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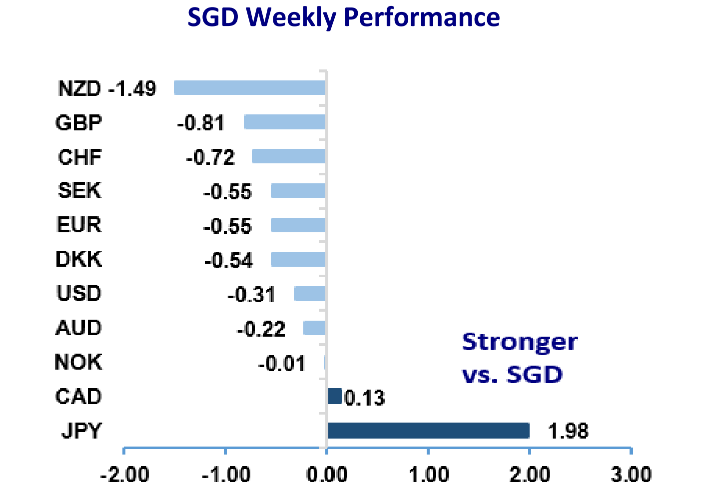
04 September 2026

Global Markets Research
Currency Outlook for the Week Ahead



Source: Bloomberg

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

SGD advanced against the greenback this week for a fourth week running, climbing by 0.3% (prior: +0.1%) to 1.2673 from 1.2713 the week before, amidst a rise seen in the PMI and Electronic Sector index for August. Against other G10 and major regional currencies, the SGD was mixed for the week, gaining against the NZD (+1.5%) and PHP (+1.4%), but losing ground versus the JPY (-2.0%) and KRW (-1.5%). We are ***Neutral-to-Slightly Bullish*** on USD/SGD for the week ahead, looking at a likely trading range of 1.2550 – 1.2800 for the pair. The coming week brings the release of the retail sales report for July, which will give a better indication on the state of the economy as we began 3Q.

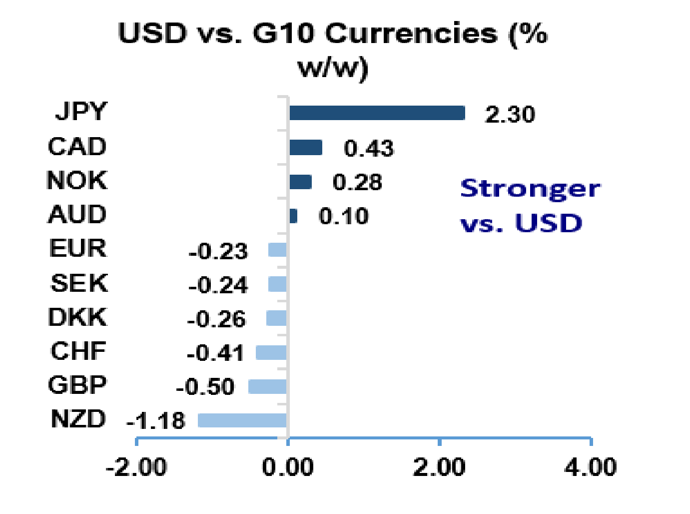
1-Month Outlook – USD/ SGD Neutral

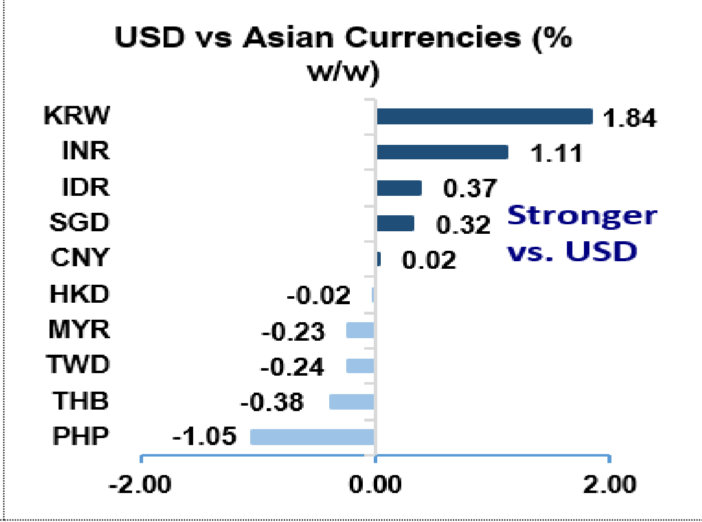
The USD/SGD one-month outlook is neutral in our view. The USD has been trading in a range as of late as the fragile interim ceasefire between the US and Iran while working towards the signing of a peace accord looks in danger of breaking down with both sides trading blows. The Fed left policy on hold for a fifth straight FOMC meeting in a 9-3 majority vote, with the three dissenters preferring a 25bps hike, with futures markets still expecting slightly more than one 25bps hike for 2026. On the fundamental front, US economic conditions continued to remain firm, but recent inflation numbers have been softer than expected, curtailing expectations of Fed hikes for the year. On the domestic front, MAS tightened policy mildly during the July monetary policy decision with a "very slight" steepening of the S$NEER curve. The final reading of Singapore 2Q GDP was slightly firmer than expected while the latest inflation numbers and export figures for July were both softer than expected.

	S2	S1	Prev. Close	R1	R2
USD/SGD	1.2562	1.2638	1.2673	1.2735	1.2801

Weekly Look Ahead

USD: The DXY declined in trading this week, losing ground by 0.3% (prior: +0.3%) to 98.91 from 99.16 the prior week, amidst the US and Iran trading fire again in the Middle East with little prospects for a renewal of peace talks. Economic data for the week saw the ISM indices for August come in mixed with manufacturing easing but the services sector strengthening further, while the JOLTS job openings for July were softer than anticipated. We are ***Neutral-to-Slightly Bullish*** on the USD for the coming week, foreseeing a possible trading range of 97.75 – 100.25 for the DXY. The week ahead sees the release of the monthly employment report for August, with producer prices and existing home sales for the month also due before next Friday's much anticipated CPI report for August.





Source: Bloomberg, HL Bank

EUR: EUR retreated in trading this week for a second straight week, easing by 0.2% (prior: -0.2%) against the USD to 1.1626 from 1.1653 the week before, amidst the preliminary Eurozone CPI estimate for August coming in as anticipated at the headline level but a touch cooler than expected at the core level, and the economic confidence index for the month rising by more than expected. We are ***Neutral*** on the EUR/USD for the week ahead, eyeing a probable trading range of 1.1500 – 1.1750 for the pair. The coming week brings the release of the Eurozone retail sales report for July and the third reading of 2Q GDP, and the ECB is also set to decide on policy, where the markets have priced in a 25bps increase in the policy rate this time round.

GBP: The GBP depreciated against the greenback in trading this week for a second consecutive week, falling by 0.5% w/w (prior: -0.3% w/w) to 1.3525 from 1.3593 the prior week, amidst UK mortgage approvals for July unexpectedly declining in a sign that the housing market may be cooling. We are ***Neutral-to-Slightly Bearish*** on the Cable for the coming week, looking at a likely trading range of 1.3375 – 1.3650. The week ahead will be pretty light on economic numbers, with only the RICS House Price balance to look out for ahead of next Friday's monthly GDP and manufacturing production figures for July, but there is a scheduled speech by BoE Governor Bailey during the week to take heed of.

JPY: The Japanese Yen advanced against USD in trading this week and was the best performing currency in the G10 space, surging by 2.3% (prior: -0.2%) to 155.81 from 159.39 the week before, after BoJ policy member Hajime Takata commented that a changing environment may require increasing the quantum and frequency of rate hikes by the Bank of Japan, triggering a reversal of carry trades funded by the JPY. Economic data for the week was positive, with Japanese capital spending for 2Q unexpectedly rising, retail sales for July growing by more than anticipated and an unexpected dip in the jobless rate for the month. We are ***Neutral*** on USD/JPY for the coming week with the pair in slight oversold territory, foreseeing a possible trading range of 152.75 – 158.75 for the currency pair. The coming week brings the release of the labour cash earning figures for July as well as the final 2Q GDP numbers.

AUD: AUD advanced against the USD in trading this week for a sixth straight week, inching up by 0.1% (prior: +1.1%) to 0.7201 from 0.7194 the prior week, amidst Australian 2Q GDP coming in slightly ahead of expectations. We are ***Slightly Bearish*** on AUD/USD for the coming week with the pair creeping closer into overbought territory, eyeing a probable trading range of 0.7075 – 0.7300. It will be a relatively quieter week ahead for economic data releases, with only the latest business and consumer confidence numbers due, alongside consumer inflation expectations for September.

MYR: MYR lost ground in trading against the USD for the first week in four, declining by 0.2% (prior: +0.3%) to 4.0423 from 4.0330 the week before, amidst BNM leaving the OPR unchanged for a seventh straight MPC meet while removing the description of current rates as "appropriate" in the accompanying monetary policy statement. Against the rest of the G10 and major regional currencies, the MYR was mixed for the week, firming up against the NZD (+1.0%) and PHP (+0.8%), but losing ground versus the JPY (-2.2%), KRW (-2.1%) and INR (-1.4%). We remain ***Neutral-to-Slightly Bullish*** on USD/MYR for the week ahead, looking at a likely trading range of 4.02 – 4.07. The coming week brings the release of the industrial production figures for July, which could give us further clues with regards to the economic momentum at the beginning of 3Q.

House View and Forecasts

FX	3Q-26	4Q-26	1Q-27	2Q-27
DXY	102.28	100.86	99.42	98.07
USD/CAD	1.43	1.41	1.40	1.38
EUR/USD	1.13	1.14	1.16	1.18
GBP/USD	1.29	1.30	1.32	1.33
AUD/USD	0.68	0.70	0.71	0.72
NZD/USD	0.56	0.56	0.57	0.57
USD/JPY	162	159	155	153
USD/MYR	4.15	4.11	4.07	4.03
USD/SGD	1.31	1.30	1.28	1.27
USD/CNY	6.85	6.78	6.72	6.65

Policy Rate (%)	3Q-26	4Q-26	1Q-27	2Q-27
Fed	3.50-3.75	3.50-3.75	3.50-3.75	3.50-3.75
BOC	2.25	2.25	2.50	2.50
ECB	2.50	2.50	2.50	2.50
BOE	3.75	3.75	3.75	3.75
RBA	4.35	4.35	4.35	4.35
RBNZ	2.50	2.50	2.50	2.50
BOJ	1.00	1.25	1.25	1.25
BNM	2.75	2.75	2.75	2.75
MAS	Hold	Hold	Hold	Hold
PBOC	3.00	3.00	3.00	3.00

2026 Central Bank Meetings/Announcements

Central Bank	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Federal Reserve (FOMC)	28		18	29		17	29		16	28		9
Bank of Canada (BOC)	28		18	29		10	15		2	28		9
European Central Bank (ECB)		5	19	30		11	23		10	29		17
Bank of England (BOE)		5	19	30		18	30		17		5	17
Reserve Bank of Australia (RBA)		3	17		5	16		11	29		3	8
Reserve Bank of New Zealand (RBNZ)		18		8	27		8		2	28		9
Bank of Japan (BOJ)	23		19	28		16	31		18	30		18
Bank Negara Malaysia (BNM)	22		5		7		9		3		5	
Monetary Authority of Singapore (MAS)	Jan			Apr			Jul			Oct		

Source: Bloomberg, HL Bank

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