FX Weekly

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Revising Our FX Forecasts

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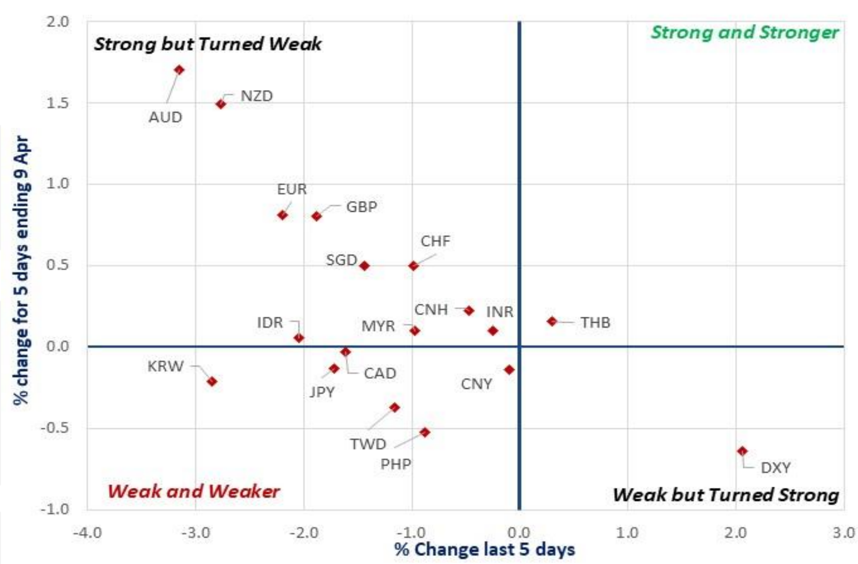
Rise in Yields, Oil, Volatility in RMB, JPY to Weigh on AXJs. US CPI report last week has somewhat revived the narrative of high for longer for US rates. Disinflation trend has slowed in 1Q while labour market remains robust in US. Recall NFP printed a blockbuster +303k in Mar (vs. rolling 6-month average of +244k). Market implication is a push back on Fed's timeline on first cut to Sep and a reduction on the quantum of cuts to just 2 for 2024. Our house view has also revised down the quantum of Fed cuts to 3 cuts. Elsewhere geopolitical tensions remain a risk to monitor. Situation in the Middle East worsened even though Iran's attack on Israel over the weekend was not successful. Another attack is not ruled out while Israels' response is also closely scrutinised. Meanwhile, prices of LME metals such as aluminium, nickel, copper jumped after US, UK imposed sanctions on Russian base metals. Persistent rise in commodity prices including oil may have repercussions on near term price pressures. This morning, weaker RMB fix and continued weakness in JPY are the latest drivers to add to volatility.

Revising FX Forecasts. Barring any retracement risks, Asian FX may continue to stay under pressure given the unfortunate mix of high for longer, geopolitical risks, renewed volatility in RMB, JPY and the bumpy China recovery. In particular, the Asian FX that are highly sensitive to these energy, yield and China factors are KRW, TWD, THB and JPY. In the DM space, EUR is probably more vulnerable than the rest, given that ECB could soon ease policy. We revised most non-USD FX forecast lower, given the recent change in market developments that led to revision to our house's forecast on rates and oil.

Policy Divergence Returns In Favour of USD. US CPI divergence with the rest of the world, including Europe, Switzerland, Canada, China has also resulted in a deepening of Fed policy divergence with other central banks including ECB, SNB, BOC and PBoC. To some extent, USD has policy divergence in its favour.

DXY Resurgence; KRW Led Declines in AXJs



Bloomberg FX Forecast Ranking (1Q 2024)

By Region:
No. 7 for 13 Major FX

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

(4Q 2023)

By Region:
No. 7 for 13 Major FX

By Currency:
No. 1 for TWD, PHP

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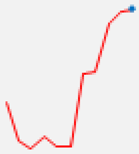
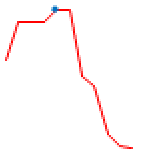
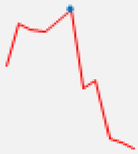
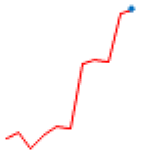
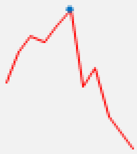
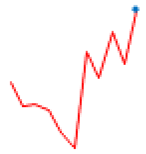
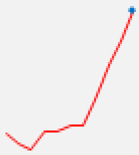
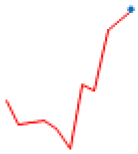
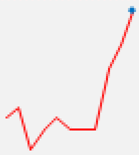
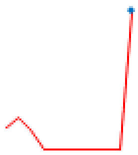
FX	Key Data and Events for the Week	14D Trend	Support/Resistance
Dollar	**Mon**: Empire manufacturing (Apr); Retail sales (Mar); **Tue:** IP, housing starts, building permits (Mar); Fed's Powell speaks; **Wed:** - Nil – **Thu:** Existing home sales (Mar); Philly Fed business outlook (Apr) **Fri:** - Nil –		**S: 105.00; R: 107.40**
EURUSD	**Mon:** Industrial production (Feb); **Tue:** ZEW survey (Apr); Trade (Feb); ECB's Lagarde speaks; **Wed:** CPI (Mar); **Thu:** Current account, construction output (Feb) **Fri:** - Nil –		**S: 1.0520; R: 1.0800**
GBPUSD	**Mon:** - Nil – **Tue:** Labor market report (Feb); BoE's Bailey speaks; **Wed:** CPI, PPI, RPI (Mar); BoE's Bailey speaks **Thu:** - Nil – **Fri:** Retail sales (Mar)		**S: 1.2380; R: 1.2680**
USDJPY	**Mon:** Core machine orders (Feb); **Tue:** - Nil – **Wed:** Trade (Mar); **Thu:** Machine tool orders (Mar); **Fri:** CPI (Mar)		**S: 152.00; R: 155.00**
AUDUSD	**Mon:** - Nil – **Tue:** Westpac leading index (Mar); **Wed:** NAB business confidence (1Q); Labor market (Mar) **Thu:** - Nil – **Fri:** - Nil –		**S: 0.6380; R: 0.6570**
USDCNH	**Mon**: 1y MTLF; **Tue: GDP (1Q); IP, FAI, retail sales**, home prices (Mar) **Wed:** - Nil – **Thu:** - Nil – **Fri:** - Nil –		**S: 7.2200; R: 7.3100**
USDKRW	**Mon**: - Nil – **Tue:** Import, export prices (Mar); **Wed:** - Nil – **Thu:** - Nil – **Fri:** - Nil –		**S: 1,360; R: 1,400**
USDSGD	**Mon:** - Nil – **Tue:** - Nil – **Wed:** NODX (Mar) **Thu:** - Nil – **Fri:** - Nil –		**S: 1.3460; R: 1.3720**
USDMYR	**Mon:** - Nil – **Tue:** - Nil – **Wed:** - Nil – **Thu:** - Nil – **Fri:** Trade (Mar); GDP (1Q)		**S: 4 7400; R: 4.8000**
USDIDR	**Mon:** - Nil – **Tue:** Consumer confidence (Mar) **Wed:** - Nil – **Thu:** - Nil – **Fri:** External debt (Feb)		**S: 15800; R: 16,300**

Source: Bloomberg, OCBC Research

Key Themes and Trades

High for Longer but There Are Also Limitations. US CPI report last week has somewhat revived the narrative of high for longer for US rates. Disinflation trend has slowed in 1Q while labour market remains robust in US. Recall NFP printed a blockbuster +303k in Mar (vs. rolling 6-month average of +244k). Market implication is a push back on Fed's timeline on first cut to Sep and a reduction on the quantum of cuts to just 2 for 2024. Our house view has also revised down the quantum of Fed cuts to 3 cuts. Elsewhere geopolitical tensions remain a risk to monitor. Situation in the Middle East worsened even though Iran's attack on Israel over the weekend was not successful. Another attack is not ruled out while Israels' response is also closely scrutinised. So far, Israel has vowed to 'exact a price' after Iran's attack Meanwhile, prices of LME metals such as aluminium, nickel, copper jumped after US, UK imposed sanctions on Russian base metals. Persistent rise in commodity prices including oil may have repercussions on near term price pressures. Barring any retracement risks, Asian FX may continue to stay under pressure given the unfortunate mix of high for longer, geopolitical risks, renewed volatility in RMB, JPY and bumpy China recovery. In particular, the Asian FX that are highly sensitive to these energy, yield and China factors are KRW, TWD, JPY. In the DM space, EUR is probably more vulnerable than the rest, given that ECB could soon ease policy.

Headline CPI inflation picked up to 3.5%YoY, higher than consensus of 3.4%. Our rates strategist shared that the energy component contributed positively to headline YoY inflation, after being a drag for twelve months. Otherwise, core goods inflation continued to be a negative YoY contributor. Meanwhile, core services inflation re-accelerated to 5.40%YoY; indeed, since it dropped below the 5.50% market last October, core services inflation had ranged between 5.22-5.47%, reflecting its stickiness. Contribution from core services excluding rent of shelter – a key indicator that the Fed monitors - ticked up. The overall base effect becomes more favourable for a softer CPI print in the months of April, May and June; before the June FOMC meeting, April and May CPI (same day as the June decision) will be out, which may affect market pricings again. **US CPI divergence with the rest of the world**, including Europe, Switzerland, Canada, China has also resulted in a deepening of Fed policy divergence with other central banks including ECB, SNB, BOC and PBoC. To some extent, USD has policy divergence in its favour. That said high for longer narrative is not without limitations. If risk markets come under further pressure and results in spillover effect to sectors, growth, then we doubt the Fed can afford to keep rates elevated.

DXY was last at 105.90 levels. Bullish momentum on daily chart intact but RSI rose into overbought conditions. Retracement risks not ruled out. Support at 105.76 (76.4% fibo retracement of Oct high to Jan low), 105 levels. Resistance at 106.70, 107.40 (Oct high).

Upbeat data continued to contribute to the US exceptionalism narrative, alongside hawkish Fed rhetoric. At this point, USD still present a relative yield advantage and Fed has communicated that they are in no hurry to cut rates. USD may continue to stay supported until US data starts to show more signs of softening. For the year, we still expect USD to trend slightly lower towards year-end as the Fed is done tightening and should embark on rate cut cycle in due course. Our house view now looks for 75bps cut for 2024 and timing of first cut should happen in Jul. More entrenched disinflation trend and further easing of labour market tightness, activity data in US would be required for USD to trade on a backfoot. This should require patience. On net, USD remains an attractive carry play and is a safe-haven proxy. A scenario of global, China growth momentum sputtering, global risk-off or escalation in geopolitical tensions would still see USD finding intermittent support on dips.

Policy Divergence to Weigh on EUR. EUR fell last week. A combination of drivers, including dovish ECB (setting a decisive tone for a cut soon), heightened geopolitical tensions in the Middle East, weak data prints in Euro-area (weaker sentix investor confidence, industrial production, etc.) and USD rebound can be attributed to EUR's decline. Pair was last at 1.0640. Bearish momentum on MACD intact but RSI shows early signs of turning higher from near oversold conditions. Pace of decline may moderate in the near term. Support at 1.0610 (76.4% fibo), 1.0520 levels. Resistance at 1.0710 (61.8% fibo retracement of Oct low to Jan high), 1.0795 (50% fibo). But overall, EU-US CPI divergence will be another factor driving the ECB-Fed policy divide and this should weigh on EUR for the time being.

Our rates strategist shared post-ECB that Lagarde revealed a few members "felt sufficiently confident" at the meeting that inflation would return to target in a sustained manner, suggesting in a subtle way that these members might have supported a rate cut. The exact quote was "truth be told, a few members felt sufficiently confident on the basis of the limited data that we received in April and agreed to rally to the consensus of a very large majority of the governors, who were comfortable with the need to reinforce confidence when receiving a lot more data in June". EUR OIS price the chance of a 25bp rate cut at the June MPC meeting at 84%, and a total of 66bps of rate cuts this year, marginally more dovish than before the decision; pricing has not gone more dovish as a June rate cut had already been in the price while the ECB emphasized a "data-dependent and meeting-by-meeting" approach which means there may not be back-to-back rate cuts. Our base-case remains for a total of 75bps of rate cuts, to be delivered in some of the remaining five meetings of the year, with the first cut likely coming in June. Q1 employment report to be out in mid-May shall be the last bit of evidence for the central bank to gain enough confidence to start cutting rates, when the growth outlook is tilted to the downside.

Broadly for 2024, we maintain a neutral outlook for the EUR. ECB is likely to lower rate in Jun and we are of the view that ECB will lower rates by 75bps (largely in line with market expectations for 85bps cut). While there was economic slowdown in the Euro-area, there are early signs to suggest some degree of stabilisation. We should continue to monitor if there are more sustained signs of turnaround going forward as that may support EUR outlook. In addition, should China stabilisation story gather momentum in later part of the year, that can also boost Euro-area exports, growth outlook. A better growth story in Euro-area can push back against aggressive rate cut expectations and this is supportive of EUR mild upward trajectory.

Key downside risks to EUR's outlook are a materialisation of more ECB rate cuts and/or growth, inflation momentum in Euro-area continues to decelerate sharply. Meanwhile, elections in Euro-area are plenty with Belgium and European parliamentary election in Jun, Austria in Sep, and Lithuania in Oct. Dutch election (Far-Right Geert Wilders, known for anti-Islamic Euroskeptic views won most seats) and Portugal election outcome (Far Right Chega party won) is a reminder that far-right popularity may further gather traction in Europe and this may bring back fears of Euro break-up, referendum risks again. Election risk is worth keeping a close watch as the past decade has shown that rise in far-right sentiments can undermine EUR.

Catch the Falling Knife? GBP fell sharply amid USD resurgence and worsening of geopolitical drivers. Apart from exogenous factors, domestic data is encouraging. Monthly GDP, industrial production and wages surprised to the upside. But at this point, GBP is driven more by external drivers. Pair was last at 1.2435. Bearish momentum on daily chart intact while RSI fallen to near oversold. We do not rule out the risk of a technical rebound. Resistance at 1.2460 (38.2% fibo), 1.2580/90 (50% fibo retracement of Jul high to Oct low, 200 DMA). Support at 1.2380, 1.23 levels (23.6% fibo).

We still hold to a mild upward trajectory for GBP as BoE may still keep rates restrictive for a little longer as inflationary pressures remain (services inflation at over 6%) while Fed is still expected to cut rate earlier (our house view). Potential BoE-Fed policy divergence may be somewhat supportive of GBP. A combination of mild positives, including 1/ UK demand growth proving resilient owing to strong labour market; 2/ labour market remains tight alongside higher wages may keep GBP supported on dips. The 2 MPC voters who made the switch from voting for hike to hold were not as dovish as markets imagined them to be. For instance, Catherine Mann said markets are pricing in too many cuts and that BoE is unlikely to lead a global shift to cut rates, as wage dynamics and services dynamics in the UK are stronger and more persistent than in US or Euro area. Jonathan Haskel said that interest rate cuts should be "a long way off" and he favours a later start and a slower pace of monetary easing. Haskel voted to hold, partly because of better-than-expected inflation figures but stronger wage growth and stickier services inflation mean that the BoE is unlikely to pre-empt the Fed with an interest rate cut. In summary, both members do not seem to appear any dovish with their comments and have made reference to stickier than expected wage growth and services inflation. We are still of the view that BoE will not be one of the first central banks amongst the G3 to cut. Risk to our outlook: an earlier than expected BoE pivot; faster growth slowdown in UK, actual public finances turn out to be worse than expected and/or energy prices surge.

Beholden to Moves in USD, UST Yields. USDJPY extended its move higher, after breaking past the 152-psychological level. Jawboning from officials appeared to be an everyday affair with markets largely ignoring them for now as the move higher appears to be in line with recent market developments – higher UST yields while BoJ is still perceived to normalise slowly. This morning, Finance Minister said he is watching FX moves closely and refrained from commenting on if current FX moves is rapid. Typically, intervention alert is heightened if the pace is considered to be rapid but it appears that the pace of move may not be deemed to be rapid this episode as compared to previously.

Pair was last at 154.55. Bullish momentum on daily chart intact while RSI is in overbought conditions. Resistance at 155, 156.40 (138.2% fibo of Nov high to Jan low). Support at 152 (21 DMA), 150.55 (50 DMA).

Near term, USDJPY may remain elevated as Fed is in no hurry to cut and markets still perceive BoJ to be in no hurry to normalise monetary policy. But over a medium term, we expect USDJPY to trend gradually lower on expectations that the next move for Fed is a cut (house view calls for 75bps) and that the BoJ has room to further pursue policy normalisation amid higher services inflation and wage pressures in Japan. Multiple reports to suggest that this shunto wage negotiations should see wage growth higher than previous years. Local press has reported that JAL, Ajinomoto will offer 6% average pay increase while Nippon Steel will offer an average of 14.2% increase. Major car manufacturers including Toyota, Honda and Mazda has also matched demands from labour unions. Labour unions in Japan are targeting above 6% wage increase this year, much higher than the average of 4% in 2023.

Buy Dips. AUD fell sharply the last few sessions. High for longer (US rates) narrative and RMB volatility were the main drivers. Pair was last seen at 0.6420. Daily momentum turned bearish while RSI fell. Risks skewed to the downside for now. Support at 0.6410 (76.4% fibo), 0.6370 levels (upward sloping trend line from the lows in 2020 and 2023). If these levels go, then AUD may risk a sharper decline to 0.6270 (2023 low). Technically, a potential falling wedge may also have emerged – typically associated with a bullish reversal. Resistance at 0.65 (61.8% fibo retracement of Oct low to Dec high), 0.6540 (21, 50 DMAs).

We remain broadly constructive on AUD outlook on the back of: 1) RBA likely to be on 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 trend slightly lower towards year-end as the Fed is done tightening and should embark on rate cut cycle in Jul) 3) higher commodity prices; 4) potential case for China stabilisation story on hopes of stimulus measures. Key downside risk factors that may affect AUD outlook are 1) extent of CNH swings; 2) if Fed keeps restrictive environment for longer than expected; 3) global growth outlook – if DM's slowdown deteriorates; 4) any market risk-off event (i.e., escalation in Israel-Hamas conflict, Red Sea developments).

CHF May Regain Safe Haven Status if Geopolitical Tensions Persist. Since the shift in SNB rhetoric earlier this year, CHF has weakened over 9% YTD vs USD. Flare up in geopolitical tensions in the Middle East and the possible repercussions it may have on energy and commodity prices can impact inflation, especially if this persists for longer. And we know that the SNB was earlier concerned about importing inflation. If global inflation re-accelerates, then we do not rule out a temporary pause in CHF weakness as SNB may go on a cautious stance and revert to preferring a stronger FX to curb imported inflation. CHF may also stand out as a safe haven proxy, if geopolitical tensions persist.

Pair was last at 0.9130 levels. Mild bullish momentum on daily chart is waning while RSI eased. Potentially, bearish divergence may emerge on MACD, RSI. Near term corrective pullback not ruled out especially with CHF shorts at record levels. Support at 0.9030 (21 DMA), 0.89 (50 DMA). Resistance at 0.9150, 0.9240 levels.

Barring short term moves, we still favour a long bias in the medium term. Disinflation trend should remain entrenched, growth is slowing in Switzerland and domestic companies are feeling the pain. The benefits of holding a strong FX policy to curb imported inflation has diminished and there is room for SNB's monetary policy to ease. Fed-SNB policy divergence amid US-Swiss CPI divergence should also underpin USDCHF upside. Markets are now pricing in more than 80% chance of another cut at its next MPC in Jun. This probability could potentially rise further if we continue to see further downticks in Swiss inflation print below 1%.

Measured Pace of Depreciation. USDCNH traded higher today after USDCNY fix was set higher at 7.1028. This is the first time since 22 Mar when the fix was set above the psychological 7.10. There is a risk markets may interpret this as China allowing for depreciation. But we believe China is riding on external market development to allow for a measured pace of depreciation since the USD is higher against most FX. The higher USDCNY fix now sets the upper bound of spot onshore at 7.2449 and we expect policymakers to stick to the same play book of using daily fix to manage RMB expectations.

USDCNH was last at 7.27. Momentum is flat while RSI rose. Resistance at 7.2835 (76.4% fibo retracement of Nov high to Jan low), 7.31. Support at 7.2460/7.25 (21 DMA(, 61.8% fibo), 7.2260 (50, 200 DMAs).

Entering Overbought. In its April monetary policy statement, the MAS kept its policy unchanged. The decision was widely expected. The central bank reiterated that core inflation is expected to stay elevated between the second and third quarters of this year but remains on moderating path before easing in the fourth quarter and falling further into 2025. The MAS also reiterated that both upside and downside risks remain for inflation. Shocks to global food and energy prices, or stronger-than-expected domestic labour demand could induce additional inflationary pressure, whereas an unexpected weakening of the global economy could result in a faster easing of cost and price pressures. Looking ahead, the window to ease monetary policy is open for the second half of this year, but it will be data-dependent. If core inflation shows signs of subsiding earlier or more materially than anticipated, then policy could be eased in July or October, although this is not our base scenario at this juncture. Our base case is still for MAS to remain on extended hold, unless there outside-expectation changes to inflation-growth dynamics.

YTD, SGD weakened about 3% vs USD. Markets' push back on Fed's timeline with regards to first cut and reduction in quantum of cuts for 2024, following hawkish rhetoric and stronger US data has resulted in broad USD strength. We estimate the S$NEER at ~1.41% above our model-implied mid and may continue to trade in the upper half of its band as MAS's policy stance (appreciation stance) should persist due to stickiness of core CPI. S$NEER strength may fade at some point this year should core inflation in Singapore start to ease. At that point, the S$ strength we've seen for large part of 2023 can potentially taper off against some of its major trade partners. 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.

USDSGD drifted higher this week. Last at 1.3640 levels. Daily momentum is mild bullish, while RSI is near overbought conditions. Risks to the upside for now. Immediate resistance here at 1.3650/60. Break out of these levels would put 1.3720/60 in focus. Support at 1.3620 (76.4% fibo), 1.3530 (61.8% fibo retracement of Oct high to Dec low), 1.3460/70 levels (200 DMA, 50% fibo).

Looking out into our forecast horizon, we still expect a mild downward trajectory for USDSGD, premised on our view for a moderate-to-soft USD outlook, on expectations that Fed is likely to embark on rate cut cycle in 2Q 2024 and on expectations that China economy may find some stabilisation.

We exited the short EURSGD trade as ECB-MAS policy divergence has probably played out. We may re-enter at better levels when market conditions warrant so.

Trade Ideas

Entry Date	Trade	Entry	Close	Profit/ Loss (%)	Remarks	Exit Date
08-Nov-23	Long 3m put spread USDTWD 31.5 vs 31. Pay 0.35%			Rec +1% on unwind. Net gain +0.65%	Position for potential change in political climate towards one that may bode well for cross-straits relations, exports recovery momentum and lower yields, softer USD. [Trade TP]	12 Jan 2024 (before elections)
29-Jan-24	Short EURSGD	1.4535	1.447	0.45	Risk of an earlier ECB cut, alongside still contractionary PMI readings in Europe suggest that EUR may be biased to the downside for now. MAS policy is likely to be on an extended pause into Apr MPC, given sticky core CPI outlook. ECB-MAS policy divergence to favor downside play tactically. Entered short at 1.4535. TP at 1.4130. SL at 1.4720. [Trade TP]	16-Apr-24
29-Jan-24	Short USDJPY	148.1	152	-2.63	BOJ paving way for a move, sooner rather than later. Potentially, an earlier move in Mar/ Apr should not be ruled out. Retain bias to sell USDJPY on rallies on potential Fed-BoJ policy divergence. Entered short at 148.10. TP 141. SL at 152. [SL]	10-Apr-24
13-Feb-24	Long AUDUSD	0.6480			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 [LIVE]	
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

Note: Close level is average of 1st, 2nd and 3rd objectives for take profit scenario; TP refers to take profit; SL refers to stop-loss

Selected SGD Crosses

SGDMYR Daily Chart: Sideways

SGDMYR slipped. Cross was last at 3.5135 levels.

Daily momentum is mild bullish while RSI fell. Sideways trade likely for now as we monitor if the bullish trend channel is at risk of being breached.

Resistance at 3.5290 (23.6% fibo, 50 DMA), 3.5450 levels.

Immediate support at 3.50 (38.2% fibo retracement of Jul low to Feb high, lower bound of bullish trend channel), 3.48 (200 DMA).

SGDJPY Daily Chart: Double-Top?

SGDJPY rose to another all-time high of 113.36 this week. Cross was last at 113.17 levels.

Daily momentum is mild bullish bias while RSI has eased. Sideways trade likely in the interim. But we watch out for potential bearish divergence that may emerge. On price patterns, a potential double top may also be forming, though it is too soon to tell at this point.

Resistance at 113.36 (recent high).

Support at 112.50 (21 DMA), 111.65/80 levels (23.6% fibo retracement of Dec to Mar, 50 DMA) and 110.56 (38.2% fibo).

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

SGDCNH Daily Chart: Bearish Crossover

SGDCNH fell; last at 5.3260 levels.

Daily momentum turned bearish bias while RSI fell. Compression of moving averages observed, and this typically precedes a breakout. Bearish crossover observed as 21 DMA cuts 50, 100 and 200 DMAs to the downside.

Support at 5.3120 (38.2% fibo retracement of 2023 low to high), 5.30 levels.

Resistance at 5.3680 (23.6% fibo), 5.3720 (21, 50, 100 and 200 DMAs).

EURSGD Daily Chart: Slight Bearish

EURSGD fell amid EUR underperformance. Cross was last at 1.4480 levels.

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

Support at 1.4420 levels (61.8% fibo), 1.4350 levels.

Resistance at 1.4510 (50% fibo retracement 2023 low to high), 1.4550 (50 DMA), 1.46 (38.2% fibo).

GBPSGD Daily Chart: Breaking Down

GBPSGD fell out of its bullish trend channel that has held well since Nov-2023. Cross was last 1.6960 levels.

Daily momentum turned mild bearish bias while RSI fell. Bearish crossover observed as 21DMA cuts 50 DMA to the downside. Risks skewed to the downside in the interim.

Support here at 1.6960 levels (50% fibo retracement of Jul high to Oct low), 1.6920, 1.6870 (38.2% fibo).

Resistance at 1.7020 (21, 50 DMAs), 1.7060 (61.8% fibo).

AUDSGD Daily Chart: Downside Pressure

AUDSGD turned lower amid AUD underperformance. Cross was last at 0.8760 levels.

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

Support at 0.8750 (23.6% fibo), 0.87 levels.

Resistance at 0.8840/45 levels (38.2% fibo retracement of Jun high to Oct low, 100 DMA), 0.8920 (50% fibo).

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

Gold Daily Chart: Cautious of Pullback Risk

Gold printed another fresh high of 2431.52 (12 Apr) but has since eased lower. Last seen at 2366 levels.

Bullish momentum on daily chart shows signs of fading while RSI fell. We remain cautious of the emergence of bearish divergence of MACD and RSI. We are still calling for retracement risk.

Support at 2360 (161.8% fibo), 2305 (150% fibo extension of 2020 high to 2022 low), 2265 levels (21 DMA).

Resistance at 2292, 2440 levels.

Silver Daily Chart: Corrective Pullback Not Ruled Out

Silver rose sharply. Last seen at 28.27 levels.

Mild bullish momentum on daily chart intact but shows early signs of waning while RSI shows signs of turning lower from overbought conditions. Corrective pullback not ruled out.

Support at 27.15 (76.4% fibo), 26.2.

Resistance at 29.80 (previous high) before 30.1 (2021 high).

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

Medium Term FX Forecasts

Currency Pair	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25
USD-JPY	152.00	150.00	149.00	148.00	145.00
EUR-USD	1.0650	1.0750	1.0850	1.0900	1.1000
GBP-USD	1.2560	1.2610	1.2700	1.2800	1.2850
AUD-USD	0.6600	0.6700	0.6800	0.6850	0.6900
NZD-USD	0.6000	0.6100	0.6200	0.6250	0.6250
USD-CAD	1.3700	1.3600	1.3500	1.3400	1.3300
USD-CHF	0.9200	0.9200	0.9100	0.9000	0.9000
USD-SEK	10.49	10.28	10.18	10.00	9.80
DXY	105.54	104.58	103.69	103.03	102.00
USD-SGD	1.3550	1.3520	1.3500	1.3450	1.3410
USD-CNY	7.2400	7.2200	7.2000	7.1700	7.1400
USD-CNH	7.2800	7.2600	7.2400	7.2100	7.1600
USD-THB	36.70	36.50	36.10	36.10	36.00
USD-IDR	16000	15900	15800	15700	15650
USD-MYR	4.7400	4.6900	4.6600	4.6400	4.6200
USD-KRW	1365	1355	1335	1330	1325
USD-TWD	32.20	32.10	31.85	31.75	31.60
USD-HKD	7.8200	7.8100	7.8000	7.7900	7.7800
USD-PHP	56.50	56.10	55.90	55.50	55.10
USD-INR	83.40	83.10	82.80	82.60	82.50
USD-VND	25000	24800	24700	24500	24450
EUR-JPY	161.88	161.25	161.67	161.32	159.50
EUR-GBP	0.8479	0.8525	0.8543	0.8516	0.8560
EUR-CHF	0.9798	0.9890	0.9874	0.9810	0.9900
EUR-SGD	1.4431	1.4534	1.4648	1.4661	1.4751
GBP-SGD	1.7019	1.7049	1.7145	1.7216	1.7232
AUD-SGD	0.8943	0.9058	0.9180	0.9213	0.9253
NZD-SGD	0.8130	0.8247	0.8370	0.8406	0.8381
CHF-SGD	1.4728	1.4696	1.4835	1.4944	1.4900
JPY-SGD	0.8914	0.9013	0.9060	0.9088	0.9248
SGD-MYR	3.4982	3.4689	3.4519	3.4498	3.4452
SGD-CNY	5.3432	5.3402	5.3333	5.3309	5.3244
SGD-IDR	11808	11760	11704	11673	11670
SGD-THB	27.08	27.00	26.74	26.84	26.85
SGD-PHP	41.70	41.49	41.41	41.26	41.09
SGD-VND	18450	18343	18296	18216	18233
SGD-CNH	5.3727	5.3698	5.3630	5.3606	5.3393
SGD-TWD	23.76	23.74	23.59	23.61	23.56
SGD-KRW	1007	1002	989	989	988
SGD-HKD	5.7712	5.7766	5.7778	5.7918	5.8016
SGD-JPY	112.18	110.95	110.37	110.04	108.13
Gold $/oz	2300	2365	2395	2425	2450
Silver $/oz	27.71	28.49	28.86	29.22	29.52

Source: OCBC Research (Latest Forecast Update: 16th April 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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