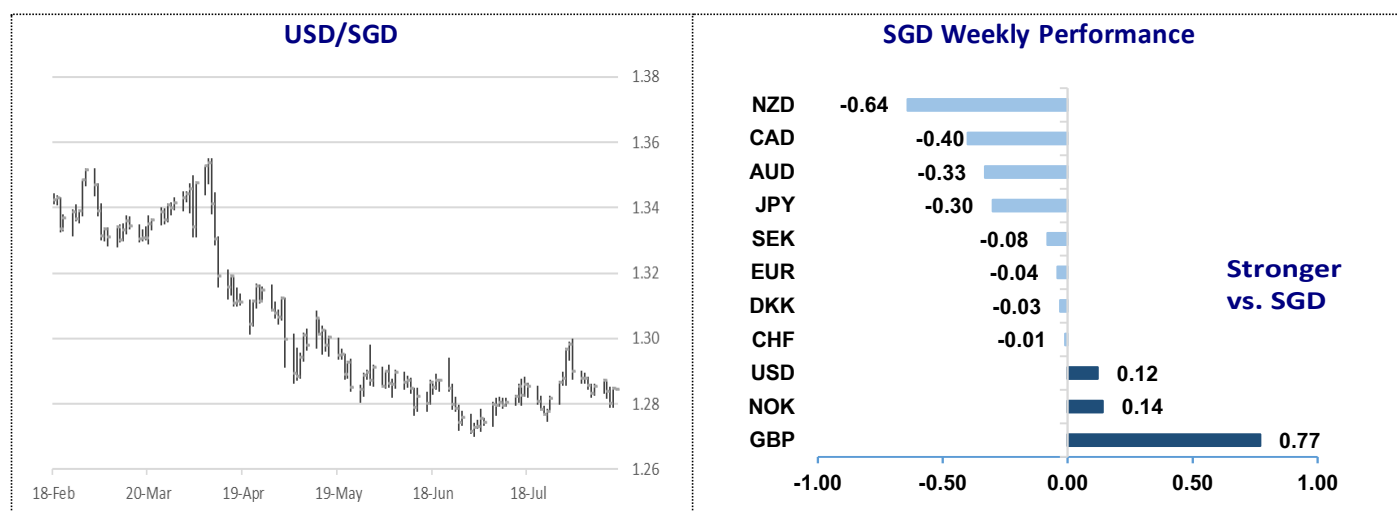


15 Aug 2025

Global Markets Research

Currency Outlook for the Week Ahead



Source: Bloomberg

1-Week Outlook – USD/ SGD Neutral

SGD was slightly lower against the greenback in trading this week, inching lower by 0.1% to close Thursday at 1.2847 (prior: +1.2% w/w) from 1.2832 the prior week, amidst the final reading of Singapore 2Q GDP coming in as per expectations, a touch higher than initially reported during the advanced release last month. Against the other G10 pairs and major regional currencies, the SGD was mixed for the week, gaining versus the NZD (+0.6%) and TWD (+0.5%), but losing ground against the likes of the IDR (-1.2%) and GBP (-0.8%). We are **Neutral** on the USD/SGD for the coming week, eyeing a probable trading range of 1.2700 – 1.2975. The week ahead sees the release of the non-oil domestic exports and electronic exports figures for July.

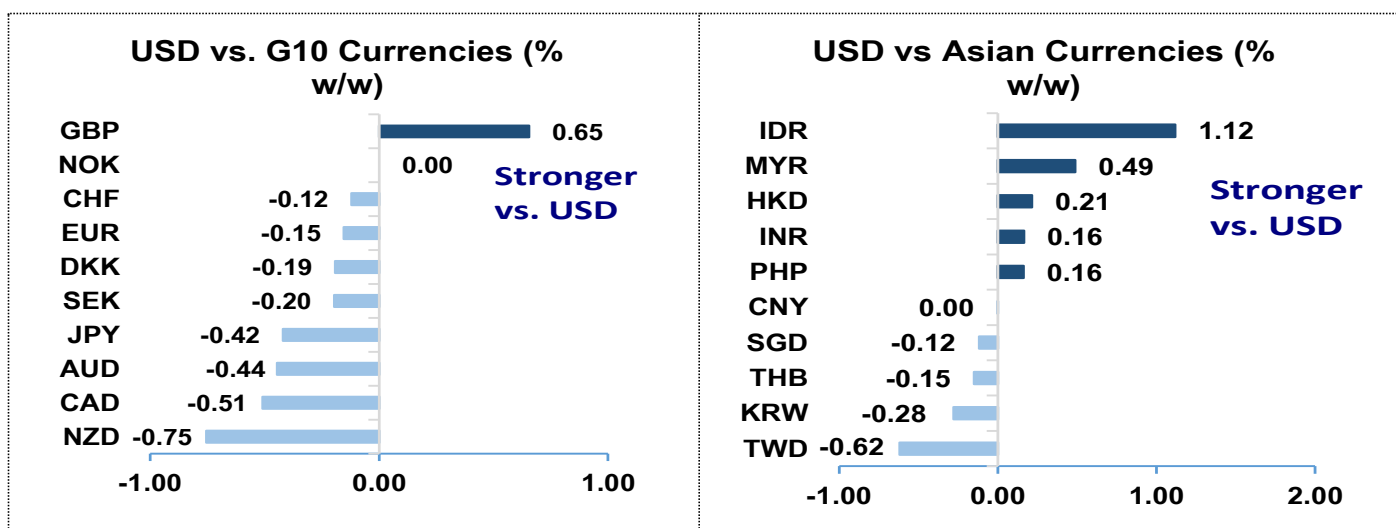
1-Month Outlook – USD/ SGD Neutral

The USD/SGD outlook is neutral in our view. The USD has been range bound, with the US signing some deals with major trading partners and announcing the new rates of reciprocal tariffs on other countries on Aug 01. The Fed held its ground again at the July FOMC meet in a 9-2 majority vote, with Fed Chair Powell continuing to strike a cautious note about the impact of the trade tariffs on domestic inflation. US economic data has been more mixed, with retail sales expanding by more than expected in June and the advanced reading of US 2Q GDP surpassing expectations on a slump in imports during the quarter. The picture in the labour market however appears to be changing rapidly, with a weaker than expected July employment report that came with very sharp downward revisions in the number of jobs added in May and June. Core CPI for July and core PCE for June were in line with expectations, but a sharp surge in producer prices for July could translate into higher consumer prices going forward. Expectations that the Fed is to resume reducing its policy rate in due course surged after the poor jobs report, with more than two 25bps reductions priced in the futures market for 2025. On the domestic front, MAS held steady on policy in its quarterly July meeting after two consecutive quarters of easing policy. The advanced reading for 2Q GDP came in much stronger than anticipated, while headline and core inflation held steady in June, and export growth for the month rebounded from the weakness seen in May. We expect MAS to be on hold for the rest of the year.

	S2	S1	Prev.Close	R1	R2
USD/SGD	1.2710	1.2785	1.2847	1.2895	1.2970

Weekly Look Ahead

USD: The USD declined in trading this week for a second consecutive week, with the DXY falling by 0.2% to 98.25 (prior: -1.6% w/w) from 98.40 the prior week. Initially recording larger gains amidst the monthly CPI numbers for July coming out in line with expectations, and US Treasury Secretary Bessent suggesting that the Fed resume their interest rate reductions with a 50bps cut at the next meeting in September, losses in the greenback were tempered after producer prices surged in July, stoking fears of an upcoming uptick in inflation. We are **Neutral** on the USD for the week ahead, looking at a likely trading range of 96.75 – 99.75 for the DXY. The coming week is an eventful one, with retail sales for July, the preliminary August consumer sentiment from the University of Michigan and preliminary S&P Global US PMIs for August all scheduled for release. On top of that, the FOMC minutes of the Jul 30 meeting are due, which should provide more details of the deliberations during the decision to keep rates on hold in a 9-2 majority vote.



Source: Bloomberg, HL Bank

EUR: EUR lost ground in trading against the USD this week, inching lower by 0.2% to 1.1648 (prior: +2.2% w/w) from 1.1666 the week before, amidst the second reading of Eurozone 2Q GDP coming in as expected, unchanged from the advanced estimate released in July. We are **Neutral-to-Slightly Bullish** on the EUR/USD for the coming week, foreseeing a possible trading range of 1.1525 – 1.1800 for the currency pair. The week ahead sees the release of the Eurozone trade balance for June, the final CPI figures for July and the preliminary PMIs for August, which could provide further clues on how growth in the common currency area is holding up in 3Q.

GBP: GBP firmed in trading this week against the greenback for a second week running, rising by 0.7% w/w to 1.3532 (prior: +1.8% w/w) from 1.3444 the prior week, amidst an upside surprise in the preliminary UK 2Q GDP figures, which was boosted by a rise in government spending for the quarter. We are **Neutral** on the Cable for the week ahead, eyeing a probable trading range of 1.3375 – 1.3675 for the pair. The coming week brings the release of the UK July price indices, with both CPI and RPI scheduled for release, as well as the preliminary UK PMIs for August.

JPY: JPY traded lower against the USD this week, declining by 0.4% to 147.76 (prior: +2.5% w/w) from 147.14 the week before, after US producer prices surged in July, reversing earlier gains in the JPY which were triggered by comments from US Treasury Secretary Bessent that the BoJ is falling behind the curve in addressing inflation and should hike their policy rate further. We remain **Neutral-to-Slightly Bearish** on USD/JPY for the coming week, looking at a likely trading range of 145 – 150. After the Japanese preliminary 2Q GDP growth came out north of expectations this morning, the week ahead sees the scheduled release of core machine orders for June, the trade balance for July and the preliminary Japan PMIs for August.

AUD: AUD declined against the USD this week, falling by 0.4% to 0.6495 (prior: +1.5% w/w) from 0.6524 the prior week, after the RBA struck a more dovish tone in its statement and press conference, following the decision to reduce its cash rate by 25bps as expected. We are **Neutral** on AUD/USD for the week ahead, foreseeing a possible trading range of 0.6350 – 0.6625 for the currency pair. The coming week brings the latest monthly consumer confidence index from Westpac and consumer inflation expectations, as well as the preliminary Australian PMIs for the month of August.

MYR: MYR advanced against the USD this week for a second week running, climbing by 0.5% to 4.2122 (prior: +0.8% w/w) from 4.2327 the week before, amidst an empty data calendar for the week domestically and a weak backdrop for the greenback. Against the rest of the G10 currencies and major regional currencies, the MYR was generally stronger across the board, except for declines against the GBP (-1.1%) and the IDR (-0.6%). For the coming week, we are **Neutral** on USD/MYR, eyeing a probable trading range of 4.1875 – 4.2375 for the pair. The week ahead sees the release of final 2Q GDP later today, with trade and export data for July also scheduled for release, before next Friday's CPI report for the month.

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

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