GLOBAL MARKETS RESEARCH

FX Weekly

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Looking Past Reciprocal Tariffs

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Tariffs, US Data This Week. 2 Apr reciprocal tariff uncertainty is still a big known unknown in the room as worries on global trade and growth mount. Cyclical FX and those exposed to open trade such as KRW, SGD, MYR and TWD may face some pressure. Countries at risk of being hit by reciprocal tariffs may also see their currencies come under pressure. China, EU, Korea, Japan, India and Thailand are amongst some of the countries that may be hit (for having tariff on US goods and a trade surplus with US). But beyond near-term tariff noises, **global growth matters**. US is a major economic powerhouse but the other big boys such as EU and China should not be written off. For EU, massive defence spending can be supportive of growth while in China, Deepseek/AI use cases are gaining traction and helping with a re-rating of Chinese tech stocks. There are also more signs of economic stabilisation in China. Long story short, growth matters. If US growth becomes weaker as a result of higher tariffs while growth for the rest of the world holds up, USD may end up weaker over time. This week, watch ISM mfg, JOLTS job openings (Tue); ADP (Wed); ISM services (Thu); payrolls (Fri). Softer data should weigh on USD.

Revising Gold Forecasts Higher. Gold extended its run higher to an all-time high of $3,149 at one point this morning amid tariff uncertainty and a renewed emphasis on ballooning US debt. US national debt is more than $36trn and the Congressional Budget Office (CBO) released its long-term budget outlook last week, highlighting that US debt will rise to 156% of GDP in 30 years, from 100% of GDP. Interest as a share of GDP will also increase to 5.4%, from a record 3.2% this year. CBO also projects that the trust fund for Social Security retirement benefits will exhaust in 2033 and the theoretically combined Social Security retirement and disability insurance trust fund will be exhausted in 2034. Meanwhile, tariff uncertainties continue to stoke growth and inflation concerns, leading to demand for safe haven proxy. Easing bias in global monetary policy, sustained purchases made by central banks including China adding to their reserves, geopolitical concerns (limited ceasefire in Ukraine conflict instead of complete ceasefire, and renewed concerns in Gaza strip, Panama canal) as well as the recent EM contagion fears (after sharp sell-off seen in some EM FX including TRY and COP) are some factors supportive of gold prices.

MAS quarterly MPC meeting is less than 2 weeks away from now (no later than 14 Apr). Judging from our S$NEER model, markets are starting to price in some risk of an easing. We think it is a close call. Following another downside surprise to core CPI, we see a good chance of MAS easing policy slope slightly (i.e. reducing the rate of appreciation) again. But MAS policy is only one factor affecting SGD. In the interim, tariff uncertainties may keep the SGD under pressure.

Bloomberg FX Forecast Ranking (1Q 2025)

By Currency:
No. 2 for THB
No. 3 for SGD
No. 9 for CHF

(3Q 2024)

By Region:
No. 7 for 13 Major FX

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

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Best bank for research
OCBC Bank

AxJ Positioning Bias (Reuters Poll)

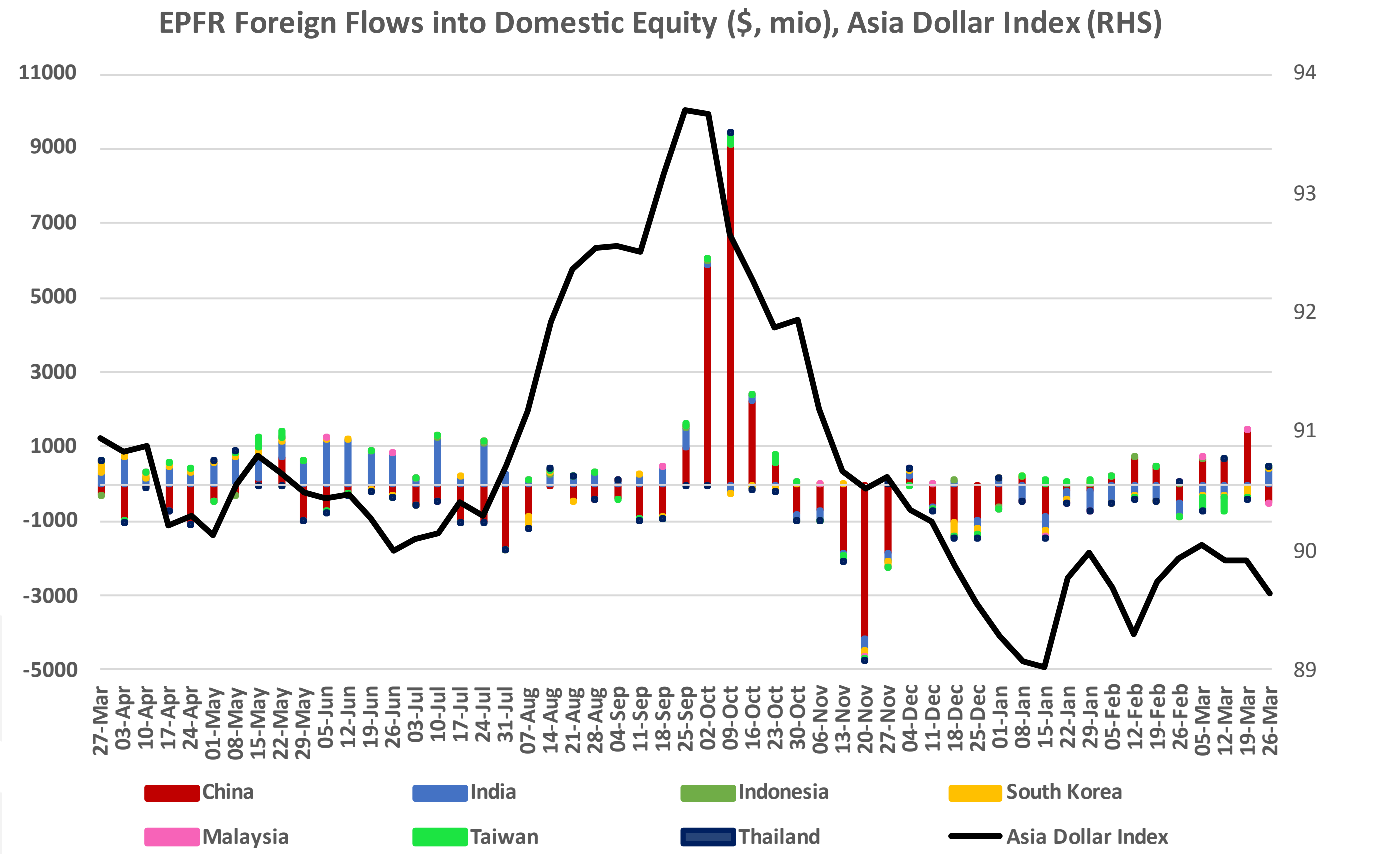
Based on Reuters survey on Asia FX positioning, AxJ FX remains bearish overall, but the extent of bearishness varies. CNY, IDR and INR saw the largest decrease in bearishness. That said on net basis, INR, IDR and TWD remain the most bearish. TWD was the only AxJ that saw bearishness increase. THB, SGD and PHP positioning were largely flat.

	31-Oct-24	14-Nov-24	28-Nov-24	12-Dec-24	09-Jan-25	23-Jan-25	06-Feb-25	20-Feb-25	06-Mar-25	20-Mar-25	Trend
USD/CNY	0.3	1.14	1.32	1.15	1.65	1.33	1.15	0.88	0.77	0.24	
USD/KRW	1.06	1.61	1.45	1.86	1.75	1.04	1.01	0.83	1	0.72	
USD/SGD	-0.03	0.8	1.12	0.83	1.34	1.11	0.86	0.31	0.34	0.15	
USD/IDR	0.59	0.81	1.03	0.87	1.2	1.5	1.25	1.06	1.36	0.97	
USD/TWD	0.6	1.07	1.1	0.82	1.18	1.01	1.14	0.59	0.71	0.85	
USD/INR	0.82	0.87	1.13	1.43	1.69	1.78	1.98	1.22	1.47	1.09	
USD/MYR	0.11	0.65	0.76	0.65	0.99	1.01	0.62	0.37	0.45	0.42	
USD/PHP	0.81	1.18	1.13	0.53	0.65	0.77	0.93	0.31	0.2	-0.13	
USD/THB	0.09	0.9	0.66	0.26	0.76	0.54	0.23	0.02	0.48	0.08	

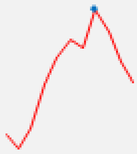
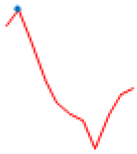
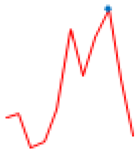
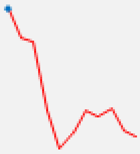
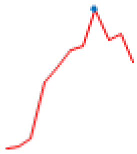
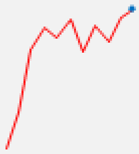
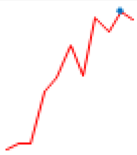
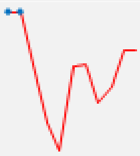
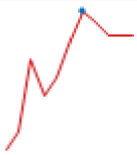
Note: Asian FX poll is conducted by Reuters, on bi-weekly basis on what analysts and fund managers believe the current market positioning are. Poll uses estimates of net short or long on a scale of -3 to +3. A score of +3 indicates significant long USD against the AxJ FX. Arrow direction indicates change in positioning from last date. Source: Reuters [latest avail: 20 Mar 2025], OCBC Research.

EPFR Foreign Flows to Selected AxJ Equities vs. Asiadollar Index

Net foreign equity inflow to India, Korea and Taiwan while foreign equity outflows was observed in China and Malaysia. Asian FX fell slightly ahead of 2 Apr reciprocal tariff uncertainty.



Note: Latest data available as of 26 Mar 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**: Chicago PMI, Dallas Fed mfg activity (Mar); **Tue: ISM mfg (Mar); JOLTS job openings (Feb);** **Wed:** ADP employment (Mar); Durable goods orders (Feb); **Thu: ISM services (Mar)**; initial jobless claims; **Fri: NFP, unemployment rate, average hourly earnings (Mar); Fed's Powell speaks**		**S: 102.50; R: 104.90**
EURUSD	**Mon:** - Nil – **Tue:** Mfg PMI, **CPI estimate (Mar);** Unemployment rate (Feb); **ECB's Lagarde speaks;** **Wed:** - Nil – **Thu:** Services PMI (Mar); PPI (Feb); ECB minutes **Fri:** - Nil –		**S: 1.0720; R: 1.0970**
GBPUSD	**Mon:** Lloyds business barometer (Mar); **Tue:** Mfg PMI, nationwide house prices (Mar); **Wed:** - Nil – **Thu:** Services PMI (Mar); **Fri:** Construction PMI (Mar)		**S: 1.2870; R: 1.3110**
USDJPY	**Mon:** Industrial production, retail sales, housing starts (Feb); **Tue: Tankan survey (1Q)**; jobless rate (Feb); PMI Mfg (Mar); **Wed:** - Nil – **Thu:** Services PMI (Mar); **Fri:** Household spending (Feb)		**S: 147.00; R: 151.50**
AUDUSD	**Mon:** - Nil – **Tue:** PMI Mfg (Mar); Retail sales (Feb); **Wed:** Building approvals (Feb); **Thu**: PMI services (Mar); Trade (Feb); **Fri:** Household spending (Feb)		**S: 0.6180; R: 0.6360**
USDCNH	**Mon:** NBS PMIs – Mfg, non-mfg (Mar) **Tue**: Caixin PMIs – mfg, services (mar) **Wed:** - Nil – **Thu:** - Nil – **Fri:** - Nil –		**S:7.2200; R: 7.3200**
USDKRW	**Mon**: Industrial production (Feb); **Tue:** Trade, PMI Mfg (Mar); **Wed: CPI (Mar);** **Thu**: FX reserves (Mar) **Fri:** - Nil –		**S: 1,445; R: 1,480**
USDSGD	**Mon:** - Nil – **Tue:** URA home prices (1Q Prelim); **Wed:** PMI (Mar); **Thu:** - Nil – **Fri:** Retail sales (Feb)		**S: 1.3270; R: 1.3480**
USDMYR	**Mon:** - Nil – **Tue:** - Nil – **Wed:** PMI Mfg (Mar) **Thu:** - Nil – **Fri:** - Nil –		**S: 4.4000; R: 4.5000**
USDIDR	**Mon:** - Nil – **Tue:** - Nil – **Wed:** PMI Mfg (Mar) **Thu:** - Nil – **Fri:** - Nil –		**S: 16,350; R: 16,700**

Source: Bloomberg, OCBC Research

Key Themes and Trades

DXY

Tariffs and Heavy Data Week. USD consolidated last week amid a flurry of tariff-related headlines, including the 25% tariff on auto, more threats on lumber, semiconductors, pharmaceutical drugs, as well as on Europe, Canada and even Russia. Trump threatened secondary tariffs of 25-50% on buyers of Russian oil if Russia is not able to make a peace deal with Ukraine. On the other hand, Trump said he would consider lowering tariff rates imposed on China to secure Beijing's support for a sale of the US operations of ByteDance. He also predicted that he would be able to secure at least the outline of a deal for TikTok by next week, but said if an agreement was not completed, he would move to extend the deadline (75-day extension delaying a ban on TikTok supposedly expires on 5 Apr). Separately, former IMF official Zhu Min said that China is willing to talk to US for a cooperation deal but will retaliate if US demands are on an unreasonable basis. To some extent, tariff developments in China may see room for reconciliation though it remains early to jump to conclusions.

2 Apr reciprocal tariff uncertainty is still a big elephant in the room as worries on global trade and growth mount. Cyclical FX and those exposed to open trade such as KRW, SGD, MYR and TWD may face some pressure. Countries at risk of being directly hit by reciprocal tariffs may also see their currencies come under pressure. China, EU, South Korea, Japan, India and Thailand are amongst some of the countries that may be hit (for having tariff on US goods and a trade surplus with US).

But beyond the near-term tariff noises, global growth matters. US is a major economic powerhouse (accounted for 25% of the world's nominal GDP in 2024) but the other big boys such as EU (18.4%) and China (16.6%) should not be written off. For EU, massive defence spending can be supportive of growth while in China, Deepseek/AI use cases are gaining traction and helping with a re-rating of Chinese tech stocks. There are also more signs of economic stabilisation in China. Long story short, growth matters. If US growth becomes weaker as a result of higher tariffs while growth for the rest of the world holds up, USD may end up weaker over time. But we will need to monitor how the tariff saga unfolds and whether Trump is playing a game of carrot and stick with tariffs. At the end of the day, if US growth falters, Trump may have to roll back on tariff threats, as tariffs ultimately impact US consumers.

DXY was last at 103.90 levels. Daily momentum is mild bullish while RSI fell. Not ruling out the risk of a pullback. Support at 103.10, 102.50 levels (76.4% fibo). Resistance at 104.00/10 levels (21DMA, 61.8% fibo retracement of Oct low to Jan high), 104.60 and 105 levels (50% fibo, 200 DMA). This week, watch ISM manufacturing, JOLTS job openings (Tue); ADP (Wed); ISM services (Thu); payrolls (Fri). Softer data should weigh on USD.

We continued to paint a mixed profile for USD this year: projecting a mild upward USD trajectory vs. most Asian FX for rest of the year (factoring some degree of tariff impact on global trade and growth) but mild USD softness vs. G3 majors, including JPY, EUR and GBP. Our medium-term view still expects the USD to trend lower. USD's overvaluation, alongside rising debt, twin deficit of fiscal and current accounts as well as de-dollarisation trends are some drivers that should weigh on USD.

We had earlier noted that the trade friction during Trump 1.0 primarily involved the US and China, whereas in Trump 2.0, it appears to be a broader conflict between the US and the rest of the world. This time, nations including China and Europe seem to be deploying both retaliatory strategies and counter-negotiation tactics simultaneously. It would be premature to draw definitive conclusions about the future dynamics of trade friction and negotiations, but we cannot dismiss the possibility that the USD could weaken if the trade conflicts escalate between the US and the rest of the world (ROW). This outcome will depend on various factors, including global economic performance, individual monetary policies, and the scope, intensity and duration of trade disputes. If growth conditions in ROW hold up, USD may come under pressure.

EURUSD

Tariffs May Upset EUR Bulls. EUR's quick and strong rebound from sub-1.04 (start of Mar) to a high of 1.0955 has slowed. Tariff concerns have slowly creeped in to dent the momentum. Last week, Trump confirmed 25% tariffs on imports of all auto and auto parts, with effect from 3 April. Elsewhere 2 April is the day to watch for reciprocal tariffs while other tariffs on alcohol (200% tariff), lumber, semiconductors and pharmaceutical drugs may still be forthcoming in the next few weeks, if not days. Tariff imposition may still weigh on EUR. We look for dips to buy into, considering the emergence of several positive factors, including EU defence spending (supportive of growth), chance that ECB easing may slow and prospects of a complete ceasefire in Ukraine at some point. The rare display of responsiveness and concerted willingness of European leaders to spend on defence gave EUR a fresh boost. EU is proposing a EUR800bn combination of loans and national budgets to beef up defence spending. Germany has also voted to exempt defence and security outlays from limits on fiscal spending to do “whatever it takes” to defend the country. There will also be a EUR500bn infrastructure fund to invest in priorities such as transportation, energy grids and housing. This is about 11-12% of German GDP and is planned to be disbursed over 10 years.

EUR was last seen at 1.0825 levels. Daily momentum is bearish while RSI rose. Range-bound trades likely. Support at 1.0810 (21 DMA), 1.0700/30 levels (200 DMA, 50% fibo retracement of Oct high to Jan low). Resistance at 1.0950/70 levels (76.4% fibo, recent high), 1.1020 levels.

We are slight positive (vs. neutral previously) on EUR’s outlook, due to recent developments: 1/ German/European spending plans lending a boost to growth; 2/ signs of a Ukraine peace deal (that can lead to supply chain normalisation, lower energy costs, reduce existing burden on corporates and households, improve sentiments and growth outlook); 3/ prospects of ECB cut cycle nearing its end while there is still room for Fed to cut; 4/ encouraging signs that China’s economic recovery is stabilising while Chinese tech stocks re-rating may help to boost confidence and sentiments; 5/ EU leaders making efforts to avert a full-fledged trade war with US (European Commissioner for Trade earlier indicated that Brussels is ready to discuss “anything” to avoid Trump’s threatened tariffs on European exports).

That said, there are still plenty of risk factors that may dampen EUR: 1/ US reciprocal or other specific type of tariff on EU may come soon and such announcement (depending on severity) may weigh on EUR. 2/ Limited ceasefire in Ukraine fails to progress to a complete ceasefire or renewed tensions; 3/ Euro-area unable to break out of stagnation and ECB needing to cut more/ deeper to support growth. Hence 2-way trades are still likely for now. Over the medium term, EUR can revert to trend higher when growth stabilises, political, geopolitical concerns and policy uncertainties find some clarity.

GBPUSD

Risks Skewed to the Downside. GBP traded range-bound last week. It **remains uncertain if UK is an exception to US reciprocal tariffs.** According to Home Secretary Cooper, UK officials are in “intense” talks with Washington to secure an exemption or reduction to tariffs. UK PM Starmer reportedly held “productive” discussions about an economic prosperity deal on a call with Trump. Starmer has been working on strengthening White House relations for months and is considering to cut digital taxes on US tech firms to secure special treatment. UK also imposes a lower tariff rate on US (average weighted perspective) than the US imposes on UK, and the UK has lower trade surplus (~USD2.6bn) with the US. That said, Trump has earlier indicated that VAT is a tariff, and he promised reciprocal tariffs to VAT. UK has a VAT rate of 20% and is levied regardless of whether a product has been imported or not.

GBP was last at 1.2926. Daily momentum turned bearish while RSI fell. Potential bearish divergence on MACD observed. Risks skewed to the downside for now. Support at 1.2920 levels (21 DMA). Decisive break below puts next support at 1.2805 (200 DMA), 1.2765 (50% fibo retracement of Sep high to Jan low). Resistance at 1.3040 levels (recent high).

We remained neutral on GBP outlook. Stagflation risk (rising price, business cost pressure, slowing growth), tariff risks, and growing twin deficits of current account and fiscal accounts in the face of rising yields are negatives for GBP. UK businesses face a double whammy of rising costs this week. Employers will be hit with a 6.7% increase in the National Living Wage on Tuesday and a £26 billion ($33.6 billion) increase in payroll tax will come into force on Sunday. Both were unveiled at the October budget, which sparked backlash by firms. But on the other hand, a potentially less dovish BoE (owing to sticky services inflation) and USD softness may partially mitigate against downward pressures.

USDJPY

Still Retain Bias to Sell Rallies. USDJPY remains caught in a tug of war between safe haven demand and JPY being directly hit by reciprocal tariffs. Earlier, Japan was one of the countries being singled out by Trump for taking advantage of the US. For instance, Japan imposes over 20% tariff rate on several agricultural products including beef, cheese and around 30% on leather shoes and about 10% on clothing and commercial trucks. There have been chatters of production adjustments or supply chain shifts in attempt to avert being hit by reciprocal tariff adjustments, but it remains uncertain if this would be useful. 2-way trades for USDJPY is still likely in the interim unless Japan is exempted from reciprocal tariffs. In this scenario, JPY is likely to strengthen in risk-off trades. Past this tariff uncertainty, we would also expect the focus to shift back to Japanese data and BoJ policy.

USDJPY was last at 149.60 levels. Bullish momentum on daily chart intact but decline in RSI moderated. 2-way trades likely. Retain bias to sell rallies. Death cross formed (50 cuts 200 DMA to the downside). Support at 149.10/20 levels (21DMA, 50% fibo), 148.70 and 147 levels (61.8% fibo). Resistance at 151.20/50 levels (38.2% fibo retracement of Sep low to Jan high, 50, 200 DMAs), 153 (100 DMA).

Beyond the near-term impact of tariffs and Mar/Apr seasonality, we still look for USDJPY to trend lower, premised on Fed-BoJ policy divergence (Fed rate cut cycle while the BoJ has room to further pursue policy normalisation, supported by economic data, including upbeat GDP, signs of potential increase in wages, firmer CPI, etc.).

Wage growth outcome (from shunto negotiations outcome likely early Apr) and inflation pressures are key markers to watch to get a sense on the timing of the next policy move. In a preliminary survey, Japanese firmed agreed to wage increase averaging 5.46% for 2025. This is slightly lower than earlier expectations but still higher than the previous year. Taken together, wage growth, broadening services inflation and upbeat economic activities in Japan continue to support BoJ policy normalisation. Fed-BoJ policy divergence should bring about further narrowing of UST-JGB yield differentials, in turn underpinning the broader direction of travel for USDJPY to the downside. At the last MPC meeting (19 Mar), BoJ kept policy rate on hold as largely expected. Rhetoric remains largely similar as Governor Ueda reiterated a gradual approach with regards to policy normalisation amid rising global economic uncertainty. He made several references to the uncertainties surrounding US tariffs. He also indicated that BoJ board will have greater visibility over US tariffs and their impact on businesses and households when they meet on 1 May, noting a hike then was not an impossibility. There was explicit emphasis on firms' behaviour shifting more towards raising wages and prices recently, and that exchange rate movements are more likely to affect prices as compared to the past.

AUDUSD

Near Term Downward Pressure. AUD traded softer as the week started. Risk appetite was curtailed as markets await details of reciprocal tariffs on 2 Apr. Even though Australia may not be impacted as much as other countries by the threat of reciprocal tariff (because AU has no tariff on US goods and does not have a trade surplus with US), AUD (being a high-beta FX) may still be exposed to global growth, trade and market volatility. We should expect to see cautious trading in coming days unless reciprocal tariffs turn out to be or measured or milder-than-expected.

Pair was last at 0.6250 levels. Daily momentum turned mild bearish while RSI fell. Risks are skewed to the downside. Support at 0.6240, 0.6190 (recent low) and 0.6130 levels. Resistance at 0.6300/20 levels (21, 50, 100 DMAs, 23.6% fibo retracement of Oct high to Jan low), 0.6410/40 levels (38.2% fibo).

We remain constructive on AUD outlook. Some of the reasons underpinning the bias include: 1/ expectations for a shallower pace of RBA rate cut cycle given sticky inflation and tight labour market; 2/ expectations that China's stabilisation story can find traction and re-rating of Chinese tech stocks (support risk sentiments). But AUD can still trade choppy when tariff war intensifies (negative for broad market sentiment) and if China optimism falls flat. Key downside risk factors that may affect AUD outlook are 1/ extent of CNH swings (if any); 2/ if Fed under-delivers/pauses rate cut cycle; 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 and geopolitics); 5/ Australia election risk (3 May).

USDSGD

Bearish Trend Channel At Risk of Being Violated? USDSGD remains better bid amid cautious trading ahead of 2 Apr reciprocal tariffs. Pair was last at 1.3430 levels. Mild bullish momentum on daily chart intact while RSI rose. Upside risks intact for now. We would be watching if the bearish trend channel formed (since start of the year) is at risk of being breached. Resistance at 1.3480 (100 DMA) and 1.3520 levels (23.6% fibo). Support at 1.3380 levels (38.2% fibo retracement of Sep low to Jan high), 1.3340/60 levels (21, 200 DMAs) and 1.3310 levels. S$NEER was last seen at 0.80% above model-implied mid.

MAS quarterly MPC meeting is less than 2 weeks away from now (no later than 14 Apr). Judging from our S$NEER model, markets are starting to price in some risk of an easing. We think it is a close call. Following another downside surprise to core CPI, we see a good chance of MAS easing policy slope slightly (i.e. reducing the rate of appreciation) again. But MAS policy is only one factor affecting SGD. In the interim, tariff uncertainties may keep the SGD under pressure. But MAS policy is only one factor affecting SGD. In the interim, tariff uncertainties may keep the SGD under pressure.

The downward kink in USDSGD's 1Q forecast we projected for at the start of the year more or less played out, as USDSGD fell from peak of 1.3750 (early Jan) to trough at just under 1.33 (mid-Mar). Beyond 1Q, USDSGD forecast is projected to skew to the upside for most parts of 2025, taking into consideration the risks of Trump tariffs on China as well as globally (having implications on global growth and sentiments) and MAS policy easing. Should SG CPI in coming the months fall further, expectations for MAS to ease again at future policy meetings may further weigh on SGD (on trade-weighted terms). That said, the prospects of firmer recovery in EUR and RMB may turn out to be surprise factors helping to support SGD. We would monitor further 1/ RMB - how China's economic recovery, including re-rating in Chinese tech stocks pan out as well as 2/ EUR - German spending plans, EU economic recovery and prospect of Ukraine peace deal; 3/ USD trend and Fed cut cycle – if dovish repricing resumes; 4/ if Trump rolls back tariff threats and global growth improves. Positive developments on these fronts (i.e. stronger recovery in EUR, RMB and weaker USD) could pose risks to our forecasts.

Recap: At the last MPC meeting (24 Jan), MAS announced it will reduce the slope of the S$NEER policy band slightly. This means that the SGD's rate of appreciation against trade partners is reduced but still on a gradual appreciation. Our model estimates the slope is reduced to 1% pa., down from 1.5%. While there was a slight calibration in the MAS policy stance via slope reduction, the overall policy stance remains on a modest and gradual appreciation path. Going forward, it is worth paying attention to core CPI in the coming months to get a sense on whether the MAS easing is one-off or may ease further. Expectations for MAS to ease can imply that the SGD strength (on TWI terms) seen in the past 2-3 years will continue to ease. But as long as the policy band does not revert to neutral, SGD could still retain some degree of relative resilience, selectively against trade partners.

Trade Ideas

Entry Date	Trade	Entry	Close	Profit/ Loss (%)	Remarks	Exit Date
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	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. [EXIT with no P&L, given recent market development in China]	30-Sep-24
19-Aug-24	Short CHFJPY	170.1	166.7	2.03	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. [Trade TP]	10-Feb-25
23-Sep-24	Short EURGBP	0.838	0.841	-0.3	Policy and growth divergence between EU/ECB and UK/BOE. Target a decline towards 0.81. SL 0.8470. [SL]	14-Jan-25
10-Dec-24	Short USDJPY	151.5	154.7	-2.07	Bias for USDJPY to trend lower, premised on Fed cut cycle while the BoJ has room to further pursue policy normalisation. Target a move towards 146.10. SL at 154.70. [SL]	18-Dec-24
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			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.	

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: 2-Way Trades

SGDMYR was a touch softer last week. Cross was last at 3.3080 levels.

Daily momentum is mild bearish while decline in RSI is flat. 2-way trades likely from here.

Support at 3.3030 (50, 100 DMAs), 3.2720 (23.6% fibo).

Resistance at 3.3150/90 levels (21 DMA, 38.2% fibo retracement of Jul high to Sep), 3.3280 (200 DMA) and 3.3440 levels (recent high).

SGDJPY Daily Chart: Downside Risk

SGDJPY fell as SGD weakened while JPY strengthened. Last seen at 111 levels.

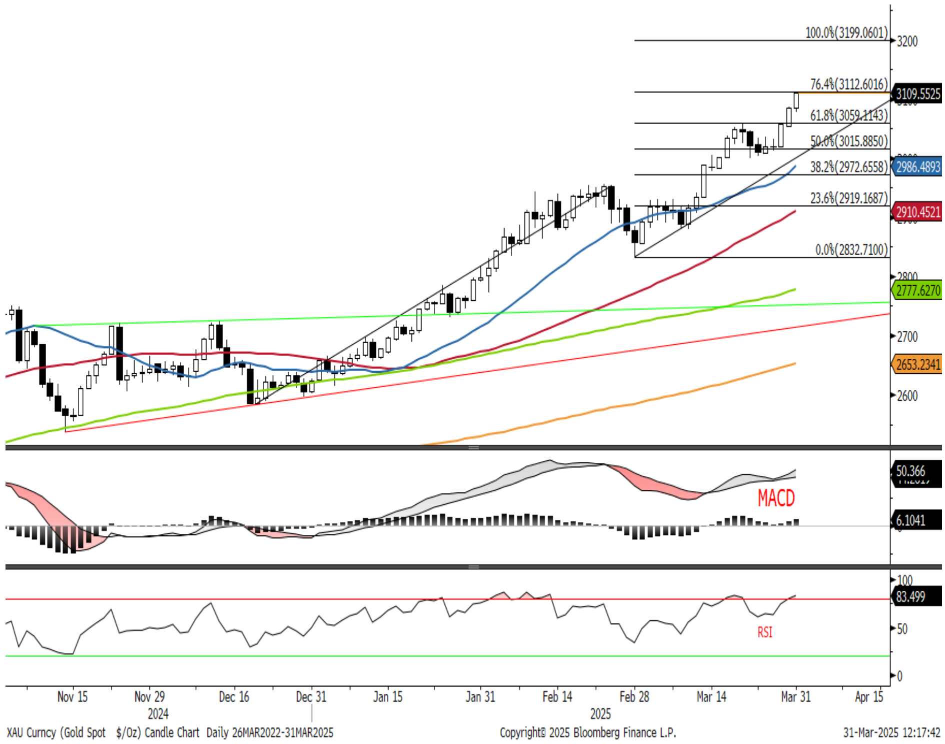
Daily momentum is turning less bullish while RSI fell. Risks skewed to the downside.

Support at 110.70 (61.8% fibo), 110 and 109.30 levels (76.4% fibo).

Resistance at 111.60/80 levels (21 DMA, 50% fibo retracement of 2024 low to Nov-Dec double-top), 112.60/90 levels (50 DMA, 38.2% fibo) and 113.50/60 levels (100, 200 DMAs).

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

Gold Daily Chart: Bullish Momentum



Gold extended its run higher last week. Last seen at 3109 levels.

Bullish momentum on daily chart intact while RSI rose into overbought conditions. Not ruling out a pullback at some point.

Resistance at 3112.60, 3200 levels

Support at 3060, 3015 and 2986 (21 DMA).

Silver Daily Chart: May Break Recent High

Silver rose last week. Last seen at 34.30 levels.

Mild bullish momentum on daily chart observed while RSI rose. Uptrend intact for now.

Resistance at 34.90 (2024 high), 36 and 37.10 levels

Support at 33.30 (21 DMA), 32.40 (50 DMA) and 31.80 (23.6% fibo retracement of 2024 low to high

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

Medium Term FX Forecasts

Currency Pair	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26
USD-JPY	147.00	146.00	145.00	144.00	143.00
EUR-USD	1.0900	1.0950	1.1000	1.1020	1.1050
GBP-USD	1.2900	1.2950	1.3000	1.3050	1.3100
AUD-USD	0.6400	0.6450	0.6500	0.6550	0.6600
NZD-USD	0.5800	0.5850	0.5900	0.5950	0.6000
USD-CAD	1.4300	1.4400	1.4500	1.4350	1.4300
USD-CHF	0.8950	0.8920	0.8900	0.8900	0.8850
USD-SEK	10.94	10.89	10.83	10.83	10.70
DXY	103.82	103.44	103.06	102.71	102.30
USD-SGD	1.3500	1.3550	1.3600	1.3600	1.3500
USD-CNY	7.2800	7.3200	7.3500	7.3400	7.3000
USD-CNH	7.3000	7.3400	7.3600	7.3400	7.3000
USD-THB	34.20	34.20	34.30	34.30	34.10
USD-IDR	16550	16600	16800	16800	16600
USD-MYR	4.4400	4.4600	4.4800	4.5000	4.4600
USD-KRW	1445	1460	1465	1465	1445
USD-TWD	33.00	33.10	33.40	33.40	33.10
USD-HKD	7.7700	7.7800	7.7900	7.7900	7.7800
USD-PHP	57.60	57.80	57.80	57.80	57.60
USD-INR	87.00	87.20	87.30	87.30	87.30
USD-VND	25550	25600	25650	25650	25600
EUR-JPY	160.23	159.87	159.50	158.69	158.02
EUR-GBP	0.8450	0.8456	0.8462	0.8444	0.8435
EUR-CHF	0.9756	0.9767	0.9790	0.9808	0.9779
EUR-SGD	1.4715	1.4837	1.4960	1.4987	1.4918
GBP-SGD	1.7415	1.7547	1.7680	1.7748	1.7685
AUD-SGD	0.8640	0.8740	0.8840	0.8908	0.8910
NZD-SGD	0.7830	0.7927	0.8024	0.8092	0.8100
CHF-SGD	1.5084	1.5191	1.5281	1.5281	1.5254
JPY-SGD	0.9184	0.9281	0.9379	0.9444	0.9441
SGD-MYR	3.2889	3.2915	3.2941	3.3088	3.3037
SGD-CNY	5.3926	5.4022	5.4044	5.3971	5.4074
SGD-IDR	12259	12251	12353	12353	12296
SGD-THB	25.33	25.24	25.22	25.22	25.26
SGD-PHP	42.67	42.66	42.50	42.50	42.67
SGD-VND	18926	18893	18860	18860	18963
SGD-CNH	5.4074	5.4170	5.4118	5.3971	5.4074
SGD-TWD	24.44	24.43	24.56	24.56	24.52
SGD-KRW	1070.37	1077.49	1077.21	1077.21	1070.37
SGD-HKD	5.7556	5.7417	5.7279	5.7279	5.7630
SGD-JPY	108.89	107.75	106.62	105.88	105.93
Gold $/oz	3160	3190	3220	3240	3260
Silver $/oz	34.35	35.44	36.59	36.82	37.05

Source: OCBC Research *(Latest Forecast Updated: 1 April 2025)*
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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