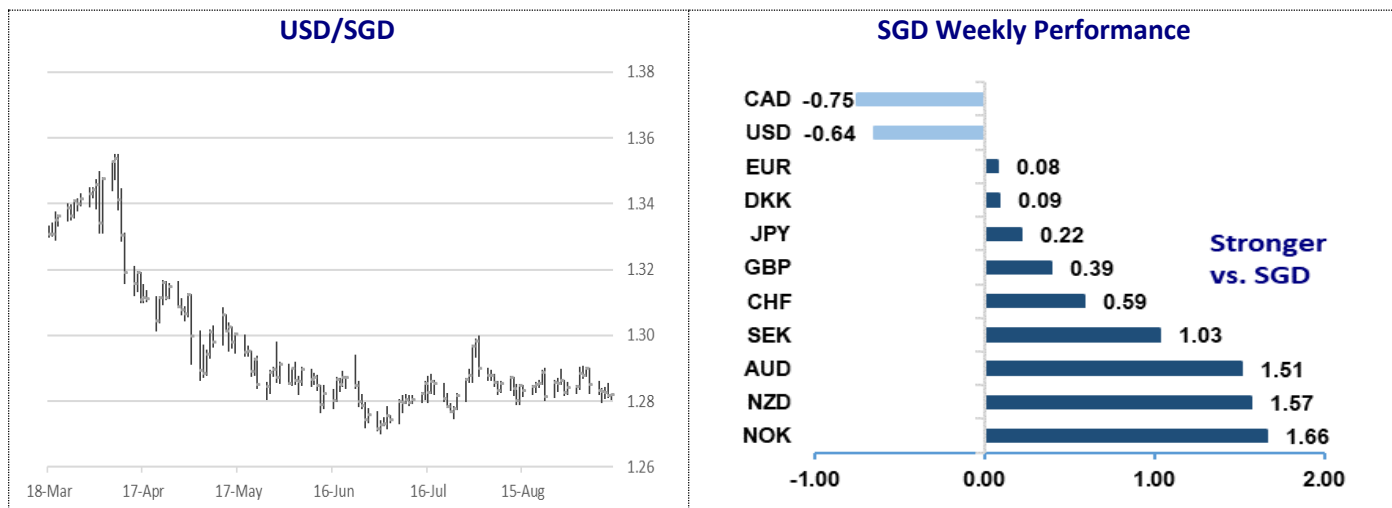


12 Sep 2025

Global Markets Research

Currency Outlook for the Week Ahead



Source: Bloomberg

1-Week Outlook – USD/ SGD Neutral

SGD advanced against the USD in trading this week, moving higher by 0.7% to close Thursday at 1.2815 (prior: -0.6% w/w) from 1.2898 the prior week, amidst a better than anticipated retail sales report for July, which saw sales rise at the quickest annual pace since January. Against the other G10 pairs, the SGD was weaker across the board except against the CAD (+0.8%), but versus major regional currencies, it was a mixed bag with the SGD gaining the most versus the INR (+1.0%) and IDR (+0.9%), but losing ground against the THB (-0.9%) and TWD (-0.6%). We are **Neutral** on the USD/SGD for the week ahead, eyeing a probable trading range of 1.2675 – 1.2950 for the pair. The coming week features the release of the non-oil domestic exports and electronic exports figures for August, which may provide more clues on how growth in 3Q is holding up.

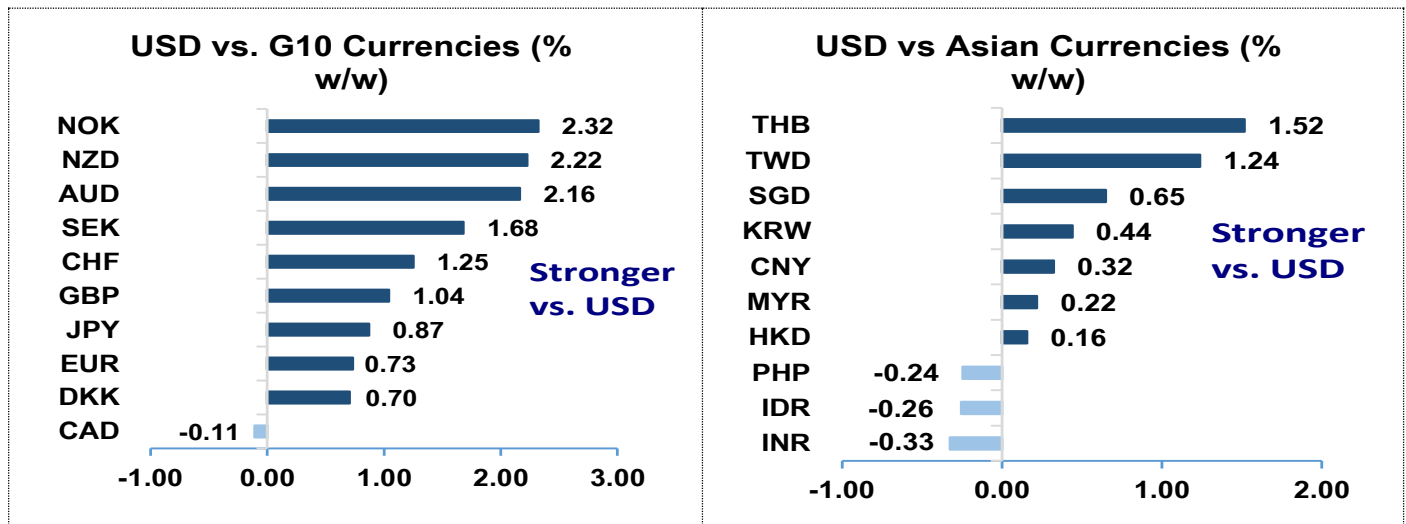
1-Month Outlook – USD/ SGD Neutral

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 held its ground again at the July FOMC meet in a 9-2 majority vote, but Fed Chair Powell flagged the likelihood of a resumption in interest rate reductions during his speech at the annual Jackson Hole symposium. Expectations are for the Fed to resume reducing its policy rate in due course given the deteriorating labour market, with nearly three 25bps reductions priced into the futures market for 2025. 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 in July coming in south of expectations, while retail sales for the month surprised on the upside. Inflation has been cooler than anticipated, with both headline and core inflation unexpectedly dipping in July. We expect MAS to keep policy unchanged for the rest of the year.

	S2	S1	Prev. Close	R1	R2
USD/SGD	1.2638	1.2735	1.2815	1.2895	1.2980

Weekly Look Ahead

USD: The USD declined in trading this week, with the DXY losing ground by 0.8% to 97.53 (prior: +0.6% w/w) from 98.35 the week before, amidst a softer than anticipated employment report for August, CPI coming in largely in line with expectations and PPI unexpectedly registering a monthly contraction. We are **Neutral** on the USD for the coming week, looking at a likely trading range of 96 – 99 for the DXY. The week ahead sees the much anticipated FOMC rate decision, where expectations are for the Fed to resume its rate reductions after keeping policy on hold for the last 5 FOMC meetings thus far this year, and also will see the release of retail sales, industrial production, housing starts and building permits for August, as well as the preliminary consumer sentiment index for September from the University of Michigan.



Source: Bloomberg, HL Bank

EUR: EUR appreciated against the greenback in trading this week, climbing by 0.7% to 1.1734 (prior: -0.3% w/w) from 1.1649 the prior week, amidst the ECB holding rates steady at their policy meet as expected and sounding out a rather neutral tone, and the collapse of the French government after prime minister Francois Bayrou lost a confidence vote, with defence minister Sebastien Lecornu taking over and becoming the fifth prime minister in two years. We are **Neutral** on the EUR/USD for the week ahead of us, foreseeing a possible trading range of 1.1600 – 1.1875 for the pair. The coming week witnesses the release of labour costs for 2Q, trade figures and industrial production for the month of July, the final CPI figures for August, as well as the latest monthly ZEW survey. There will also be a few ECB speakers during the week including ECB President Lagarde.

GBP: GBP advanced in trading this week against the USD, rising by 1.0% w/w to 1.3574 (prior: -0.6% w/w) from 1.3434 the week before, amidst a better than expected UK retail sales report for July which was tempered by revisions lower in the previous month, and an unexpected deterioration in the RICS house price balance for August. We are **Neutral-to-Slightly Bearish** on the Cable for the coming week, eyeing a probable trading range of 1.3425 – 1.3700. There is plenty on the agenda for the week ahead, with the Bank of England set to decide on policy, where they are expected to leave rates on hold this time round after a close 5-4 vote to reduce rates at their last policy meeting, and also sees the scheduled release of the latest monthly labour market report, the CPI and RPI figures for August, as well as the monthly GDP, trade balance, manufacturing production, and house price index for the month of July.

JPY: JPY was firmer in trading against the USD this week, rising by 0.9% to 147.21 (prior: -1.1% w/w) from 148.49 the prior week, amidst wage figures for July topping expectations and gaining by the most in seven months, and final 2Q growth numbers being revised higher on the back of a revision upwards in consumer spending for the quarter. We are **Neutral-to-Slightly Bearish** on USD/JPY for the week ahead, looking at a likely trading range of 144.75 – 149.25 for the currency pair. The coming week sees the release of core machine orders for July and the Japanese trade figures for August, before the Bank of Japan announces its latest policy decision next Friday.

AUD: AUD rose against the USD in trading this week, surging by 2.2% to 0.6659 (prior: -0.2% w/w) from 0.6518 the week before, amidst a rise in consumer inflation expectations for September. We are **Neutral-to-Slightly Bearish** on AUD/USD for the coming week with the pair veering into overbought territory, foreseeing a possible trading range of 0.6525 – 0.6775. The monthly Australian employment report for August will be the highlight of the week ahead, with the RBA's Hunter and Jones also scheduled to be delivering comments during the week.

MYR: MYR was stronger against the USD this week, inching up by 0.2% to 4.2200 (prior: -0.3% w/w) from 4.2292 the prior week, amidst better than expected industrial production figures for July in a good start for 3Q amidst continued front loading ahead of the expiry of the reprieve for the reciprocal tariffs levied by the US. Against the rest of the G10 currencies, the MYR was weaker except against the CAD (+0.3%), while versus major regional currencies, the MYR was a mixed bag, gaining the largest ground versus the INR (+1.0%) and retreating the most against the THB (-1.3%). For the coming week, we are **Neutral** on USD/MYR, eyeing a probable trading range of 4.1950 – 4.2450. The shortened week ahead sees no economic data releases until next Friday's trade data for August.

House View and Forecasts

FX	3Q-25	4Q-25	1Q-26	2Q-26
DXY	98.32	96.29	94.99	93.77
USD/CAD	1.38	1.37	1.35	1.34
EUR/USD	1.16	1.19	1.20	1.22
GBP/USD	1.36	1.38	1.39	1.40
AUD/USD	0.63	0.65	0.67	0.68
NZD/USD	0.59	0.60	0.61	0.61
USD/JPY	147	144	140	137
USD/MYR	4.28	4.25	4.22	4.18
USD/SGD	1.29	1.26	1.24	1.22
USD/CNY	7.20	7.16	7.12	7.10

Policy Rate (%)	3Q-25	4Q-25	1Q-26	2Q-26
Fed	4.00-4.25	3.75-4.00	3.50-3.75	3.25-3.50
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

General Disclaimer by the Bank

This report is for information purposes only and does not take into account the investment objectives, financial situation or particular needs of any particular recipient. The information contained in this report does not constitute the provision of investment advice and is not to be regarded as an offer to sell or a solicitation of an offer to buy with respect to the purchase or sale of any of the financial instruments mentioned in this report and/or to participate in any trading strategy. This report will not form the basis or a part of any contract or commitment whatsoever.

The information contained in this publication is derived from data obtained from sources believed by HL Bank to be reliable and in good faith, but no warranties or guarantees, representations are made by HL Bank with regard to the accuracy, completeness, correctness or suitability of the data. Any opinions expressed reflect the current judgment of the authors of the report and do not necessarily represent the opinion of HL Bank or any of the companies within the Hong Leong Bank Group ("HLB Group"). The opinions reflected in this report may change without notice and the opinions do not necessarily correspond to the opinions of HL Bank. HL Bank does not have an obligation to amend, modify or update this report or to otherwise notify a reader or recipient in the event that any matter stated in this report, or any opinion, projection, forecast, valuation or estimate in this report, changes or subsequently becomes inaccurate. The information contained in this report may be incomplete, condensed and it may not contain all material information concerning the company or currency referred to in this report.

HLB Group, their directors, employees and representatives do not have any responsibility or liability to any person or recipient (whether by reason of negligence, negligent misstatement or otherwise) arising from any statement, opinion or information, expressed or implied, arising out of, contained in or derived from or omission from the reports or matter nor will any liability be accepted for any loss whatsoever that may arise from any use and/or reliance on this report. HL Bank may, to the extent permitted by law, buy, sell or hold significantly long or short positions; act as investment and/or commercial bankers; be represented on the board of the issuers; and/or engage in 'market making' of securities or currencies mentioned in this report. The past performance of financial instruments is not indicative of future results. The value of and the income that is produced by the financial instruments mentioned in this report may fluctuate so that an investor may get back less than originally invested. Whilst every effort is made to ensure that statements of facts made in this report are accurate, all estimates, projections, forecasts, expressions of opinion and other subjective judgments contained in this report are based on assumptions considered to be reasonable as of the date of the document in which they are contained and must not be construed as a representation that the matters referred to therein will occur. Any projections or forecasts mentioned in this report may not be achieved due to multiple risk factors including without limitation market volatility, sector volatility, corporate actions, the unavailability of complete and accurate information. No assurance can be given that any opinion described in this report would yield favorable investment results. Recipients should seek the advice of their independent financial advisor before taking any investment decision based on any recommendations that may be contained in this report. Any recommendation that may be contained in this report does not consider the specific investment objectives, financial situation, suitability and the particular needs of a particular customer. This report is for the information of the addressee only and is not to be taken in substitution for the exercise of judgment by the addressee who should obtain separate independent legal or financial advice.

Past performance does not always indicate future performance or future results. The value of any investment or income from any investment may go up as well as down. All investments involve an element of risk including the potential to lose the entire amount that is invested.

HL Bank may provide hyperlinks to websites of entities mentioned in this report, however the inclusion of a link does not imply that HL Bank endorses, recommends or approves any material on the linked page or accessible from it. Such linked websites are accessed entirely at your own risk. HL Bank does not accept responsibility whatsoever for any such material, nor for consequences of its use.

This report is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation. This report is for the use of the addressees only and may not be redistributed, reproduced, copied, duplicated or passed on to any other person or published, in part or in whole, for any purpose, without the prior, written consent of HL Bank. The manner of distributing this report may be restricted by law or regulation in certain countries. Persons into whose possession this report may come are required to inform themselves about and to observe such restrictions. By accepting this report, a recipient agrees to be bound by all limitations contained in this report.

This report is being distributed in Singapore by HL Bank (Company registration number S56FC1182L) to Accredited Investors, Expert Investors or Institutional Investors, as defined in the Securities and Futures Act (Chapter 289 of Singapore). HL Bank is an Exempt Financial Adviser, as defined in the Financial Advisers Act (Chapter 110 of Singapore), and regulated by the Monetary Authority of Singapore. HL Bank is a branch of Hong Leong Bank Berhad, a limited liability company incorporated in Malaysia. HL Bank holds a full bank license in Singapore. Hong Leong Bank Berhad is also a member of the Hong Leong Group Malaysia.