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MAS keeps Singapore dollar policy unchanged in October 2026, core inflation at 2.1%

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On 14 October 2026 MAS kept the slope, width and centre of the Singapore dollar policy band unchanged. Core inflation rose to 2.1% in July-August and is forecast at 1.5-2.0% for 2026.

Country reference

- **Country:** Singapore
- **Authorities:** Monetary Authority of Singapore (MAS)
- **Topic:** Exchange-rate based monetary policy (S$NEER policy band)
- **Key date:** Monetary Policy Statement, 14 October 2026
- **Law:** Monetary Authority of Singapore Act

What was announced

MAS manages policy through the Singapore dollar nominal effective exchange rate (S$NEER), not an interest rate. In its October statement it kept the rate of appreciation of the policy band. There is no change to the width of the band or the level at which it is centred. In July 2026 MAS had raised the rate of appreciation slightly. Since then the S$NEER has strengthened modestly in the upper half of the band.

Growth and inflation

- GDP grew 5.4% year on year in the third quarter of 2026 (advance estimate), led by technology-related sectors; quarter-on-quarter growth was 1.1%.
- MAS Core Inflation rose to 2.1% in July-August, from 1.5% in the second quarter.
- 2026 forecast: core inflation 1.5-2.0%; headline (CPI-All Items) around 2.0%.
- 2027 forecast: both measures 1.5-2.5%.
- MAS expects core inflation to ease from the middle of 2027, but sees risks tilted upwards from energy and food prices and possible spillovers from the AI-related boom.

Why it matters for finance teams

- A steadily appreciating Singapore dollar lowers the local cost of imports and raises the dollar value of Singapore earnings for foreign parents.
- Singapore interest rates follow global rates more than MAS decisions, so funding costs are not directly affected.
- For Gulf groups whose currencies are pegged to the US dollar, the Singapore dollar trend matters for intra-group pricing and translation of results.

What to do now

- Treasury: refresh SGD exposure forecasts and hedge ratios for 2027 budgets.

- FP&A: use 1.5-2.5% inflation for 2027 Singapore cost assumptions.
- Note the next statement, expected in January 2027, and the official growth forecast due in November.

Our take

A hold after the July tightening signals MAS is comfortable with a gradually stronger currency while inflation is above its recent average. Budget for continued, modest Singapore dollar strength rather than a reversal.

Sources

- Monetary Authority of Singapore: Monetary Policy Statement (14 October 2026)
- Monetary Authority of Singapore: Monetary Policy Statement at a glance (14 October 2026)

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