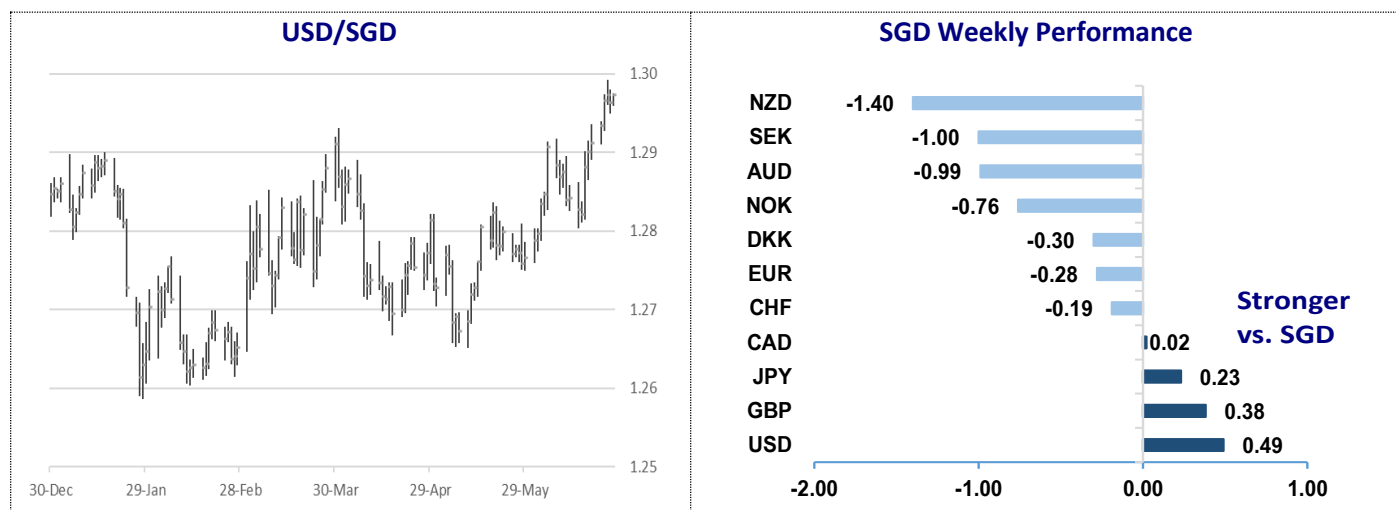


26 June 2026

## Global Markets Research

### Currency Outlook for the Week Ahead



Source: Bloomberg

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

SGD lost ground against the USD in trading for the week for a second week running, depreciating by 0.5% w/w (prior: -0.5%) to 1.2963 from 1.2900 the week before amidst CPI figures for May undershooting expectations, with the headline and core CPI both unexpectedly holding steady from the levels recorded in April. Against other G10 and major regional currencies, the SGD was mixed for the week, gaining ground against NZD (+1.4%) THB (+1.3%) and AUD (+1.0%), and depreciating versus the MYR (-0.5%) and GBP (-0.4%). We are **Neutral** on USD/SGD for the week ahead, eyeing a probable trading range of 1.2850 – 1.3075. The coming week brings the release of industrial production figures for May, as well as the PMI and Electronic Sector index for June.

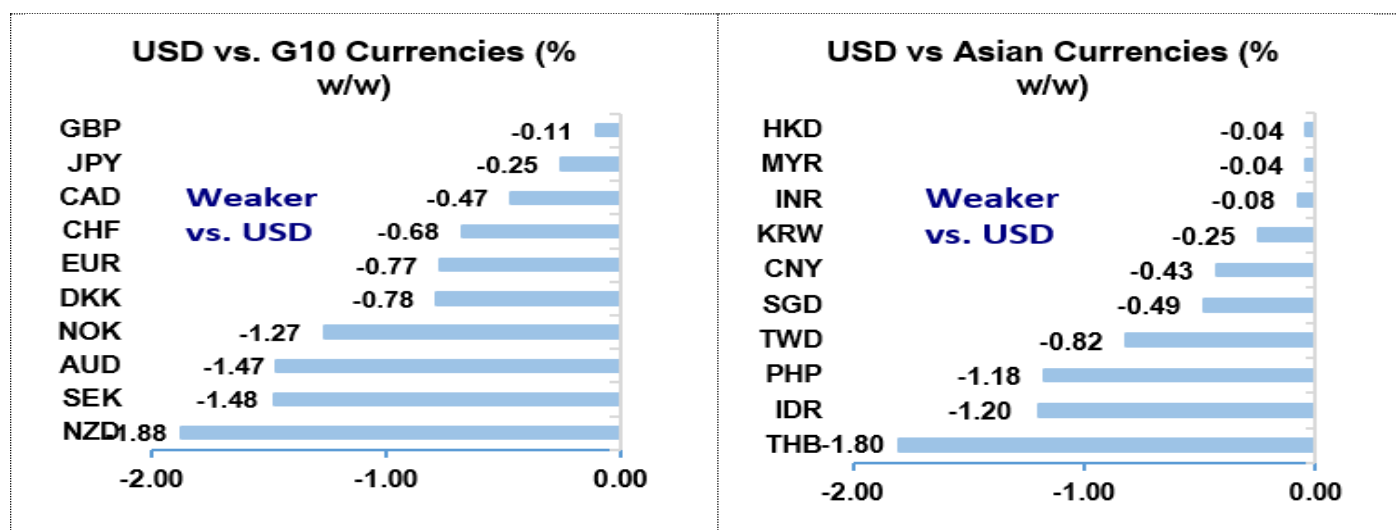
#### 1-Month Outlook – USD/ SGD Neutral

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	1.2840	1.2905	1.2963	1.3000	1.3070

## Weekly Look Ahead

**USD:** The DXY rose for a fourth consecutive week, climbing by 0.6% w/w (prior: +1.0%) to 101.43 from 100.85 the prior week, as the Middle East ceasefire continued to hold up as the two sides negotiate a more detailed peace agreement. Economic data during the week saw the core PCE for May come as anticipated, and the preliminary US PMIs for June edged higher, both on the manufacturing and services front, boding well for 2Q growth. We are **Neutral** on the USD for the coming week, looking at a likely trading range of 100.00 - 102.75 for the DXY. The week ahead sees the release of the Conference Board's consumer confidence for June and the ISM Manufacturing index for the month, as well as the usual slew of labour market indicators (JOLTS, Challenger and ADP) as we build up towards next Friday's monthly jobs report.



Source: Bloomberg, HL Bank

**EUR:** EUR was weaker in trading this week for fourth week running, losing ground by 0.8% w/w (prior: -1.0%) against the USD to 1.1370 from 1.1458 the week before, amidst a larger than expected rise in the Eurozone preliminary composite PMI which was driven by the services sector. ECB board member Isable Schnabel mentioned during the week that the central bank will probably have to increase rates further to tame price pressures. We are **Neutral** on the EUR/USD for the week ahead, foreseeing a possible trading range of 1.1250 - 1.1500. The coming week brings the preliminary CPI estimate for June, the economic confidence index for the month as well as the Eurozone unemployment rate for May.

**GBP:** The GBP fell in trading against the greenback for a fourth week in a row, inching lower by 0.1% w/w (prior: -1.6% w/w) to 1.3192 from 1.3206 the prior week, amidst British Prime Minister Keir Starmer announcing his resignation with a timetable set for the Labour party to appoint a new leader to take over. Data during the week was mixed, with retail sales for May coming in stronger than anticipated, while the preliminary UK composite PMI for June unexpectedly eased versus the previous month's level. We are **Neutral-to-Slightly Bearish** on the Cable for the coming week, eyeing a probable trading range of 1.3050 - 1.3325. The week ahead will see the release of the final 1Q GDP figures, as well as mortgage approval numbers for the month of May and the Nationwide house price report for June.

**JPY:** The Japanese Yen declined against the USD in trading this week for a second week running, losing ground by 0.3% w/w (prior: -0.9%) to 161.79 from 161.38 the week before, amidst the national CPI figures for May coming in as per expectations and the preliminary Japanese PMI for June rising from the month before, as well as threats of intervention by the Japanese authorities to stem the decline with the currency at the lowest level against the greenback since 1986. We are **Slightly Bearish** on USD/JPY for the week ahead, looking at a likely trading range of 158 - 163. After the Tokyo CPI figures for June came out slightly hotter than expected this morning, the rest of the coming week brings retail sales and industrial production figures for May as well as the jobless rate for the month, in addition to the much-watched Tankan survey for 2Q.

**AUD:** AUD was lower against the USD in trading this week for a fourth consecutive week, falling by 1.5% (prior: -0.5%) to 0.6910 from 0.7013 the prior week, amidst the employment report for May coming in roughly as anticipated, while CPI for May was hotter than expected on a trimmed mean basis, which is the RBA's preferred gauge of inflation. We are **Neutral-to-Slightly Bearish** on AUD/USD for the coming week, foreseeing a possible trading range of 0.6775 – 0.7025. The week ahead sees the release of the trade balance, building approvals and private sector credit figures for the month of May, as well as the minutes of the RBA June policy meeting.

**MYR:** MYR was slightly weaker against the USD in trading this week for a seventh straight week, inching lower by 0.04% w/w (prior: -1.3%) to 4.1188 from 4.1170 the week before, amidst BNM mentioning that they would intensify measures to encourage foreign exchange inflows. Economic data during the week saw better than expected export figures for May and CPI for the month that rose by less than anticipated. Against the rest of the G10 and major regional currencies, the MYR had a good week and was firmer across the board, gaining the most ground against the NZD (+2.0%), THB (+1.8%) and AUD (+1.6%). We are **Neutral** on USD/MYR for the week ahead, eyeing a probable trading range of 4.0900 – 4.1475. The coming week brings the release of the S&P Global Malaysia manufacturing PMI for June, which may provide more clues about economic momentum as we close out 2Q.

## 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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