FX Weekly

09 September 2024

US Presidential Debate, CPI and ECB This Week

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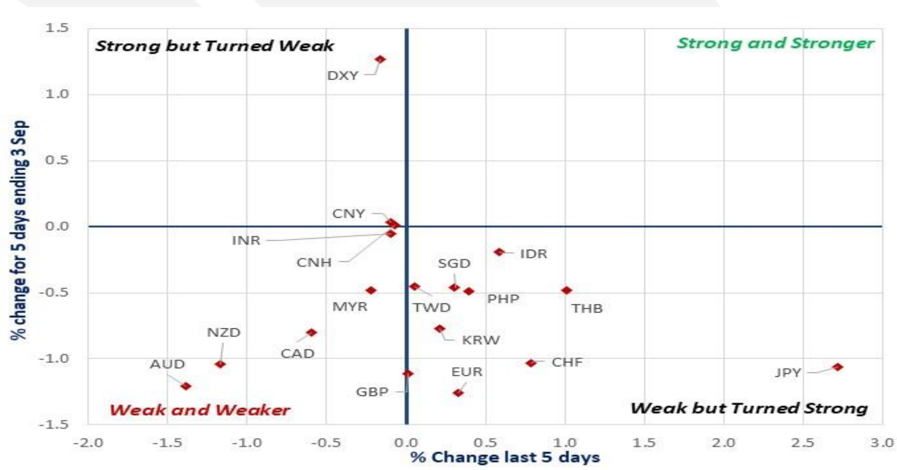
US labour market report last week reinforced the view that labour market is cooling rapidly. NFP grew 142k (vs. 165k expected) while Jul payrolls was revised lower to 89k (vs. the already low print of 114k). ADP employment also came in weaker (99k vs. 145k expected) while JOLTS job opening saw a sharp decline in job openings. Fed's Beige book indicated that some firms are becoming more selective in hiring and less likely to expand their workforces, citing concerns about demand and uncertain economic outlook. Poor US data undermined sentiments. US equities came under pressure while risk proxy FX, including AUD, NZD fell. Safe-haven FX proxies including USD, JPY. While markets may continue to debate whether Fed cuts 25bp or 50bp in Sep, the concern may be on global growth. Euro-area growth remains lacklustre and China's economy remains sluggish. Weak global growth outside US and any equity market softness will be sufficient excuses for another round of USD short squeeze and further JPY strength. On data, **China's activity data will be in focus (Sat)** while **ECB Lagarde's press conference post-ECB decision (Thu)** may offer some views on Euro-area activity. Elsewhere, the other big focus this week is on **US presidential debate (Wed morning SGT)** and **US CPI report (Wed),** which can still marginally matter to USD.

ECB to Cut; Focus on Guidance if Any. Softer CPI prints out of Euro-area, Germany and Spain and softer mfg PMI print added to expectation that ECB should be on course to lower rate again at its upcoming meeting on 12 Sep. Markets have priced in 25bp cut at this meeting and about 38bp cut for remainder of the year (another 1.5 cut). While rate cut decision is more or less a done deal, focus is on Lagarde's press conference and staff macroeconomic projection. So far, ECB officials have not been outright dovish, and officials seemed to posture for a more gradual pace when it comes to policy easing. Potentially, ECB may turn out to be a non-event if officials reiterate that policy is not on a preset cycle and policy making remains data dependent. This should provide little directional cues for EUR.

Commodity-FX Hit while JPY Strengthened



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

FX·Markets Asia Awards 2024 Winner
Best bank for research
OCBC Bank

AxJ Positioning Bias (Reuters Poll)

Based on Reuters survey on Asia FX positioning, bullish bets on most AxJs increased amid expectations that Fed is about to begin rate cut cycle. CNY, SGD KRW saw bullish bets increased more while bearish bet on INR remained. Overall, markets remained most bullish on MYR, SGD and THB.

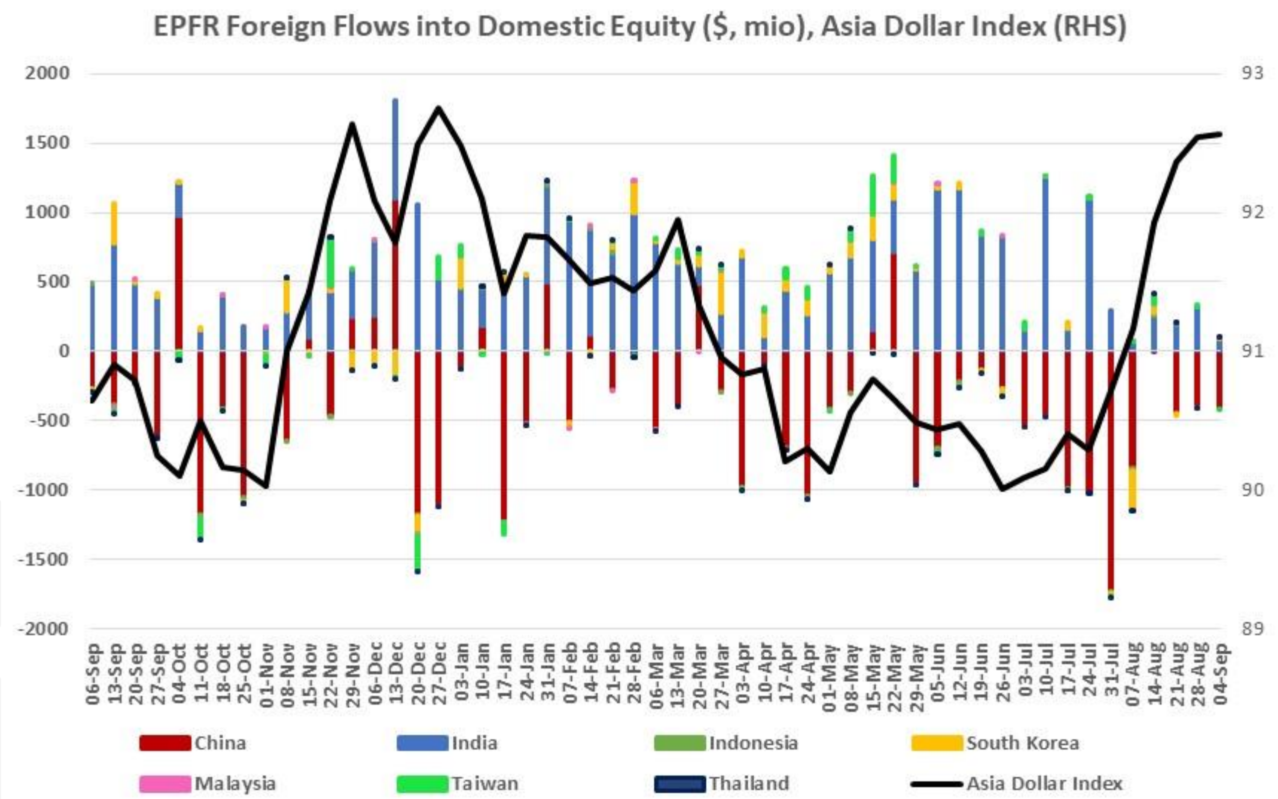
	02-May-24	16-May-24	30-May-24	13-Jun-24	27-Jun-24	11-Jul-24	25-Jul-24	08-Aug-24	25-Aug-24	05-Sep-24
USD/CNY	1.25	1.05	1.05	0.95	1.34	1.05	1.07	-0.02	-0.62	-0.85
USD/KRW	1.61	0.96	0.72	0.87	1.28	0.87	0.79	0.05	-0.93	-1.09
USD/SGD	0.89	0.35	0.33	0.62	0.8	0.06	-0.33	-0.61	-1.08	-1.26
USD/IDR	1.39	0.96	0.94	1.22	1.49	0.73	0.35	-0.02	-1.26	-1.05
USD/TWD	1.4	1.02	0.53	0.64	0.88	0.68	0.86	0.59	-0.7	-0.77
USD/INR	0.49	0.39	0	0.37	0.46	0.22	0.12	0.6	0.21	0.21
USD/MYR	1.46	1.23	0.81	1	1	1.03	0.39	-0.78	-1.57	-1.46
USD/PHP	1.44	1.29	1.19	1.23	1.37	0.86	0.43	-0.29	-1.03	-1
USD/THB	1.39	1	1	0.92	0.91	0.51	0.02	-0.57	-1.16	-1.22

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: 5 Sep 2024], OCBC Research

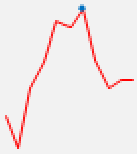
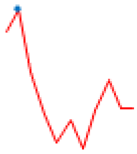
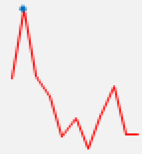
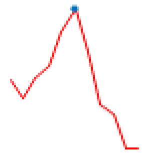
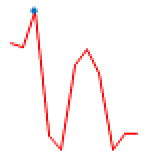
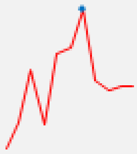
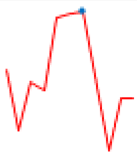
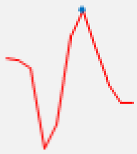
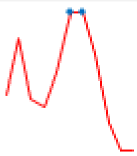
EPFR Foreign Flows to Selected AxJ Equities vs. Asiadollar Index

Foreign outflows from Chinese equities continued while foreign inflows to Indian equities slowed significantly. Taiwan equities saw a marginal outflow last week. Asian FX saw its pace of gains slowed.



Note: Latest data available as of 4 Sep (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**: NY Fed 1y inflation expectations; **Tue:** NFIB Small business optimism (Aug); **Wed: CPI, real average hourly earnings (Aug);** **Thu: PPI (Aug);** initial jobless claims (Sep); **Fri**: Uni of Michigan sentiment (Sep P); Import, export price (Aug)		**S: 99.51; R: 102.50**
EURUSD	**Mon:** Sentix Investor confidence (Sep); **Tue:** German CPI (Aug) **Wed:** - Nil – **Thu: ECB policy decision, Lagarde press conference;** **Fri:** Industrial production (Jul)		**S: 1.0990; R: 1.1200**
GBPUSD	**Mon:** - Nil – **Tue:** Unemployment rate, weekly earnings (Jul); **Wed:** IP, trade, monthly GDP (Jul); **Thu:** RICS house price balance (Aug); **Fri:** BoE/ Ipsos Inflation next 12 months		**S: 1.3000; R: 1.3270**
USDJPY	**Mon:** GDP (2Q); Current account (Jul); **Tue:** Machine tool orders (Aug); **Wed:** - Nil – **Thu:** PPI (Aug); BSI large manufacturing (3Q) **Fri:** Industrial production (Jul)		**S: 141.00; R: 147.20**
AUDUSD	**Mon:** - Nil – **Tue:** Consumer confidence (Sep); Business confidence (Aug); **Wed:** - Nil – **Thu**: Inflation expectations **Fri:** - Nil –		**S: 0.6660; R: 0.6870**
USDCNH	**Mon**: CPI, PPI (Aug); **Tue:** Trade (Aug); **Wed:** - Nil – **Thu:** - Nil – **Fri:** - Nil – **Sat:** IP, FAI, retail sales, home prices (Aug)		**S: 7.0700; R: 7.1400**
USDKRW	**Mon**: - Nil – **Tue:** - Nil – **Wed:** Unemployment rate (Aug); **Thu:** - Nil – **Fri:** Import, export price index (Aug);		**S: 1,315; R: 1,345**
USDSGD	**Mon:** FX reserves (Aug); **Tue:** - Nil – **Wed:** - Nil – **Thu:** - Nil – **Fri:** - Nil –		**S: 1.2950; R: 1.3130**
USDMYR	**Mon:** - Nil – **Tue:** Industrial production (Jul) **Wed:** - Nil – **Thu:** - Nil – **Fri:** - Nil –		**S: 4 3000; R: 4.4000**
USDIDR	**Mon:** Consumer confidence (Aug) **Tue:** - Nil – **Wed:** - Nil – **Thu:** - Nil – **Fri:** - Nil –		**S: 15,300; R: 15,750**

Source: Bloomberg, OCBC Research

Key Themes and Trades

DXY

Market Debates 25 or 50bp Cut, Presidential Debate Up Next. US labour market report last week reinforced the view that labour market is cooling rapidly. NFP grew 142k (vs. 165k expected) while Jul payrolls was revised lower to 89k (vs. the already low print of 114k). ADP employment also came in weaker (99k vs. 145k expected) while JOLTS job opening saw a sharp decline in job openings. Fed's Beige book indicated that some firms are becoming more selective in hiring and less likely to expand their workforces, citing concerns about demand and uncertain economic outlook. It was also reported that candidates faced increasing difficulties and longer times to secure a job while firms felt less pressure to increase wage and salaries as competition for works eased and staff turnover has fallen. Poor US data undermined sentiments. US equities came under pressure while risk proxy FX, including AUD, NZD fell. Safe-haven FX proxies including USD, JPY. While markets may continue to debate whether Fed cuts 25bp or 50bp in Sep, the concern may be on global growth. Euro-area growth remains lacklustre and China's economy remains sluggish. Weak global growth outside US and any equity market softness will be sufficient excuses for another round of USD short squeeze. On data, China's activity data will be in focus (Sat) while ECB Lagarde's press conference post-ECB decision may offer some views on Euro-area activity. Elsewhere, the other big focus this week is on US presidential debate (Wed morning SGT) and US CPI report, which may still marginally matter to the USD.

Fedspeaks go into blackout ahead of FOMC (19 Sep). Late last week, Fed officials spoke. Goolsbee said it is pretty clear that the path is not just rate cuts soon but multiple cuts over the next 12 months as Fed has projected in its most recent dot plot. He also cautioned that he saw "more" warning signs about cooling labour market and how persistent weakness raises the possibility that labour market cooling "may turn into something worse". That said, he also said he would not put a lot of weight on one month's job number. Waller said it is important for Fed to begin cutting rates this month and that he is "open-minded" about the "size and pace of cuts" and would advocate for front-loading rate cuts, if appropriate. He further said that current batch of data no longer require patience but action. That said, he saw no evidence that the US economy is slowing into a recession.

DXY was last at 101.17. Mild bullish on daily chart intact but decline in RSI moderated. 2-way trades likely but bias to fade rallies. Resistance at 101.70 (21 DMA), 102.20 (23.6% fibo retracement of 2023 high to 2024 low). Support at 100.50 levels. Clean break puts 99.60 in focus.

We maintained our view for USD to trend lower as Fed prepares to begin rate cut cycle next week. Powell's "time has come" keynote speech at Jackson Hole was clear in establishing a rate cut cycle, though he left out specifics in terms of magnitude and pace of cuts. Recent labour market data also reinforced the view that Fed rate cut cycle is upon us and USD should continue to trend lower. Extent of USD's decline hinges on 1/ how quick and deep the Fed cuts and 2/ how global growth pans out. 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.

- 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	***ECB, Lagarde in Focus.*** EUR partially retraced early week's gains into NY close last week. ECB takes centre stage this week. Softer CPI prints out of Euro-area, Germany and Spain and softer mfg PMI print added to expectation that ECB should be on course to lower rate again at its upcoming meeting on 12 Sep. Markets have priced in 25bp cut at this meeting and about 38bp cut for remainder of the year (another 1.5 cut). While rate cut decision is more or less a done deal, focus is on Lagarde's press conference and staff macroeconomic projection. So far, ECB officials have not been outright dovish, and officials seemed to posture for a more gradual pace when it comes to policy easing. Meeting may end up being a non-event for EUR if policymakers continue to say no preset path to policy easing. Pair was last at 1.1080 levels. Daily momentum remains mild bearish while RSI fell. Immediate support at 1.1070 (21 DMA), 1.10, 1.0970 (38.2% fibo retracement of 2024 high to low). Resistance at 1.12 (recent high) and 1.1280 (2023 high). We still maintain a neutral outlook on EUR. Recent PMIs for the Euro-area pointed to renewed concerns on growth while industrial production, goods exports and consumer confidence remained weak. But it remains to be seen if this is a one-off summer lull or whether it represent a genuine economic downturn. Services sector still lead economic recovery in the region. While our house view looks for another 50bps cut for the year, the ECB is not on a preset cycle and policy making remains data dependent. Across the Atlantic, Fed embarking on rate cut cycle soon can further narrow EU-UST yield differentials. This can mitigate against EUR downside.
GBPUSD	***Bearish Pullback Not Ruled Out.*** GBP traded little changed last week. Pair was last at 1.3130. Bullish momentum on daily chart faded while RSI fell. Potential double-top bearish reversal appears underway. Support at 1.3040/50 levels (21 DMA, 23.6% fibo of 2024 low to high), 1.2930 (50 DMA). Resistance at 1.3260 (recent high). This week's focus on labour market report (Tue) and activity data (Wed). Softer than expected print may pound sterling bulls. Notwithstanding the potential for bearish pullback in the interim, we continue to maintain a somewhat constructive outlook on GBP on a combination of softer USD, less dovish BoE and better data out of UK – expansionary PMIs is manufacturing, services sectors, industrial production, retail sales, 2Q GDP and labour market. Even as headline CPI eased, services inflation remains sticky at 5.2%. Employment growth improved while 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. BoE Governor Bailey's speech at Jackson Hole suggests a no-rush mentality to easing. He said that the "second-round inflation effects appear to be smaller than we expected. But it is too early to declare victory". He also said that the BoE would "be careful not to cut interest rates too quickly or by too much". In addition, Fed embarking on rate cut cycle is another key factor that should mitigate against GBP downside. The risks to our outlook: a more aggressive rate cut cycle than the Fed; faster growth slowdown in UK, and/or energy price surge.
USDJPY	***Short Squeeze Underway; Bias to Fade.*** USDJPY fell last week amid risk-off sentiments (triggered by weak US jobs data) and on expectations that BoJ policy normalisation should continue. Last week, BoJ Governor submitted a document to government panel, which reiterated that the BoJ would continue to raise interest rates if the economy and prices perform as expected by the BoJ. Fed-BoJ policy shifts and growing pace of normalisation can bring about faster narrowing of UST-JGB yield differentials and this should continue to underpin the broader direction of travel for USDJPY to the downside. Pair was last at 142.30 levels. Bullish momentum on daily chart faded while RSI fell. Further downside not ruled out. Support at 142, 141.70 (Aug low) and 140.50. Resistance at 145.65 (21 DMA), 146.40 (23.6% fibo retracement of Jul high to Aug low) and147.20 (recent high). Over a medium term, we continue to expect USDJPY to trend gradually lower on expectations that the next move for the Fed is a cut and that the BoJ has room to further pursue policy normalisation amid higher services inflation and wage pressures in Japan. Recent Tokyo CPI also printed higher, with headline CPI rising to 2.6% YoY from 2.2% in July. Core CPI, excluding fresh food, ticked up to 2.4% YoY. Supercore

CPI, which excludes fresh food and energy, increased to 1.6% YoY, up from 1.5% in July. This remains in line with our house view remains for one additional rate hike of 10-15bps by the BoJ before the end of 2024. USDJPY is also not solely about BoJ policy but also the Fed, US rates in the equation. Fed embarking on rate cut cycle will mean that Fed-BoJ policy shifts will bring about a 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 recent decline in USDJPY saw a recoupling of the FX to UST-JGB yield differentials. Back during May – Jul, USDJPY had earlier traded much higher while UST yields and UST-JGB yield differentials went the other way lower. That was highly unusual. However, this anomaly has now been reset. 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

Double-Top Bearish Reversal Underway. AUD fell last week as risk sentiment soured after US labour market disappointed. Most high-beta FX, including AUD, NZD were hit. Elsewhere double-top bearish reversal on S&P500 was underway – a similar pattern observed on AUD chart. Last seen at 0.6670 Daily momentum turned bearish while RSI fell. Double-top bearish reversal underway. Support at 0.6640/50 levels (100 DMA, 38.2% fibo retracement of 2023 low to 2024 high), 0.6620 (200 DMA) and 0.6570 (50% fibo). Resistance at 0.6715/30 levels (21 DMA, 23.6% fibo) and 0.68 levels. We remain cautious of a corrective pullback in the near term.

We hold to our broadly constructive on AUD medium term outlook on the back of: 1/ RBA being likely to hold for longer (possibly one of the last major central banks to cut rates), given still sticky inflation, stronger consumer confidence, retail sales and tight labour market; 2/ USD to lower towards year-end as the Fed is done tightening and should embark on rate cut cycle soon; 3/ potential case for China stabilisation story as China is sharpening its more targeted approach on real estate sector (but much patience is needed on this front). RBA Governor Bullock reiterated “that it is premature to be thinking about rate cuts”. She explained that RBA board is seeking to balance reducing inflation in a reasonable timeframe and maintaining as many of Australia’s recent labour market gains as possible, with unemployment at a low 4.2%. She also spoke about the drawbacks of prolonged periods of high inflation and how the current episode is disproportionately hurting lower income earners and young Australians. Key downside risk factors that may affect AUD outlook are 1/ extent of CNH swings (if any); 2/ if Fed delays pivot; 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).

USDSGD

Consolidation. USDSGD briefly traded low of 1.2953 last Fri before the eventual rebound into NY close. Pair was last at 1.3027 levels. Daily momentum remains mild bullish while RSI rose. Consolidation likely. Support at 1.2950 levels (recent low). Resistance at 1.3090 (21 DMA), 1.3160 levels (23.6% fibo retracement of 2024 high to low).

S$NEER was last estimated at ~1.89% above our model-implied mid. With S$NEER close to its lower bound, the room for further downside in USDSGD may be limited intra-day. However, if broader USD takes another leg lower, then the implied lower bound of USDSGD can be lower. Second half to date, S$NEER has been fluctuating on the stronger side of about 1.6% to 1.95% range above model-implied mid. S$NEER strength may still linger and only fade at some point when core inflation in Singapore start to ease more. Historically there is a positive correlation between the change in S$NEER and MAS core inflation. i.e. to say if core inflation does ease materially, then there is no need for the S$NEER policy to be so tight.

We believe an easing stance can be considered when core CPI continues to ease further. This can take place by a slight reduction in policy slope, and we do not rule out a policy shift taking place as early as at the Oct MPC should core CPI eases materially more in coming months. Core inflation did ease to 2.5% in Jul but remains well above historical mean. 5y average is about 2.2% and 10y average is about 1.7%. MAS does not have an explicit inflation target, but MAS has previously indicated that a core inflation of just under 2% is close to its historical mean, and consistent with price stability in the economy. Elsewhere headline CPI saw a sequential contraction (-0.3% m/m vs. -0.2% prior).

On the implication of potential MAS policy easing on USDSGD. 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/ Given an environment of broad USD softness (if this is to persists), a slope reduction would be less clear cut on the impact on USDSGD. Firstly, MAS manages S$NEER basket (not just SGD vs USD alone but vs a list of trading partner FX, including MYR, THB, KRW, EUR, JPY, CNY, and more). Next a slope reduction in theory means SGD to appreciate less vs these currencies in the basket (not just the USD). Hence it has been our view that S$NEER strength can ease when MAS eases (or if market reacts ahead to the soft SG CPI seen last Fri). On this note, SGD can weaken vs, its trading partners' FX but if the USD is weak, then SGD may not necessarily weaken vs. USD.

Looking out into our forecast horizon, we continue to expect a milder downward trajectory for USDSGD, premised on our house view for Fed to cut rate in 3Q 2024 and on expectations that China economy may find some stabilisation.

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			Policymakers taking advantage of the softer USD environment to set a higher USDCNY fix – basically keeping RMB subdued against its trade peers but allowed to be more market-determined or even slightly weaker vs. USD. This calibrated approach will allow for RMB weakness to play out (vs trade peers) even as the broader USD trend is weaker. 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]	

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: Room for Rebound if 21DMA Gives Way

SGDMYR was a touch firmer. Cross was last at 3.3350 levels.

Daily momentum is mild bullish while RSI rose. Cross has found an interim bottom and we do not rule out further rebound in the near term.

Resistance at 3.3430 (21 DMA), 3.37 (23.6% fibo retracement of 2024 high to low).

Support at 3.3060 (recent low).

SGDJPY Daily Chart: Downside Risk

SGDJPY turned lower amid JPY outperformance. Cross was last at 109.24 levels.

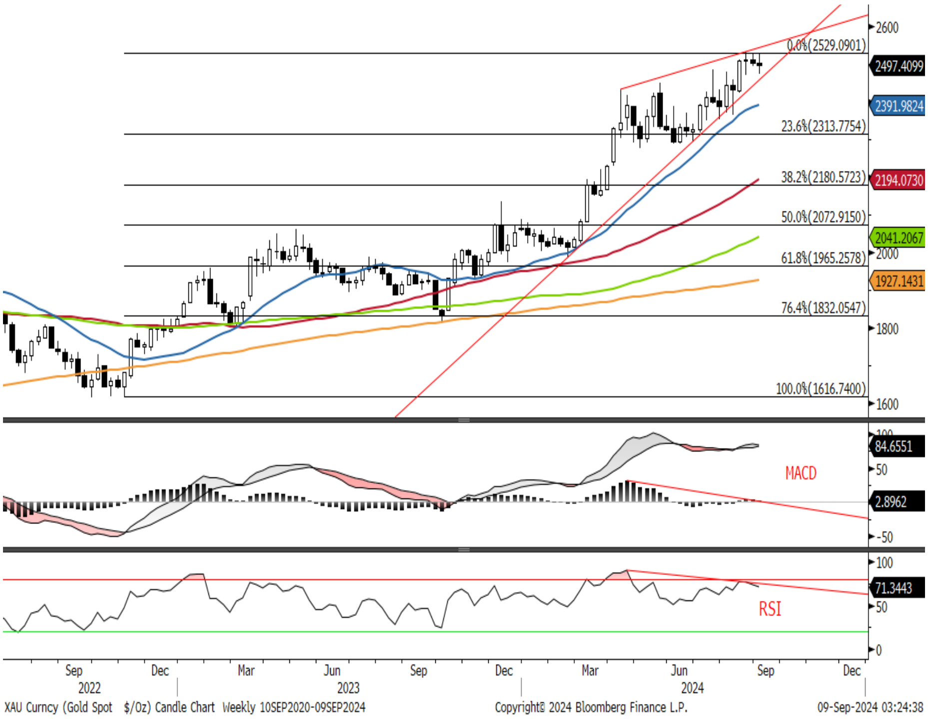
Bullish momentum on daily chart faded while RSI fell. Near term risks skewed to the downside.

Support at 107.10, 106 levels.

Resistance at 111.20 (21 DMA), 112.65 (200 DMA).

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

Gold Weekly Chart: Bearish Divergence, Rising Wedge



Gold failed to advance for another week. Last seen at 2497 levels.

Mild bullish momentum on weekly chart is fading while RSI eased from near overbought conditions. Potential bearish divergence appears to be forming on MACD, RSI while rising wedge pattern potentially forming A turn lower is technically possible.

Support at 2450 levels, 2391 (21 WMA).

Resistance at 2533 (recent high).

Silver Daily Chart: Slippage Ahead

Silver traded lower last week. Last seen at 27.90 levels.

Daily momentum turned bearish while RSI fell. Risks skewed to the downside.

Support here at, 27.21 (50 % fibo) and 26.65 (200 DMA) and 26 levels (61.8% fibo)

Resistance at 28.40/50 (38.2% fibo retracement of 2024 low to high, 21 DMA), 29.10 (50, 100 DMAs), 30 levels (23.6% fibo).

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

Currency Pair	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25
USD-JPY	142.00	138.00	136.00	135.00	135.00
EUR-USD	1.1050	1.1150	1.1150	1.1200	1.1250
GBP-USD	1.3150	1.3200	1.3240	1.3300	1.3350
AUD-USD	0.6700	0.6750	0.6800	0.6850	0.6900
NZD-USD	0.6100	0.6050	0.6100	0.6100	0.6150
USD-CAD	1.3600	1.3550	1.3500	1.3450	1.3400
USD-CHF	0.8600	0.8550	0.8550	0.8550	0.8500
USD-SEK	10.60	10.48	10.33	10.25	10.00
DXY	101.54	100.48	100.15	99.67	99.21
USD-SGD	1.3150	1.3120	1.3100	1.3100	1.3100
USD-CNY	7.1800	7.1700	7.1500	7.1200	7.1100
USD-CNH	7.1800	7.1700	7.1500	7.1200	7.1100
USD-THB	34.80	34.50	34.40	34.30	34.10
USD-IDR	15600	15500	15400	15300	15350
USD-MYR	4.4000	4.3700	4.3600	4.3500	4.3400
USD-KRW	1320	1310	1300	1290	1280
USD-TWD	31.80	31.50	31.30	31.20	31.20
USD-HKD	7.8000	7.8000	7.7900	7.7800	7.7600
USD-PHP	56.20	56.00	56.00	55.60	55.60
USD-INR	83.80	83.30	83.30	83.40	83.10
USD-VND	25000	24900	24700	24650	24500
EUR-JPY	156.91	153.87	151.64	151.20	151.88
EUR-GBP	0.8403	0.8447	0.8421	0.8421	0.8427
EUR-CHF	0.9503	0.9533	0.9533	0.9576	0.9563
EUR-SGD	1.4531	1.4629	1.4607	1.4672	1.4738
GBP-SGD	1.7292	1.7318	1.7344	1.7423	1.7489
AUD-SGD	0.8811	0.8856	0.8908	0.8974	0.9039
NZD-SGD	0.8022	0.7938	0.7991	0.7991	0.8057
CHF-SGD	1.5291	1.5345	1.5322	1.5322	1.5412
JPY-SGD	0.9261	0.9507	0.9632	0.9704	0.9704
SGD-MYR	3.3460	3.3308	3.3282	3.3206	3.3130
SGD-CNY	5.4601	5.4649	5.4580	5.4351	5.4275
SGD-IDR	11863	11814	11756	11679	11718
SGD-THB	26.46	26.30	26.26	26.18	26.03
SGD-PHP	42.74	42.68	42.75	42.44	42.44
SGD-VND	19011	18979	18855	18817	18702
SGD-CNH	5.46	5.4649	5.4580	5.4351	5.4275
SGD-TWD	24.18	24.01	23.89	23.82	23.82
SGD-KRW	1003.80	998.48	992.37	984.73	977.10
SGD-HKD	5.9316	5.9451	5.9466	5.9389	5.9237
SGD-JPY	107.98	105.18	103.82	103.05	103.05
Gold $/oz	2465.00	2495.00	2515.00	2535.00	2550.00
Silver $/oz	29.00	29.35	29.59	29.82	30.72

Source: OCBC Research (Latest Forecast Updated: 27th August 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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