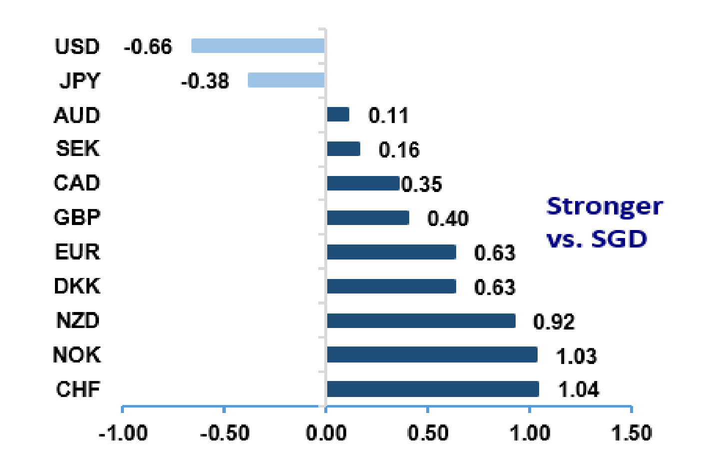
21 August 2026

Global Markets Research

Currency Outlook for the Week Ahead

USD/SGD

SGD Weekly Performance



Source: Bloomberg

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

SGD gained against the USD in trading this week for a second week running, climbing by 0.7% (prior: +0.2%) to 1.2721 from 1.2806 the week before, amidst non-oil domestic exports gaining pace by less than expected in July, with electronic exports for the month rising at a record annual pace. Against other G10 currencies the SGD was weaker, except for against the JPY (+0.4%) but versus major regional currencies, the SGD was a mixed bag, gaining versus the PHP (+1.2%) and INR (+0.9%), but losing ground against the KRW (-1.3%) and MYR (-0.3%). We are ***Neutral-to-Slightly Bullish*** on USD/SGD for the week ahead, with the pair in oversold territory, foreseeing a possible trading range of 1.2625 – 1.2850. The coming week brings the release of the CPI and industrial production figures for July.

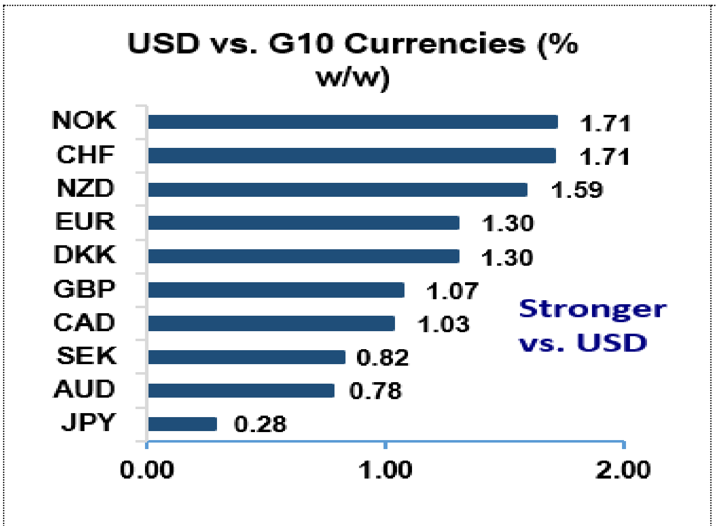
1-Month Outlook – USD/ SGD Neutral

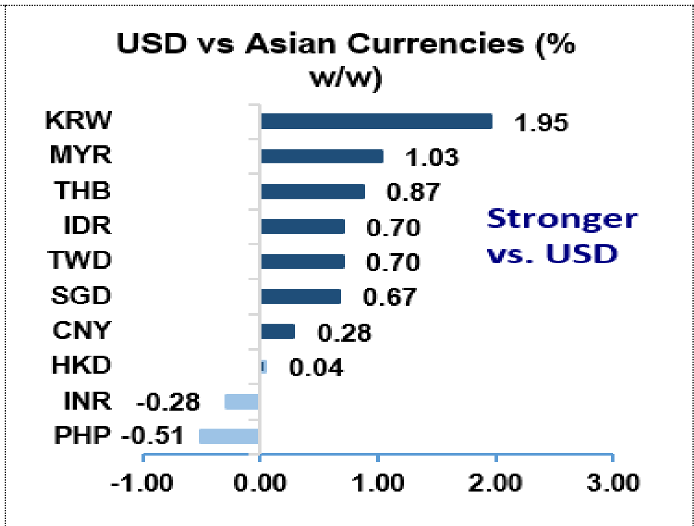
The USD/SGD one-month outlook is neutral in our view. The USD has been trading in a range as of late as the fragile interim ceasefire between the US and Iran while working towards the signing of a peace accord looks in danger of breaking down with both sides trading blows. The Fed left policy on hold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

	S2	S1	Prev. Close	R1	R2
USD/SGD	1.2575	1.2638	1.2721	1.2785	1.2940

Weekly Look Ahead

USD: The DXY declined in trading this week, retreating by 1.1% (prior: 0.0%) to 98.90 from 99.96 the prior week, after Treasury department announce that it would "at least double" its planned purchases of outstanding 10-to-30-year USTs versus what it has planned during the recent quarterly refunding announcement. Economic data for the week saw retail sales for July unexpectedly contract, falling by the most since May 2025. We are ***Neutral-to-Slightly Bullish*** on the USD for the coming week, eyeing a probable trading range of 97.50 – 100.50 for the DXY. The week ahead sees the release of the second reading of 2Q GDP, the core PCE price index and preliminary durable goods orders for July, as well as the Conference Board's consumer confidence index and the preliminary S&P Global US PMIs for the month of August, ahead of the Fed's Jackson Hole symposium next weekend.





Source: Bloomberg, HL Bank

EUR: EUR surged in trading this week, advancing by 1.3% (prior: 0.0%) against the USD to 1.1678 from 1.1528 the week before, amidst preliminary labour costs growth for 2Q inching lower versus the previous quarter, and both the second reading of Eurozone 2Q GDP and the final CPI for July being unrevised compared to their prior releases. We are ***Neutral-to-Slightly Bearish*** on the EUR/USD for the week ahead with the pair now trading in overbought territory, looking at a likely trading range of 1.1525 – 1.1800. The coming week brings the release of the negotiated wages figure for 2Q, the ECB inflation expectations for July, as well as the preliminary consumer confidence and Eurozone PMIs for August.

GBP: The GBP gained ground against the greenback in trading this week, appreciating by 1.1% w/w (prior: +0.2% w/w) to 1.3631 from 1.3487 the prior week, amidst the CPI figures for July coming in as anticipated and an easing in the house price index growth for June. We are ***Neutral-to-Slightly Bearish*** on the Cable for the coming week, with the pair having moved into overbought territory, foreseeing a possible trading range of 1.3475 – 1.3750 for the pair. The week ahead sees the release of the retail sales report for July and the preliminary UK PMIs for August are also due and may offer some clues as to how the economy is faring midway through 3Q.

JPY: The Japanese Yen advanced against USD in trading this week, rising by 0.3% (prior: -0.7%) to 159.05 from 159.50 the week before, amidst weaker than expected preliminary 2Q GDP growth figures, which were weighed down by soft consumer spending and business investment, and better than anticipated core machine orders for June. We are ***Neutral*** on USD/JPY for the week ahead, eyeing a probable trading range of 157.25 – 160.75 for currency pair. After the national CPI figures for July rose as expected this morning, the coming week brings the release of the department store sales numbers for July, ahead of the jobless rate for July and Tokyo CPI for August that are both due next Friday. Bank of Japan Deputy Governor Himino is also due to deliver some comments during the week, which may offer more clues as to the path of policy for the BoJ in the near term.

AUD: AUD climbed against the USD in trading this week for a fourth consecutive week, advancing by 0.8% (prior: +0.4%) to 0.7114 from 0.7059 the prior week, amidst a weaker than anticipated monthly employment report for July, which saw job losses for the month and the unemployment rate edging higher. We are ***Neutral-to-Slightly Bearish*** on AUD/USD for the coming week, looking at a likely trading range of 0.6975 – 0.7225. After the preliminary Australian PMI numbers for August eased slightly this morning versus the previous month, the week ahead sees the release of the CPI figures for July and the minutes of the RBA policy meeting, which may shed more light on the hawkish hold decision during the meeting.

MYR: MYR was firmer in trading against the USD for a second straight week, climbing by 1.0% (prior: +0.1%) to 4.0450 from 4.0865 the week before, amidst final 2Q GDP coming in stronger than anticipated and an unexpected decline in CPI for July. Against the rest of the G10 and major regional currencies, the MYR was mixed, gaining ground against the PHP (+1.5%) and JPY (+0.4%), but retreating versus the NZD (-1.0%) and KRW (-0.9%). We are ***Neutral-to-Slightly Bullish*** on USD/MYR for the week ahead with the pair trading in oversold territory, foreseeing a possible trading range of 4.0225 – 4.0725. The coming week will be a quieter one on the economic data front domestically, with only the bi-monthly foreign reserves number due for release.

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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