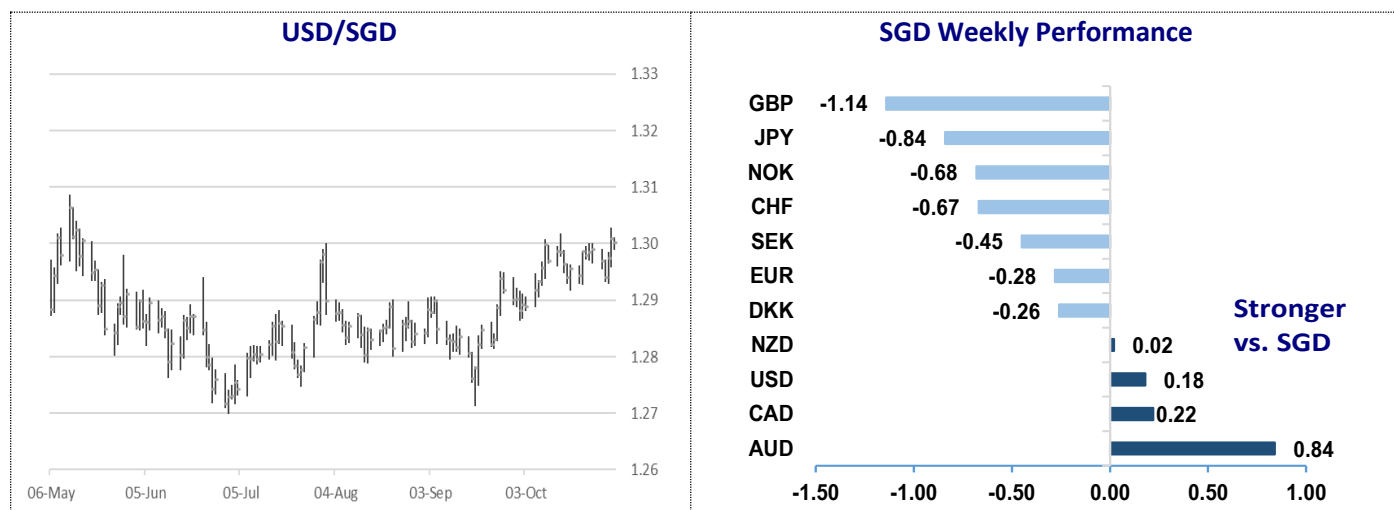


31 Oct 2025

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 USD in trading this week for a second straight week, inching lower by 0.2% to 1.3007 (prior: -0.4% w/w) from 1.2984 the prior week, amidst industrial production for September surging and the unemployment rate for the month coming in as anticipated. Against the other G10 pairs and major regional currencies, the SGD was mixed for the week with gains led versus the GBP (+1.1%) and INR (+0.8%), but losing ground against the THB (-1.7%) and AUD (-0.8%). We are **Neutral-to-Slightly Bearish** on the USD/SGD for the week ahead, looking at a likely trading range of 1.2875 – 1.3100. The coming week sees the release of the retail sales report for September, as well as the purchasing managers index and electronic sector index for October, which will provide a glance into activity at the beginning of 4Q.

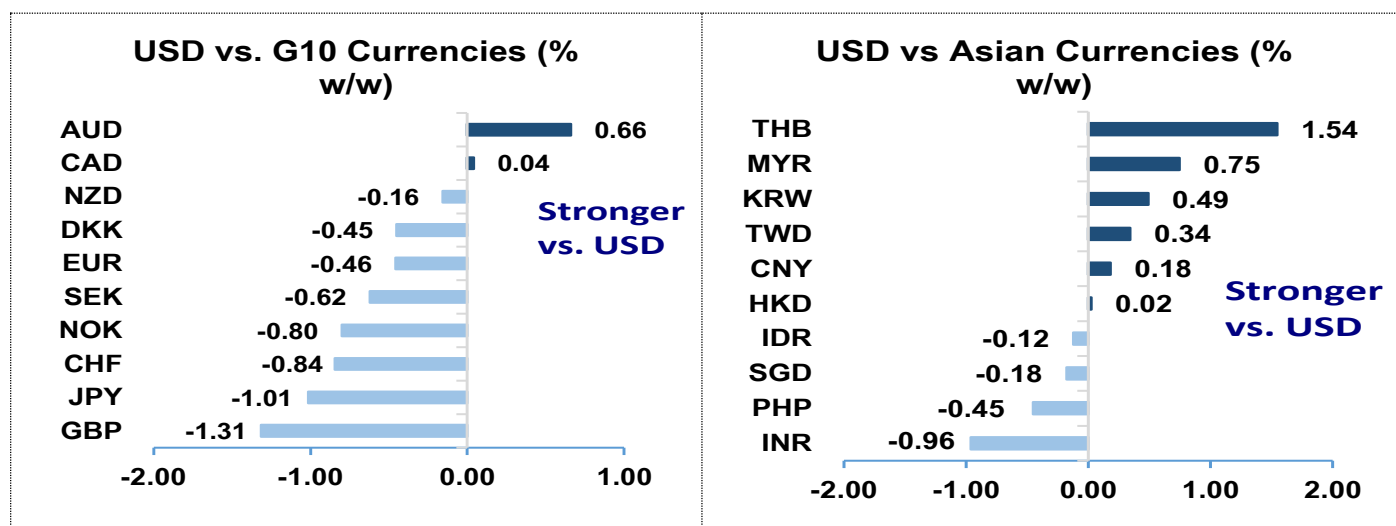
1-Month Outlook – USD/ SGD Neutral-to-Slightly Bearish

The USD/SGD outlook is neutral-to-slightly bearish in our view. The USD has recovered slightly recently, with the tariff temperature looking to have cooled as of late. The continuing 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 have been within expectations with no surprises in the core PCE for August and slightly lower than anticipated core CPI for September. The Fed reduced the Fed Funds Rate by 25bps for a second straight meet in a 10-2 majority vote on Oct 29, with Fed Chair Powell striking a hawkish note and highlighting that a further reduction in December is not cast in stone. 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. The latest inflation numbers for September were slightly ahead of expectations, signalling 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	1.2860	1.2935	1.3007	1.3055	1.3125

Weekly Look Ahead

USD: The USD rose in trading this week, with the DXY rising by 0.6% to 99.53 (prior: +0.6% w/w) from 98.94 the week before, amidst Fed Chair Powell striking a hawkish note even as the FOMC cut rates for a second consecutive meet in a 10-2 majority vote. Economic data during the week saw the delayed CPI report for September came in slightly cooler than expected, and the preliminary S&P Global US PMIs for October unexpectedly rose further. We are **Neutral-to-Slightly Bearish** on the USD for the coming week, foreseeing a possible trading range of 98.00 – 100.75 for the DXY. The week ahead sees the release of the ISM indices for October as well as some data on the labour market (ADP, Challenger and JOLTS), with the core PCE index for September and the October employment report both likely to be delayed by the continued government shutdown.



Source: Bloomberg, HL Bank

EUR: EUR fell against the USD in trading this week, declining by 0.5% to 1.1565 (prior: -0.6% w/w) from 1.1618 the prior week, amidst the ECB leaving its policy rate unchanged for a third straight meeting and advanced Eurozone 3Q GDP coming slightly ahead of expectations, while the preliminary Eurozone October PMI unexpectedly rose, signally a decent start to 4Q. We are **Neutral-to-Slightly Bullish** on the EUR/USD for the week ahead, eyeing a probable trading range of 1.1450 – 1.1700. The coming week sees the release of the flash CPI estimate for October, the final Eurozone PMIs for October as well as the retail sales and PPI figures for September.

GBP: GBP lost ground in trading against the greenback this week for a second straight week and was the worst performer in G10 space, declining by 1.3% w/w to 1.3151 (prior: -0.8% w/w) from 1.3326 the week before, despite stronger than expected economic data, with UK retail sales in September unexpectedly chalking a monthly rise and the preliminary UK PMIs for October coming in stronger than anticipated, amidst continued worries over the upcoming UK budget. We are **Neutral-to-Slightly Bullish** on the Cable for the coming week with the pair oversold, looking at a likely trading range of 1.3025 – 1.3300. The week ahead sees the Bank of England decide on policy and it is likely to be a close call on whether rates are reduced, with the futures markets pricing in about a 25% chance of a 25bps reduction.

JPY: JPY fell against the USD this week for a second week running, depreciating by 1.0% to 154.13 (prior: -1.4% w/w) from 152.57 the prior week, amidst the BoJ deciding to leave policy unchanged in a 7-2 majority vote, with the two similar dissenters as the last meet again preferring the raise the policy rate by 25bps. We are **Neutral-to-Slightly Bearish** on USD/JPY for the week ahead, foreseeing a possible trading range of 151.50 – 156.25 for the currency pair. After the Tokyo CPI figures for October came out hotter than anticipated and retail sales for September underwhelmed slightly this morning, the highlight of the coming week will be the monthly labour earnings figures for September, with housing starts for the month, as well as the final Japan PMIs for October.

AUD: AUD rose against the USD this week for a second consecutive week and was the best performing currency in the G10 space, climbing by 0.7% to 0.6555 (prior: +0.4% w/w) from 0.6512 the week before, amidst the quarterly Australian CPI for 3Q and monthly CPI for September both coming in hotter than expected, diminishing the chances of a rate reduction by the RBA at its upcoming meeting. We are **Neutral** on AUD/USD for the coming week, eyeing a probable trading range of 0.6425 – 0.6675. The week ahead sees the RBA decide on policy, with the market now seeing a negligible chance of a rate reduction post the CPI figures, with building approvals and trade figures for September also scheduled for release.

MYR: MYR strengthened against the USD this week, climbing by 0.7% to 4.1962 (prior: 0.0% w/w) from 4.2275 the prior week, amidst the inking of a reciprocal trade agreement with the US at the ASEAN summit, which brightened prospects for the external sector with a range of exemptions for numerous items from the current reciprocal tariff rate. Against the rest of the G10 currencies and major regional currencies, the MYR had a stellar week, only losing ground against the THB (-0.6%) and AUD (-0.1%). For the week ahead, we are **Neutral** on the USD/MYR, looking at a likely trading range of 4.1750 – 4.2175. The coming week sees the release of the S&P Global Malaysia manufacturing PMI for October and BNM meets to decide on policy, and are expected to leave rates on hold and continue to sound out a neutral tone.

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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