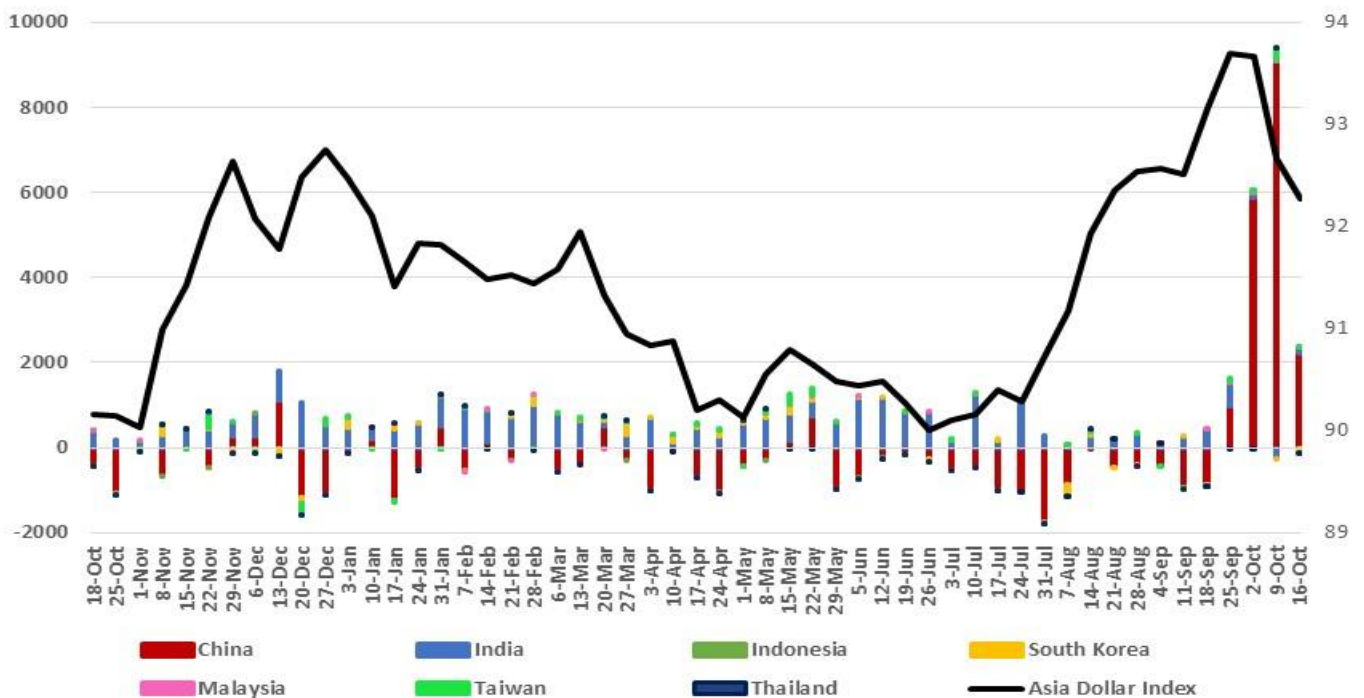
Note: Asian FX poll is conducted by Reuters, on bi-weekly basis on what analysts and fund managers believe the current market positioning are. Poll uses estimates of net short or long on a scale of -3 to +3. A score of +3 indicates significant long USD against the AxJ FX. Arrow direction indicates change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

Source: Reuters [latest avail: 17 Oct 2024], OCBC Research

EPFR Foreign Flows to Selected AxJ Equities vs. Asiadollar Index

Foreign inflows into Chinese equities slowed last week, after the surge seen the past few weeks. Slowdown in inflows due to a lack of follow-through on support measures. Elsewhere, foreign inflows to Taiwan, Malaysian and India can be observed. Meanwhile there were outflows in Korea equities last week. Prior gains in Asian FX continues to undergo a correction amidst disappointment with China support measures while also pricing in Trump premium.

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



Note: Latest data available as of 16 Oct (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: Leading index (Sep); Tue: Richmond Fed manufacturing (Oct); Wed: Existing home sales (Sep); Fed's Beige book ; Thu: Prelim PMIs (Oct); initial jobless claims; CFNAI, new home sales (Sep); Kansas City Fed mfg (Oct); Fri: Durable goods orders (Sep P); Uni of Michigan sentiment (Oct)		S: 101.90; R: 104.60
EURUSD	Mon: - Nil – Tue: - Nil – Wed: Consumer confidence (Oct P); ECB's Lagarde speaks; Thu: Prelim PMIs (Oct); Fri: ECB CPI expectations 1y and 3y		S: 1.0780; R: 1.0940
GBPUSD	Mon: Rightmove house prices (Oct); Tue: Public finances (Sep); Wed: - Nil – Thu: Prelim PMIs (Oct); CBI selling prices, business optimism (Oct); Fri: GfK consumer confidence (Oct)		S: 1.2870; R: 1.3170
USDJPY	Mon: - Nil – Tue: - Nil – Wed: - Nil – Thu: Prelim PMIs (Oct); Machine tool orders (Sep); Fri: Tokyo CPI (Oct); PPI (Sep)		S: 147.20; R: 152.00
AUDUSD	Mon: - Nil – Tue: - Nil – Wed: - Nil – Thu: Prelim PMIs (Oct) Fri: - Nil –		S: 0.6600; R: 0.6780
USDCNH	Mon: 1y, 5y Loan prime rate (Sep) Tue: - Nil – Wed: - Nil – Thu: - Nil – Fri: - Nil – Sun: Industrial profits (Sep)		S: 7.0700; R: 7.1700
USDKRW	Mon: First 20 days of exports; Tue: PPI (Sep); Wed: Consumer confidence (Oct) Thu: Business survey – mfg, non-mfg (Nov); GDP (3Q A) Fri: - Nil –		S: 1,350; R: 1,386
USDSGD	Mon: - Nil – Tue: - Nil – Wed: CPI (Sep); Thu: - Nil – Fri: IP (Sep); URA home prices (3Q)		S: 1.3020; R: 1.3200
USDMYR	Mon: GDP (3Q); Tue: FX reserves (Oct); Wed: - Nil – Thu: CPI (Sep) Fri: - Nil –		S: 4.2400; R: 4.3400
USDIDR	Mon: - Nil – Tue: - Nil – Wed: - Nil – Thu: - Nil – Fri: - Nil –		S: 15,350; R: 15,700

Source: Bloomberg, OCBC Research

Key Themes and Trades

DXY

2-Way Trades to Dominate. USD rose for a third straight week as recent US data - retail sales, Philly Fed business outlook, CPI - came in better-than-expected. This underscores the potential return of US exceptionalism. Additionally, markets were also factoring in geopolitical risks in Middle east and Trump hedges. On US elections, traditional polls show the election as neck and neck between Trump and Harris but prediction markets show Trump's lead widened to as much as 60.7 vs. Harris at 39 (referenced to Polymarket* as of 21 Oct). The main message here is that traditional polls and decentralized betting polls have diverged significantly, even as we get closer to elections. Defensive positioning/ trump hedges (long USD, long gold, short CNH) may still gather traction given the fluidity of election developments and geopolitical uncertainties. *Polymarket runs on a blockchain and is part of the Ethereum ecosystem and is tradable using USDC

This week is relatively quiet on the US data docket. More notable ones are Fed's Beige book (Wed), prelim PMIs (Thu) and durable goods order (Fri). But the real market movers would be in the following week, when JOLTS job openings, consumer sentiment (29 Oct); ADP employment (30 Oct); core PCE (31 Oct) and NFP (1 Nov) is due. Between now and then, we should continue to see 2-way trades in USD. Top side looks stretched technically and pullback may also be shallow as interests to buy USD (proxy for Trump hedges) should also return.

DXY was last at 103.80 levels. Daily momentum remains bullish but RSI turned lower from overbought conditions. While the recent run up looks stretched technically, the move higher may still extent. But we also caution that the subsequent snapback may also be sharp. Resistance at 103.80 levels (200 DMA, 50% fibo), 104.60 (61.8% fibo). Support at 103.20 (100 DMA), 102.20 (21 DMA) and 101.75/90 levels (50 DMA, 23.6% fibo retracement of 2023 high to 2024 low).

We maintained our view for USD to trend lower as Fed's rate cut cycle gets underway. Extent of USD's decline hinges on 1/ how quick and deep the Fed cuts and 2/ how global growth pans out. It is also important to put in context, what is the market environment when rate cut cycle gets underway. If Fed cut is non-recessionary driven and that growth outside-US continues to manage ok in a not-hot-not cold setting, then the USD can remain back footed and high beta/ Asian FX can enjoy another window of recovery. The risk is a return of US exceptionalism and/or Fed slowing rate cut cycle, as these may result in USD bounces. That said, in the scenario of stability in major Asian FX including RMB, JPY, growth in the region looking fine and Fed cuts paving room for other Asian central banks to ease, Asian bonds may also be in a sweet spot and further foreign demand can result in positive feedback loop in support of Asian FX. We maintained our view for USD to trend lower in the medium term. But near term, better than expected US data, unwinding of dovish expectations, and in light of US elections (further reduction of risk positions) may lend support to USD.

US elections (Nov-2024) risk remains a big known unknown. Even at this point (with less than 3 weeks to election day), developments remain fluid with traditional polls and prediction markets seeing growing divergence. The outcome will have implications on FX as shifts in fiscal, foreign and trade policies may occur, depending on whether Trump or Harris is elected as the next President come Nov.

- A Trump outcome may see a play-up of US-China trade tensions and should inject some uncertainty to markets, thereby implying that the downward path of USD may be bumpy and may even face intermittent USD upward pressure if US-China trade tensions escalate (i.e. long gold, short CNH).
- However, a Kamala Harris outcome is deemed to be more focused on domestic issues and could see more measured engagements with China. On this note, vols should ease, equities may retain gains and Asian/ high-beta FX may find relief.

EURUSD

Watching Prelim PMIs, ECBspeak. EUR dipped in response to the recent ECB cut but magnitude of decline has started to moderate. ECB said the disinflationary process is 'well on track,' and is more confident about sustainably reaching its 2% target in a timely manner. Lagarde repeatedly said it will remain data-dependent and follow a meeting-by-meeting approach. EUR OIS last priced a total of 33bps

of cut at the December meeting, meaning market is somewhat split between a 25bp and a 50bp cut, which looks dovish. With dovish expectations baked in, we see limited room for EUR to venture south in the near term (unless there are major negative surprises, geopolitical risk-off) while risk-reward maybe skewed for tactical bounce. EUR was last seen at 1.0835. Momentum remains bearish but RSI shows signs of turning higher from oversold conditions. Support at 1.0830 (61.8% fibo retracement of 2024 low to high), 1.08-figure. Resistance at 1.09, 1.0940 (100 DMA). This week's focus on prelim PMIs (Thu). There is also plenty of ECBspeaks (on 19 occasions) lined up this week. Lagarde will speak on 3 occasions on Tue, Wed.

Post-ECB, our rates strategist shared that ECB cut each of its three key interest rates by 25bps, as widely expected. The central bank said the decision is based on their "updated assessment of the inflation outlook, the dynamics of underlying inflation and the strength of monetary policy transmission". The meeting was not accompanied by the quarterly economic review, but from the statement there is a downward adjustment in the inflation outlook; the central bank now expect inflation to reach target "in the course of 2025" instead of "over the second half" of 2025. That said, as Lagarde pointed out, the MPC statement keeps the "magic language" that the central bank "will keep policy rates sufficiently restrictive for as long as necessary". On balance, it does not look like the ECB is shifting gears in terms of the pace of rate cuts; future decision remains highly data dependent.

We still maintain a neutral outlook on EUR. PMIs for the Euro-area continued to point to renewed concerns on growth while CPI undershoot expectations. Markets have already overshot dovish expectations. Unwinding of dovish expectations should see EUR correct higher. That said, we continue to keep a close watch on data. The next comprehensive set of information will only be available in Dec. On ECBspeaks, Simkus said that it is clear that rates will be lowered further.. doesn't see need for cut bigger than 25bp and that rates likely to settle at 2% - 3% in longer term. Kazaks said that rates will continue to decline as inflation drops

GBPUSD

Governor Bailey's Comments This Week Likely to Shape Expectations in Upcoming MPC. GBP extended its decline this week amidst USD strength, risk-off sentiments. Markets may also be turning cautious on BoE rhetoric as Governor Bailey is scheduled to speak on 4 separate occasions this week on Tue, Thu, Fri and Sat. We watch if he made any clarification or reinforce the recent dovish shift in rhetoric, in which he said that *BoE could become a "bit more aggressive" and "a bit more activist" in its approach to cutting rates if the news on inflation continued to be good (Telegraph interview)*. We believe his comments this week should shape expectations for the upcoming BoE MPC (7 Nov).

GBP was last at 1.2985 levels. Daily momentum is bearish bias while RSI is near oversold conditions. Support at 1.2960 (100 DMA), 1.2870 (50% fibo). Resistance at 1.30 (38.2% fibo retracement of Apr low to Sep high), 1.3140 (50 DMA) and 1.3170 levels (23.6% fibo, 21 DMA).

We still maintain a somewhat constructive outlook on GBP with a combination of softer USD, less dovish BoE (than Fed) and better data out of UK – expansionary PMIs in manufacturing, services sectors, retail sales and labour market. Even as headline CPI eased, services inflation remains sticky at 4.9%. Employment growth improved and wage growth continues to outpace headline CPI. BoE has started its rate cut cycle (1 Aug), but the cycle may be less aggressive than Fed. Recent comments from Governor Bailey on The Guardian were inconsistent from comments made in MPC. We would need to observe this further. At the last MPC meeting (Sep), policymakers emphasized the need for policy to stay restrictive for "sufficiently long" and that most members saw the need for gradual approach to removing restraint. BoE member Mann believes that neutral interest rate is higher than BoE's model and as such, policy rate at 5% is less restrictive today. GBP remains a higher carry amongst DM FX amidst BoE's very gradual approach to easing vs. Fed frontloading rate cuts. The risks to our outlook: a more aggressive BoE cut cycle than the Fed; faster growth slowdown in UK, and/or energy price surge.

USDJPY

Bullish Pressure Easing Slightly. USDJPY extended its run-up this week, tracking the rise in UST yields. Meanwhile Japan snap elections (Sunday) is also another risk event to watch as outcome may have implication on BoJ policy stance and USDJPY. As of writing, poll by Asahi newspaper showed that the LDP

will likely lose majority in coalition with Komeito party while Kyodo news poll saw LDP-constitutional democratic party spread narrowed. A LDP victory is likely to see policy continuity and should lead to USDJPY trading lower. However, in the event LDP fails to win mandate, USDJPY may risk rising further in the near term over policy uncertainty that may be associated with the incoming administration. Next event to watch is BoJ MPC (31 Oct).

USDJPY was last seen at 150.50. Bullish momentum on daily chart intact while RSI shows signs of easing from overbought conditions. 2-way trades likely for now; sell rallies preferred. Resistance here at 150.70/80 levels (50% fibo retracement of Jul high to Sep low, 100 DMA) before 152, 153.30. Support at 148.10, 147 (21 DMA). We are also cautious of the risk of BoJ rhetoric, given the recent sharp rise. Last Fri, FX chief Mimura flagged “sudden, one-sided move” in FX. He also said “We’ll keep monitoring the forex market with a high sense of urgency, including any speculative moves”, while Governor Ueda said that the outlook for overseas economies including the US is uncertain and financial markets continue to be unstable. He also said that the FX rate is now more likely to impact prices than in the past.

We continue to expect USDJPY to trend gradually lower on as Fed kickstarts rate cut cycle and that the BoJ has room to further pursue policy normalisation amid higher services inflation and wage pressures in Japan. Our house view remains for one additional rate hike of 10-15bps by the BoJ before the end of 2024. We do however acknowledge that Governor Ueda did hint that BoJ is in no hurry to raise rates but that does not change the course of monetary policy in the broader scheme of things. Shifts in Fed-BoJ policies should bring about further narrowing of UST-JGB yield differentials. This should continue to underpin the broader direction of travel for USDJPY to the downside. But any slowdown in pace of policy normalisation - be it the Fed or BoJ - would mean that USDJPY may still be supported on dips.

AUDUSD

Temporary Setback. AUD continued to trade lower for a 3rd consecutive week and had started the week on a softer footing. Risk-off sentiments, markets re-pricing US election risk premium and lack of follow-through on Chinese support measures were some of the catalysts behind a softer AUD. This is despite RBA still maintaining a somewhat hawkish rhetoric. RBA’s deputy Governor Hauser said that inflation is still “too high”.. was surprised by overall employment growth.. labour market outcome in good news story.. firms finding it hard to fill vacancies. He also said that RBA is not certain on level of neutral rate but most RBA models should be between 3% and 4% neutral rate. He repeated again that RBA rate won’t fall as much or as early as other banks.

AUD was last seen at 0.6665 levels. Daily momentum remains bearish while RSI looks to head lower towards oversold conditions. Risks skewed to the downside. Support 0.6610/30 levels (200 DMA, 50% fibo), 0.6570 levels. Resistance at 0.6750 (50 DMA), 0.6780/90 levels (23.6% fibo retracement of 2023 low to 2024 high, 21 DMA).

We hold to our broadly constructive on AUD medium term outlook on the back of: 1/ RBA keeping rates on hold for longer (last major central banks to cut rates), given still sticky inflation, stronger consumer confidence, retail sales and tight labour market; 2/ USD to trade on the back foot as Fed cut cycle gets underway. The case for China stabilisation story is getting some traction after China unleashed multi-pronged support measures but the lack of a concrete “number” has also disappointed markets. Focus next on NPC (end-Oct, early Nov). More concrete steps then should help to reinstate confidence. Hopes of China stabilisation would be a positive driver supporting AUD. Key downside risk factors that may affect AUD outlook are 1/ extent of CNH swings (if any); 2/ if Fed under-deliver rate cuts; 3/ global growth outlook turning sour; 4/ any market risk-off event (i.e., potential escalation in US-China trade tension, commodity or tech sell-off if they were to persist beyond mere position adjustment, geopolitics).

USDSGD

Bid. USDSGD continued to trade higher, tracking the broad upticks in USD, UST yields. Pair was last at 1.3160 levels. Daily momentum is bullish while RSI is near overbought conditions. Resistance at 1.32 (50% fibo). Support at 1.31 (38.2% fibo retracement of Jul high to Sep low), 1.3000/20 levels (21, 50 DMAs), 1.2980 (23.6% fibo).

Recap of recent policy action: MAS kept policy status quo – no change to width, or the level or slope of policy band. 3Q GDP was +2.1% q/q saar. (vs. +0.4% in 2Q). On growth, MPS noted that *growth momentum was stronger than expected and was largely underpinned by a step-up in manufacturing output, particularly in the electronics industry. Activity also picked up in the modern services cluster.* On inflation, MPS noted that core inflation should end the year around 2% and average 2.5-3% for 2024 (vs. 4.2% from 2023). MAS continue to expect core inflation to average around mid-point of the forecast range of 1.5 – 2.5% in 2025. In terms of inflation risks, MPS highlighted that *risks to Singapore’s inflation outlook are more balanced compared to three months ago. If there is stronger-than-anticipated demand for labour due to upsides in GDP growth, it may take longer for unit labour cost growth to moderate and consequently for services price inflation to normalise. An intensification of geopolitical tensions and commodity price shocks could add to imported costs. However, a significant downturn in the global economy would induce an abrupt easing in cost and price pressures, causing domestic inflation to come in materially lower than expected.*

Post-MAS MPC, S\$NEER fell sharply from 2% above model-implied mid to 1.6% and is now stabilizing in its range of 1.6 – 2% above model implied mid. Last estimated at 1.7% above model-implied mid. MAS maintaining status quo on policy stance means that S\$NEER strength may linger and only fade at some point when core inflation in Singapore start to ease more. When that happens, markets can be guided to price in weaker S\$NEER. For now, we expect MAS to continue to adopt wait-and-see approach – to ease policy only when core CPI falls towards their projection.

Looking out into our forecast horizon, we continue to expect a milder downward trajectory for USDSGD, as Fed cuts get underway (to weigh on USD), partially offset by a less tight monetary stance for MAS at some point in 2025. China finding recovery footing at one point is also another factor supportive of AXJ FX, including SGD.

Trade Ideas

Entry Date	Trade	Entry	Close	Profit/ Loss (%)	Remarks	Exit Date
13-Feb-24	Long AUDUSD	0.6480	0.6625	2.24	Expect AUD to recover following the recent washout as: 1) Fed gets closer to embark on rate cuts in 2Q 2024; 2) potential case for China stabilisation on hopes of stimulus support measures; 3) uptick in commodity prices; 4) while RBA could remain on hold for longer. SL 0.6340. TP 0.6870 [Trade TP]	06-May-24
28-Feb-24	Short EURJPY	163.05	161.35	1.04	Based on the view of technical retracement for EUR and that BoJ may move earlier in Mar (JPY positive). Technically, the pair looks stretched with RSI easing from overbought conditions while bullish momentum on daily chart is fading. Room for downside to play out. Tactical opportunity to go short EURJPY targeting a move lower towards 161.35. SL at 163.65. [Trade TP]	07-Mar-24
25-Apr-24	Short USDKRW	1375	1320	4.00	High for longer narrative (US rates) has been a dampener on sentiments. But since last trilateral meeting, there seems to be a psychological resistance for the USD. For the year, we still expect USD to trend slightly lower as the Fed is done tightening and should embark on rate cut cycle in due course (house looks for Jul Fed cut). Eventual re-coupling in tech/KR stocks vs FX (KRW) should return amid underlying tech/AI trend. KRW would be positioned for more gains given its high-beta characteristics and close proxy to tech and growth cycles. Start of Fed rate cut cycle and expectations for China stabilisation are other drivers that should underpin KRW's positive appeal. Entered tactical short at 1375. To take profit at 1320. SL at 1406. [Trade TP]	26-Aug-24
01-May-24	Long EURUSD	1.0661	1.09	2.24	Markets have largely priced in ECB's 75bps cuts into EUR but a growth re-rating outlook on Euro-area economy is probably not priced. And lately there are signs to suggest some signs of stabilisation in Euro-area growth. ECB's Lagarde and Bundesbank have recently spoken about signs of activity picking up pace in Germany. A better growth story in Euro-area can push back against aggressive rate cut expectations and this is supportive of EUR. Entered at 1.0661. Targeting move towards 1.0900. SL at 1.0508. [Trade TP]	04-Jun-24
12-Aug-24	Short RMB Index	98.53	98.5	0	with domestic woes, the RMB should remain weak on TWI basis. This should see RMB CFETS index fall further (i.e. short CNH vs basket trade). And a move towards 2023 low at 96 levels is not ruled out. SL 99.70. [EXIT with no P&L, given recent market development in China]	30-Sep-24
19-Aug-24	Short CHFJPY	170.1			SNB-BOJ policy divergence. SNB may turn wary of how recent CHF strength may complicate inflation objective. May press on for 3 rd cut of the year and/or pursue FX intervention to weaken CHF. On the other hand, BOJ is embarking on policy normalization which is likely to continue into 2025. Also, USDJPY is more sensitive to declines in UST yield. Target 148. SL 181. [LIVE]	
23-Sep-24	Short EURGBP	0.838			Policy and growth divergence between EU/ECB and UK/BOE. Target a decline towards 0.81. SL 0.8470. [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.

Selected SGD Crosses

SGDMYR Daily Chart: Sideways



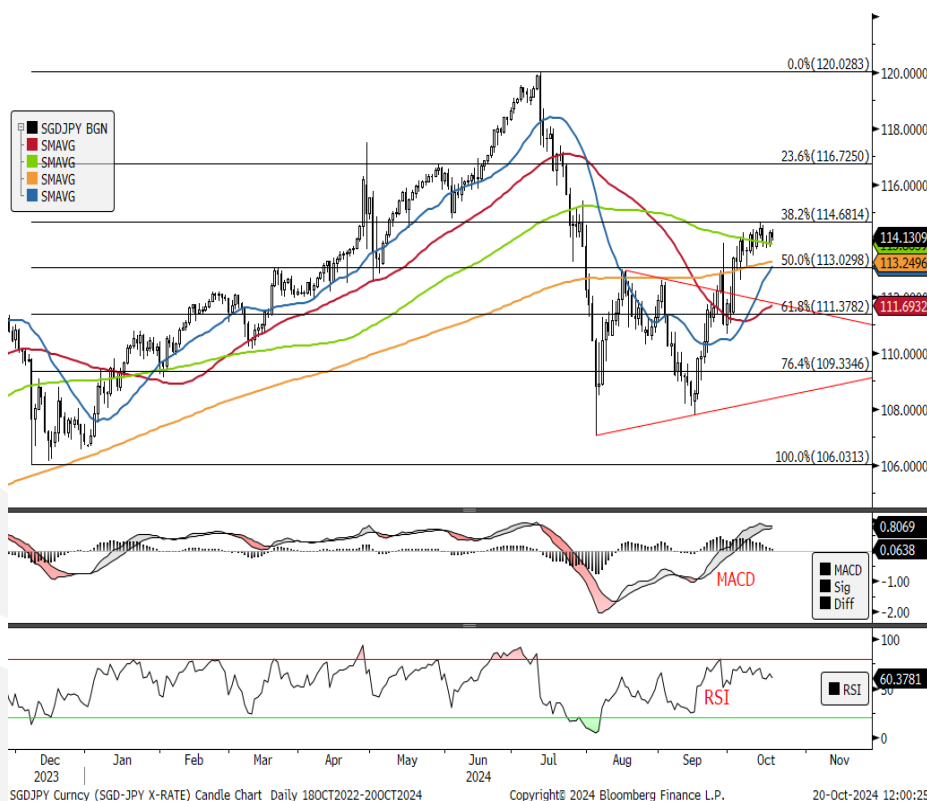
SGDMYR continued to trade sideways last week. Cross was last at 3.2810 levels.

Daily momentum is bullish but shows signs of fading while dip in RSI moderated. Further consolidation is not ruled out.

Resistance at 3.29 (23.6% fibo retracement of 2024 high to low) and 3.3020 levels (50 DMA).

Support at 3.2590 (21 DMA), 3.24, 3.2020 (recent low).

SGDJPY Daily Chart: Consolidation



SGDJPY consolidated last week as JPY underperformance was offset by SGD's subpar performance too. Cross was last at 114.13 levels.

Mild bullish momentum shows signs of fading while RSI eased from near overbought conditions. Consolidation not ruled out but bias to lean against strength.

Resistance at 114.70 (38.2% fibo), 115.40 levels.

Support at 113.00/20 levels (21, 200 DMA, 50% fibo retracement of Dec low to 2024 high), 111.40/70 levels (50 DMA, 61.8% fibo).

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

Gold Daily Chart: Risks Skewed to the Upside



Gold extended its run-up last week to another all-time highs. Last seen at 2721 levels.

Daily momentum shows signs of turning bullish while RSI rose. Risks remained skewed to the upside.

Resistance at 2762 (76.4% fibo extension), 2800 levels.

Support at 671, 2653 (21 DMA) and 2572 (50 DMA).

Silver Daily Chart: Breaking Out



Silver broken out of range last week. Last seen at 33.71 levels.

Daily momentum turned bullish while RSI rose towards near oversold conditions. Upside risks intact.

Resistance at 34.60 (76.4% fibo extension), 37 levels

Support at 33 (61.8% fibo), 31.60/80 levels (21 DMA, 50% fibo) and 30.55.

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

Medium Term FX Forecasts

Currency Pair	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25
USD-JPY	140.00	138.00	136.00	135.00	132.00
EUR-USD	1.1050	1.1200	1.1250	1.1300	1.1300
GBP-USD	1.3150	1.3200	1.3400	1.3500	1.3550
AUD-USD	0.6800	0.6900	0.6950	0.7000	0.7000
NZD-USD	0.6150	0.6250	0.6300	0.6350	0.6350
USD-CAD	1.3550	1.3500	1.3450	1.3400	1.3300
USD-CHF	0.8600	0.8550	0.8550	0.8500	0.8500
USD-SEK	10.48	10.33	10.25	10.00	10.00
DXY	101.27	100.13	99.43	98.83	98.42
USD-SGD	1.3000	1.2900	1.2850	1.2830	1.2800
USD-CNY	7.0500	7.0000	6.9800	6.9600	6.9200
USD-CNH	7.0500	7.0000	6.9800	6.9600	6.9200
USD-THB	32.50	32.40	32.30	32.10	32.00
USD-IDR	15100	14900	14825	14800	14775
USD-MYR	4.2200	4.1500	4.1400	4.1200	4.0800
USD-KRW	1330	1300	1290	1280	1270
USD-TWD	31.50	31.30	31.20	31.10	31.00
USD-HKD	7.7800	7.7800	7.7700	7.7600	7.7500
USD-PHP	56.20	55.50	55.00	54.60	54.30
USD-INR	83.60	83.30	83.40	83.10	82.80
USD-VND	24800	24650	24300	24200	24050
EUR-JPY	154.70	154.56	153.00	152.55	149.16
EUR-GBP	0.8403	0.8485	0.8396	0.8370	0.8339
EUR-CHF	0.9503	0.9576	0.9619	0.9605	0.9605
EUR-SGD	1.4365	1.4448	1.4456	1.4498	1.4464
GBP-SGD	1.7095	1.7028	1.7219	1.7321	1.7344
AUD-SGD	0.8840	0.8901	0.8931	0.8981	0.8960
NZD-SGD	0.7995	0.8063	0.8096	0.8147	0.8128
CHF-SGD	1.5116	1.5088	1.5029	1.5094	1.5059
JPY-SGD	0.9286	0.9348	0.9449	0.9504	0.9697
SGD-MYR	3.2462	3.2171	3.2218	3.2112	3.1875
SGD-CNY	5.4231	5.4264	5.4319	5.4248	5.4063
SGD-IDR	11615	11550	11537	11535	11543
SGD-THB	25.00	25.12	25.14	25.02	25.00
SGD-PHP	43.23	43.02	42.80	42.56	42.42
SGD-VND	19077	19109	18911	18862	18789
SGD-CNH	5.4231	5.4264	5.4319	5.4248	5.4063
SGD-TWD	24.23	24.26	24.28	24.24	24.22
SGD-KRW	1023.08	1007.75	1003.89	997.66	992.19
SGD-HKD	5.9846	6.0310	6.0467	6.0483	6.0547
SGD-JPY	107.69	106.98	105.84	105.22	103.13
Gold \$/oz	2750	2780	2810	2830	2850
Silver \$/oz	34.38	34.32	34.69	34.10	34.34

Source: OCBC Research (Latest Forecast Updated: 22nd October 2024)

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

Macro Research

Selena Ling
Head of Research & Strategy
lingsselena@ocbc.com

Tommy Xie Dongming
Head of Asia Macro Research
xied@ocbc.com

Keung Ching (Cindy)
Hong Kong & Macau Economist
cindykeung@ocbc.com

Herbert Wong
Hong Kong & Taiwan Economist
herberhtwong@ocbc.com

Lavanya Venkateswaran
Senior ASEAN Economist
lavanyavenkateswaran@ocbc.com

Ahmad A Enver
ASEAN Economist
ahmad.enver@ocbc.com

Jonathan Ng
ASEAN Economist
jonathannq4@ocbc.com

Ong Shu Yi
ESG Analyst
shuyionq1@ocbc.com

FX/Rates Strategy

Frances Cheung, CFA
Head of FX & Rates Strategy
francescheung@ocbc.com

Christopher Wong
FX Strategist
christopherwong@ocbc.com

Credit Research

Andrew Wong
Head of Credit Research
wongvkam@ocbc.com

Ezien Hoo, CFA
Credit Research Analyst
ezienhoo@ocbc.com

Wong Hong Wei, CFA
Credit Research Analyst
wonghongwei@ocbc.com

Chin Meng Tee, CFA
Credit Research Analyst
mengteechin@ocbc.com

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