FX Weekly

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Tariff Complexity; Peace Dividend

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Prospects of Peace, Tariff Delay Supportive of Sentiments. While tariff announcements have led to temporary spikes in the USD, these increases have not resulted in sustained strength. In fact, DXY has fallen ~1.5% YTD. This may be attributed to the measured responses to tariffs thus far and the absence of any significant retaliatory measures at this stage. Additionally, it is important to note that the trade tensions in Trump 1.0 primarily involved the US and China, whereas the current situation 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 employing 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 conflict escalates between the US and the rest of the world. This outcome will depend on various factors, including global economic performance, individual monetary policies, and the scope, intensity and duration of trade disputes. At this point, the delay in tariff implementation, the prospect of peace talks in Ukraine, weaker US economic indicators (such as retail sales), and a re-rating of Chinese tech stocks (thanks to Deepseek, Xi-Ma meeting) are creating a favourable environment for risk assets to recover while the USD trades on the back foot.

Do Not Be Overly Complacent About Tariff Risks. We had earlier highlighted that South Korea, India and Thailand impose a higher average weighted tariff rate on the US than the US does on these countries. Reciprocal tariff rate adjustments from US may potentially impact these countries more. If FX were to be reactive to US tariff announcements, KRW, INR and THB may potentially be subjected to higher volatility. Last week, Trump ordered his administration to consider imposing reciprocal tariffs on numerous trading partners, singling out Japan and South Korea as nations that he believes are taking advantage of the US. The policy published by the White House on Thursday is a wide-ranging one, threatening retaliation not only on tariffs but on other non-tariff barriers and "unfair or harmful acts, policies or practices". These include subsidies, "burdensome regulatory requirements" on US businesses and restrictions on animal and plant products. There was also explicit mention of "value-added tax" as an "unfair, discriminatory or extraterritorial tax", despite VAT being levied irrespective of whether a product is imported or not. To a lesser extent, Australia and UK may be relatively “safer” since Australia’s average weighted tariff rate on US is zero while UK imposed a lower average weighted tariff rate than what is imposed by the US.

RBA a close call. There is room for RBA to calibrate monetary policy settings but there is no hurry to do so. Our house view is inclined to see a 25bp cut as steady easing in trimmed mean YoY inflation is encouraging and may provide room for the RBA to finally start cutting rates. That said, we believe RBA’s rate cut cycle is likely to be shallower compared to other DM central banks. A less dovish cut may

well see dips in AUD finding support. SOMP will also be released the same day
(18 Feb).

AxJ Positioning Bias (Reuters Poll)

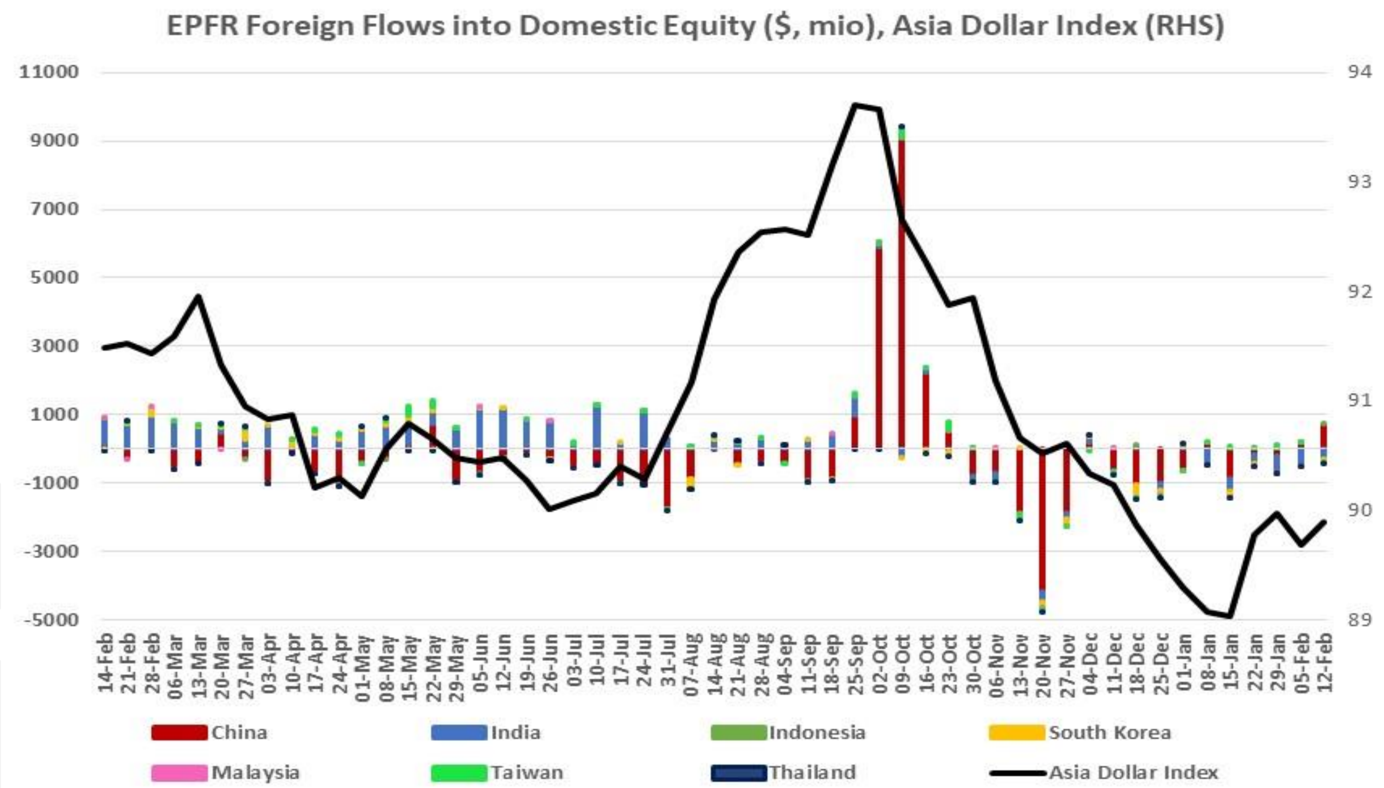
Based on Reuters survey on Asia FX positioning, AxJ FX remain bearish. INR is the most bearish, followed by IDR and CNY. Changes in positioning were mixed. PHP, INR and TWD saw increase in shorts while shorts in MYR, THB, SGD, IDR and CNY saw reduction. On net basis, THB and MYR were amongst the least bearish.

	19-Sep-24	03-Oct-24	17-Oct-24	31-Oct-24	14-Nov-24	28-Nov-24	12-Dec-24	09-Jan-25	23-Jan-25	06-Feb-25
USD/CNY	-0.67	-1.14	-0.43	0.3	1.14	1.32	1.15	1.65	1.33	1.15
USD/KRW	-0.9	-0.79	0.26	1.06	1.61	1.45	1.86	1.75	1.04	1.01
USD/SGD	-1.12	-1.26	-0.44	-0.03	0.8	1.12	0.83	1.34	1.11	0.86
USD/IDR	-1.18	-1.08	0.04	0.59	0.81	1.03	0.87	1.2	1.5	1.25
USD/TWD	-0.66	-0.59	0.24	0.6	1.07	1.1	0.82	1.18	1.01	1.14
USD/INR	0.33	-0.04	0.67	0.82	0.87	1.13	1.43	1.69	1.78	1.98
USD/MYR	-1.3	-1.18	-0.4	0.11	0.65	0.76	0.65	0.99	1.01	0.62
USD/PHP	-1.1	-0.7	0.26	0.81	1.18	1.13	0.53	0.65	0.77	0.93
USD/THB	-1.33	-1.45	-0.28	0.09	0.9	0.66	0.26	0.76	0.54	0.23

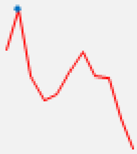
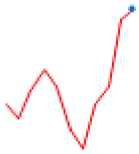
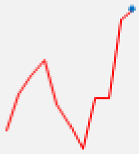
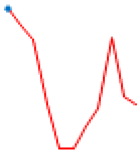
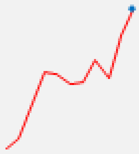
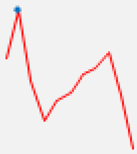
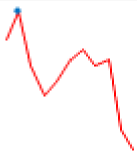
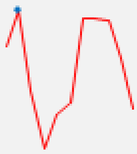
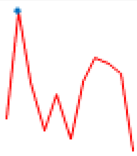
Note: Asian FX poll is conducted by Reuters, on bi-weekly basis on what analysts and fund managers believe the current market positioning are. Poll uses estimates of net short or long on a scale of -3 to +3. A score of +3 indicates significant long USD against the AxJ FX. Arrow direction indicates change in positioning from last date. Source: Reuters [latest avail: 6 Feb 2025], OCBC Research.

EPFR Foreign Flows to Selected AxJ Equities vs. Asiadollar Index

Net foreign equity saw inflow led by China. India and Korea equities continues to see mild foreign outflows. Asian FX continued to build on recovery momentum after reciprocal tariffs were pushed back, China tech stocks saw a re-rating and there were tentative signs of a peace deal in Ukraine, adding to risk-on sentiment.



Note: Latest data available as of 12 Feb (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:** Empire manufacturing, NAHB housing market index (Feb); **Wed:** Housing starts, building permits (Jan); **Thu:** FOMC minutes; Philly Fed business outlook (Feb); initial jobless claims; **Fri:** Prelim PMIs (Feb); Existing home sales (Jan); Uni of Michigan sentiment (Feb)		**S: 105.10; R: 109.50**
EURUSD	**Mon:** Trade (Dec) **Tue:** ZEW survey expectations (Feb); **Wed:** Current account (Dec); **Thu:** Construction output (Dec); Consumer confidence (Feb); **Fri:** Prelim PMIs (4Q)		**S: 1.0200; R: 1.0700**
GBPUSD	**Mon:** Rightmove house prices (Feb); **Tue: Labour market report (Jan);** **Wed: CPI, PPI, RPI (Jan);** house price (Dec) **Thu:** CBI trends total orders, selling prices (Feb); **Fri:** GFK consumer confidence (Feb); public finances, **retail sales (Jan);** prelim PMIs (Feb)		**S: 1.2400; R: 1.2760**
USDJPY	**Mon:** GDP (4Q prelim); industrial production (Dec); **Tue:** - Nil – **Wed:** Trade (Jan); core machine orders (Dec); **Thu:** - Nil – **Fri: CPI (Jan);** prelim PMIs (Feb)		**S: 150.00; R: 155.70**
AUDUSD	**Mon:** - Nil – **Tue: RBA, SOMP** **Wed:** Wage price index (4Q); **Thu**: Labor market report (Jan); **Fri:** Prelim PMIs (Feb)		**S: 0.6200; R: 0.6440**
USDCNH	**Mon:** - Nil – **Tue**: - Nil – **Wed:** Home prices (Jan); **Thu:** 1y, 5y loan prime rate **Fri:** - Nil –		**S:7.2200; R: 7.3200**
USDKRW	**Mon**: - Nil – **Tue:** - Nil – **Wed:** - Nil – **Thu:** PPI (Jan); Consumer confidence (Feb); **Fri:** Business survey – mfg, non-mfg (Feb); 1st 20days export		**S: 1,416; R: 1,460**
USDSGD	**Mon:** NODX (Jan); **Tue: Singapore Budget** **Wed:** - Nil – **Thu:** - Nil – **Fri:** - Nil –		**S: 1.3300; R: 1.3560**
USDMYR	**Mon:** - Nil – **Tue:** - Nil – **Wed:** - Nil – **Thu:** Trade (Jan); **Fri: CPI (Jan)**		**S: 4.3700; R: 4.4900**
USDIDR	**Mon:** Trade (Jan); External debt (Dec); **Tue:** - Nil – **Wed: BI MPC;** **Thu:** Current account (4Q) **Fri:** - Nil –		**S: 16,140; R: 16,400**

Source: Bloomberg, OCBC Research

	Key Themes and Trades
DXY	***Unwinding of USD Longs.*** Markets have been positioning for tariff trades (i.e. long USD) but the repeated delay in Trump tariffs have frustrated USD bulls. Even though Trump signed an executive order last week to impose reciprocal tariffs, the tariffs will not come into effect until 2 Apr. These reinforced our view that tariffs – be it sectoral or reciprocal – is a bargaining chip for Trump to negotiate, in attempt to unlock some agenda favouring America (i.e. level playing ground, fair trade, etc.). While tariff announcements have led to temporary spikes in the USD, these increases have not resulted in sustained strength. In fact, DXY has fallen ~1.5% YTD. This may be attributed to the measured responses to tariffs thus far and the absence of any significant retaliatory measures at this stage. Additionally, it's important to note that the trade tensions in Trump 1.0 primarily involved the US and China, whereas the current situation 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 employing 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 conflict escalates between the US and the rest of the world. This outcome will depend on various factors, including global economic performance, individual monetary policies, and the scope, intensity, and duration of trade disputes. In the interim, the delay in tariff implementation, the prospect of peace talks in Ukraine, weaker US economic indicators (such as retail sales), and a re-rating of Chinese tech stocks (thanks to DeepSeek, Xi's meeting with private sector business leaders) are creating a favourable environment for risk assets to recover while the USD retreats. DXY was last at 106.77. Daily momentum is bearish but decline in RSI moderated. Risk remains skewed to the downside though pace of decline may moderate. Support at 106.20/40 levels (100 DMA, 38.2% fibo retracement of Oct low to Jan high). Resistance at 107.80 (23.6% fibo), 108.00/10 (21, 50 DMAs), and 108.50 levels. Tariffs, immigration, deregulation, tax cuts and pursuing "peace" are some of Trump's immediate policy priorities. Trump's recent announcement ignited a trade war as Canada retaliated with counter-tariffs, with Mexico planning to follow while China appears more open to negotiate, even as they responded with counter-tariffs. Worsening/ broadening of trade war can further undermine sentiments and provide a boost to the USD. But we cannot rule out compromises or a truce that may also provide a temporary breather for risk proxies. Until we get further clarity on trade relief/truce, markets are likely to continue to trade USD with 2-way risks. Our medium-term view still expects the USD to trend lower. USD's overvaluation, alongside rising debt, twin deficit of fiscal and current accounts are some drivers that should weigh on USD.
EURUSD	***Turning Neutral.*** EUR continued to drift higher on the prospects of a Ukraine peace deal and on news of a delay in reciprocal tariffs till 2 Apr. It also appears that Trump's tariff threats opened up EU's willingness to negotiate. At the Munich Security Conference last Fri, European Commissioner for Trade and Economic Security, Maroš Šefčovič said that Brussels is ready to discuss "anything" to avoid Trump's threatened tariff on European exports. He mentioned that Brussels is willing to reduce its substantial surplus in goods and services with the US, which reached €50 billion last year and has also signalled that the EU is ready to reduce its 10% tariff rate on cars, which is four times higher than the US rate. He also indicated that the EU could boost purchases of US goods such as LNG and soybeans. EU officials confirmed that Šefčovič will travel to Washington on Monday to hold talks with senior Trump administration officials, including Commerce Secretary nominee Howard Lutnick, trade representative nominee Jamieson Greer, and National Economic Council chief Kevin Hassett. With regards to the peace deal prospects, we acknowledged previously that talks remain in the early stages and the phone call (between Trump and Putin) did not involve Ukraine or Europe. While the negotiation process is not likely to be smooth, we believe progress on this front is a positive start. Trump later indicated that Ukraine would be part of negotiations. US Secretary of State Marco Rubio also indicated that both Ukraine and Europe would be involved in negotiations if talks progress in the right direction. A peace deal could be a strong positive factor that overwhelms other EUR-negative factors,

which were more or less in the price (stagnant economy, dovish ECB), depending on how the peace deal takes form.

EUR was last at 1.0480 levels. Daily momentum is mild bullish while RSI rose. Immediate resistance at 1.05, 1.0540 levels. Break-out puts next resistance at 1.0570 (38.2% fibo retracement of Sep high to Jan low, 100 DMA), 1.0620 levels. Support at 1.0390 (21, 50 DMAs), 1.03 levels.

We had turned neutral (vs. bearish previously) on EUR's outlook, due to recent developments: 1/ hopes for a Ukraine peace deal (can lead to supply chain normalisation, lower energy costs, reduce existing burden on corporates and households, improve sentiments and growth outlook); 2/ Europeans trying to avert a full-fledged trade war with the US via negotiations; 3/ tentative signs that China's recovery may start to gain better footing. That said, there are still plenty of downside risks to EUR: 1/ US reciprocal or other specific type of tariff on EU may come within weeks and such announcement (depending on severity) may weigh on EUR. 2/ Europe will have to take responsibility for its security/ Ukraine peace, and that would mean increasing defence spending – possibly adding to fiscal burden for most EU nations. 3/ existing EUR negatives such as stagnation in the Euro-area, and ECB needing to cut more/ deeper to support growth. Hence 2-way trades with neutral outlook bias are likely. Over the medium term, EUR can revert to trend higher when growth stabilises, political, geopolitical concerns and policy uncertainties find some clarity.

GBPUSD

Bullish Run May Stall. GBP rebounded after UK GDP surprised to the upside, US tariff concerns were rolled back, while USD and UST yields fell (providing a window for a breather). GBP was last at 1.2590 levels. Bullish momentum on daily chart intact though rise in RSI moderated. Resistance at 1.2610 (38.2% fibo retracement of Oct high to Jan low), 1.2670 (100 DMA) should prove to be decent speed bumps to stop GBP's bull run. Support seen at 1.2445/65 levels (21, 50 DMA), 1.2410 (23.6% fibo).

We remain cautious on GBP outlook. Stagflation risk, dovish BoE, growing twin deficits of current account and fiscal accounts in the face of rising yields are negatives for GBP. In a Bloomberg TV interview post-MPC, BoE Governor Bailey said markets should not over-interpret the vote split but to read the minutes pretty carefully this time. He also emphasized that the vote split is not a communication tool. MPS continues to guide for gradual and careful easing, which is in line with our house view for 25bp cut each quarter. Downside risks to our view include 1/ a more aggressive BoE cut cycle than the Fed; 2/ tariff hit from US; 3/ Fed slowing down on policy normalisation and/or return of US exceptionalism. A play-up of any of these risks may undermine GBP.

USDJPY

Bias to Sell Rallies. USDJPY fell further back to 151-handle after 4Q prelim GDP surprised to the upside (2.8% QoQ, saar). This adds to market expectations that the pace/ timeline of BoJ policy normalisation may quicken. Several Japanese corporates have already indicated their intent to raise wages by >5% this year. SMBC is looking to raise wages by about 8%. Fast retailing (Uniqlo) announced it will raise starting pay for new employees by 10% and 5% for other employees, while companies in other sectors such as Meiji Yasuda Life Insurance Co. and Hoshino Resorts Co., Ltd announced raising wages by 5% and 5.5% on average respectively. Suntory Holdings is looking to raise monthly wages by about 7% in 2025 for the third straight year. Japanese banks also reported better than expected earnings this year. These anecdotal evidence point to another year of solid wage increase and meets the pre-requisite for BoJ to continue with hiking rates. Earlier, BoJ's Tamura said that policy rate should be raised to at least around 1% by the second half of this fiscal year. He also added that the neutral rate is at least 1%, and the rate at 0.75% would still be clearly negative in real terms, and there would still be some distance to a level where the rate would cool the economy.

USDJPY was last at 151.90 levels. Daily momentum is flat while RSI fell. Consolidation likely, with slight risks to the downside in the interim. Support at 151.50 (38.2% fibo retracement of Sep low to Jan high), 150 levels. Resistance at 152.70 (200 DMA), 153.40 (100 DMA) and 154.30 levels.

Elsewhere, tariff concerns remain to some extent as reciprocal tariffs may affect Japan and South Korea. This may prove tricky for JPY's near-term outlook. For automobiles, Japanese cars are amongst the top 5 most popular in US. On agricultural products, Japan has a high tariff rate of >200% for rice and >20% for meat. The risk is a direct tariff hit on Japanese goods that can potentially put a downward pressure on JPY. But it appears that Japan is attempting to seek exemptions with regards to Trump's proposed reciprocal tariffs. Ministry of Foreign Affairs Takeshi Iwaya also raised the issue of automobile tariffs and sought exclusion from the 25% tariff on imported steel and aluminium products at the Munich Security Conference last Fri. Exemption of Japanese goods should be supportive of JPY gains.

Overall, we still look for USDJPY to trend lower, premised on Fed cut cycle while the BoJ has room to further pursue policy normalisation (supported by economic data, signs of potential increase in wages, etc.). Wage growth pressure remains intact, alongside broadening services inflation. Tokyo core core CPI, PPI, wages rose while labour market report also pointed to upward wage pressure in Japan with jobless rate easing, while trade unions are calling for another 5-6% wage increase at shunto wage negotiations for 2025. Divergence in Fed-BoJ policies should bring about further narrowing of UST-JGB yield differentials and this should underpin the broader direction of travel for USDJPY to the downside. That said, the risk is that any slowdown in pace of policy normalisation – be it the Fed or BoJ – would mean that USDJPY's direction of travel may be bumpy or even face intermittent upward.

AUDUSD

RBA a Close Call (18 Feb). Markets are pricing in 25bp cut (85% priced) but we believe this is a close call. There is room for RBA to calibrate monetary policy settings but there is no hurry to do so. Our house view is inclined to see a 25bp cut as steady easing in trimmed mean YoY inflation is encouraging and may provide room for the RBA to finally start cutting rates. That said, we believe RBA's rate cut cycle is likely to be shallower compared to other DM central banks. AU household spending was stronger than expected while labour market remained fairly tight, though there are signs that some normalisation in labour market conditions could be on the cards. NAB employment index, ANZ job ads have been easing while wage growth continued to ease. A less dovish cut may well see dips in AUD finding support.

AUD traded higher last week as US tariff was delayed (till 2 Apr) while a re-rating of Chinese tech stocks boosted sentiments. Hopes of a Ukraine peace deal (although still in very early stages) may also help to boost prices of base metals, including copper, adding to AUD support. Elsewhere, our preliminary finding suggests that Australia should be at lower risk of being hit with reciprocal tariffs as Australia's average weighted tariff rate on US is zero and has a trade deficit with the US. Pair was last at 0.6365. Daily momentum is mild bullish while RSI rose towards near overbought conditions. 2-way trades likely. Support at 0.6320 (23.6% fibo retracement of 2024 high to 2025 low), 0.6260/80 levels (21, 50 DMAs). Resistance at 0.6420/40 levels (38.2% fibo, 100 DMA).

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. But AUD can still trade choppy when tariff concerns re-surface (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 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

Consolidation. USDSGD fell further amid supported sentiments and sharp pullback in UST yields. Delayed tariffs, prospects of a Ukraine peace deal and Chinese tech stock re-rating are supportive of risk sentiments, leading to continued unwinding of USD longs. Pair was last seen at 1.3410. Bearish momentum on daily chart intact while decline in RSI moderated. 2-way trades likely. Resistance here at 1.3410 (100 DMA), 1.3510/20 (23.6% fibo, 21 DMA). Support at 1.3380 levels (38.2% fibo retracement of Sep low to Jan high), 1.3360 (200 DMA). S$NEER continued to strengthen; last seen around 1.27% above model-implied mid.

At the last quarterly MPC meeting (24 Jan), MAS **announced it will reduce slightly the slope of the S$NEER policy band**. Essentially, this means that the **SGD's rate of appreciation against trade partners is reduced but still on gradual appreciation**. Our model estimates the slope is reduced to 1% pa., down from 1.5%. While there was a slight calibration in MAS policy stance via slope reduction, the overall policy stance remains on a modest and gradual appreciation path. Going forward, it is worth paying attention to core CPI in the coming months to get a sense on whether the MAS easing is one-off or may ease further. Historically, the positive correlation between the change in S$NEER and MAS core inflation shows that SGD strength can ease when core inflation eases materially. 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 the policy band does not revert to neutral, SGD could still retain some degree of relative resilience, selectively against trade partners.

Looking into our USDSGD forecast trajectory, we see a tactical window for USDSGD to pullback in 1Q 2025, premised on Fed cut cycle, expectations for China's recovery to find some traction amidst stimulus support. Subsequently, USDSGD forecast is projected to skew to the upside for most parts of 2025, taking into consideration potential implementation of Trump tariffs (on China/ global though timing of tariff remains uncertain) and Fed pause in 4Q 2025.

Trade Ideas

Entry Date	Trade	Entry	Close	Profit/ Loss (%)	Remarks	Exit Date
25-Apr-24	Short USDKRW	1375	1320	4.00	High for longer narrative (US rates) has been a dampener on sentiments. But since last trilateral meeting, there seems to be a psychological resistance for the USD. For the year, we still expect USD to trend slightly lower as the Fed is done tightening and should embark on rate cut cycle in due course (house looks for Jul Fed cut). Eventual re-coupling in tech/KR stocks vs FX (KRW) should return amid underlying tech/AI trend. KRW would be positioned for more gains given its high-beta characteristics and close proxy to tech and growth cycles. Start of Fed rate cut cycle and expectations for China stabilisation are other drivers that should underpin KRW's positive appeal. Entered tactical short at 1375. To take profit at 1320. SL at 1406. [Trade TP]	26-Aug-24
01-May-24	Long EURUSD	1.0661	1.09	2.24	Markets have largely priced in ECB's 75bps cuts into EUR but a growth re-rating outlook on Euro-area economy is probably not priced. And lately there are signs to suggest some signs of stabilisation in Euro-area growth. ECB's Lagarde and Bundesbank have recently spoken about signs of activity picking up pace in Germany. A better growth story in Euro-area can push back against aggressive rate cut expectations and this is supportive of EUR. Entered at 1.0661. Targeting move towards 1.0900. SL at 1.0508. [Trade TP]	04-Jun-24
12-Aug-24	Short RMB Index	98.53	98.5	0	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

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: Sell Rallies

SGDMYR drifted higher last week amid SGD outperformance. Cross was last at 3.3050 levels.

Daily momentum is mild bullish but recent rise in RSI moderated. Rebound pressure may slow. Bias still skewed towards fading rally.

Resistance at 3.3150 (38.2% fibo retracement of Jul high to Sep), 3.3320 and 3.3500/40 levels (50% fibo, 200 DMA).

Support at 3.2950 (100 DMA), 3.32810 (50 DMA) and 3.2720 (23.6% fibo).

SGDJPY Daily Chart: Bearish Pressure Re-emerge?

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

SGDJPY started the week on a softer footing amid JPY outperformance. Cross was last at 113.20 levels.

Daily momentum is flat but RSI fell. Bearish cross over observed, as 21 DMA cuts 50, 100 and 200 DMAs to the downside. Slight downside risks ahead.

Support at 112.90 (38.2% fibo), 111.80 (50% fibo).

Resistance at 114 (21 DMA), 114.30/50 levels (50, 100, 200 DMAs, 23.6% fibo retracement of 2024 low to Nov-Dec double-top).

Gold Daily Chart: Consolidation

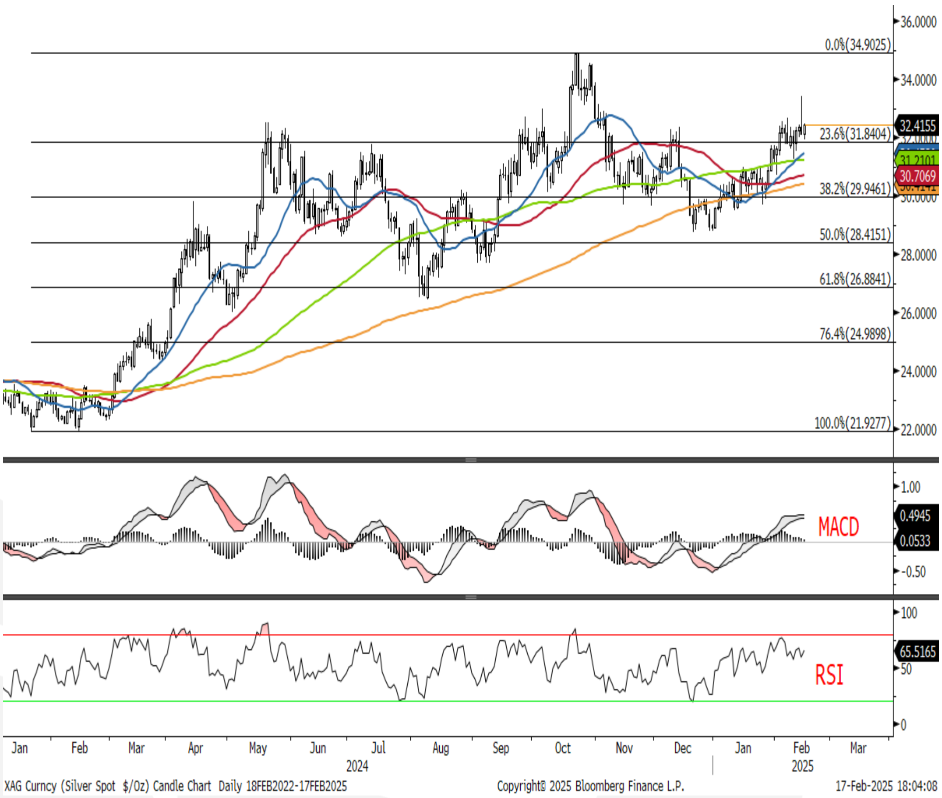
Gold traded higher last week. Last seen at 2902 levels.

Bullish momentum on daily chart intact but shows signs of fading while RSI fell. A slowdown in bullish momentum is not ruled out in the interim.

Support at 2858 (23.6% fibo retracement of May low to Oct high), 2821 levels (21 DMA) and 2805 (38.2% fibo).

Resistance at 2942 (previous high), 2960 levels.

Silver Daily Chart: Pullback Not Ruled Out



Silver rose as high as 33.39 last week but some of the overshoot was corrected. Last seen at 32.42 levels.

Bullish momentum on daily chart shows signs of fading while RSI eased. Pullback not ruled out in the interim.

Support at 31.20/60 levels (21, 100 DMAs), 30.7 (50 DMA) and 30 levels (38.2% fibo retracement of 2024 low to high).

Resistance at 32.60/80 levels, 33.40 (recent high).

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

Medium Term FX Forecasts

Currency Pair	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26
USD-JPY	152.00	150.00	149.00	148.00	147.00
EUR-USD	1.0400	1.0400	1.0450	1.0500	1.0520
GBP-USD	1.2400	1.2350	1.2400	1.2450	1.2450
AUD-USD	0.6350	0.6400	0.6450	0.6500	0.6550
NZD-USD	0.5750	0.5800	0.5850	0.5900	0.5950
USD-CAD	1.4300	1.4300	1.4400	1.4500	1.4350
USD-CHF	0.9000	0.8950	0.8920	0.8900	0.8900
USD-SEK	11.00	10.94	10.89	10.83	10.83
DXY	107.71	107.52	107.11	106.70	106.38
USD-SGD	1.3450	1.3500	1.3550	1.3600	1.3600
USD-CNY	7.2500	7.2800	7.3200	7.3500	7.3400
USD-CNH	7.2600	7.3000	7.3400	7.3600	7.3400
USD-THB	34.00	34.20	34.20	34.30	34.30
USD-IDR	16100	16150	16200	16200	16300
USD-MYR	4.4200	4.4400	4.4600	4.4800	4.5000
USD-KRW	1440	1445	1460	1465	1465
USD-TWD	32.60	32.80	32.90	33.20	33.20
USD-HKD	7.7600	7.7700	7.7800	7.7900	7.7900
USD-PHP	58.00	58.30	58.50	58.70	58.80
USD-INR	87.00	87.20	87.40	87.50	87.50
USD-VND	25400	25400	25500	25600	25600
EUR-JPY	158.08	156.00	155.71	155.40	154.64
EUR-GBP	0.8387	0.8421	0.8427	0.8434	0.8450
EUR-CHF	0.9360	0.9308	0.9321	0.9345	0.9363
EUR-SGD	1.3988	1.4040	1.4160	1.4280	1.4307
GBP-SGD	1.6678	1.6673	1.6802	1.6932	1.6932
AUD-SGD	0.8541	0.8640	0.8740	0.8840	0.8908
NZD-SGD	0.7734	0.7830	0.7927	0.8024	0.8092
CHF-SGD	1.4944	1.5084	1.5191	1.5281	1.5281
JPY-SGD	0.8849	0.9000	0.9094	0.9189	0.9252
SGD-MYR	3.2862	3.2889	3.2915	3.2941	3.3088
SGD-CNY	5.3903	5.3926	5.4022	5.4044	5.3971
SGD-IDR	11970	11963	11956	11912	11985
SGD-THB	25.28	25.33	25.24	25.22	25.22
SGD-PHP	43.12	43.19	43.17	43.16	43.24
SGD-VND	18885	18815	18819	18824	18824
SGD-CNH	5.3978	5.4074	5.4170	5.4118	5.3971
SGD-TWD	24.24	24.30	24.28	24.41	24.41
SGD-KRW	1070.63	1070.37	1077.49	1077.21	1077.21
SGD-HKD	5.7695	5.7556	5.7417	5.7279	5.7279
SGD-JPY	113.01	111.11	109.96	108.82	108.09
Gold $/oz	2850	2870	2880	2900	2920
Silver $/oz	32.39	32.80	32.73	32.95	33.18

Source: OCBC Research *(Latest Forecast Updated: 18 February 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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