

19 December 2025

Global Markets Research

Currency Outlook for the Week Ahead



Source: Bloomberg

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

SGD rose against the greenback in trading this week for a fourth week running, advancing by 0.2% w/w (prior: +0.3%) to 1.2898 from 1.2922 the prior week, amidst better-than-expected export numbers for November, which were buoyed by large rises in exports to the US and exports of pharmaceutical products. Against other G10 currencies, the SGD was firmer across the board, but versus major regional currencies, it was more of a mixed bag, with gains led versus the TWD (+1.0%) and losing the most ground against the THB (-0.7%). We are **Neutral-to-Slightly Bearish** on the USD/SGD for the week ahead, looking at a likely trading range of 1.2775 – 1.3000 for the pair. The coming week brings the release of CPI figures for November as well as industrial production for the month.

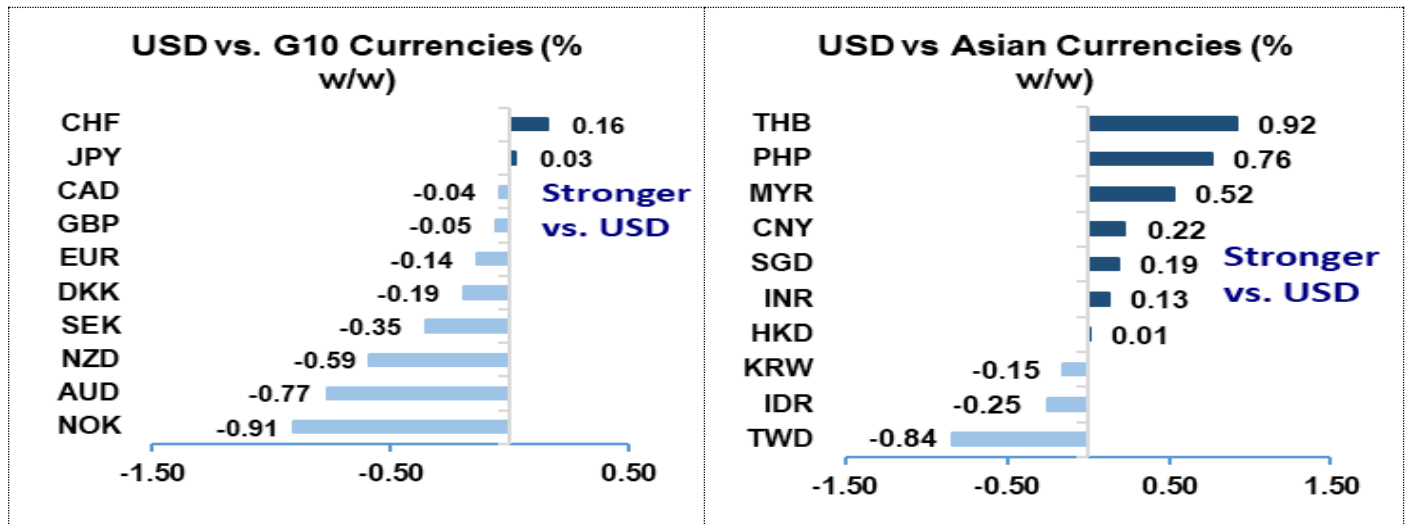
1-Month Outlook – USD/ SGD Neutral-to-Slightly Bearish

The USD/SGD outlook is neutral-to-slightly bearish in our view. The USD has 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 have showed a cooling, with core PCE for September and core CPI for November both coming in south of expectations. 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	1.2780	1.2845	1.2898	1.2960	1.3035

Weekly Look Ahead

USD: USD was slightly firmer in trading this week for the first week in four, with the DXY inching up by 0.1% w/w to 98.43 (prior: -0.7%) from 98.35 the week before, amidst the release of the monthly jobs report for October and November, which showed a net reduction in jobs and a rise in the unemployment rate to 4.6% from the 4.4% in September prior to the federal government shutdown, while CPI for November came in south of expectations, with the core measure declining to the lowest since early 2021. We are **Neutral** on the USD for the coming week, foreseeing a possible trading range of 97.00 -99.75 for the DXY. The week ahead brings the release of the second reading of 3Q GDP, the industrial production figures for October and November, as well as the consumer confidence index for December from the Conference Board, with the Fed's Williams also scheduled to deliver some comments.



Source: Bloomberg, HL Bank

EUR: EUR was softer for the week in trading for the first week in four, inching lower versus the USD by 0.1% w/w (prior: +0.8%) to 1.1722 from 1.1738 the prior week, amidst the ECB leaving rates on hold as expected, and the preliminary Eurozone PMIs for December declining by more than expected, suggesting a soft end to the year. We are **Neutral** on the EUR/USD for the week ahead, eyeing a probable trading range of 1.1600 – 1.1850 for the currency pair. The coming week is a quiet one as far as economic data is concerned, with only the preliminary consumer confidence for December due for release, but there will be some ECB-speak during the week as well as fresh economic forecasts from the Bundesbank and the Bank of France.

GBP: GBP narrowly lost ground for the week, receding by 0.1% w/w (prior: +0.5%) to 1.3381 against the greenback from 1.3388 the week before, amidst Bank of England delivering a 25bps reduction in its policy rate in a narrow 5-4 vote. Economic data was mixed during the week, with CPI for November surprising on the downside at both the headline and core level, while GDP unexpectedly contracted for a second straight month in October, but labour earnings for October and the preliminary UK PMIs for December were both stronger than expected. We are **Neutral-to Slightly Bearish** on the Cable for the coming week, looking at a likely trading range of 1.3225 – 1.3500. The week ahead brings the release of the final reading for 3Q GDP as well as the retail sales report for November.

JPY: JPY was little changed against the USD in trading this week, closing Thursday at 155.55 (prior: -0.3%) from 155.59 the prior week, amidst a better-than-expected Tankan survey for 4Q and core machine orders unexpectedly registering a monthly gain in October. We are **Neutral-to-Slightly Bearish** on USD/ JPY for the week ahead, foreseeing a possible trading range of 152.75 – 157.75 for the pair. After CPI for November came out in line with expectations this morning, the coming week sees the Bank of Japan deciding on policy where they are expected to hike rates this time round, while the retail sales figures, the jobless rate and housing starts for November are all also due for release during the week..

AUD: AUD lost ground against USD for the first week in four, declining by 0.8% w/w to 0.6613 (prior: +0.8%) from 0.6664 the week before, amidst the preliminary Australian composite PMI for December declining from the month before, dragged down by a lower reading from the services sector. We are **Neutral-to-Slightly Bearish** on AUD/USD for the coming week, eyeing a probable trading range of 0.6475 – 0.6725 for the currency pair. After the private sector credit figures for November came out in line with what was anticipated this morning, the only thing on the calendar for the week ahead will be the RBA minutes of the December policy meeting, which may offer further clues as to the path of policy next year, with between one to two 25bps hikes priced in for the coming year.

MYR: MYR strengthened against the USD in trading this week for a fourth straight week, rising by 0.5% to 4.0863 (prior: +0.1%) from 4.1077 the prior week, amidst industrial production unexpectedly rising in October in a good start to the economy for 4Q. Against the rest of the G10s currencies, the MYR was firmer across the board for the week, and versus its regional peers, it was mostly stronger too except for against the THB (-0.4%) and PHP (-0.2%). We are **Neutral-to-Slightly Bullish** on USD/MYR for the week ahead with the currency pair deeper in oversold territory, looking at a likely trading range of 4.0675 - 4.1150. The coming week sees the release of trade and export numbers for November, as well as the CPI figures for the month.

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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