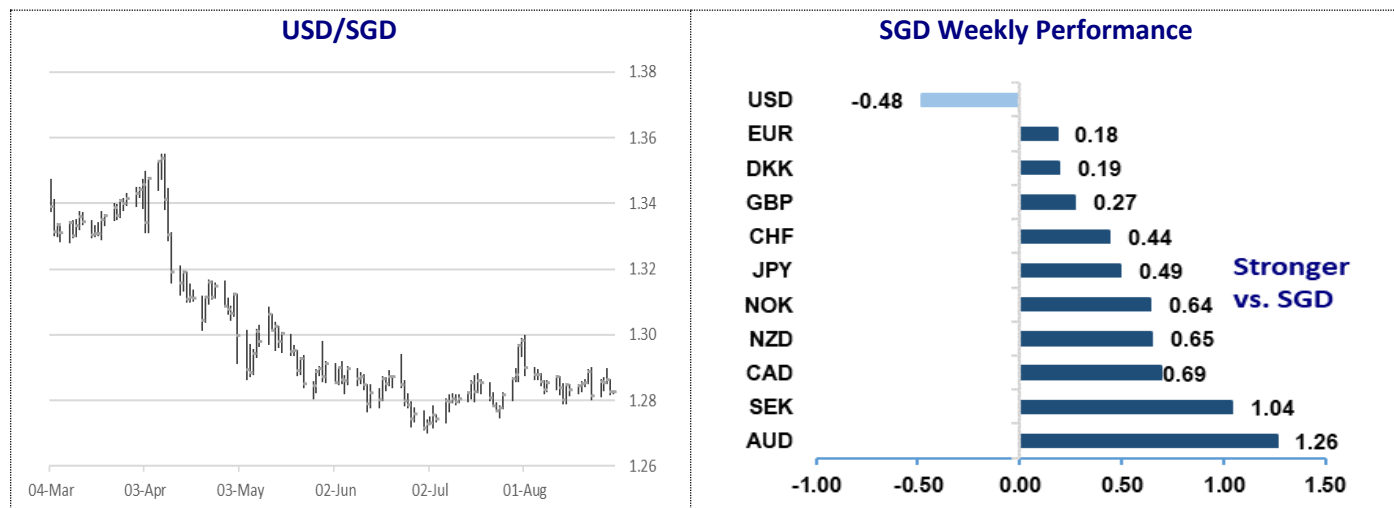


29 Aug 2025

Global Markets Research

Currency Outlook for the Week Ahead



Source: Bloomberg

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

SGD was firmer against the USD in trading this week for the first week in three, advancing by 0.5% to close Thursday at 1.2825 (prior: -0.3% w/w) from 1.2887 the week before, amidst CPI in July unexpectedly cooling from the month before, both at the headline and core level of prices, and a surge in industrial production for the month. Against the other G10 pairs, the SGD was weaker across the board, but versus major regional currencies, it was a mixed bag with the SGD gaining the most versus the INR (+0.9%) and IDR (+0.9%), but losing ground against the KRW (-0.6%) and CNH (-0.4%). We remain **Neutral-to-Slightly Bearish** on the USD/SGD for the coming week, foreseeing a possible trading range of 1.2675 – 1.2950. The week ahead sees the release of the PMI and Electronic sector index for August prior to next Friday's retail sales report for July.

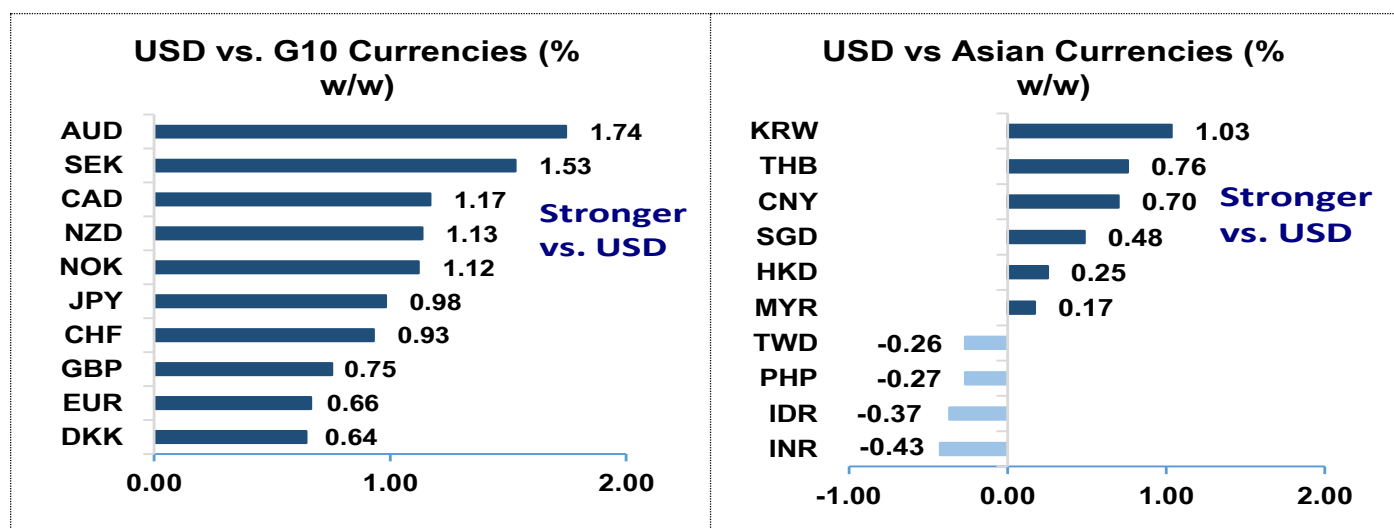
1-Month Outlook – USD/ SGD Neutral

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	1.2638	1.2735	1.2825	1.2910	1.2995

Weekly Look Ahead

USD: The USD rose in trading this week for the first week in three, with the DXY rising by 0.4% to 98.63 (prior: -0.2% w/w) from 98.25 the week before, amidst a solid retail sales report for July in a good start for the quarter, an unexpected rise in inflation expectations, and the preliminary composite PMI for August unexpectedly rising. The minutes of the Jul 30 FOMC meeting revealed that officials were worried about both higher inflation and weaker employment, but a majority saw the former as the greater of these two risks. We are **Neutral-to-Slightly Bearish** on the USD for the coming week, foreseeing a possible trading range of 96.75 – 100.00 for the DXY. The week ahead sees Fed Chair Powell's opening speech at the Jackson Hole Symposium take centre stage, where we may get more clarity of the path of policy for the remainder of the year, with the second reading of 2Q GDP and the consumer confidence index for August from the Conference Board also scheduled for release, before the core PCE index for July is released next Friday.



Source: Bloomberg, HL Bank

EUR: EUR rose against the USD in trading this week, advancing by 0.7% to 1.1683 (prior: -0.4% w/w) from 1.1606 the week before, amidst an unanticipated services-led decline in the Eurozone economic confidence index for August, and ECB President Lagarde suggesting that the Eurozone can handle higher US tariffs and that they may only have a small effect on growth. We remain **Neutral-to-Slightly Bullish** on the EUR/USD for the coming week, looking at a likely trading range of 1.1550 – 1.1825 for the pair. The week ahead sees the release of the unemployment rate, producer prices, retail sales and inflation expectations for July as well as the preliminary CPI estimates and final Eurozone PMIs for August.

GBP: GBP appreciated in trading this week against the greenback, climbing by 0.8% w/w to 1.3513 (prior: -0.9% w/w) from 1.3412 the prior week, amidst little in the way of economic data. The Bank of England's Catherine Mann, who was one of the four dissenters during the decision to lower rates at the most recent MPC in a 5-4 majority vote, mentioned that it was appropriate to hold rates for longer at their current levels in order to ward off persistent inflation. We are **Neutral** on the Cable for the week ahead, foreseeing a possible trading range of 1.3375 – 1.3650. The coming week brings the scheduled release of mortgage approvals for July, as well as the Nationwide house price report and final UK PMIs for August.

JPY: JPY was higher against the USD this week for the first week in three, rising by 1.0% to 146.93 (prior: -0.4% w/w) from 148.37 the week before, amidst the national CPI figures for July easing as expected from the prior month, and Bank of Japan board member Junko Nakagawa reaffirming the central bank's commitment to continue regularising interest rates should conditions permit it. We remain **Neutral-to-Slightly Bearish** on USD/JPY for the coming week, eyeing a probable trading range of 144.50 – 148.75 for the pair. After the Tokyo CPI for August came out in line with expectations and jobless rate unexpectedly dipped this morning, the week ahead sees the release of capital spending numbers for 2Q, housing starts for July, as well as consumer confidence and the final Japan PMIs for August before next Friday's monthly labour earnings report for July.

AUD: AUD appreciated against the USD this week for the first week in three, climbing by 1.7% to 0.6532 (prior: -1.2% w/w) from 0.6420 the prior week making it the best performer for the week in G10 space, amidst July CPI figures surging by more than expected and private capital expenditure numbers for 2Q falling short of expectations. We are **Neutral** on AUD/USD for the week ahead, looking at a likely trading range of 0.6400 – 0.6675 for the currency pair. The coming week brings the release of 2Q GDP, as well as the trade balance and building approvals for July, and the final Australian PMIs for August.

MYR: MYR advanced against the USD this week, inching higher by 0.2% to 4.2170 (prior: -0.3% w/w) from 4.2242 the week before, amidst CPI in July coming in as per expectations, rising a notch to 1.2% y/y from 1.1% y/y in June. Against the rest of the G10 currencies, the MYR was weaker except against the EUR (+0.3%), while versus major regional currencies, the MYR was mixed, gaining the most versus the INR (+0.6%) and retreating the most against the KRW (-0.9%). For the week ahead, we are **Neutral** on USD/MYR, foreseeing a possible trading range of 4.1925 – 4.2425. The coming week brings the release of the S&P Global Malaysia manufacturing PMI for August, and BNM MPC is due to meet to decide on policy, where we expect them to stand pat on the OPR this time round after a 25bps reduction at the previous meeting on Jul 07.

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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