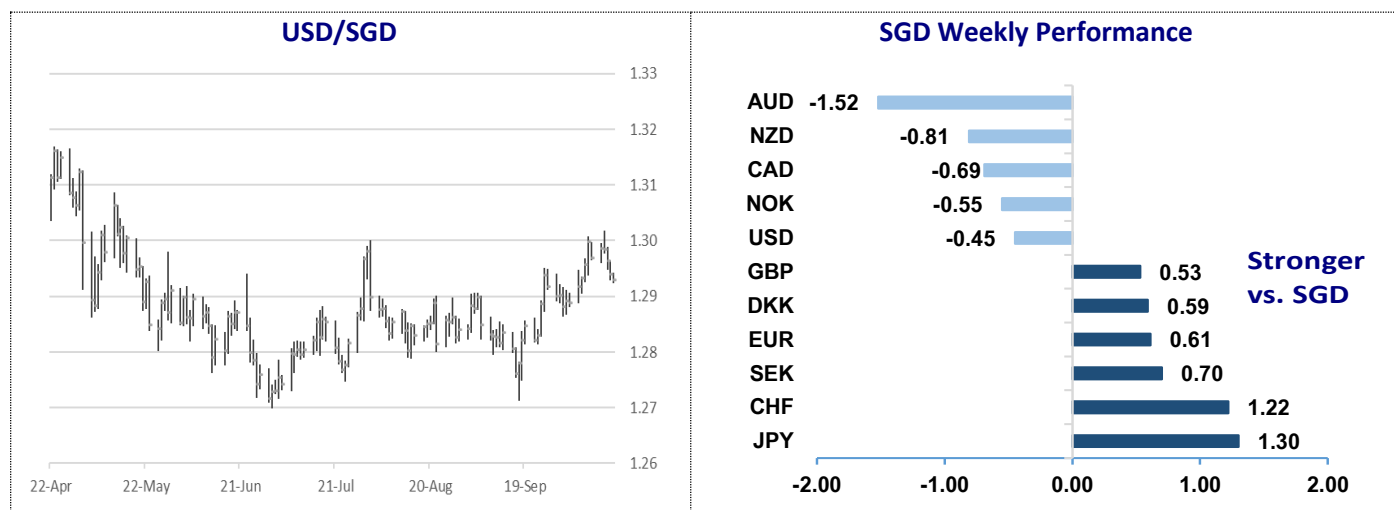


17 Oct 2025

Global Markets Research

Currency Outlook for the Week Ahead



Source: Bloomberg

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

SGD gained against the USD in trading this week, climbing by 0.5% to 1.2939 (prior: -0.8% w/w) from 1.2997 the prior week, amidst advanced 3Q GDP surpassing expectations and the Monetary Authority of Singapore leaving policy unchanged in its quarterly monetary policy statement. Against the other G10 pairs, the SGD was mixed with gains led versus the AUD (+1.5%) and losing the most ground against the JPY (-1.3%), but versus major regional currencies, the SGD was stronger across the board, with the exception of against the INR (-0.6%). We are **Neutral-to-Slightly Bearish** on the USD/SGD for the coming week, foreseeing a possible trading range of 1.2800 – 1.3050 for the currency pair. After the export numbers for September came out much better than expected this morning, the attention for the week ahead will lie on the release of the CPI and industrial production figures for the month.

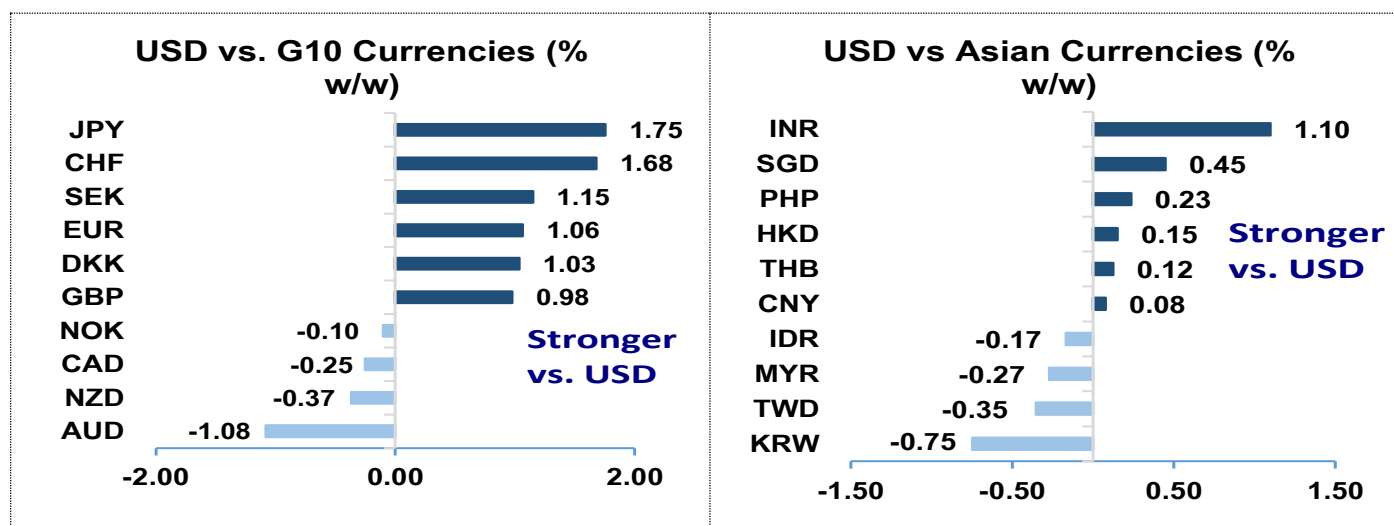
1-Month Outlook – USD/ SGD Neutral-to-Slightly Bearish

The USD/SGD outlook is neutral-to-slightly bearish in our view. The USD has come under pressure again recently, with renewed trade tensions between the US and China, and concerns over the health of regional US banks coming back to the fore. The federal government shutdown has resulted in the postponement of most of the key economic data releases, including the monthly employment report for September, and will begin to weigh on the economy with the duration of the shutdown remaining uncertain amidst no signs of a breakthrough. Although there are continued fears over tariff-related inflation, the recent numbers before the federal shutdown came into effect have been within expectations with no surprises in the core PCE and the core CPI for August. The Fed resumed reducing its policy rate after a 9-month hiatus, cutting the Fed Funds Rate by 25bps in an 11-1 majority vote on Sep 17, and look set to reduce it further in the fourth quarter, with both the dot plot and the futures markets pointing to two further 25bps reductions for the year. 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 advanced 3Q GDP coming in north of expectations, exports for September unexpectedly registering a rise, and retail sales for August surpassing what was anticipated. Inflation has been cooler than expected, with both headline and core inflation unexpectedly dipping 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	1.2790	1.2865	1.2939	1.3000	1.3085

Weekly Look Ahead

USD: The USD retreated in trading this week, with the DXY falling by 1.2% to 98.34 (prior: +1.7% w/w) from 99.54 the week before, amidst the federal government shutdown going into a third week and renewed trade tensions between the US and China. The Fed's latest Beige Book revealed that economic activity was little changed, in one of the few economic releases not postponed as a result of the shutdown. We are **Neutral** on the USD for the coming week, eyeing a probable trading range of 97.00 – 99.75 for the DXY. The week ahead looks to have little in the way of economic data with the impasse over the federal shutdown persisting, with nothing of note till next Friday's delayed CPI report for September and the Fed's pre-FOMC external communications blackout beginning this weekend.



Source: Bloomberg, HL Bank

EUR: EUR advanced against the USD in trading this week, climbing by 1.1% to 1.1687 (prior: -1.3% w/w) from 1.1564 the prior week, amidst industrial production for the common currency area registering a smaller than expected monthly contraction for August, and ECB Governing Council member Joachim Nagel mentioning that there are currently no grounds to alter interest rates. We are **Neutral-to-Slightly Bullish** on the EUR/USD for the week ahead, looking at a likely trading range of 1.1575 – 1.1825. The coming week brings the release of the construction output numbers for August, the final CPI figures for September and the preliminary consumer confidence index for October.

GBP: GBP appreciated in trading against the greenback this week, rising by 1.0% w/w to 1.3434 (prior: -1.0% w/w) from 1.3304 the week before, amidst monthly UK GDP for August coming in as per expected, manufacturing production for the month that surpassed expectations and labour earnings numbers for the month that were mixed. We are **Neutral** on the Cable for the week ahead, foreseeing a possible trading range of 1.3300 – 1.3575 for the pair. The coming week sees the release of the house price index for August, the price indices (CPI, PPI and RPI) for September, as well as the CBI reports on orders and selling prices for October. Some BoE-speak is also scheduled during the week, including from BoE Governor Andrew Bailey.

JPY: JPY strengthened against the USD this week, advancing by 1.8% to 150.43 (prior: -3.8% w/w) from 153.07 the prior week, amidst the continued uncertainty over the next prime minister of the nation. Economic data for the week saw PPI for September come in hotter than anticipated while core machine orders unexpectedly contracted in August. We remain **Neutral-to-Slightly Bearish** on USD/JPY for the coming week, eyeing a probable trading range of 147.50 – 152.50. The week features the release of the Japanese trade figures for September, as well as speeches from BoJ Deputy Governor Uchida and board member Takata, which may offer some clues of how the recent changes in the political landscape domestically have affected the outlook for interest rates.

AUD: AUD lost ground against the USD in trading this week for a second week running, declining by 1.1% to 0.6485 (prior: -0.6% w/w) from 0.6556 the week before, making it the worst performing currency for the week in the G10 universe, amidst a larger than expected rise in the unemployment rate in September to a 4-year high, which increased the chances of a further cut by the RBA before the end of the year. We are **Neutral-to-Slightly Bearish** on AUD/USD for the week ahead, looking at a likely trading range of 0.6350 – 0.6600. The coming week will be a quieter one as far as economic data is concerned, with nothing on the calendar until the preliminary Australian PMIs next Friday.

MYR: MYR traded weaker against the USD this week for a second straight week, by 0.3% to 4.2285 (prior: -0.3% w/w) from 4.2170 the prior week, despite industrial production figures for August that were better than expected and the tabling of Budget 2026 which revealed a slightly narrower fiscal deficit for the present year. Against the rest of the G10 currencies and major regional currencies, the MYR had a poor week and was weaker across the board, except against the AUD (+1.1%), KRW (+0.5%) and NZD (+0.4%) For the week ahead, we are **Neutral-to-Slightly Bearish** on the USD/MYR, foreseeing a possible trading range of 4.2000 – 4.2475. The coming week looks to be an eventful one, with both the just released advanced 3Q GDP growth and September trade data surprising on the upside, with CPI for the month up next.

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 (%)	4Q-25	1Q-26	2Q-26	3Q-26
Fed	3.50-3.75	3.25-3.50	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	3.75	3.50	3.50	3.50
RBA	3.35	3.10	3.10	3.10
RBNZ	2.25	2.25	2.25	2.25
BOJ	0.50	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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