

24 Oct 2025

Global Markets Research

Currency Outlook for the Week Ahead



Source: Bloomberg

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

SGD lost ground against the greenback in trading this week, declining by 0.4% to 1.2984 (prior: +0.5% w/w) from 1.2939 the week before, amidst exports unexpectedly rising in September and CPI figures for the month that were hotter than expected. Against the other G10 pairs and major regional currencies, the SGD was mixed for the week with gains led versus the JPY (+1.1%) and KRW (+1.1%), but losing ground against the NOK (-1.3%) and MYR (-0.3%). We are **Neutral-to-Slightly Bearish** on the USD/SGD for the coming week, eyeing a probable trading range of 1.2850 – 1.3100. The week ahead features the release of the industrial production figures for September, as well as the unemployment rate for the month.

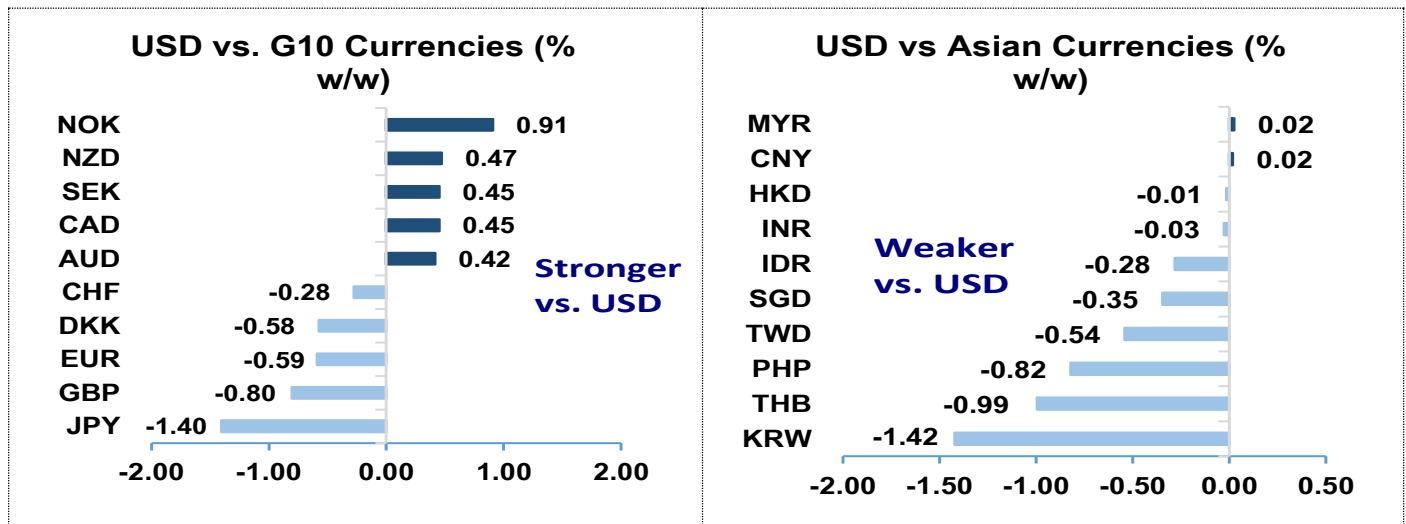
1-Month Outlook – USD/ SGD Neutral-to-Slightly Bearish

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	1.2840	1.2915	1.2984	1.3045	1.3110

Weekly Look Ahead

USD: The USD gained ground in trading this week, with the DXY firming by 0.6% to 98.94 (prior: -1.2% w/w) from 98.34 the prior week, amidst renewed trade tensions between the US and China in a week which had little in the way of economic data releases with the federal government shutdown persisting into a fourth week and showing no signs of an end to the impasse. We are **Neutral-to-Slightly Bearish** on the USD for the week ahead, looking at a likely trading range of 97.50 – 100.25 for the DXY. The coming week see the release of the delayed September CPI figures, and the preliminary S&P Global PMIs for October may help to provide some clarity of economic momentum in the continued absence of official data, with the FOMC due to decide on policy on Oct 29, where another cut of 25bps is expected after they reduced rates at the last meeting.



Source: Bloomberg, HL Bank

EUR: EUR fell against the greenback in trading this week, declining by 0.6% to 1.1618 (prior: +1.1% w/w) from 1.1687 the week before, amidst the final CPI figures for September resulted in core CPI being revised up by a notch. We are **Neutral-to-Slightly Bullish** on the EUR/USD for the coming week, foreseeing a possible trading range of 1.1500 – 1.1775 for the currency pair. It will be a rather eventful week ahead, with the advanced 3Q GDP scheduled for release as well as the preliminary Eurozone PMIs for October, the economic confidence index for the month, negotiated wages for 3Q and the unemployment rate for September. The ECB is also set to decide on policy, but no surprises are expected from them and they look set to leave rates on hold.

GBP: GBP gave up ground in trading against the USD this week, depreciating by 0.8% w/w to 1.3326 (prior: +1.0% w/w) from 1.3434 the prior week, amidst cooler than expected price indices for September. The headline CPI unexpectedly held steady versus an anticipated rise while the core CPI unexpectedly cooled, increasing the odds that the Bank of England will reduce rates again before the year draws to a close. We are **Neutral-to-Slightly Bullish** on the Cable for the week ahead, eyeing a probable trading range of 1.3200 – 1.3475. The coming week brings the release of the retail sales report and mortgage approvals for September, as well as the preliminary UK PMIs for October, which may help to cast some light on the economic momentum at the start of 4Q.

JPY: JPY declined against the USD this week, falling by 1.4% to 152.57 (prior: +1.8% w/w) from 150.43 the week before, amidst Sanae Takaichi winning the vote in the lower house to become Japan's prime minister and hawkish comments by the BoJ's Takata, who was one of the two dissenters preferring to raise rates when the BoJ decided to leave policy unchanged at its last meet. We are **Neutral-to-Slightly Bearish** on USD/JPY for the coming week, looking at a likely trading range of 149.75 – 154.50 for the pair. After the national CPI figures for September came out in line with expectations this morning, the focus of the week ahead will be the BoJ meeting, where they are set to decide on policy with futures markets pricing in about a one in two chance that they will raise rates before the end of the year.

AUD: AUD traded higher against the USD in this week for the first week in three, advancing by 0.4% to 0.6512 (prior: -1.1% w/w) from 0.6485 the prior week, amidst an uneventful week as far as economic data was concerned with the rare earths deal with the US announced during the week providing some measure of support for the currency amidst the broad strength seen in the greenback for the week. We are **Neutral-to-Slightly Bullish** on AUD/USD for the week ahead, foreseeing a possible trading range of 0.6400 – 0.6650. The coming week sees the release of the important quarterly CPI figures for 3Q, as well as the monthly CPI for September and the preliminary Australian composite PMIs for October.

MYR: MYR was little changed against the USD this week, settling at 4.2275 (prior: -0.3% w/w) from 4.2285 the week before, amidst advanced 3Q GDP and exports for September both topping expectations in a positive sign for growth this year, and a slightly larger than expected rise in CPI for the month. Against the rest of the G10 currencies, the MYR was mixed but versus major regional currencies, the MYR had a solid week, led by gains against the KRW (+1.5%) and THB (+0.8%). For the coming week, we are **Neutral-to-Slightly Bearish** on the USD/MYR, eyeing a probable trading range of 4.2000 – 4.2475. The week ahead sees little in terms of economic data releases, with the country set to host world leaders at the ASEAN Summit in the early part of the week.

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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