

27 February 2026

Global Markets Research

Currency Outlook for the Week Ahead



Source: Bloomberg

1-Week Outlook – USD/ SGD Neutral

SGD strengthened against the USD in trading this week, climbing by 0.3% (prior: -0.5%) to 1.2640 from 1.2683 the week before, amidst an unexpected cooling in core CPI for January even as the headline rate matched expectations by rising at a faster pace than the month before. Against other G10 currencies, the SGD was stronger across the board for the week, except against the AUD (-0.4%), but versus major regional currencies, it was a mixed bag, gaining ground against the INR (+0.6%) and HKD (+0.5%) but declining versus the KRW (-0.8%) and TWD (-0.6%). We are **Neutral** on the USD/SGD for the coming week, foreseeing a possible trading range of 1.2525 – 1.2750. The week ahead sees the release of the PMI and Electronic Sector index for February as well as the retail sales report for January.

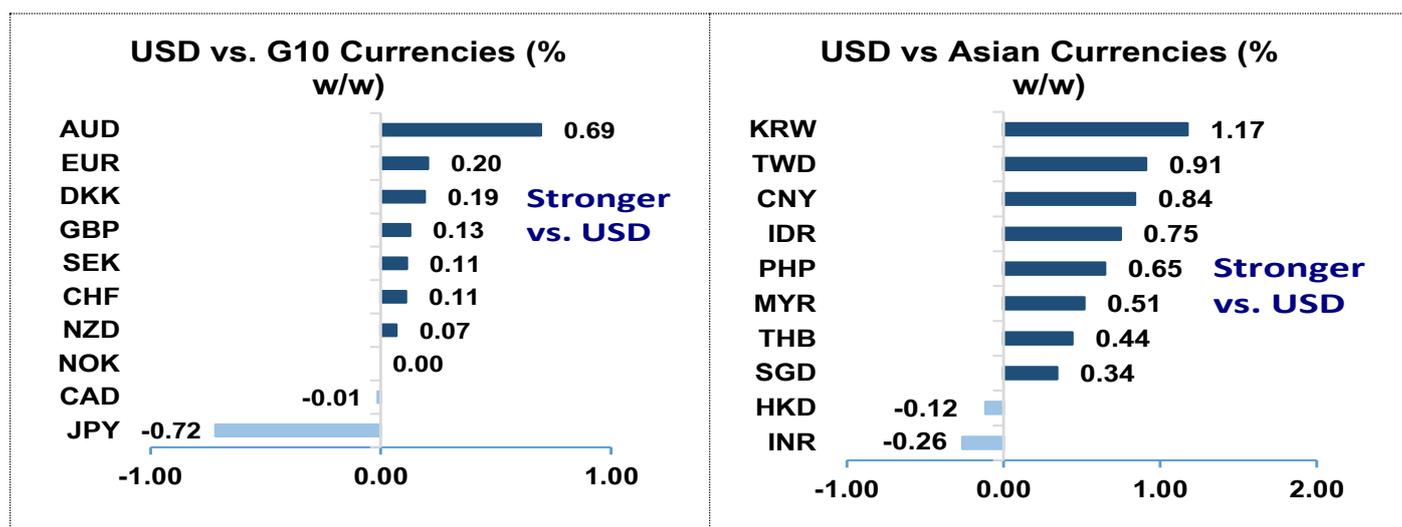
1-Month Outlook – USD/ SGD Neutral-to-Slightly Bearish

The USD/SGD outlook is neutral-to-slightly bearish in our view. The USD has been weakening as of late, with the US Supreme Court recent ruling against Trump’s reciprocal tariffs, introducing renewed uncertainty to global trade prospects, with the White House immediately imposing a 10% tariff across the board under a different legislation. Advanced 4Q growth numbers fell short of expectations, and recent inflation numbers have been mixed, with core CPI for January coming in as anticipated, but core PCE for December was slightly hotter than expected. The Fed maintained the Fed Funds Rate in January after three consecutive reductions in a 10-2 majority vote, referencing the stabilization in the unemployment rate. On the domestic front, MAS held steady on policy again at its quarterly January policy statement amidst inflation that is expected to remain well behaved in 2026. 2025 annual GDP came in north of expectations in the final release, but retail sales for December and exports for January were both weaker than anticipated. The latest inflation numbers for January saw the headline rising slightly as anticipated, but core CPI unexpectedly cooled for the month. We expect MAS to continue to keep policy unchanged for the first half of 2026.

	S2	S1	Prev. Close	R1	R2
USD/SGD	1.2530	1.2595	1.2640	1.2705	1.2780

Weekly Look Ahead

USD: USD was marginally weaker in trading this week, with the DXY coming off by 0.1% w/w to 97.79 (prior: +1.0%) from 97.93 the prior week, amidst advanced 4Q GDP coming in weaker than anticipated and core PCE for December printing hotter than expected. We are **Neutral-to Slightly Bullish** on the USD for the week ahead, eyeing a probable trading range of 96.50 – 99.25 for the DXY. The coming week brings the scheduled release of the ISM indices for February and PPI for January, with the Fed also due to release their latest Beige Book. Employment indicators from the ADP and Challenger are also up for release as we build up towards the February jobs report next Friday.



Source: Bloomberg, HL Bank

EUR: EUR was firmer in trading this week, advancing against the greenback by 0.2% w/w (prior: -0.8%) to 1.1797 from 1.1773 the week before, amidst the final CPI for January coming in as per expectations, and preliminary Eurozone PMIs for February which came in higher than anticipated. We are **Neutral** on the EUR/USD for the coming week, looking at a likely trading range of 1.1675 – 1.1925. The week ahead sees the release of the preliminary CPI figures for February, as well as producer prices, retail sales, the unemployment rate and ECB inflation expectations for January.

GBP: GBP appreciated in trading this week, inching up by 0.1% w/w (prior: -1.2%) to 1.3482 against the USD from 1.3465 the prior week, after retail sales for January came in strong than anticipated and the preliminary composite UK PMI for February unexpectedly strengthened from the month before. We are **Neutral-to-Slightly Bearish** on the Cable for the week ahead, foreseeing a possible trading range of 1.3325 – 1.3625 for the currency pair. The coming week brings the release of mortgage approval figures for January as well as the Nationwide house price index and consumer confidence for February.

JPY: JPY declined against the USD in trading this week for a second straight week, and was the worst performer in the G10 space, falling by 0.7% to 156.13 (prior: -1.5%) from 155.01 the week before, amidst the nomination of two candidates that are seen as dovish for two seats opening up on the Bank of Japan's policy board. Economic data for the week saw the CPI for January come in a touch cooler than expected and preliminary Japan PMIs for February that made gains on the levels seen in January. We are **Neutral** on USD/JPY for the coming week, eyeing a probable trading range of 153.75 – 158.50. After the Tokyo CPI figures for February came out hotter than expected and retail sales for January surpassed expectations this morning, the week ahead sees the release of the jobless rate and housing starts for January as well as the capital spending numbers for 4Q.

AUD: AUD rose against the USD in trading this week, advancing by 0.7% to 0.7105 (prior: -0.5%) from 0.7056 the prior week, amidst CPI figures for January coming in slightly hotter than expected, reinforcing expectations that the RBA has more to do in terms of tightening policy having hiked recently. We are **Neutral-to-Slightly Bearish** on AUD/USD for the week ahead, looking at a likely trading range of 0.6975 – 0.7225. The focus of the coming week will be the release of 4Q GDP, with the trade figures and private sector credit growth numbers for January also scheduled for release.

MYR: MYR strengthened against the USD in trading this week, appreciating by 0.5% to 3.8890 (prior: -0.2%) from 3.9090 the week before, amidst exports for January surpassing expectations while imports grew by less than expected for the month. Against the rest of the G10 currencies, the MYR was stronger across for the week, except against the AUD (-0.3%) but versus major regional currencies, it was mixed, gaining the most against the INR (+0.8%) and HKD (+0.6%), but losing ground against the KRW (-0.7%) and CNY (-0.5%). We are **Neutral-to-Slightly Bullish** on USD/MYR for the coming week with the pair trading in oversold territory, foreseeing a possible trading range of 3.8600 – 3.9275. The week ahead sees the release of the S&P Global Malaysia manufacturing PMI for February, and BNM is also scheduled to decide on policy at the MPC, where we expect policy rate to be kept on hold for a fourth straight meet along a slightly more upbeat tone on the economy.

House View and Forecasts

FX	1Q-26	2Q-26	3Q-26	4Q-26
DXY	96.71	95.13	94.70	95.49
USD/CAD	1.36	1.35	1.35	1.35
EUR/USD	1.20	1.22	1.22	1.21
GBP/USD	1.36	1.37	1.37	1.35
AUD/USD	0.68	0.69	0.70	0.69
NZD/USD	0.58	0.59	0.59	0.58
USD/JPY	153	149	147	147
USD/MYR	4.00	3.97	3.97	4.00
USD/SGD	1.26	1.23	1.23	1.24
USD/CNY	6.90	6.83	6.85	6.90

Policy Rate (%)	1Q-26	2Q-26	3Q-26	4Q-26
Fed	3.50-3.75	3.25-3.50	3.25-3.50	3.00-3.25
BOC	2.25	2.25	2.25	2.25
ECB	2.00	2.00	2.00	2.00
BOE	3.50	3.50	3.50	3.50
RBA	3.85	4.10	4.10	4.10
RBNZ	2.25	2.25	2.25	2.25
BOJ	0.75	0.75	1.00	1.00
BNM	2.75	2.75	2.75	2.75
MAS	Hold	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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