GLOBAL MARKETS RESEARCH

FX Weekly

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Will China Reopening Bring Fresh Stimuli?

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USD Short Covering Underway. Bumper US payrolls report for Sep was a trigger for markets to re-think expectations for Fed cut profile while the likes of RBNZ, BoE may quicken their respective pace. Conversely, Japanese policymakers have forcefully transmitted the intent of not rushing to hike rates. Shifting expectations should see stretched positions unwind. USD can rebound while JPY slippage is not ruled out. This week, we watch US CPI (Thu) while China markets reopen on Tue. Expectations are building up for China to follow-up momentum in unveiling fiscal stimulus measures in due course. Any lack of follow-thru efforts from China may be a setback to sentiments but another positive should support high-beta FX.

Our house view looks for BoK to begin rate cut cycle with 25bp cut at the upcoming MPC (11 Oct). Our Rates Strategist noted that Sep CPI eased more than expected to 1.6% y/y. BoK was also quoted as saying that the foundation of price stabilisation is being laid and it expects inflation to stay below 2% for a while. Recent BoK rhetoric and September inflation outcome reinforced our base-case for the BoK to cut rates. USDKRW has corrected higher, in response to recent geopolitical tensions in the middle east and also due to broad USD short covering. Near term risks for USDKRW remain skewed to the upside. Watch BoK's tone for policy guidance, geopolitical developments, USD trend and any signs of China following up with fiscal stimulus. A stretch towards 1358 should not be ruled out in the near term but bias to fade. Potential inclusion to WGBI is one factor that can be supportive of KRW.

MAS policy decision will be announced on 14 Oct 2024, alongside the release of 3Q GDP Advance estimate. Core CPI remains well above historical mean of 2% while growth momentum continues to hold up. We expect MAS to maintain policy status quo as prevailing appreciating path of the S$NEER policy band remains appropriate. That said, we do not rule out an outside chance that the MAS may surprise with an earlier easing, given that MAS adopts a forward-looking approach to monetary policy making and that the core CPI's disinflation journey remains intact, apart from the slight bump-up in August print.

RBNZ policy decision is due on 9 Oct. Markets are largely expecting the RBNZ to quicken the pace of rate cut to 50bp each at the remaining 2 MPCs for the year and another 100bp cut cumulatively for 1H 2025. NZIER's quarterly survey of business opinions says that only a net 7 percent of firms were able to raise prices to pass on costs, down from 23% in previous quarter. The same report also indicated that significant proportions of firms are now reporting it easy to find skilled and unskilled labour. With dovish expectations already in the price and Kiwi having corrected >2% in the last week, the NZD risks being a "sell on rumour, buy on fact" into the policy decision unless RBNZ doubles down on dovish rhetoric.

Bloomberg FX Forecast Ranking
(1Q 2024)

By Region:
No. 7 for 13 Major FX

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

(4Q 2023)

By Region:
No. 7 for 13 Major FX

By Currency:
No. 1 for TWD, PHP

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Best bank for research
OCBC Bank

AxJ Positioning Bias (Reuters Poll)

Based on Reuters survey on Asia FX positioning, bullish bets on most AxJs persisted. Even bearish bets on INR have turned flat. Bullish bets for CNY increased the most but bullish bets on PHP saw significant reduction, followed by reduction in bullish bets on KRW and MYR. Overall, markets remain most bullish on THB, SGD and MYR.

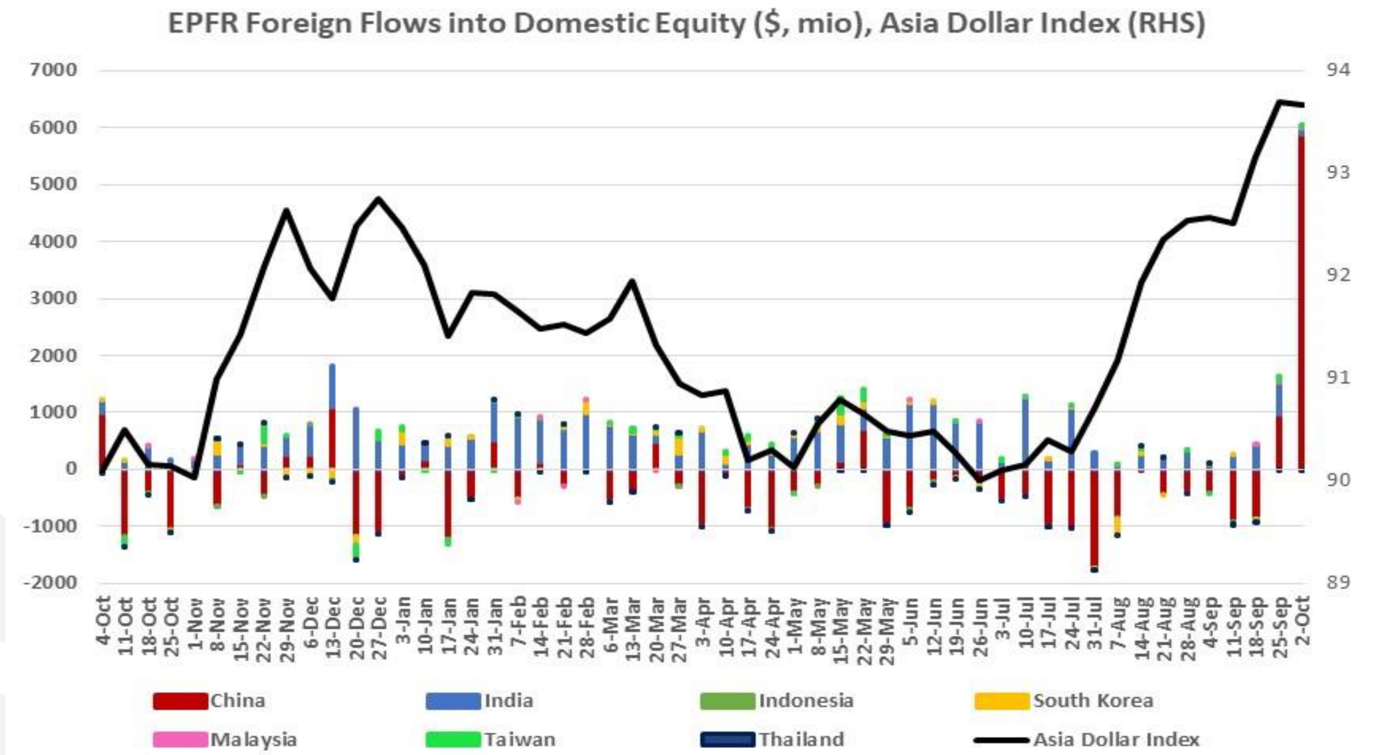
	30-May-24	13-Jun-24	27-Jun-24	11-Jul-24	25-Jul-24	8-Aug-24	25-Aug-24	5-Sep-24	19-Sep-24	3-Oct-24
USD/CNY	1.05	0.95	1.34	1.05	1.07	-0.02	-0.62	-0.85	-0.67	-1.14
USD/KRW	0.72	0.87	1.28	0.87	0.79	0.05	-0.93	-1.09	-0.9	-0.79
USD/SGD	0.33	0.62	0.8	0.06	-0.33	-0.61	-1.08	-1.26	-1.12	-1.26
USD/IDR	0.94	1.22	1.49	0.73	0.35	-0.02	-1.26	-1.05	-1.18	-1.08
USD/TWD	0.53	0.64	0.88	0.68	0.86	0.59	-0.7	-0.77	-0.66	-0.59
USD/INR	0	0.37	0.46	0.22	0.12	0.6	0.21	0.21	0.33	-0.04
USD/MYR	0.81	1	1	1.03	0.39	-0.78	-1.57	-1.46	-1.3	-1.18
USD/PHP	1.19	1.23	1.37	0.86	0.43	-0.29	-1.03	-1	-1.1	-0.7
USD/THB	1	0.92	0.91	0.51	0.02	-0.57	-1.16	-1.22	-1.33	-1.45

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: 3 Oct 2024], OCBC Research

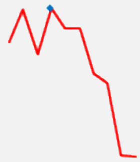
EPFR Foreign Flows to Selected AxJ Equities vs. Asiadollar Index

Chinese equities continued to witness a massive surge in foreign inflows last week before China went away for holidays. Foreign inflows to Indian, Taiwan, Indonesian and Malaysian equities slowed slightly amid chatters of rotation from other Asia to China. Apart from China, Korean equities saw inflows picked up last week. Gains in Asian FX moderated.



Note: Latest data available as of 2 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**: - Nil – **Tue:** NFIB small business optimism (Sep); trade (Aug); **Wed:** - Nil – **Thu: FOMC minutes; CPI**, real hourly earnings, initial jobless claims (Sep); **Fri**: PPI (Sep); Uni of Michigan sentiment (Oct)		**S: 99.60; R: 102.50**
EURUSD	**Mon:** Sentix investor confidence (Oct); Retail sales (Aug); German factory orders (Aug); **Tue:** German IP (Aug); **Wed:** German trade (Aug); **Thu:** German retail sales (Aug); **Fri:** German CPI (Sep)		**S: 1.0900; R: 1.1100**
GBPUSD	**Mon:** - Nil – **Tue:** BRC sales (Sep); **Wed:** - Nil – **Thu:** - Nil – **Fri:** IP, GDP, trade, construction output (Aug)		**S: 1.3010; R: 1.3360**
USDJPY	**Mon:** - Nil – **Tue:** Leading index (Aug); **Wed:** - Nil – **Thu:** - Nil – **Fri:** - Nil –		**S: 142.50; R: 149.50**
AUDUSD	**Mon:** - Nil – **Tue:** Consumer confidence (Oct); RBA minutes; **Wed:** - Nil – **Thu**: Inflation expectations **Fri:** - Nil –		**S: 0.6660; R: 0.6900**
USDCNH	**Mon**: FX reserves (Sep) **Tue:** - Nil – **Wed:** - Nil – **Thu:** - Nil – **Fri:** - Nil –		**S7.0200; R: 7.1200**
USDKRW	**Mon**: FX reserves (Aug); **Tue:** Current account (Aug); **Wed:** - Nil – **Thu:** - Nil – **Fri:** BOK policy decision		**S: 1,320; R: 1,355**
USDSGD	**Mon:** FX reserves (Sep); **Tue:** - Nil – **Wed:** - Nil – **Thu:** - Nil – **Fri:** - Nil –		**S: 1.2700; R: 1.3100**
USDMYR	**Mon:** FX reserves (Sep); **Tue:** - Nil – **Wed:** - Nil – **Thu:** - Nil – **Fri:** Industrial production (Aug)		**S: 4 1700; R: 4.2800**
USDIDR	**Mon:** FX reserves (Sep) **Tue:** - Nil – **Wed:** - Nil – **Thu:** - Nil – **Fri:** - Nil –		**S: 15,450; R: 15,850**

Source: Bloomberg, OCBC Research

	Key Themes and Trades
DXY	***Stretched Position Rebalances.*** USD was boosted for the 5th back-to-back session and this time the trigger came from the blockbuster payrolls report. NFP came in +254k (vs. 150k expected) while unemployment rate dipped to 4.1% (vs. 4.2% expected) and hourly earnings rose 4% y/y (vs. 3.8% expected). The hotter-than-expected jobs report saw further unwinding of dovish bets, adding to the USD's rebound momentum. Markets are now just eyeing 2 * 25bp cut each for the remainder of the 2 FOMCs in Nov and Dec. Earlier last week, Fed's comments at the NABE event exudes no sense of panic about the US economy and conveys a sense of no rush to loosen monetary policy quickly. He also referred to the dot plot to indicate 2 more 25bp cut if "economy is as expected". This, alongside US data dampened markets' enthusiasm in pricing over 75bp cut for the year remaining. With US elections less than 1 month to go, polls still find Trump and Harris neck-and-neck. Further rebalancing in historically low DXY position may imply that USD may stay supported in the interim. This week, we watch FOMC minutes, US CPI (Thu) while China markets reopen on Tue. The NDRC and 3 deputy chiefs are expected to host a press conference (8 Oct) to give details on policies to support growth. Lack of impactful measure may disappoint and undermine CNH and other CNH-proxy FX. But if we do get another round of support measures, then some of the risk proxies may recover. DXY was last at 102.60. Daily momentum remains bullish while RSI rose. Upside risks intact. Resistance at 102.90 (38.2% fibo). Support at 101.80/90 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 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. What would be ideal for USD softness, risk-on trade to play out is US growth in goldilocks while disinflation continues its path and the labour market not showing significant loss in momentum. Given the 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, the play-up of the return of US exceptionalism may lend support to USD. That said, the US elections (Nov-2024) risk is a big known unknown. The emergence of Kamala Harris as Democratic presidential nominee after President Biden dropped out of race suggests fluid developments and remains early to call. There will be 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. o 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). o 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	***Somewhat Bearish.*** EUR fell amidst broad USD rebound while markets shifted to price in 25bp ECB cut in Oct with more conviction after CPI undershoot ECB's 2% target. Recent ECBspeaks have also turned more dovish. Villeroy said that ECV will "quite probably" cut interest rates at its next meeting (17 Oct). Schnabel (typically a hawk) said that ECB cannot ignore headwinds to economic growth. She added "with signs of softening labor demand and further progress in disinflation, a sustainable fall of inflation back to our 2% target in a timely manner is becoming more likely, despite still elevated services inflation and strong wage growth". Centeno said that "a monetary policy that remains tight for too long risks causing

inflation to undershoot its target, … speed is of the essence. The current state of the euro-area economy, along with the prevailing price and labor market conditions, necessitates a response from the ECB: a reduction in interest rates."

EUR fell, in line with our call for *double-top sets up sell pattern.* Pair was last at 1.0960 levels. Daily momentum is bearish bias while RSI fell near oversold conditions. Risks remain skewed towards the downside. Double-top bearish reversal is underway. Support at 1.0900/30 levels (100 DMA, 50% fibo), and 1.0830 (61.8% fibo). Resistance at 1.1050/60 levels (50 DMA, 23.6% fibo retracement of 2024 low to high) and 1.1090 (21 DMA).

We still maintain a neutral outlook on EUR. Recent PMIs for the Euro-area continued to point to renewed concerns on growth while CPI undershoot expectations. ECB easing may need to play catch up and that would warrant a softer EUR. We continue to keep a close watch on data. ECB's Lagarde did recently noted that ECB is open to considering a rate cut in Oct if the economy suffers a major setback, though the next comprehensive set of information will only be available at the following meeting (which is Dec). Over the last week or so, ECB officials are starting to express some dovishness though ECB prefers to maintain full optionality.

GBPUSD

Corrective Pullback Underway. GBP fell further after BoE Governor Bailey unexpectedly spoke about adopting a more aggressive easing stance. In an interview with the Guardian, he said that the 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. This is a flip from the last MPC in Sep where 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. A catch-up in dovish re-pricing should continue to dampen GBP bulls until the next MPC in Nov.

Our house view on rates remains unchanged - another 25bp cut in the Bank Rate before year-end, likely at the November MPC meeting. Thereafter, we expect one 25bp Bank Rate cut in every quarter in 2025. Our rate cut expectation is based on our lower inflation forecasts than BoE's. Governor Bailey's latest comments have to reflect a change in the assessment of inflation and/or growth outlook. We would review the inflation outlook, pending September CPI outcome.

GBP fell, in line with our caution in the last FX Weekly. Pair was last at 1.3110 levels. Daily momentum is bearish bias while decline in RSI slowed near oversold conditions. Consolidation likely for now. Support at 1.3080 (50 DMA), 1.30 (38.2% fibo retracement of Apr low to Sep high) and 1.2930 (100 DMA). Resistance at 1.3166 (23.6% fibo), 1.3230 (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 is manufacturing, services sectors, retail sales and labour market. Even as headline CPI eased, services inflation remains sticky at 5.6%. 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

Sell Rallies Preferred. USDJPY had a sharp rally last week, rising from 141.65 low (last Mon) to intra-day high of 149.13 this morning. Recent rally can be attributed to comments from new PM Ishiba and Governor Ueda as well as the hotter-than-expected US payrolls data. Aside from data, both Ishiba and Ueda sent a coherent message that policymakers are in no hurry to normalise policy. PM Ishiba said that the economy is not ready yet for another interest rate hike. Such strong words from a PM were rare and without a doubt, JPY longs were running for cover. It was later clarified that Ishiba's comments were intended to show alignment with Ueda. Earlier, BoJ Governor Ueda commented that *upside risk to prices does appear to be easing given the recent yen strength… there's some time to confirm certain points when making policy decisions, referring to the importance of checking moves in financial markets and the state of overseas economies.* In other remarks, Finance Minister Kato said that sudden moves in the currency market have negative impacts on companies and households while chief currency official Mimura is watching FX markets with a sense of urgency.

Elsewhere, PM Ishiba has also ordered his cabinet to draw up a comprehensive economic measure. This continues to be aligned with chatters that the PM may be attempting to shore up support ahead of snap elections (27 Oct) by drawing up comprehensive economic measures, including a submission of a supplementary budget to parliament after snap elections, talking down prospects of rate hikes and boosting equity markets.

Pair was last at 1.3040 levels. Daily momentum is bullish while rise in RSI moderated near overbought conditions. Resistance at 1.3060 (50 DMA), 1.31 (38.2% fibo retracement of Jul high to Sep low) Support at 1.2980 (23.6% fibo), 1.2940 (21 DMA).

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. He had earlier said that the upside risk to prices does appear to be easing given the recent yen strength… there's some time to confirm certain points when making policy decisions, referring to the importance of checking moves in financial markets and the state of overseas economies. The rebound in USDJPY lately was not unexpected but 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. We also noted how the decline in USDJPY saw a recoupling of the FX to UST-JGB yield differentials. And if we do expect USDJPY to play catchup to its historical correlation with UST-JGB yield differentials, then there is room for USDJPY to trade lower. Based on where 2y yield differentials is, our simple univariate fair value model estimates put USDJPY theoretical value at closer to 136.

AUDUSD

Watching China Reopening Cues. AUD fell amid broad USD rebound. Pair was last seen at 0.6790 levels. Daily momentum turned bearish while RSI fell. Risks skewed to the downside. Support at 0.6780 (23.6% fibo of 2023 low to 2024 high), 0.6685 (38.2% fibo). Resistance at 0.6870, 0.6940 (recent high). Watch China reopening as positive follow-thru on fiscal measures (if any) can be supportive of AUD. Buy dips preferred.

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. This has helped iron ore rise 15% in the past week. 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

2-Way Risks. USDSGD continued to get bump-up for 5 consecutive sessions. Hotter-than-expected US payrolls was the latest trigger as markets unwind USD shorts. Pair was last at 1.3040 levels. Daily momentum is bullish while rise in RSI moderated near overbought conditions. Resistance at 1.3060 (50 DMA), 1.31 (38.2% fibo retracement of Jul high to Sep low) Support at 1.2980 (23.6% fibo), 1.2940 (21 DMA).

MAS policy decision will be announced on 14 Oct 2024, alongside the release of 3Q GDP Advance estimate. Core CPI for Aug re-accelerated to 2.7% y/y (vs. 2.5% in Jul), and this was largely due to the pick-up in services inflation. Core CPI remains well above historical mean of 2% while growth momentum continues to hold up. We expect MAS to maintain policy status quo again at the upcoming Oct MPC meeting as prevailing appreciating path of the S$NEER policy band remains appropriate. But we do not rule out an outside chance that the MAS may surprise with an earlier easing, given that MAS adopts a forward-looking approach to monetary policy making and that the core CPI's disinflation journey remains intact, apart from the slight bump-up in August.

We estimated S$NEER at ~1.75% above our model-implied mid. Recent observation over the last 3 months shows S$NEER appears to fluctuate in a range of 1.6%-2% above model-implied mid. MAS maintaining status quo on policy stance means that S$NEER strength may linger and only fade at some point this year when core inflation in Singapore start to ease more in coming months.

While our baseline view looks for MAS to stay on hold, we explore the potential implications that may arise out of an outside-chance of MAS policy easing (slope reduction in consideration) on USDSGD, and our view is as follows: 1/ If there is no broad USD softness, then a slope reduction by MAS would see SGD trade weaker (i.e. USDSGD can trade higher). 2/ However, if the environment of broad USD softness persists, then a slope reduction would be less clear cut on the impact on USDSGD. Firstly, MAS manages S$NEER basket (not just SGD vs USD but against a basket of currencies). Next, a slope reduction in theory means SGD can appreciate less vs. these currencies in the basket (and not just the USD). Hence, it has been our view that S$NEER strength can somewhat fade when MAS eases. On this note, SGD can weaken against the basket of currencies but if the weak USD trend is dominant, then the SGD may not necessarily weaken vs. USD.

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.

Trade Ideas

Entry Date	Trade	Entry	Close	Profit/ Loss (%)	Remarks	Exit Date
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			USDCNY's decline was a function of USD leg. Faced 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. [LIVE]	
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 3rd 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: Corrective Rebound

SGDMYR rebounded last week. Cross was last at 3.2530 levels.

Daily momentum turned mild bullish while RSI rise. Corrective rebound underway.

Resistance at 3.2720 (21 DMA), 3.29 (23.6% fibo retracement of 2024 high to low) and 3.3230 (50 DMA).

Support at 3.22, 3.2020 (recent low).

SGDJPY Daily Chart: Sell Rallies Preferred

SGDJPY uptick received another boost amid JPY underperformance. Cross was last at 114 levels.

Daily momentum is bullish while RSI rose. 21DMA looks on track to cut 50DMA to the upside. Risks remain skewed to the upside for now. Wait for better levels on upticks to fade into.

Resistance at 114.10 (100 DMA), 114.70 (38.2% fibo).

Support at 113 (200 DMA, 50% fibo retracement of Dec low to 2024 high), 111.10/40 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: Bulls Looking Exhausted

Gold's rally appears exhausted. Last seen at 2654 levels.

Bullish momentum on daily chart shows signs of fading while RSI shows signs of falling. Price action suggests signs of exhaustion. Corrective pullback likely.

Support at 2601 (21 DMA), 2525 (50 DMA).

Resistance at 2685 (recent high), 2700 levels.

Silver Daily Chart: Triple Top in Sight

Silver attempted to trade another high on Fri. Last seen at 32.20 levels.

Bullish momentum on daily chart intact but shows signs of fading but RSI rose towards near overbought conditions. Some consolidation near the highs likely. Price pattern exhibited a potential triple top – flashing potential signal of a bearish reversal.

Resistance at 32.50/ 33 levels (triple-top).

Support at 30.70 (21 DMA), 30 (23.6% fibo retracement of 2024 low to high), 28.50 (38.2% fibo).

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	138.00	136.00	135.00	135.00	132.00
EUR-USD	1.1200	1.1200	1.1250	1.1300	1.1300
GBP-USD	1.3350	1.3400	1.3450	1.3500	1.3550
AUD-USD	0.6880	0.6900	0.6950	0.7000	0.7000
NZD-USD	0.6250	0.6250	0.6300	0.6350	0.6350
USD-CAD	1.3550	1.3500	1.3450	1.3400	1.3300
USD-CHF	0.8500	0.8550	0.8550	0.8500	0.8500
USD-SEK	10.48	10.33	10.25	10.00	10.00
DXY	100.06	99.75	99.28	98.83	98.42
USD-SGD	1.2870	1.2850	1.2850	1.2830	1.2800
USD-CNY	7.0200	7.0000	6.9800	6.9600	6.9200
USD-CNH	7.0200	7.0000	6.9800	6.9600	6.9200
USD-THB	32.50	32.40	32.30	32.10	32.00
USD-IDR	15000	14900	14825	14800	14775
USD-MYR	4.1700	4.1500	4.1400	4.1200	4.0800
USD-KRW	1310	1300	1290	1280	1270
USD-TWD	31.50	31.30	31.20	31.20	31.00
USD-HKD	7.7900	7.7800	7.7700	7.7600	7.7500
USD-PHP	55.00	55.00	54.60	54.60	54.30
USD-INR	83.30	83.30	83.40	83.10	82.80
USD-VND	24500	24350	24300	24200	24050
EUR-JPY	154.56	152.32	151.88	152.55	149.16
EUR-GBP	0.8390	0.8358	0.8364	0.8370	0.8339
EUR-CHF	0.9520	0.9576	0.9619	0.9605	0.9605
EUR-SGD	1.4414	1.4392	1.4456	1.4498	1.4464
GBP-SGD	1.7181	1.7219	1.7283	1.7321	1.7344
AUD-SGD	0.8855	0.8867	0.8931	0.8981	0.8960
NZD-SGD	0.8044	0.8031	0.8096	0.8147	0.8128
CHF-SGD	1.5141	1.5029	1.5029	1.5094	1.5059
JPY-SGD	0.9326	0.9449	0.9519	0.9504	0.9697
SGD-MYR	3.2401	3.2296	3.2218	3.2112	3.1875
SGD-CNY	5.4545	5.4475	5.4319	5.4248	5.4063
SGD-IDR	11655	11595	11537	11535	11543
SGD-THB	25.25	25.21	25.14	25.02	25.00
SGD-PHP	42.74	42.80	42.49	42.56	42.42
SGD-VND	19037	18949	18911	18862	18789
SGD-CNH	5.4545	5.4475	5.4319	5.4248	5.4063
SGD-TWD	24.48	24.36	24.28	24.32	24.22
SGD-KRW	1017.87	1011.67	1003.89	997.66	992.19
SGD-HKD	6.0528	6.0545	6.0467	6.0483	6.0547
SGD-JPY	107.23	105.84	105.06	105.22	103.13
Gold $/oz	2650	2680	2710	2730	2750
Silver $/oz	31.18	31.53	31.88	32.89	33.13

Source: OCBC Research (Latest Forecast Updated: 23rd September 2024)

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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