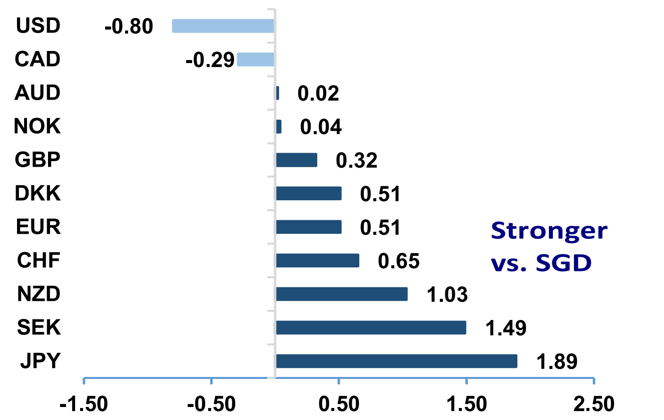
31 July 2026

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 advanced against the greenback in trading this week, rising by 0.8% (prior: -0.1%) to 1.2817 from 1.2921 the prior week, amidst the MAS tightening policy for a second straight quarter in their quarterly monetary policy statement, altering the slope of the S$NEER curve "very slightly" with an adjustment that was "smaller than that in April". Against other G10 currencies, the SGD was softer across the board for the week except for against the CAD (+0.3%), while versus major regional currencies the SGD mostly registered gains, except against the KRW (-2.7%) and INR (-0.1%). We are ***Neutral-to-Slightly Bullish*** on USD/SGD for the coming week, foreseeing a possible trading range of 1.2725 – 1.2950. The week ahead sees the release of the retail sales report and unemployment rate for June, as well as the purchasing managers index and electronic sector index for July.

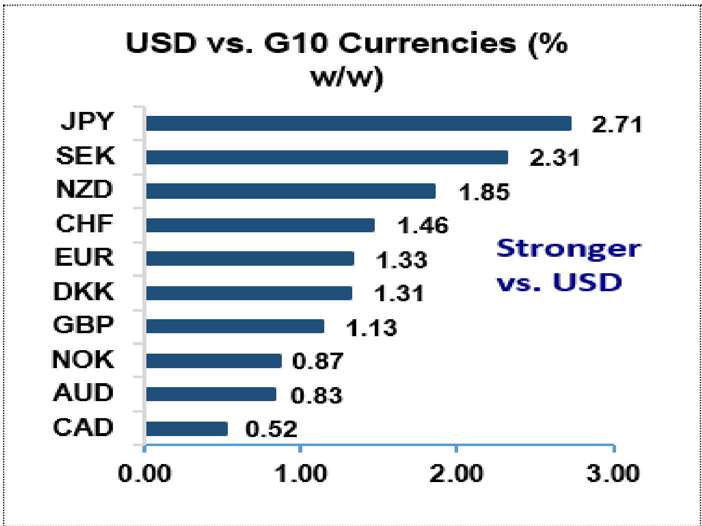
1-Month Outlook – USD/ SGD Neutral

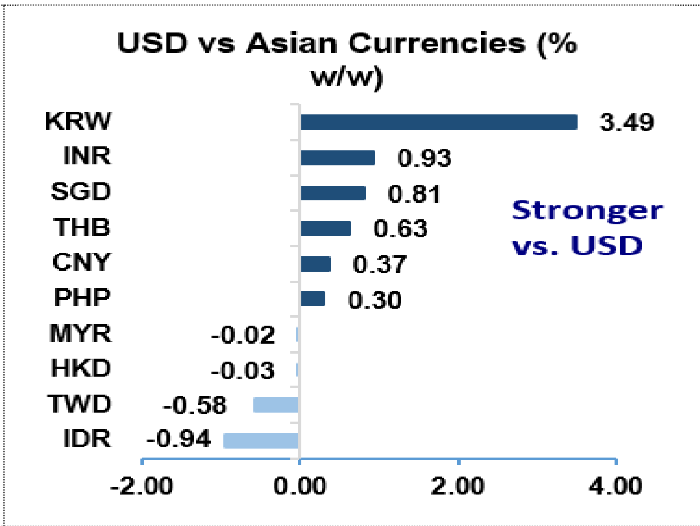
The USD/SGD one-month outlook is neutral in our view. The USD has been trading in a range as of late as the fragile interim ceasefire between the US and Iran while working towards the signing of a peace accord looks in danger of breaking down with both sides trading blows. The Fed left policy on hold 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 advanced reading of Singapore 2Q GDP was slightly firmer than expected while the latest inflation numbers for May and export figures for June were both softer than expected.

	S2	S1	Prev. Close	R1	R2
USD/SGD	1.2638	1.2735	1.2817	1.2899	1.2993

Weekly Look Ahead

USD: The DXY lost ground in trading this week, depreciating by 1.6% w/w (prior: 0.7%) to 99.86 from 101.44 the week before, amidst the FOMC leaving rates on hold in a 9-3 majority decision and a volatile week for the conflict in the Middle East. Economic data for the week saw advanced 2Q GDP come in softer than expected, while the core PCE index for June was slightly cooler than anticipated, while the preliminary US PMIs for July rose more by more than expected, driven by the services sector. We are *Neutral-to-Slightly Bullish* on the USD for the week ahead, eyeing a probable trading range of 98.75 – 101.25 for the DXY. The coming week brings the release of the ISM indices for July and the usual slew of labour market indicators (ADP, JOLTS and Challenger) as we build up towards next Friday's monthly employment report for July.





Source: Bloomberg, HL Bank

EUR: EUR advanced in trading this week, climbing by 1.3% (prior: -0.6%) against the greenback to 1.1528 from 1.1377 the prior week, amidst Eurozone advanced 2Q GDP coming in stronger than anticipated. Other economic data for the week saw the unemployment rate for June hold steady at 6.3% and cooler than expected inflation expectations for the month, while the preliminary Eurozone PMIs for July rose by more than expected as the services sector rebounded. We are ***Neutral-to-Slightly Bearish*** on the EUR/USD for the coming week, looking at a likely trading range of 1.1375 – 1.1650 for the pair. The week ahead sees the release of the preliminary Eurozone CPI estimates for July as well as the retail sales report for June, with the ECB also scheduled to release their latest Economic Bulletin.

GBP: The GBP rose against the USD in trading this week, appreciating by 1.1% w/w (prior: -1.2% w/w) to 1.3466 from 1.3315 the week before, amidst the Bank of England leaving rates on hold in a 6-3 majority vote, with Governor Andrew Bailey insisting that his committee is not getting closer to a rate hike despite three members voting for tighter policy. Economic releases for the week were strong, with retail sales for June unexpectedly registering a further monthly rise and the preliminary UK composite PMI rising by more than expected, driven by a strong services sector reading. We are ***Neutral-to-Slightly Bearish*** on the Cable for the week ahead, foreseeing a possible trading range of 1.3300 – 1.3575 It will be a lighter week for economic data ahead, with only the Nationwide Building Society's house price index and the final UK PMIs for July due.

JPY: The Japanese Yen surged against the USD in trading this week and was the best performer in the G10 space, jumping by 2.7% (prior: -0.9%) to 159.53 from 163.86 the prior week, amidst reported intervention by the Bank of Japan to stem the weakness in the Yen. Data for the week saw the national CPI figures for June coming in mostly as expected and mixed readings for the preliminary Japanese PMIs for July. We are ***Neutral*** on USD/JPY for the coming week, eyeing a probable trading range of 156.50 – 162.50. After the Tokyo CPI figures for July came out hotter than anticipated and retail sales for June underwhelmed this morning, the week ahead sees the Bank of Japan decide on policy later today where no change is expected, and we will also get the labour earnings report for the month of June during the week.

AUD: AUD appreciated against the USD in trading this week, climbing by 0.8% (prior: -0.4%) to 0.7027 from 0.6969 the week before, amidst cooler than anticipated quarterly CPI figures resulting in a paring back of RBA rate hike expectations. Futures markets are implying a 59% chance of a further 25bps hike by the RBA this year versus the 95% chance seen the week before. We are ***Neutral-to-Slightly Bearish*** on AUD/USD for the week ahead, looking at a likely trading range of 0.6900 – 0.7125. The coming week brings the release of the PPI figures for 2Q, the private sector credit numbers and trade balance for June and the Melbourne Institute's inflation reading for July.

MYR: MYR was little changed in trading against the greenback for the week (prior: -0.4%), inching lower to 4.0900 from 4.0890 the prior week, amidst an empty data calendar domestically and BNM Governor Rasheed continuing to remain upbeat on the economy and indicating that growth for the year is expected to come in at the higher end of the official forecast. Against the rest of the G10 and major regional currencies, the MYR was mostly weaker across the board, except against the IDR (+0.9%), TWD (+0.6%) and AUD (+0.4%). We are ***Neutral*** on USD/MYR for the coming week, foreseeing a possible trading range of 4.0650 – 4.1150. The week ahead sees the release of the S&P Global Malaysia manufacturing PMI for July that may provide an indication of the economic momentum as we began 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	3.50-3.75	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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