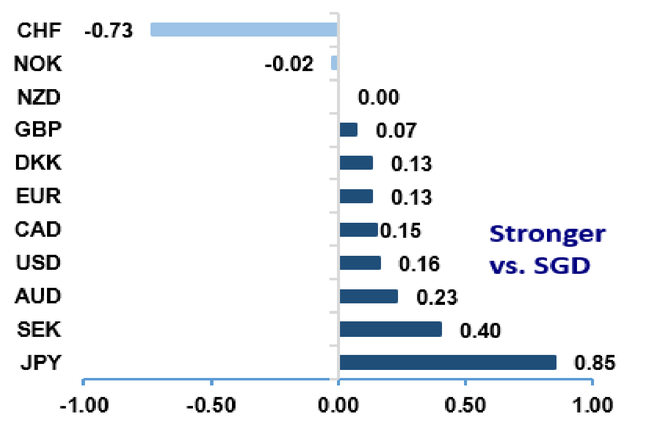
07 August 2026

Global Markets Research
Currency Outlook for the Week Ahead

USD/SGD

SGD Weekly Performance



Source: Bloomberg

1-Week Outlook – USD/ SGD Neutral

SGD declined against the USD in trading this week, falling by 0.2% (prior: +0.8%) to 1.2837 from 1.2817 the week before, amidst the PMI and Electronic Sector index for July inching higher, while retail sales for June fell slightly short of expectations and the unemployment rate for the month held steady versus the downwardly revised level for May. Against other G10 and major regional currencies, the SGD was softer across the board for the week except against the CHF (+0.7%). We are ***Neutral*** on USD/SGD for the week ahead, eyeing a probable trading range of 1.2725 – 1.2950. The coming week brings the release of the final 2Q GDP figures.

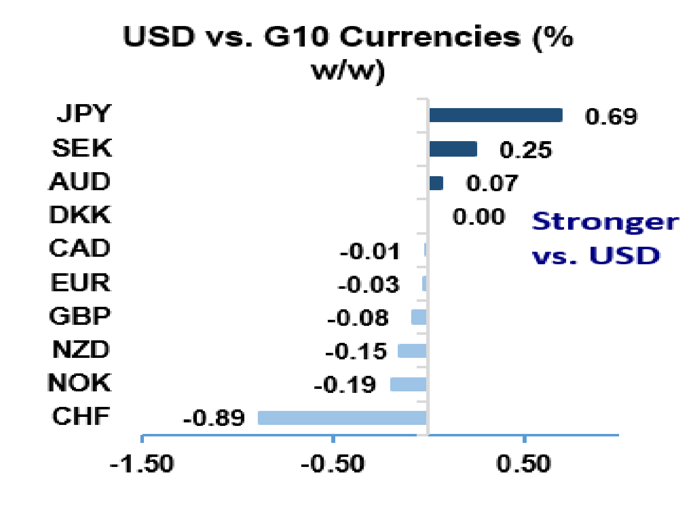
1-Month Outlook – USD/ SGD Neutral

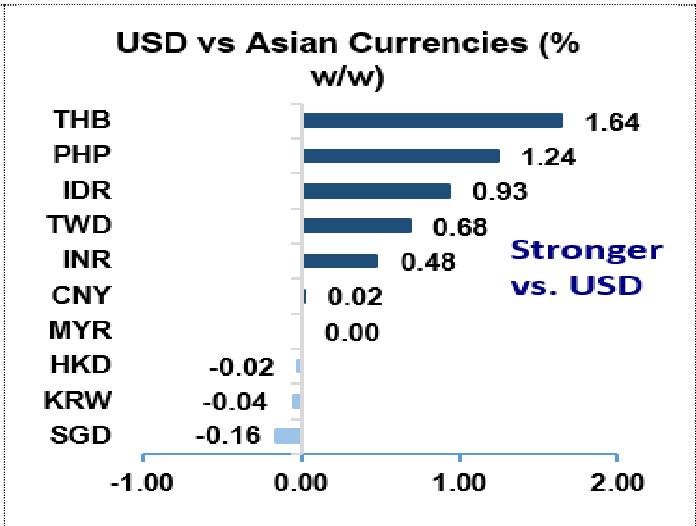
The USD/SGD one-month outlook is neutral in our view. The USD has been trading in a range as of late as the fragile interim ceasefire between the US and Iran while working towards the signing of a peace accord looks in danger of breaking down with both sides trading blows. The Fed left policy on hold 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 advanced reading of Singapore 2Q GDP was slightly firmer than expected while the latest inflation numbers for May and export figures for June were both softer than expected.

	S2	S1	Prev. Close	R1	R2
USD/SGD	1.2695	1.2768	1.2837	1.2899	1.2982

Weekly Look Ahead

USD: The DXY made up some ground in trading this week, inching higher by 0.1% w/w (prior: -1.6%) to 99.93 from 99.86 the prior week, amidst the ISM manufacturing index surging in July by more than expected and a marginal rise in the services index for the month, and labour market indicators that were weaker than anticipated with the ADP employment change and JOLTS job openings both falling short of expectations. We are ***Neutral-to-Slightly Bullish*** on the USD for the coming week, looking at a likely trading range of 98.75 – 101.25 for the DXY. The week ahead sees the focus lie on the monthly employment report for July later tonight, with the CPI and PPI indices and existing home sales figures for the month also scheduled for release during the week.





Source: Bloomberg, HL Bank

EUR: EUR was little changed in trading this week (prior: +1.3%), settling against the USD on Thursday at 1.1525 from 1.1528 the week before, amidst a slight upward surprise in the preliminary Eurozone core CPI figure for July and retail sales for June that were softer than expected. We are ***Neutral-to-Slightly Bearish*** on the EUR/USD for the week ahead, foreseeing a possible trading range of 1.1375 – 1.1650. The coming week will be pretty light in terms of economic data, with the industrial production figures for June the only tier-1 release ahead of the release of the second reading of Eurozone 2Q GDP next Friday.

GBP: The GBP depreciated slightly against the greenback in trading this week, inching lower by 0.1% w/w (prior: +1.1% w/w) to 1.3455 from 1.3466 the prior week, amidst a rather light data week with Nationwide reporting a mild increase in house prices in July that was as expected and the final UK composite PMI for the month being revised slightly higher on strength in the services sector. We are ***Neutral-to-Slightly Bearish*** on the Cable for the coming week, eyeing a probable trading range of 1.3300 – 1.3575 for the pair. The week ahead brings both the preliminary UK 2Q GDP and monthly GDP figures for June, with the manufacturing production numbers for June and the RICS House Price balance for July also scheduled for release.

JPY: The Japanese Yen was firmer against USD in trading this week for a second straight week, appreciating by 0.7% (prior: +2.7%) to 158.43 from 159.53 the week before, amidst firmer than expected wages data for June, hotter than expected Tokyo CPI for July and a monthly contraction in retail sales for June that was larger than anticipated. The Bank of Japan held steady on policy as expected, revising up their GDP forecast and lowering their core CPI forecast for the present year. We are ***Neutral*** on USD/JPY for the week ahead, looking at a likely trading range of 156.00 – 160.75. The coming week is a lighter one, with only producer prices and preliminary machine tool orders for July to look out for on the economic calendar, with the Bank of Japan summary of opinions for its July monetary policy meeting also scheduled for release.

AUD: AUD appreciated against the USD in trading this week for a second week running, inching higher by 0.1% (prior: +0.8%) to 0.7032 from 0.7027 the prior week, amidst better-than-expected private sector credit growth and household spending figures for June, while Australian producer prices for 2Q accelerated versus the previous quarter and the PMIs for July were revised up in their final reading. We are ***Neutral-to-Slightly Bearish*** on AUD/USD for the coming week, foreseeing a possible trading range of 0.6900 – 0.7150. The week ahead sees the RBA decide on policy, where the markets expect them to keep rates unchanged, with business confidence figures for July also schedule for release during the week, before RBA Governor Bullock is due to testify before the Australian parliament next Friday.

MYR: MYR was little changed again in trading against the USD for the week (prior: 0.0%), settling at 4.0900, exactly the same as where it was the week before, amidst the S&P Global Malaysia manufacturing PMI for July coming in unchanged from the level in June, and comments from Second Finance Minister Amir Hamzah that economic performance in the second quarter "should be okay" ahead of the final GDP release next week. Against the rest of the G10 and major regional currencies, the MYR was mostly weaker across the board, except against the CHF (+0.9%) and KRW (+0.0%). We are ***Neutral-to-Slightly Bullish*** on USD/MYR for the week ahead, eyeing a probable trading range of 4.0675 – 4.1175. The coming week brings the release of the industrial production figures for June, before the final 2Q GDP numbers are due next Friday.

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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