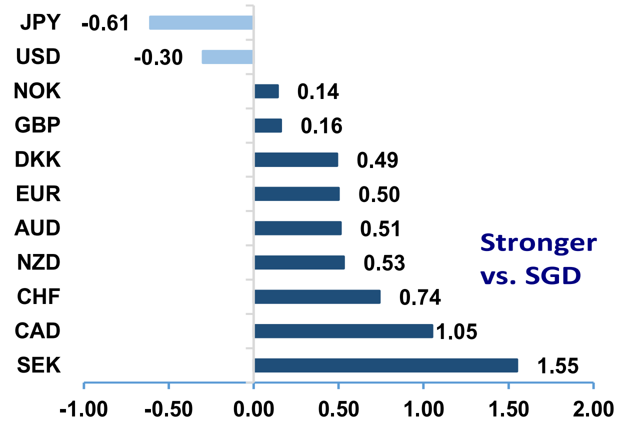
12 December 2025

Global Markets Research
Currency Outlook for the Week Ahead

USD/SGD

SGD Weekly Performance



Source: Bloomberg

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

SGD rose against the greenback in trading this week for a third week on the trot, advancing by 0.3% w/w (prior: +0.1%) to 1.2922 from 1.2961 the week before, amidst a better than expected retail sales report for October in a good start for the consumer in 4Q. Against other G10 currencies, the SGD was weaker across the board except against the JPY (+0.6%), but versus major regional currencies, the SGD was broadly firmer except versus the THB (-0.6%). We remain ***Neutral-to-Slightly Bearish*** on the USD/SGD for the coming week, eyeing a probable trading range of 1.2800 – 1.3025 for the currency pair. The week ahead sees the scheduled release of the NODX and electronic export numbers for November, which comes after surprisingly strong numbers in the previous two months.

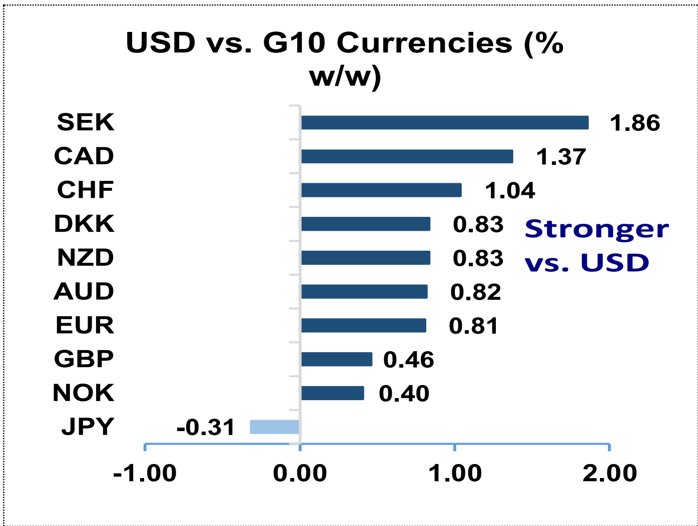
1-Month Outlook – USD/ SGD Neutral-to-Slightly Bearish

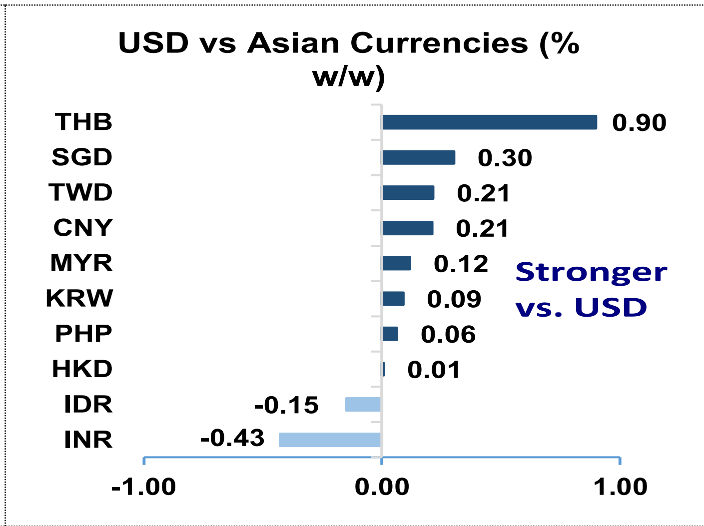
The USD/SGD outlook is neutral-to-slightly bearish in our view. The USD has been trading in a range with the tariff temperature continuing to have cooled as of late. The longest running federal government shutdown has finally come to an end, with the markets still awaiting the release of some of the delayed economic indicators to get more clarity on the state of the economy. Although there are continued fears over tariff-related inflation, the recent numbers prior to the shutdown have been within expectations with no surprises in the core PCE for August and slightly lower than anticipated core CPI for September. The Fed reduced the Fed Funds Rate by 25bps for a third consecutive meeting in a 9-3 majority vote on Dec 10, with the dot plot revealing a Fed that continues to remain rather divided on the path of policy going forward. On the domestic front, MAS held steady on policy again at its quarterly October meeting. Economic data has been surprising on the upside of late, with 3Q GDP coming in north of expectations, exports for October again surprising on the upside for a second month and retail sales for the month that were firmer than what was anticipated. The latest inflation numbers for October were also hotter than expected, further confirming that both headline and core inflation could have already bottomed in August. We expect MAS to continue to keep policy unchanged for the first half of 2026.

	S2	S1	Prev. Close	R1	R2
USD/SGD	1.2820	1.2895	1.2961	1.3025	1.3100

Weekly Look Ahead

USD: USD was softer in trading this week for a third week running, with the DXY falling by 0.7% w/w to 98.35 (prior: -0.6%) from 98.99 the prior week, amidst the FOMC reducing rates by 25bps as expected, with the votes and dot plot continuing to point to a very divided Fed. The cut was passed in a 9-3 majority vote, with two FOMC members preferring to hold rates steady and another auguring for a 50bps reduction. We are ***Neutral*** on the USD for the week ahead, looking at a likely trading range of 97.00 -99.75 for the DXY. The coming week looks set to be an eventful one, with the delayed monthly employment report and CPI figures for November due to be released, as well as the retail sales report for October and the preliminary PMIs for December.





Source: Bloomberg, HL Bank

EUR: EUR was firmer for the week in trading for a third week on the trot, advancing against the greenback by 0.8% w/w (prior: +0.4%) to 1.1738 from 1.1644 the week before, amidst GDP for 3Q being revised up marginally in its third reading. We remain ***Neutral-to-Slightly Bullish*** on the EUR/USD for the coming week, foreseeing a possible trading range of 1.1625 – 1.1875 for the pair. The week ahead sees the ECB policy meet, where they are expected to leave rates on hold again and continue to signal a neutral outlook, and we are also due to get the preliminary Eurozone PMI indices for December, as well as industrial production and trade figures for October and the final CPI readings for November.

GBP: GBP advanced by 0.5% w/w (prior: +0.7%) to 1.3388 against the USD during the week from 1.3327 the prior week, amidst the RICS House Pirce Balance for November unexpectedly improving from the month before. We are ***Neutral*** on the Cable for the week ahead, eyeing a probable trading range of 1.3250 – 1.3525. The coming week is a busy one, with the BoE due to decide on policy, where they are expected to cut the policy rate by 25bps, and we are also scheduled to get the latest monthly employment report, the monthly GDP, manufacturing production and trade balance for October, the CPI and RPI indices for November, as well as the preliminary UK PMIs for December.

JPY: JPY declined against the USD in trading this week for the first week in three, falling by 0.3% w/w to 155.59 (prior: +0.8%) from 155.10 the week before, amidst stronger than expected labour cash earnings for October and a larger contraction in 3Q GDP in the final reading. We are ***Neutral-to-Slightly Bearish*** on USD/ JPY for the coming week, looking at a likely trading range of 153.00 – 157.50 for the currency pair. The week ahead sees the release of Tankan survey for 4Q, core machine orders for October, trade figures for November and the preliminary Japan PMIs for December, before the highly anticipated Bank of Japan policy meeting next Friday, where markets are expecting a hike in the policy rate.

AUD: AUD appreciated against USD for a third consecutive week, climbing by 0.8% w/w to 0.6664 (prior: +1.2%) from 0.6610 the prior week, amidst the RBA holding steady on rates and signalling that further rate cuts were no longer on the table and the employment report for November unexpectedly seeing jobs shed for the month. We are ***Neutral*** on AUD/USD for the week ahead, looking at a likely trading range of 0.6550 – 0.6775. The coming week brings the release of the preliminary Australian PMIs for December, the Westpac consumer confidence index for the month and the latest monthly consumer inflation expectations.

MYR: MYR was firmer against the USD in trading this week for a third consecutive week, inching up by 0.1% to 4.1077 (prior: +0.5%) from 4.1125 the week before, amidst a quiet week on the domestic front and a backdrop of a softer USD. MYR was weaker against the rest of the G10s currencies save for the JPY (+0.8%), but was mixed against its regional peers, gaining the most ground against the INR (+0.5%) and declining the most against the THB (-0.8%). We are ***Neutral*** on USD/MYR for the coming week with the pair trading in oversold territory, eyeing a probable trading range of 4.0825 - 4.1325. The week ahead sees the release of industrial production figures for October, which may provide more clarity on how the economy began 4Q, before the trade and export numbers for November are released next Friday.

House View and Forecasts

FX	1Q-26	2Q-26	3Q-26	4Q-26
DXY	97.33	95.92	94.52	93.15
USD/CAD	1.39	1.38	1.36	1.35
EUR/USD	1.17	1.19	1.21	1.23
GBP/USD	1.32	1.34	1.35	1.37
AUD/USD	0.66	0.67	0.68	0.68
NZD/USD	0.57	0.57	0.58	0.59
USD/JPY	151	148	145	142
USD/MYR	4.12	4.08	4.05	4.05
USD/SGD	1.28	1.26	1.25	1.24
USD/CNY	7.03	6.94	6.86	6.77

Policy Rate (%)	1Q-26	2Q-26	3Q-26	4Q-26
Fed	3.25-3.50	3.00-3.25	3.00-3.25	3.00-3.25
BOC	2.25	2.25	2.25	2.25
ECB	2.00	2.00	2.00	2.00
BOE	3.50	3.50	3.50	3.50
RBA	3.60	3.60	3.60	3.60
RBNZ	2.25	2.25	2.25	2.25
BOJ	0.75	0.75	0.75	0.75
BNM	2.75	2.75	2.75	2.75
MAS	Hold	Hold	Hold	Hold
PBOC	Hold	Hold	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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