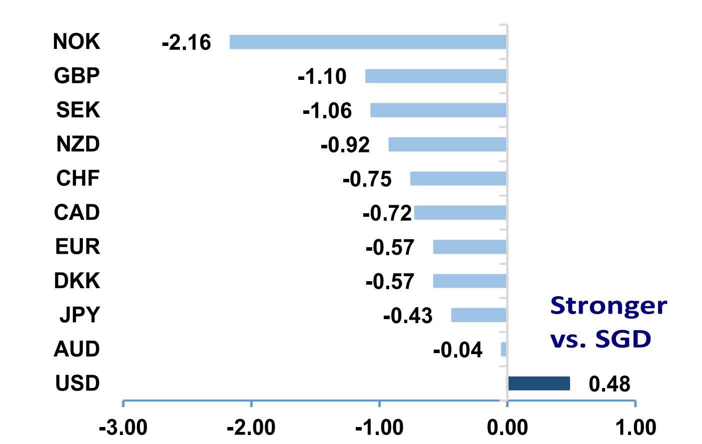
19 June 2026

Global Markets Research

Currency Outlook for the Week Ahead



Source: Bloomberg

1-Week Outlook – USD/ SGD Neutral

SGD declined against the USD in trading for the week, losing ground by 0.5% w/w (prior: +0.1%) to 1.2900 from 1.2839 the prior week amidst export numbers for May again beating expectations, driven by a rise in electronic exports and increased exports to the EU and Taiwan. Against other G10 currencies, the SGD was firmer across the board, gaining the most ground against NOK (+2.2%) and GBP (+1.1%), but versus major regional currencies, the SGD was broadly softer for the week, except against the MYR (+1.1%) and KRW (+0.1%). We are ***Neutral*** on USD/SGD for the coming week, foreseeing a possible trading range of 1.2775 – 1.3025 for the pair. The week ahead brings the release of the CPI figures for May.

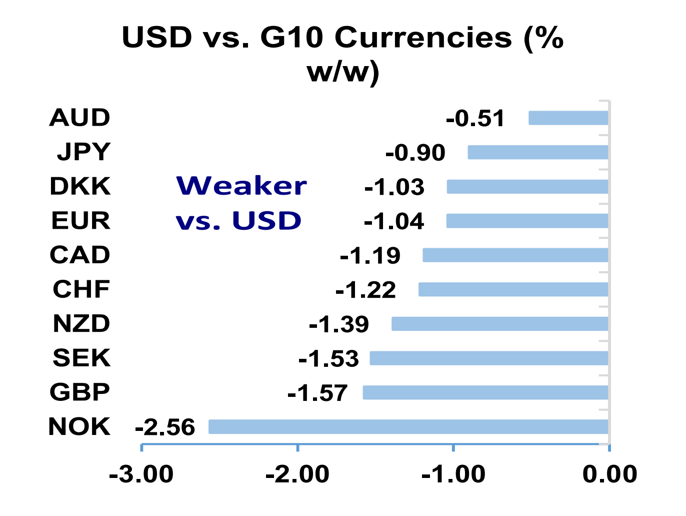
1-Month Outlook – USD/ SGD Neutral

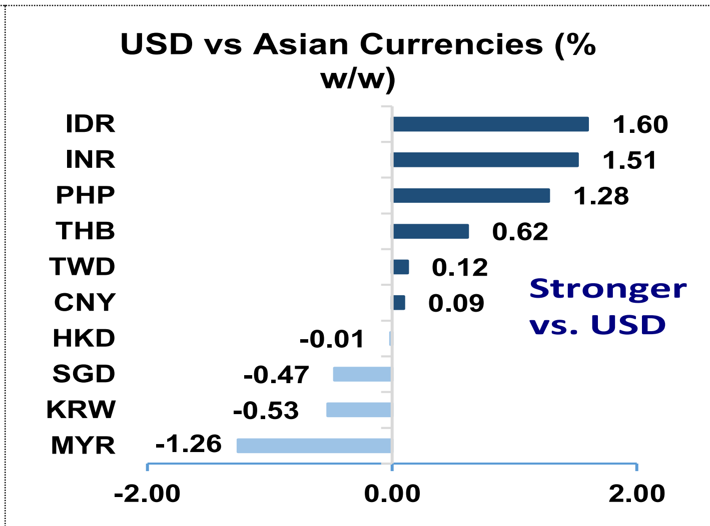
The USD/SGD one-month outlook is neutral in our view. The USD has been trading at the upper end of a range as of late as a memorandum of understanding was finally inked between the US and Iran to end the conflict with both sides now working towards the signing of a peace accord. The FOMC saw a hawkish twist in Kevin Warsh' first meeting as the new Fed Chair, with the policymakers revising their forecasts for Fed Funds higher even as they left rates unchanged. This further added fuel to the chance of rate hikes priced into the futures markets, with a first full hike now priced in by October. On the fundamental front, US economic conditions continue to remain firm, with the latest monthly employment report and retail sales both beating expectations, while recent inflation numbers have risen but have been softer than expected. 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	1.2735	1.2815	1.2900	1.2965	1.3040

Weekly Look Ahead

USD: The DXY rose for a third week on the trot, advancing by 1.0% w/w (prior: +0.5%) to 100.85 from 99.86 the week before, amidst the agreement of an end to the Gulf conflict, and the FOMC sounding out a hawkish tone in their revised forecasts even as they left rates unchanged during the first meeting for Kevin Warsh as the new Fed Chair. Data for the week was on the strong side, with Michigan preliminary June consumer sentiment and retail sales for May both climbing by more than anticipated. We are ***Neutral*** on the USD for the week ahead, eyeing a probable trading range of 99.50 - 102.25 for the DXY. The coming week brings the release of the core PCE index for May as well as the preliminary S&P Global US PMIs for June.





Source: Bloomberg, HL Bank

EUR: EUR was softer in trading this week for a third straight week, depreciating by 1.0% w/w (prior: -0.3%) against the greenback to 1.1458 from 1.1578 the prior week, amidst a strong USD backdrop and core CPI for May for the common currency area being revised up slightly in the final release. ECB officials mentioned during the week that the even with the Iran deal, that it will take time to restore production capacity and rebuild crude inventories. We are ***Neutral*** on the EUR/USD for the coming week, looking at a likely trading range of 1.1325 – 1.1600. The week ahead sees the release of the preliminary Eurozone PMIs and consumer confidence for June, with the ECB also due to publish their latest Economic Bulletin amidst plenty of ECB speakers scheduled to deliver comments during the week, including ECB President Lagarde.

GBP: The GBP declined in trading against the USD for a third week running, falling by 1.6% w/w (prior: -0.1% w/w) to 1.3206 from 1.3417 the week before, amidst the Bank of England holding rates steady as expected in a 7-2 vote, with two dissenters voting for an immediate hike in the Bank rate over concerns of persistent inflation. Data for the week saw the CPI for May come in cooler than expected at both the headline and core level, while the monthly employment report showed wages rising at a quicker than expected rate. We are ***Neutral*** on the Cable for the week ahead, foreseeing a possible trading range of 1.3050 – 1.3350. The coming week brings retail sales report for May as well as the preliminary UK PMIs for June, which will both give a better picture of how growth is holding up in 2Q thus far.

JPY: The Japanese Yen was weaker against the USD in trading this week, depreciating by 0.9% w/w (prior: +0.1%) to 161.38 from 159.93 the prior week, amidst the Bank of Japan raising rates as widely expected to a 31-year high in a 7-1 vote with Governor Ueda absent from the meeting after being hospitalized. We are ***Slightly Bearish*** on USD/JPY for the coming week, with the pair trading near where the Japanese authorities last reportedly intervened to support the Yen, eyeing a probable trading range of 158 - 163. After the national CPI figures for May came out as per expectations this morning, the rest of the week ahead sees the release of department store sales numbers for May as well as the preliminary Japanese PMIs for June.

AUD: AUD fell against the USD in trading this week for a third week on the trot, dropping by 0.5% (prior: -1.2%) to 0.7013 from 0.7049 the week before amidst the RBA holding rates steady during the week after three hikes this year, but continuing to sound out a hawkish note, warning that further rate increases remain possible should inflation remain elevated. We remain ***Neutral-to-Slightly Bearish*** on AUD/USD for the week ahead, looking at a likely trading range of 0.6875 – 0.7125 for the pair. The coming week looks set to be an eventful one, with both the CPI and employment report for May due for release, as well as the preliminary Australian PMIs for June.

MYR: MYR depreciated against the USD in trading this week for a sixth consecutive week, falling by 1.3% w/w (prior: -1.3%) to 4.1170 from 4.0652 the prior week, amidst a backdrop of a stronger USD. Industrial production figures for April climbed by more than expected to the highest since Sep 2022, and the strength was broad-based across the different categories. Against the rest of the G10 and major regional currencies, the MYR was weaker across the board, losing ground the most against the IDR (-2.9%), THB (-1.9%) and AUD (-1.5%). We are ***Neutral*** on USD/MYR for the coming week with sentiment for the currency remaining weak although the pair is already in overbought territory, foreseeing a possible trading range of 4.0850 – 4.1500. The week ahead sees the release of May's export and trade figures and CPI later today, with no releases for the remainder of the week.

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	3.75	3.75	3.75	3.75
RBA	4.35	4.35	4.35	4.35
RBNZ	2.25	2.25	2.25	2.25
BOJ	1.00	1.00	1.25	1.25
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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