

5 June 2026

## Global Markets Research

### Currency Outlook for the Week Ahead



Source: Bloomberg

#### 1-Week Outlook – USD/ SGD Neutral

SGD was weaker against the USD in trading, depreciating 0.7% w/w to 1.2846 after previous week's miniscule gains of 0.2% w/w. Against other G10 currencies and major regional FXs, the SGD traded mixed, strengthening against SEK (0.8% w/w), NZD (0.5% w/w), KRW (1.8% w/w) and IDR (0.7% w/w), partially supported by the strong Singapore's PMIs this week, but weakened against GBP (-0.5% w/w), EUR (-0.3% w/w), THB (-0.8% w/w) and CNY (-0.7% w/w). We are **Neutral** on the USD/SGD for the coming week, eyeing a probable trading range of 1.26- 1.30 pending release of Singapore's retail sales print and US NFP today.

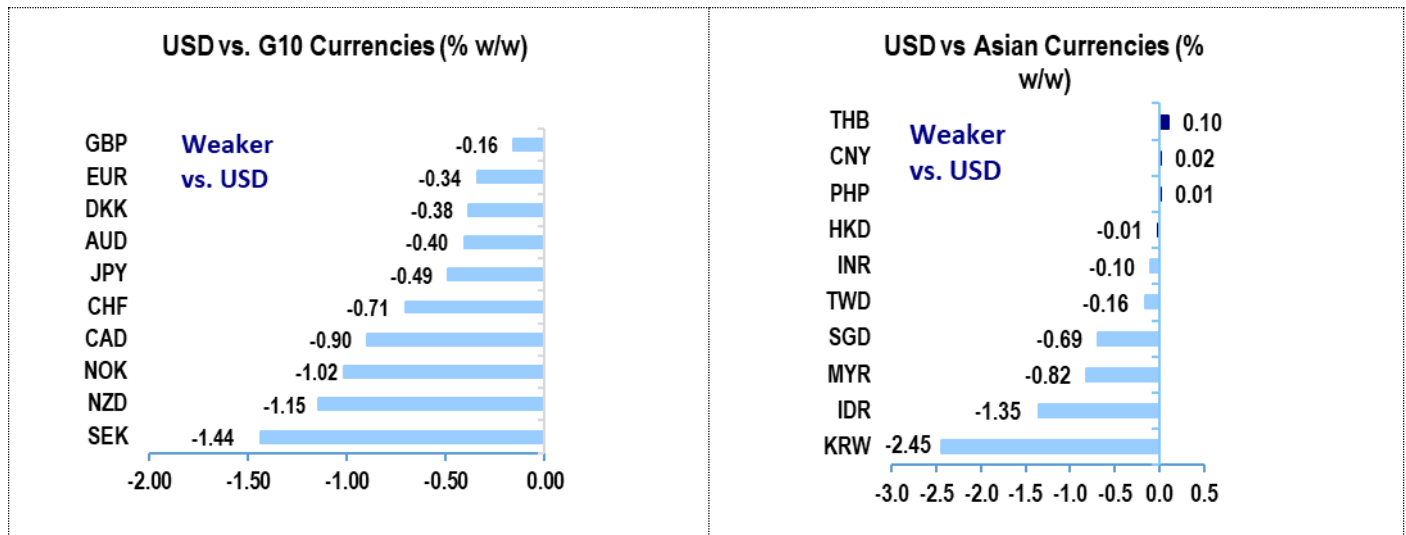
#### 1-Month Outlook – USD/ SGD Neutral

The USD/SGD one-month outlook is neutral in our view. The USD has been trading in a range as of late as the Middle East headlines continued to drive narrative for financial markets. At the point of writing, the conflict in the Middle East has persisted for a third month, keeping energy prices elevated and traders cautious. This prompted a complete dial back of Fed rate cut expectations for the year to a small hike. On the fundamental front, US growth rebounded in 1Q, albeit some softening was seen towards the tail end and into 2Q, labour market remained firm, while recent inflation numbers have risen but softer than expected. The Fed maintained the Fed Funds Rate in April in a 11-1 majority vote, but with an additional three members objecting to the statement, preferring to state more explicitly that the next move need not necessarily be a reduction. On the domestic front, MAS tightened policy during the April monetary policy decision with a slight steepening of the S\$NEER curve while revising their inflation forecasts higher. The final reading of Singapore 2Q GDP was also stronger than expected and consequently, saw officials maintained their growth forecast of 2-4% this year despite looming downside risks ahead.

	S2	S1	Prev. Close	R1	R2
USD/SGD	1.2653	1.2740	1.2846	1.2897	1.3021

## Weekly Look Ahead

**USD:** The DXY rebounded strongly by 0.4% w/w to 99.41 after previous week's 0.2% w/w loss. While mixed signals on a US-Iran peace deal kept the Dollar well supported throughout the week, a slew of mostly better than expected labour prints, from the ADP employment data to JOLTS job opening, also kept expectations of a Fed rate hike by 1Q of 2027 intact, boding well for the greenback this week. We prefer to stay **Neutral** barring surprises on the US NFP tonight, looking at a likely trading range of 97 - 101 for the index. Other from the NFP, May's CPI and PPI prints will be released next week, ahead of the preliminary University of Michigan Sentiment data for June.



Source: Bloomberg, HL Bank

**EUR:** EUR retreated 0.3% w/w to 1.1611 after prior week's +0.3% d/d gain, largely due to USD strength. EUR traded stronger against most of its G10 peers, supported by the elevated CPI and PPI which bolstered rate hike bets next week. That said, with retail sales undershooting forecasts, bets for aggressive rate hikes will likely be curtailed. On this ground and given the upcoming ECB meeting, we are **Neutral** on the EUR/USD for the coming week, foreseeing a possible trading range of 1.14 - 1.18. Eurozone will enter the quiet period ahead of ECB's policy decision, and as mentioned, we are expecting the ECB to deliver a quarter point hike this time. The performance for EUR subsequent to that will hinge on the policy tone and Lagarde's presser following the decision.

**GBP:** Sterling weakened 0.2% w/w to 1.3424 (prior: 0.1% w/w) after two consecutive weeks of gains previously. Driving GBP weakness was predominantly USD strength, while a stronger than expected mortgage approvals data provided a temporary support for the sterling mid-week and against the rest of its G10 peers. We are **Neutral** on the Cable for the week ahead, eyeing a probable trading range of 1.32 - 1.36 for the pair given the release of monthly GDP for April and a quieter end for BOE speeches.

**JPY:** JPY declined against the USD in trading this week for a fifth week on the trot, losing ground by 0.5% w/w to 160.02 (prior: -0.2%). In fact, JPY weakened to as low as 160.08 during the week despite continuous report of yen intervention and even after BOJ Governor Ueda hinted at a rate hike later this month. We are **Neutral-to-Slightly Bearish** for USD/JPY for the coming week, looking at a likely trading range of 157-161 for the pair on expectations of yen intervention at this level, but expect any gains for the JPY to be limited with traders cautious on placing additional bets of any BOJ's rate hikes following the slump in April's household spending data. Next week, we will also see the final revision to its 1Q GDP, as well as producer prices for the month of May.

**AUD:** AUD traded on a softer note and closed 0.4% w/w weaker at 0.7134 after rebounding 0.2% w/w previously. In addition to risk sentiment, the AUD was also shaken by the 1Q GDP miss, which largely supports our hawkish hold for the RBA vs consensus for a 25bps hike to end the year. Further supporting our view was RBA Bullock's comment that the central bank is

seeing signs that earlier rate hikes are working, and will help contain domestic inflationary pressure but could result in a deceleration in economic growth. We are **Neutral-to-Slightly Bearish** on AUD/USD for the week ahead, foreseeing a possible trading range of 0.69 – 0.74. The coming week brings the release of the June’s consumer and May’s business confidence data.

**MYR:** MYR depreciated against the USD in trading this week for the fourth week running, weakening at a wider pace of 0.8% w/w to 4.0120 after previous week’s -0.5% w/w. It was a quiet week in terms official economic data flow and a shortened trading week domestically, and as such, the performance of the pair was mostly sentiment and USD-driven. Against the rest of the G10 and major regional currencies, the MYR was also trading on the weaker side, losing ground the most against the THB and CNY on the regional front, and GBP and AUD among the G10s. We are **Neutral** on USD/MYR for the coming week, while noting risk that the pair is veering towards the overbought territory, eyeing a probable trading range of 3.97 – 4.04. The week ahead sees April’s IPI and manufacturing sales data, and will likely continue to take cue from USD movement.

## House View and Forecasts

FX	2Q-26	3Q-26	4Q-26	1Q-27
DXY	100.63	99.80	97.96	96.48
USD/CAD	1.39	1.38	1.37	1.35
EUR/USD	1.14	1.15	1.17	1.19
GBP/USD	1.31	1.32	1.34	1.35
AUD/USD	0.68	0.69	0.70	0.71
NZD/USD	0.57	0.58	0.58	0.59
USD/JPY	159	155	152	152
USD/MYR	3.98	3.96	3.93	3.90
USD/SGD	1.29	1.28	1.27	1.25
USD/CNY	6.93	6.88	6.84	6.77

Policy Rate (%)	2Q-26	3Q-26	4Q-26	1Q-27
Fed	3.50-3.75	3.50-3.75	3.50-3.75	3.50-3.75
BOC	2.25	2.25	2.25	2.25
ECB	2.25	2.50	2.50	2.50
BOE	4.00	4.25	4.25	4.25
RBA	4.35	4.35	4.35	4.35
RBNZ	2.25	2.25	2.25	2.25
BOJ	1.00	1.00	1.00	1.00
BNM	2.75	2.75	2.75	2.75
MAS	Tighten	Hold	Hold	Hold
PBOC	Hold	Hold	Hold	Hold

## 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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