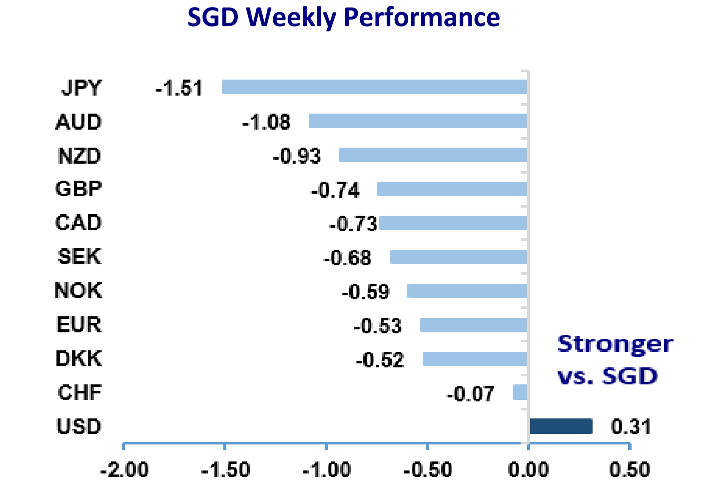
25 September 2026

# Global Markets Research

## Currency Outlook for the Week Ahead


*Source: Bloomberg*

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

SGD depreciated against the USD this week for a third week on the trot, falling by 0.3% (prior: -0.6%) to 1.2794 from 1.2754 the week before, amidst Singapore CPI for August inching up slightly as expected, at both the overall and core level of prices. Against other G10 currencies, the SGD was firmer across the board led by gains against the JPY (+1.5%), but versus major regional currencies, the local currency was mostly softer for the week, except against the IDR (+0.6%) and THB (0.0%). We continue to be ***Neutral-to-Slightly Bullish*** on USD/SGD for the week ahead, eyeing a probable trading range of 1.2700 – 1.2925. The coming week brings the release of the industrial production figures for August and the preliminary URA private homes prices for 3Q.

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

Over the coming month, USD/SGD is expected to trade in a broadly range-bound fashion, with competing forces on both sides keeping the pair anchored. On the USD-supportive side, the Federal Reserve's hawkish pivot this week, raising the fed funds rate to 3.75%–4.00% and signalling at least one additional 25bps hike before year-end, has materially widened the US-Singapore rate differential and is likely to keep the USD underpinned in the near term. On the SGD-supportive side, however, the MAS is itself in a tightening posture, having raised the slope of its SGD NEER policy band for the second consecutive time in July, as the AI-driven electronics boom, elevated energy prices from the Middle East conflict, and El Niño-related food price pressures create lingering inflationary risks. The latest CPI figures for August continued to show an uptrend, albeit coming in within market expectations, while the most recent export figures for August again outperformed expectations. We are **Neutral** on the pair, with the bullish USD impulse from the Fed's hawkish repricing is broadly offset by the MAS's own tightening bias and Singapore's still-resilient fundamentals, leaving the pair in equilibrium.

| | S2 | S1 | Prev. Close | R1 | R2 |
|---|---|---|---|---|---|
| USD/SGD | 1.2668 | 1.2735 | 1.2794 | 1.2845 | 1.2900 |

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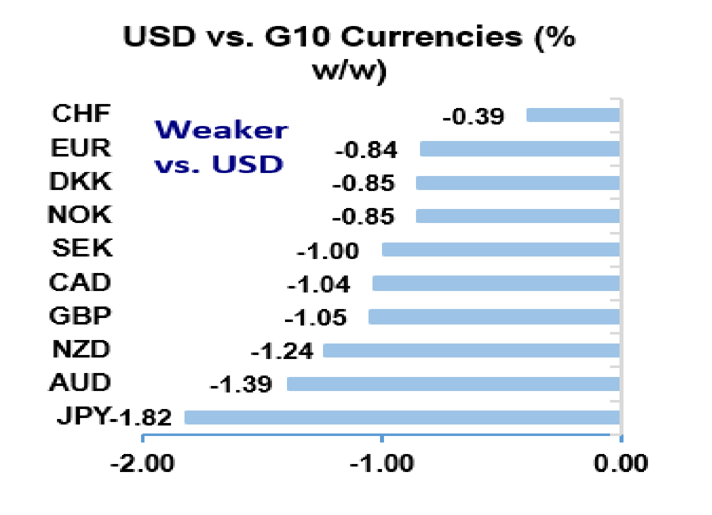
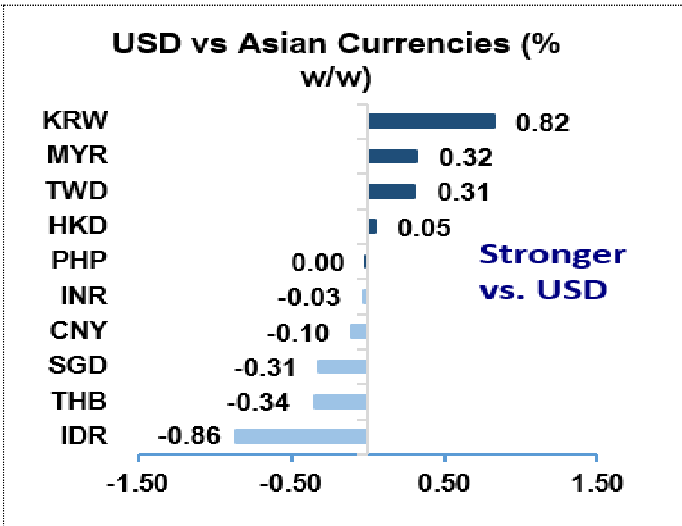
# Weekly Look Ahead

**USD:** The DXY rose in trading this week for the third week on the trot, advancing by 1.0% (prior: +1.2%) to 101.29 from 100.25 the prior week, amidst some solid economic data and the bilateral summit between the US and China in President Xi Jinping's first trip to the US in over a decade. The preliminary US PMIs for September unexpectedly saw a further surge, across both manufacturing and services sectors, pointing to a strong finish for the economy in 3Q. We are ***Neutral*** on the USD for the coming week, looking at a likely trading range of 100.00 – 102.50 for the DXY. The week ahead sees the release of core PCE index for August, the ISM Manufacturing index and the Conference Board's consumer confidence for September, and the usual slew of labour market indicators (ADP employment change, Challenger job cuts, and JOLTS job openings) prior to the September monthly employment report next Friday.




*Source: Bloomberg, HL Bank*

**EUR**: EUR retreated in trading this week for a fifth week running, coming off by 0.8% (prior: -1.2%) against the USD to 1.1380 from 1.1476 the week before, amidst a strong backdrop for the greenback. Inflation expectations for August rose, with expectation of both short-term and medium-term prices edging higher, while the preliminary Eurozone composite PMI for September improved further, driven by a rise in the services sector measure. We are ***Neutral-to-Slightly Bullish*** on the EUR/USD for the week ahead with the pair in oversold territory, foreseeing a possible trading range of 1.1250 – 1.1525 for the pair. The coming week brings the release of the economic confidence index for September and the unemployment rate for August, prior to the September CPI estimates next Friday, and there will be quite a bit of ECB-speak too, including from ECB President Lagarde.

**GBP**: The GBP fell against the greenback in trading this week for a fifth consecutive week, retreating by 1.1% w/w (prior: -1.1% w/w) to 1.3219 from 1.3359 the prior week, amidst UK retail sales for August unexpectedly rising and the preliminary UK composite PMI declining by slightly more than expected, driven by a cooling in the services sector. We are ***Neutral-to-Slightly Bullish*** on the Cable for the coming week, eyeing a probable trading range of 1.3075 – 1.3375. The week ahead sees the release of UK mortgage approvals for August and the final 2Q GDP figures, with some speeches due from Bank of England officials, including from Governor Andrew Bailey.

**JPY**: The Japanese Yen depreciated against the USD in trading this week for a second straight week, declining by 1.8% (prior: -1.0%) to 158.86 from 155.97 the week before, amidst the Bank of Japan raising rates as expected but sounding less hawkish than expected, tempering expectations for further rate hikes in the near term, while the preliminary Japan PMIs for September eased. We are ***Neutral-to-Slightly Bullish*** on USD/JPY for the week ahead, looking at a likely trading range of 156.75 – 161.25 for the currency pair. The coming week brings the release of retail sales, housing starts and industrial production figures for August, as well as the key Tankan survey for 3Q and the summary of opinions from the recent Bank of Japan meeting.

**AUD**: AUD fell against the USD in trading this week for a third week on the trot, coming off by 1.4% (prior: -0.6%) to 0.7012 from 0.7111 the prior week, amidst a rise in the Australian unemployment rate for August and an easing in the preliminary September Australian PMIs. We are ***Neutral*** on AUD/USD for the coming week, looking at a likely trading range of 0.6900 – 0.7125. The week ahead looks set to be an eventful one, with the RBA set to decide on policy amidst the futures markets pricing in a near certainty of a 25bps hike, and there will be quite a bit of data too, with the CPI, private sector credit growth, building approval figures and trade balance for August all scheduled to be released.

**MYR:** MYR was firmer in trading against the USD for the first week in four, climbing by 0.3% (prior: -0.9%) to 4.0865 from 4.0995 the week before, amidst exports in August picking up the pace versus the previous month and CPI for the month that unexpectedly inched higher by a notch to 1.9% y/y. Against the rest of the G10 and major regional currencies, the MYR was stronger across the board for the week, with the exception of against the KRW (-0.5%). We are ***Neutral-to-Slightly Bullish*** on USD/MYR for the week ahead, eyeing a probable trading range of 4.0625 – 4.1125. The coming week brings the release of S&P Global Malaysia manufacturing PMI, which will offer some clues as to the state of economic growth as we ended 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 | 3.75-4.00 | 4.00-4.25 | 4.00-4.25 | 4.00-4.25 |
| BOC | 2.25 | 2.25 | 2.50 | 2.50 |
| ECB | 2.50 | 2.75 | 2.75 | 2.75 |
| 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 | 3.00 | 3.00 |
| 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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