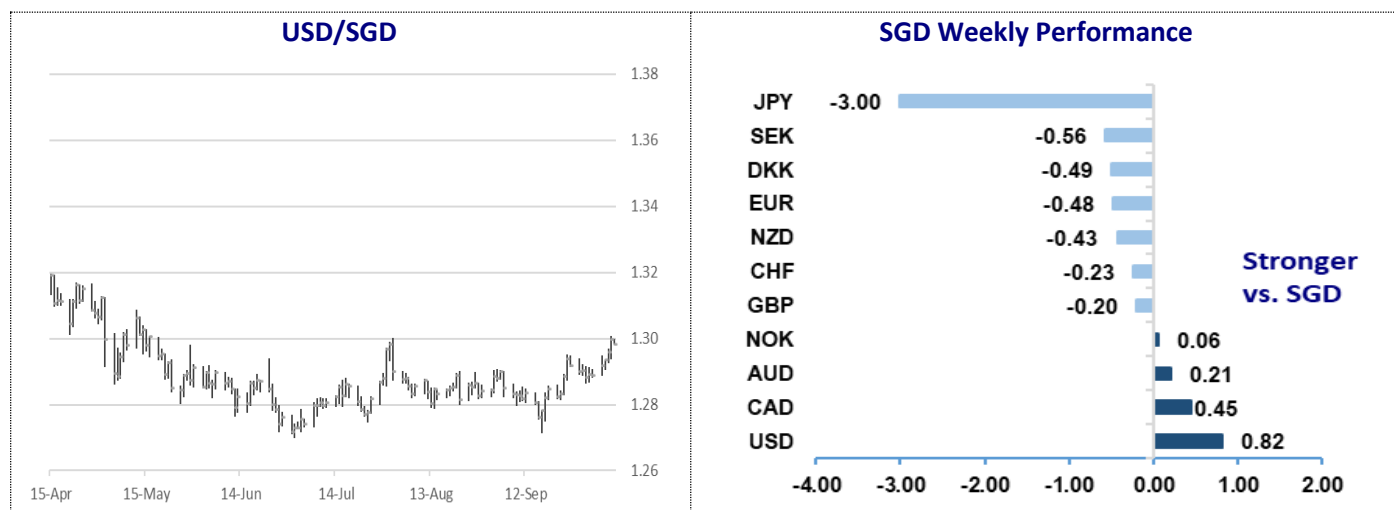


10 Oct 2025

Global Markets Research

Currency Outlook for the Week Ahead



Source: Bloomberg

1-Week Outlook – USD/ SGD Neutral-to-Slightly Bearish

SGD lost ground against the greenback in trading this week, receding by 0.8% to 1.2997 (prior: +0.4% w/w) from 1.2891 the week before, amidst retail sales for August coming in north of expectations. Against the other G10 pairs, the SGD was mixed with gains led versus the JPY (+3.0%) and losing the most ground against the CAD (-0.5%), but versus major regional currencies, the SGD was weaker across the board, depreciating the most versus the IDR (-1.1%) and KRW (-0.8%). We are **Neutral-to-Slightly Bearish** on the USD/SGD for the week ahead, looking at a likely trading range of 1.2850 – 1.3125 for the pair. The coming week brings the release of Singapore advanced GDP for 3Q, as well as the release of the October monetary policy statement from the Monetary Authority of Singapore, where they are expected to stand pat on policy again and adopt a wait and see approach.

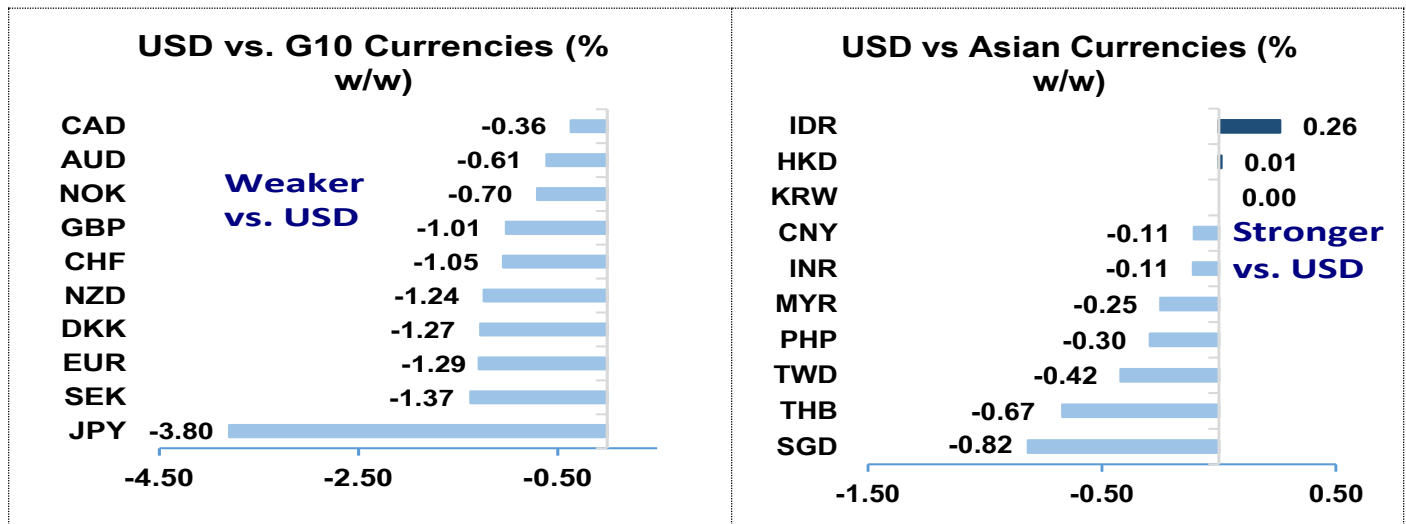
1-Month Outlook – USD/ SGD Neutral

The USD/SGD outlook is neutral in our view. The USD has been on the back foot, with the labour market seemingly not as healthy as previously thought, with marked downward revisions seen in both the recent payroll releases and the preliminary annual benchmark revisions by the BLS. Although there are continued fears over tariff-related inflation, the recent numbers have been within expectations with no surprises in the core PCE for July and the core CPI for August. The Fed resumed reducing its policy rate after a 9-month hiatus, cutting the Funds Rate by 25bps in an 11-1 majority vote on Sep 17, with Fed Chair Powell indicating that future decisions will be taken on a meeting-to-meeting basis, with both the updated dot plot and the futures markets pointing to 2 further 25bps reductions for the year. On the domestic front, MAS held steady on policy at its quarterly July meeting after two consecutive quarters of easing policy. Economic data has been mixed, with exports for August again coming in south of expectations, while retail sales for July surprised on the upside. Inflation has been cooler than anticipated, with both headline and core inflation unexpectedly dipping in August. We expect MAS to keep policy unchanged for the rest of the year.

	S2	S1	Prev. Close	R1	R2
USD/SGD	1.2840	1.2925	1.2997	1.3065	1.3130

Weekly Look Ahead

USD: The USD advanced in trading this week, with the DXY rising by 1.7% to 99.54 (prior: -0.7% w/w) from 97.85 the prior week, amidst the federal government shutdown extending into a second week with the Senate still unable to pass a spending bill. The key September monthly employment result was curtailed as a result, and the little data that we got showed the ISM Services gauge for September deteriorating by more than expected. We are **Neutral** on the USD for the week ahead, foreseeing a possible trading range of 98 – 101 for the DXY. The coming week sees the release of the preliminary consumer sentiment index from the University of Michigan and the latest Beige Book from the Fed, but the scheduled releases of CPI, PPI and the retail sales report for September are likely to be delayed.



Source: Bloomberg, HL Bank

EUR: EUR declined against the greenback in trading this week, falling by 1.3% to 1.1564 (prior: +0.4% w/w) from 1.1715 the week before, amidst the French government collapsing amidst a continued political impasse, with the outgoing prime minister Sebastian Lecornu being the third French prime minister to be pushed out of office since December. We are **Neutral** on the EUR/USD for the week ahead, eyeing a probable trading range of 1.1425 – 1.1700. The coming week sees the release of the Eurozone trade balance and industrial production figures for August, as well as the latest monthly ZEW investor survey. There is also quite a bit of ECB-speak during the week, including from ECB President Lagarde.

GBP: GBP fell in trading against the USD this week, depreciating by 1.0% w/w to 1.3304 (prior: +0.7% w/w) from 1.3440 the prior week, amidst the final UK composite PMI for September being revised lower and the RICS house price balance for the month registering a larger than expected improvement versus the month before. We are **Neutral** on the Cable for the coming week, looking at a likely trading range of 1.3150 – 1.3450. The week ahead brings the latest monthly employment report for the UK, as well as the monthly GDP, manufacturing production and trade balance for August.

JPY: JPY declined markedly in trading against the USD this week, plunging by 3.8% to 153.07 (prior: +1.7% w/w) from 147.26 the week before, making it the worst performer in the G10 space for the week amidst Sanae Takaichi winning the Liberal Democrat party leadership contest, putting her in pole position to become Japan's next prime minister. The smaller than expected growth in labour earnings in August and the larger than anticipated rise in the jobless rate for the month also added to the offered tone for the currency. We are **Neutral-to-Slightly Bearish** on USD/ JPY for the week ahead with the pair now in overbought territory, foreseeing a possible trading range of 150 – 155. After Japanese producer prices for September came out north of expectations this morning, the coming week sees the release of core machine orders and industrial production for August.

AUD: AUD depreciated against the USD in trading this week, falling by 0.6% to 0.6556 (prior: +0.9% w/w) from 0.6596 the prior week, amidst the Melbourne Institute's measure of inflation accelerating in September while consumer inflation expectations in October also rose from the month before, casting some doubt on the ability of the RBA to reduce rates further. We are **Neutral-to-Slightly Bearish** on AUD/USD for the coming week, eyeing a probable trading range of 0.6425 – 0.6675. The week ahead will see the release of the minutes of the RBA September policy meeting, as well as the release of the monthly employment report for September.

MYR: MYR lost a little ground against the USD this week, declining by 0.3% to 4.2170 (prior: +0.1% w/w) from 4.2065 the week before, amidst a strong backdrop for the greenback and an uneventful week domestically ahead of some key events and economic numbers in the coming week. Against the rest of the G10 currencies, the MYR had a stellar week and was stronger across the board, while versus major regional currencies it was a mixed bag, firming against the THB (+0.4%) and SGD (+0.4%) but losing ground the most against the IDR (-0.5%) and KRW (-0.3%). For the coming week, we are **Neutral** on the USD/MYR, looking at a likely trading range of 4.1900 – 4.2450. The focus for the week ahead will be the 2026 Budget tabling later today, followed by next Friday's advanced 3Q GDP and exports data releases.

House View and Forecasts

FX	4Q-25	1Q-26	2Q-26	3Q-26
DXY	96.45	95.57	94.24	92.99
USD/CAD	1.37	1.36	1.35	1.33
EUR/USD	1.19	1.20	1.22	1.24
GBP/USD	1.36	1.37	1.38	1.39
AUD/USD	0.67	0.67	0.68	0.68
NZD/USD	0.59	0.60	0.60	0.60
USD/JPY	146	145	142	140
USD/MYR	4.20	4.15	4.10	4.10
USD/SGD	1.28	1.26	1.24	1.23
USD/CNY	7.08	7.06	6.99	6.94

Policy Rate (%)	3Q-25	4Q-25	1Q-26	2Q-26
Fed	4.00-4.25	3.50-3.75	3.25-3.50	3.00-3.25
BOC	2.50	2.25	2.25	2.25
ECB	2.00	2.00	2.00	2.00
BOE	4.00	3.75	3.50	3.50
RBA	3.60	3.35	3.10	3.10
RBNZ	3.00	2.75	2.75	2.75
BOJ	0.50	0.50	0.75	0.75
BNM	2.75	2.75	2.75	2.75
MAS	Hold	Hold	Hold	Hold
PBOC	Ease	Ease	Hold	Hold

2025 Central Bank Meetings/Announcements

Central Bank	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Federal Reserve (FOMC)	29		19		7	18	30		17	29		10
Bank of Canada (BOC)	29		12	16		4	30		17	29		10
European Central Bank (ECB)	30		6	17		5	24		11	30		18
Bank of England (BOE)		6	20		8	19		7	18		6	18
Reserve Bank of Australia (RBA)		18		1	20		8	12	30		4	9
Reserve Bank of New Zealand (RBNZ)		19		9	28		9	20		8	26	
Bank of Japan (BOJ)	24		19		1	17	31		19	30		19
Bank Negara Malaysia (BNM)	22		6		8		9		4		6	
Monetary Authority of Singapore (MAS)	Jan			Apr			Jul			Oct		

Source: Bloomberg, HL Bank

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