

27 March 2026

Global Markets Research

Currency Outlook for the Week Ahead



Source: Bloomberg

1-Week Outlook – USD/ SGD Neutral

SGD fell against the greenback in trading this week, declining by 0.6% (prior: +0.1%) to 1.2853 from 1.2775 the prior week, amidst industrial production for February unexpectedly recording an annual decline, and core CPI for the month that was slightly hotter than anticipated. Against other G10 currencies, the SGD was mostly stronger for the week, gaining the most ground against the AUD (+2.2%), but versus major regional currencies, it was a mixed bag, appreciating against the MYR (+1.4%) and INR (+0.8%), but declining versus the IDR (-1.1%) and TWD (-0.9%). We are **Neutral** on the USD/SGD for the week ahead, foreseeing a possible trading range of 1.2725 – 1.2975 for the pair. The coming week brings the release of the PMI and Electronic Sector Index for March, which will provide clues on how the economy was faring as we closed out 1Q.

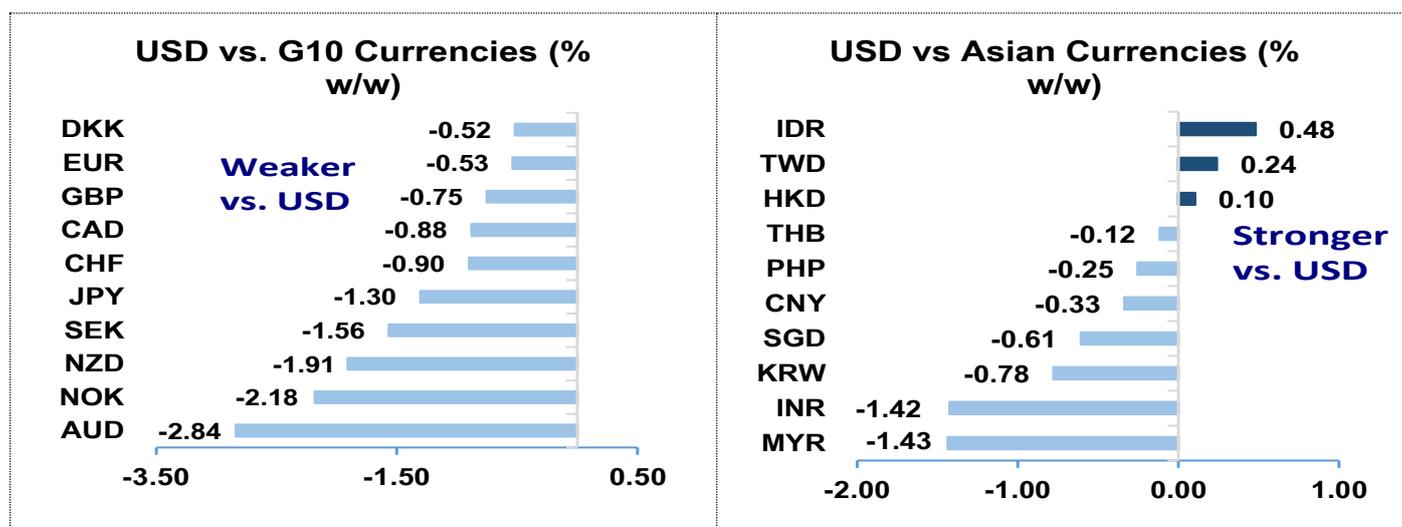
1-Month Outlook – USD/ SGD Neutral-to-Slightly Bearish

The USD/SGD outlook is neutral-to-slightly bearish in our view. The USD has been firming as of late, with the conflict in the Middle East at the turn of the month resulting in safe-haven flows into the greenback with no end of the conflict in sight and a resultant surge in oil prices and a complete dialling back of Fed rate cut expectations for the year on fears of a resurgence in inflation, with the chance of a hike now priced in. 4Q25 growth numbers were revised lower in the second reading, and recent inflation numbers have been muted, with both the core CPI for February and the core PCE for January coming in as anticipated but pipeline pressures already seemed to be building even before the start of the conflict. The Fed maintained the Fed Funds Rate in March in an 11-1 majority vote, adopting a wait and see approach even as they raised their inflation projections. 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 January and exports for February were both weaker than anticipated. The latest inflation numbers for February saw the headline number easing slightly as anticipated, but core CPI picked up slightly more than expected for the month.

	S2	S1	Prev. Close	R1	R2
USD/SGD	1.2735	1.2800	1.2853	1.2905	1.2980

Weekly Look Ahead

USD: USD was firmer in trading this week, with the DXY climbing by 0.7% w/w to 99.90 (prior: -0.5%) from 99.23 the week before, amidst conflicting reports on whether a deal to end the conflict in the Middle East was in the works. Economic data for the week saw the preliminary March PMIs come out mixed, while import and export price indices for February were hotter than expected, signalling that price pressures were already building prior to the conflict at the turn of the month. We are **Neutral-to Slightly Bullish** on the USD for the coming week, eyeing a probable trading range of 98.50 – 101.50 for the DXY. The week ahead brings the release of the ISM Manufacturing index for March and the retail sales report for February, as well as usual labour market indicators (JOLTS, Challenger and ADP) as we build up to next Friday's monthly employment report.



Source: Bloomberg, HL Bank

EUR: EUR was weaker in trading this week, falling against the USD by 0.5% w/w (prior: +0.7%) to 1.1527 from 1.1589 the prior week, amidst the preliminary Eurozone composite PMI for March falling by more than expected, dragged lower by the services reading even as manufacturing firmed from the previous month. We are **Neutral-to-Slightly Bearish** on the EUR/USD for the week ahead, looking at a likely trading range of 1.1375 – 1.1650. The coming week sees the release of the ECB inflation expectations and unemployment rate for February as well as the preliminary flash CPI and economic confidence index for March, with the ECB also due to publish their latest Economic Bulletin.

GBP: GBP depreciated in trading this week, losing ground against the greenback by 0.8% w/w (prior: +0.7%) to 1.3330 from 1.3431 the week before, amidst the preliminary March composite PMI tumbling by more than expected, and slightly hotter than expected core CPI and services CPI readings for February. We are **Neutral-to-Slightly Bearish** on the Cable for the coming week, foreseeing a possible trading range of 1.3175 – 1.3475 for the pair. The week ahead features the release of retail sales and mortgage approvals for February, the final 4Q UK GDP figures, and the Nationwide house price index for March.

JPY: JPY was lower against the USD in trading this week, declining by 1.3% to 159.81 (prior: +1.0%) from 157.73 the prior week, amidst cooler than expected national CPI figures for February. Minutes of the January Bank of Japan meeting revealed that policymakers saw the need for further rate increases, with some urging timely action to battle rising inflation. We are **Neutral-to-Slightly Bearish** on USD/JPY for the week ahead, eyeing a probable trading range of 157.00 – 161.75 for the currency pair. The coming week sees the release of Tokyo CPI figures for March, retail sales and the jobless rate for February as well as then Tankan survey for 1Q.

AUD: AUD lost ground against the USD in trading this week and was the worst performer in the G10 space, plunging by 2.8% to 0.6886 (prior: +0.1%) from 0.7087 the week before, amidst a sharp decline in the preliminary Australian services PMI for March, and slightly cooler than expected CPI figures for February. We are **Neutral-to-Slightly Bearish** on AUD/USD for the coming week, looking at a likely trading range of 0.6750 – 0.7000. The trade balance, private sector credit growth and building approvals for February are all scheduled for release during the week ahead, with the minutes of the RBA March policy meeting, which saw the RBA hike the cash rate by 25bps, also due for release.

MYR: MYR lost ground against the USD in trading during the holiday-shortened week, declining by 1.5% to 3.9935 (prior: -0.3%) from 3.9362 the prior week, amidst a firm backdrop for the greenback with the Middle East conflict extending for a fourth week. Against the rest of the G10 currencies and versus major regional currencies, the MYR was also broadly softer for the week except against the AUD (+0.3%). We are **Neutral-to-Slightly Bullish** on USD/MYR for the week ahead, foreseeing a possible trading range of 3.9700 – 4.0275. The coming week brings the release of the S&P Global Malaysia manufacturing PMI for March, which will give a glimpse into how economic conditions in the factory sector have been impacted by the increased geopolitical temperature thus far. All eyes will also be on a slew of BNM reports including the updated macro forecasts.

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	3.25-3.50	3.25-3.50
BOC	2.25	2.25	2.25	2.25
ECB	2.00	2.00	2.00	2.00
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	0.75	1.00	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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