

FX

CONSENSUS FORECAST

A LOOK AT THE MONTH AHEAD

July 2022

moneycorp 

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QUICK GLANCE



The United States economy began the second quarter on shakier ground than previously thought. Consumer spending, the main engine of the economy, was much lower in the first quarter than previously reported. This could be a red flag for domestic demand and the economic outlook as the Federal Reserve aggressively tightens monetary policy to tame inflation. With the planned interest rate hike, the Fed mentions the risk that controlling inflation may cause the U.S. economy to slow down more than necessary.

According to the Department of Commerce, the third and final estimate showed that GDP fell by a 1.6% on an annualized rate in the third quarter, which was revised down from a 1.5% drop reported last month. The widening of the trade deficit and a resurgence of Covid-19 infections reduced spending on services such as recreation, causing the economy to contract more than expected. The trade deficit subtracted 3.23% points from GDP. The current report also revealed some underlying economic weakness, with consumer spending revised lower and inventories higher than previously reported as consumers face high inflation and a monetary tightening phase. As a result, many economists have revised their second-quarter GDP forecasts in recent weeks. According to some estimates, the economy expanded moderately from April to June.

Consumer spending, which accounts for more than two-thirds of the economy, increased at a 1.8% annual rate rather than the 3.1% rate reported last month. The downgrade reflected revisions to services, which are now estimated to have grown at a 3.0% annual rate rather than the previously reported 4.8% rate. Recreation, financial services, and insurance, and healthcare spending have all been reduced. Outlays on goods expected to last three years or more rose at a 5.9% annual rate, down from the previously reported 6.8% rate. This reflected lower spending on motor vehicles and recreational goods. However, slower consumer spending was partially offset by increased business investment in equipment, which increased its growth rate to 14.1% from 13.2%.

Because of the slow pace of spending in the first quarter, inventories are significantly higher than expected in May. Business inventories increased at a \$188.5 billion rate, up from \$149.6 billion in the previous month. The accumulation occurred primarily in the retail sector, primarily in general merchandise stores.

In regards to the current quarter's health, Retail spending fell in May for the first time this year, indicating that consumers are finding it difficult to bear higher prices. As a result, consumer confidence fell to a 16-month low in June. Furthermore, while Personal spending increased slightly in April, but it fell to 0.2% in May, compared to expectations of 0.5%. It shows that household spending may be losing steam as Americans face the highest inflation in four decades and incomes that haven't kept up with price increases.

Nonetheless, consumer and business spending has not fallen off a cliff. Orders for durable goods and the number of houses under contract in the United States both increased last month, indicating that demand is holding up even as the economy appears to be cooling.

Moving forward, consumer behavior is being closely monitored as the Fed considers how far it will need to raise interest rates in order to control inflation. With that said, the Federal Reserve of the United States raised its policy rate by three-quarters of a percentage point in June, the largest increase since 1994. Since March, the Fed has raised its benchmark overnight interest rate by 150 basis points. Moreover, in the most recent meeting, Jerome Powell stated in his speech at the European Central Bank forum that the Fed is committed to taming inflation and is more concerned with controlling inflation than with the pain caused by the process.

Finally, with the dismal economic data during the current quarter, there arises a natural question that is this a sign of recession materializing?. Commenting on the recession, economists polled by The Wall Street Journal increased the likelihood of a recession in the next 12 months, putting it at 44%, a level usually seen only on the eve of or during actual recessions. The likelihood of a recession has increased this year as inflationary pressures have remained high and the Federal Reserve is increasingly aggressive to combat them.

The year 2022 is shaping up to be a watershed moment for financial markets. While stocks are on track for their worst first half in more than five decades, the dollar increased by the greatest margin in history during the first six months of 2022. The dollar is currently trading 3.5% higher for the month and is supported by two major factors. First, there is a growing gap between interest rates in the United States and the rest of the world. Dozens of other central banks (including the European Central Bank) have decided or plan to raise interest rates, following in the Fed's footsteps. However, real interest rates in the United States remain more appealing than those in Europe. Second, there is a reduced risk appetite, which is based on global recession fears and geopolitical factors such as the Russia-Ukraine war. As a result, safe-haven flows are dominating the market. Moving forward, in the short term, if the high inflation and global downturn concerns persist, the dollar would continue to rise. On the other hand, if the US economy recovers and risk appetite returns, the dollar would give up some of its gains in the second half of the year.

This year, US stocks have lost nearly \$9 trillion as the Federal Reserve's attempt to rein in runaway inflation and mounting concerns about global growth drove investors away from the world's largest equities market. According to Bloomberg data, the market value of the S&P 500 index, a broad barometer of the US stock market, has fallen from \$45.8 trillion at the end of 2021 to \$36.6 trillion recently. The benchmark S&P 500 index has fallen by about a fifth in 2022, putting it on track to have its worst first-half performance since 1970. All S&P sectors have fallen in the first half, with the exception of energy stocks, which are up 32%. U.S. equities have fallen more than 2% in the last week alone, as a weak consumer confidence report fueled fears of an economic downturn. Many economists believe that everything has been driven by inflation, and this has been a key theme for the year, which has intensified during the halfway point. Stocks are anticipated to be roiled further as major central banks signal further rate hikes in an attempt to relieve price pressure. Investors are expected to bet on stocks again when they see compelling evidence of inflation control and optimism about economic growth.

EUR/USD

The Euro continued to depreciate against the US Dollar over June, with the common currency depreciating 3.25% after the Fed reiterated the need to combat inflation even if it meant recession in the US economy.

June was also marked by European Central Bank President Christine Lagarde's remarks, ratifying

that the EU is unlikely to go back to that environment of low inflation.

Looking ahead, the EUR might continue to fight back and forth between higher interest rates in the US, and the idea that the ECB may be able to tighten monetary policy, although at a much slower pace than the Fed.



What To Watch For This Month

07/20/2022 H I C P (Jun)

Eurostat will announce the preliminary HICP for June, which is a significant way to measure purchasing trends and inflation in Eurozone.

07/21/2022 ECB interest rate decision

ECB will announce its decision on monetary policy to show its stance on the inflationary outlook of the economy.

07/29/2022 GDP Q2

Eurostat will announce the GDP for the quarter ending in June to show results of value generated by all goods and services provided by the country.

Previously 5.4% yearly.

Economic Indicators

European Central Bank Forecast

Forecast	2021	2022	2023	2024
Real GDP (YOY%)	5.4	2.8	2.1	2.1
CPI (YOY%)	2.6	6.8	3.5	2.1
Unemployment (%)	7.7	6.8	6.8	6.7

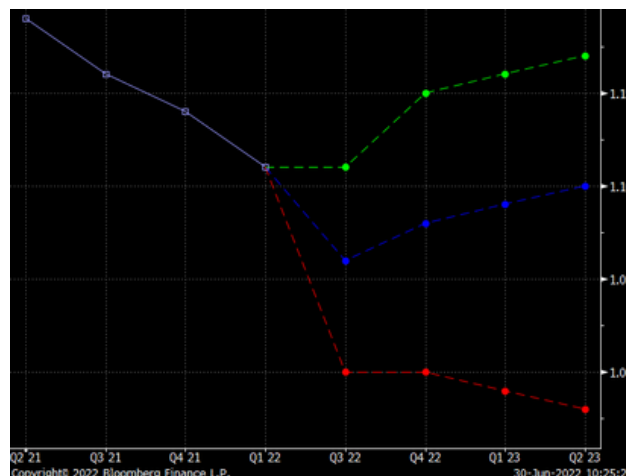


Historical Rates

EUR/USD

Market Consensus & Forecast

	Q3 22	Q4 22	Q1 23	Q2 23
Mean	1.06	1.09	1.1	1.1
High	1.11	1.15	1.16	1.17
Low	1.00	1.00	0.99	0.98



Consensus Forecast

Forecast by Institution

	As of:	Q3 22	Q4 22	Q1 23	Q2 23
Polski Instytut Ekonomiczny	06/29/22	1.05	1.06	1.08	1.1
Barclays	06/28/22	1.02	1.06	1.08	1.1
JPMorgan Chase	06/28/22	1	1.01	1.02	1.03
Wells Fargo	06/28/22	1.04	1.02	1	0.99
Landesbank Baden-Wuerttemberg	06/27/22	1.06	1.08	1.09	1.1
Capital Economics	06/24/22	1.02	1	1.03	1.05
Commerzbank	06/24/22	1.07	1.1	1.12	1.14
Nomura Bank International	06/24/22	1.08	1.12	--	--
Rabobank	06/24/22	1.03	1.05	1.07	1.1
Banco Santander	06/23/22	1.11	1.15	1.16	1.17
Australia & NZ Banking	06/22/22	1.05	1.1	1.12	1.13
Danske Bank	06/22/22	1.03	1.02	1.01	1
DNB	06/21/22	1.08	1.09	1.09	1.1
BNP Paribas	06/20/22	1.09	1.12	1.14	1.16
Commonwealth Bank of Australia	06/20/22	1.03	1.01	0.99	0.98
Credit Agricole CIB	06/17/22	1.08	1.1	1.1	1.1
Jyske Bank	06/16/22	1.05	1.1	1.16	1.16
Swedbank	06/16/22	1.05	1.1	1.12	1.14
MUFG	06/07/22	1.06	1.1	1.12	--

USD/JPY



The Yen tumbled again after recovering some territory in May. The JPY is set to close in June with 5.66% losses as the Yen has effectively been a proxy to Treasury yields since the start of the Fed's tightening cycle.

Therefore, the JPY might continue to weaken as the bets of a more moderate Fed are diluting,

which spurs a jump in US Treasury yields.

On that note, the Bank of Japan seems to be reluctant to accelerate weakness in the JPY, as the market is mounting speculative bets on a policy tweak.

Nonetheless, the BoJ will keep the amount and frequencies of planned bond purchases unchanged in the July-September

What To Watch For This Month

07/18/2022 Tokyo CPI (Jun)

Statistics Bureau will release the Tokyo Consumer Price Index report for June, previously 2.4% annually.

07/21/2022 BOJ interest rate decision

BO will announce its decision on monetary policy to show its stance on the inflationary outlook of the economy.

07/28/2022 Retail Trade (Jun)

Ministry of Economy and trade will release retail sales figures for June to show the performance of the retail sector in the short term.

Economic Indicators

Bank of Japan Forecast

Forecast	2021	2022	2023	2024
Real GDP (YOY%)	1.8	2.90	1.90	1.10
CPI (YOY%)	-0.25	--	--	--
Unemployment (%)	2.82	2.70	2.70	2.70

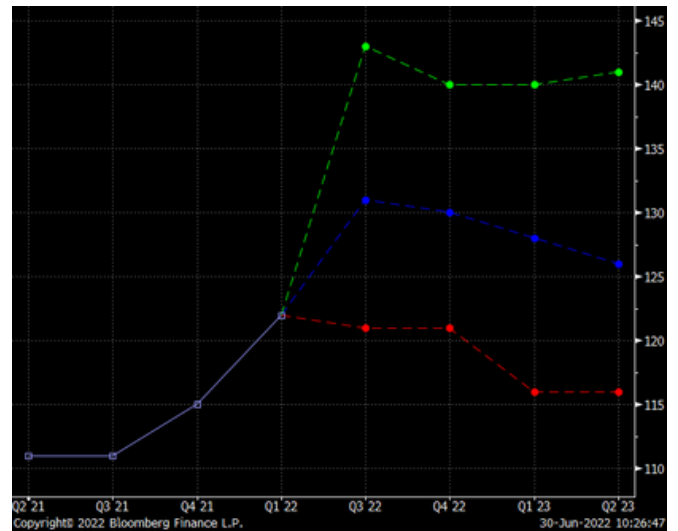


Historical Rates

USD/JPY

Market Consensus & Forecast

	Q3 22	Q4 22	Q1 23	Q2 23
Mean	131	130	128	126
High	143	140	140	141
Low	121	121	116	116



Consensus Forecast

Forecast by Institution

	As of:	Q3 22	Q4 22	Q1 23	Q2 23
Skandinaviska Enskilda Banken	06/30/22	140	135	130	125
Polski Instytut Ekonomiczny	06/29/22	136	130	123	116
Barclays	06/28/22	130	130	128	126
JPMorgan Chase	06/28/22	138	140	139	138
L. Baden-Wuerttemberg	06/27/22	129	128	127	128
Capital Economics	06/24/22	138	140	138	135
Commerzbank	06/24/22	137	136	132	128
Nomura Bank International	06/24/22	135	128	--	--
Rabobank	06/24/22	135	132	130	128
Banco Santander	06/23/22	131	127	125	124
Australia & NZBanking Group	06/22/22	130	128	127	126
Danske Bank	06/22/22	130	128	126	125
BNP Paribas	06/20/22	131	130	127	125
Commonwealth Bank of Australia	06/20/22	136	137	138	138
Credit Agricole CIB	06/17/22	132	130	125	122
Jyske Bank	06/16/22	143	127	116	116
Swedbank	06/16/22	133	128	125	120

GBP/USD



The British Pound concluded the month with a strong devaluation (-3.95%) versus the US dollar. In short, the Pound set for worst quarter since global financial crisis. The GBP's underperform is due to the toughest policy trade-offs in the recent history, as the Bank of England is trying to balance increasingly elevated inflation

against slower economic growth.

Overall, the Pound had slid about 7.5% over the last quarter, its biggest loss since 2009. Looking forward, the GBP might continue vulnerable as the Fed raises rates swiftly.

What To Watch For This Month

07/13/2022 GDP (May)

National Statistics will release May GDP results of value generated by all goods and services provided by the country.

07/20/2022 Consumer Price Index (Jun)

National Statistics will announce CPI reading for May to show the price movement of goods and services excluding volatile components.

07/22/2022 Retail Sales (Jun)

National Statistics will release retail sales figures for June to show the performance of the retail sector in the short term.

Economic Indicators

Bank of England Forecast

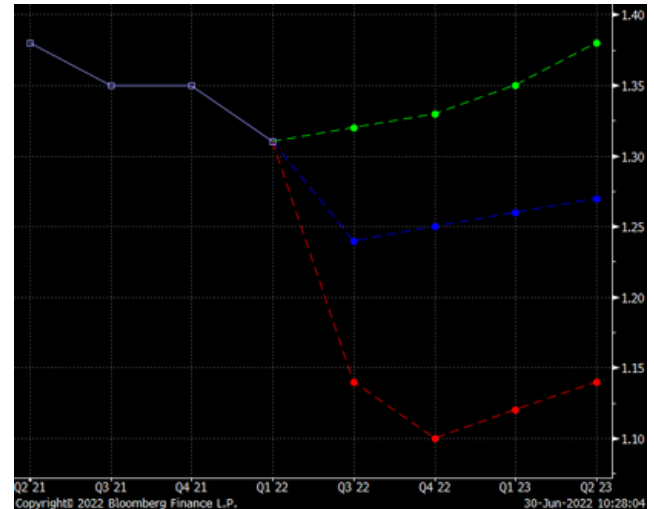
Forecast	2021	2022	2023	2024
Real GDP (YOY%)	--	3.75	-0.25	0.25
CPI (YOY%)	2.58	10.25	3.50	1.50
Unemployment (%)	4.60	3.50	4.25	5.0



GBP/USD

Market Consensus & Forecast

	Q3 22	Q4 22	Q1 23	Q2 23
Mean	1.24	1.25	1.26	1.27
High	1.32	1.33	1.35	1.38
Low	1.14	1.1	1.12	1.14



Consensus Forecast

Forecast by Institution

	As of:	Q3 22	Q4 22	Q1 23	Q2 23
Skandinaviska Enskilda Banken	6/30/2022	1.21	1.23	1.24	1.25
Polski Instytut Ekonomiczny	06/29/22	1.22	1.22	1.23	1.24
Barclays	06/28/22	1.17	1.22	1.24	1.26
JPMorgan Chase	06/28/22	1.14	1.15	1.16	1.17
L. Baden-Wuerttemberg	06/27/22	1.29	1.33	1.35	1.38
Commerzbank	06/24/22	1.24	1.26	1.27	1.28
Nomura Bank International	06/24/22	1.29	1.32	--	--
Rabobank	06/24/22	1.18	1.19	1.22	1.24
Banco Santander	06/23/22	1.24	1.2	1.18	1.17
Australia & NZ Banking Group	06/22/22	1.21	1.23	1.24	1.26
Danske Bank	06/22/22	1.2	1.2	1.2	1.19
BNP Paribas	06/20/22	1.25	1.27	1.3	1.32
Commonwealth Bank of Australia	06/20/22	1.18	1.17	1.16	1.16
Swedbank	06/16/22	1.21	1.25	1.26	1.3
MUFG	06/07/22	1.23	1.26	1.3	--
Sumitomo Mitsui Trust Bank	06/07/22	1.25	1.26	1.28	1.28

USD/CHF



The Swiss Franc is set to close the month almost unchanged against the greenback, after a more hawkish Swiss National Bank supported the CHF. The Swiss National Bank unexpectedly delivered its first hike in 15 years in June as inflation soars. The SNB increased its benchmark rate by 50bps, and its forward guidance suggested that

there will be more hikes in the months ahead, with the rate likely to turn positive in 2H and near 0.75%-1% by the end of 2023. There are more forces supporting the CHF, for instance, there is an increasing demand for safe-haven flows, given persistent recession concerns driving the market. Apart from headwinds from the SBN's hawkish view, market players will monitor ECB and Fed.

What To Watch For This Month

07/04/2022 CPI (June)

The SECO will announce the monthly consumer price index results for June, expected at 2.6% annually.

07/07/2022 Unemployment rate (Jun)

The SECO will announce the monthly unemployment rate results for June, previously at 2.2% annually.

07/28/2022 KOF (Jul)

The Swiss Economic institute will release KOF leading indicator for July to show the future trends of overall economic activity.

Economic Indicators

Swiss National Bank Forecast

Forecast	2021	2022	2023	2024
Real GDP (YOY%)	3.83	2.80	1.60	--
CPI (YOY%)	0.58	2.50	1.40	--
Unemployment (%)	2.98	2.10	2.0	--

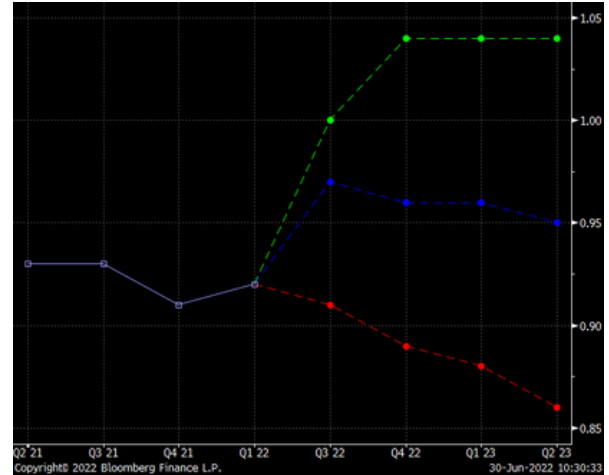


Historical Rates

USD/CHF

Market Consensus & Forecast

	Q3 22	Q4 22	Q1 23	Q2 23
Mean	0.97	0.96	0.96	0.95
High	1	1.04	1.04	1.04
Low	0.91	0.89	0.88	0.86



Consensus Forecast

Forecast by Institution

	As of:	Q3 22	Q4 22	Q1 23	Q2 23
Polski Instytut Ekonomiczny	06/29/22	0.97	0.98	0.98	0.97
Barclays	06/28/22	0.97	0.93	0.94	0.92
JPMorgan Chase	06/28/22	0.98	0.95	0.92	0.89
L. Baden-Wuerttemberg	06/27/22	0.96	0.94	0.94	0.94
Commerzbank	06/24/22	0.97	0.95	0.92	0.89
Nomura Bank International	06/24/22	0.95	0.94	--	--
Rabobank	06/24/22	0.99	0.99	0.97	0.97
Banco Santander	06/23/22	0.93	0.91	0.93	0.93
Australia & NZ Banking Group	06/22/22	0.96	0.91	0.89	0.89
Danske Bank	06/22/22	0.98	0.98	0.99	0.99
BNP Paribas	06/20/22	0.94	0.89	0.88	0.86
C. Bank of Australia	06/20/22	0.99	1.01	1.03	1.04
Credit Agricole CIB	06/17/22	0.91	0.9	0.91	0.91
Swedbank	06/16/22	0.99	0.98	0.96	0.96
MUFG	06/07/22	0.94	0.93	0.93	--
Standard Chartered	06/06/22	0.98	0.96	0.96	0.96
BBVA	05/31/22	0.99	0.97	0.97	--

USD/CAD

The Canadian dollar weakened more than 2% in June, with market participants pricing in global recession fears, which led the US currency to its strongest level in months.

Nonetheless, further CAD depreciation in the near term might be capped due to three main factors: (1) the 10-year

Canadian bond yield is higher than the 10-year US bond; (2) the Canada's Central Bank is also assessing to deliver another rate hike and; (3) the CAD is still receiving support from higher oil prices. The latter, the oil embargo on Russian crude and OPEC fighting to increase production, continue to provide support to WTI and Crude to trade around \$120/barrel, which helps the CAD.



What To Watch For This Month

07/13/2022 BOC Interest rate decision

The Bank of Canada will announce its decision on monetary policy to show its stance on the inflationary outlook of the economy.

07/20/2022 Consumer Price Index (Jun)

Statistics Canada will announce the CPI reading for the month of June to show the price movement of goods and services excluding volatile components.

07/29/2022 GDP (May)

Statistics Canada will release May GDP results to show the value generated by all goods and services provided by the country.

Economic Indicators

Bank of Canada Forecast

Forecast	2021	2022	2023	2024
Real GDP (YOY%)	4.73	4.20	3.20	2.20
CPI (YOY%)	3.40	5.30	2.80	2.10
Unemployment (%)	7.43	--	--	--

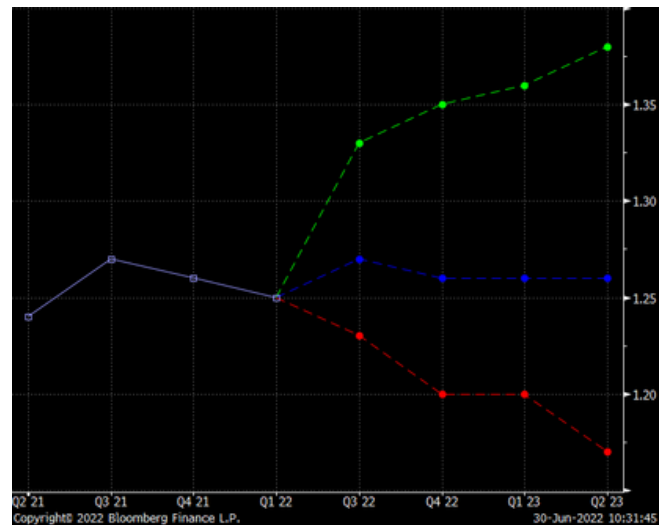


Historical Rates

USD/CAD

Market Consensus & Forecast

	Q3 22	Q4 22	Q1 23	Q2 23
Mean	1.27	1.26	1.26	1.26
High	1.33	1.35	1.36	1.38
Low	1.23	1.2	1.2	1.17



Consensus Forecast

Forecast by Institution

	As of:	Q3 22	Q4 22	Q1 23	Q2 23
Barclays	06/28/22	1.27	1.25	1.23	1.22
JPMorgan Chase	06/28/22	1.3	1.3	1.33	1.33
Wells Fargo	06/28/22	1.29	1.29	1.28	1.27
L. Baden-Wuerttemberg	06/27/22	1.26	1.25	1.25	1.24
Commerzbank	06/24/22	1.27	1.27	1.26	1.25
Nomura Bank International	06/24/22	1.26	1.26	--	--
Rabobank	06/24/22	1.3	1.28	1.29	1.28
Banco Santander	06/23/22	1.27	1.26	1.24	1.24
Danske Bank	06/22/22	1.33	1.34	1.34	1.34
BNP Paribas	06/20/22	1.25	1.25	1.24	1.24
C. Bank of Australia	06/20/22	1.31	1.32	1.32	1.3
Credit Agricole CIB	06/17/22	1.25	1.23	1.22	1.21
Swedbank	06/16/22	1.26	1.22	1.22	1.2
MUFG	06/07/22	1.26	1.24	1.22	--
Standard Chartered	06/06/22	1.27	1.24	1.2	1.17
Skandinaviska Enskilda Banken	06/03/22	1.25	1.24	1.23	1.22
CICC	06/01/22	1.28	1.27	1.25	1.23
BBVA	05/31/22	1.25	1.24	1.23	--
Morgan Stanley	05/30/22	1.26	1.23	1.21	1.2
ABN Amro	05/17/22	1.23	1.22	1.22	--

USD/CNY



The Chinese Yuan is likely to register its fourth straight week of losses against the US Dollar, although Covid restrictions are gradually easing and Chinese equities are once again in vogue, after months of regulatory crackdowns. Looking forward, there is an upbeat sentiment, which marks a reversal from Q1 when market players raced

to trim exposure to Chinese assets on fears that the Covid lockdowns and the war in Ukraine would add even more pressure on economic growth. Furthermore, the Yuan might receive support from a potential surplus, as China's strength in global trade.

What To Watch For This Month

07/01/2022 Caixin Manufacturing PMI (Jun)

The National Bureau of Statistics will announce manufacturing PMI to show the business conditions of Manufacturers in the nation. Expected 50.1 for June.

07/09/2022 CPI (June)

The National Bureau of Statistics will announce CPI readings for June to show the price movement of goods and services excluding volatile components.

07/20/2022 PBOC interest rate decision

The PBOC will announce its decision on monetary policy to show its stance on the inflationary outlook of the economy.

Economic Indicators

People's Bank of China Forecast

Forecast	2021	2022	2023	2024
Real GDP (YOY%)	8.10	4.10	5.20	5.0
CPI (YOY%)	0.92	2.20	2.30	2.25
Unemployment (%)	--	4.04	3.80	3.70

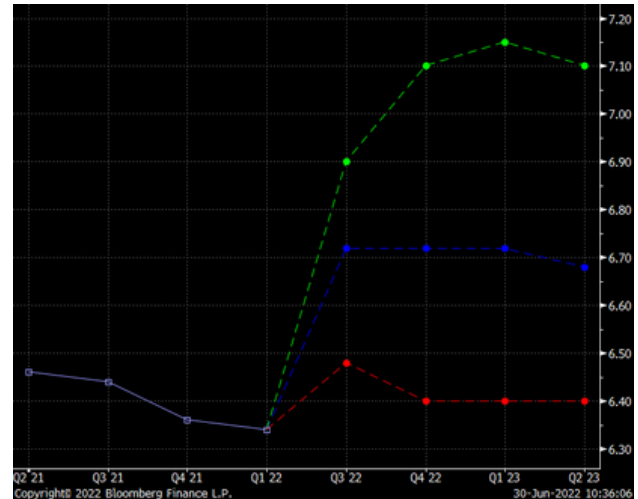


Historical Rates

USD/CNY

Market Consensus & Forecast

	Q3 22	Q4 22	Q1 23	Q2 23
Mean	6.72	6.72	6.72	6.68
High	6.9	7.1	7.15	7.1
Low	6.48	6.4	6.4	6.4



Consensus Forecast

Forecast by Institution

	As of:	Q3 22	Q4 22	Q1 23	Q2 23
Skandinaviska E. Banken	06/30/22	6.7	6.55	6.51	6.48
Barclays	06/28/22	6.9	6.8	6.7	6.7
JPMorgan Chase	06/28/22	6.75	6.8	6.85	6.95
L.Baden-Wuerttemberg	06/27/22	6.79	6.71	6.61	6.55
Commerzbank	06/24/22	6.7	6.73	6.75	6.78
Nomura Bank International	06/24/22	6.8	6.7	--	--
Rabobank	06/24/22	6.7	6.75	6.8	6.85
Australia & NZ Banking Group	06/22/22	6.6	6.55	6.5	6.48
Danske Bank	06/22/22	6.86	6.96	7.03	7.1
BNP Paribas	06/13/22	6.7	6.8	6.8	6.7
MUFG	06/07/22	6.67	6.64	6.6	--
Standard Chartered	06/06/22	6.65	6.6	6.55	6.5
Mizuho Bank	06/01/22	6.7	6.7	6.73	--
BBVA	05/31/22	6.78	6.61	6.63	--
Morgan Stanley	05/30/22	6.85	6.65	6.58	6.5
Credit Agricole CIB	05/19/22	7	6.7	6.65	--
ABN Amro	05/17/22	6.5	6.6	6.6	--
Westpac Banking	05/17/22	6.5	6.35	6.25	--
DZ Bank	05/16/22	6.87	6.79	6.78	--
Citigroup	04/13/22	6.46	6.5	6.33	6.15

USD/BRL

The recent behavior of emerging currencies, including the Brazilian Real shows that the market is selling emerging currencies, reversing a trend at the beginning of the year, where the sharpest rally of commodity futures prices lent strong support for emerging currencies, despite the stronger dollar on the international market.

In June, the BRL accumulated almost 10% of loss against the USD, with the currency touching 5.2784, the highest level since February. The market still has a generally negative outlook on the BRL and it should creep higher into the end of the year, probably exceeding the psychological of 5.00/USD.



What To Watch For This Month

07/13/2022 Retail Sales (May)

The IBGE will release Retail sales figures for May.

07/14/2022 IBC-BR Economic Activity (Mar)

The IBGE will show the trend of economic activity for May.

07/26/2022 Inflation IPCA-15

The IBGE will publish the latest inflation numbers for June. Expected to come at 12.03% yoy.

Economic Indicators

Brazil's Central Bank Forecast

Forecast	2021	2022	2023	2024
Real GDP (YOY%)	4.81	1.03	1.10	2.00
CPI (YOY%)	8.29	9.85	5.30	3.80
Policy Rate (%)	9.25	13.65	9.70	7.93

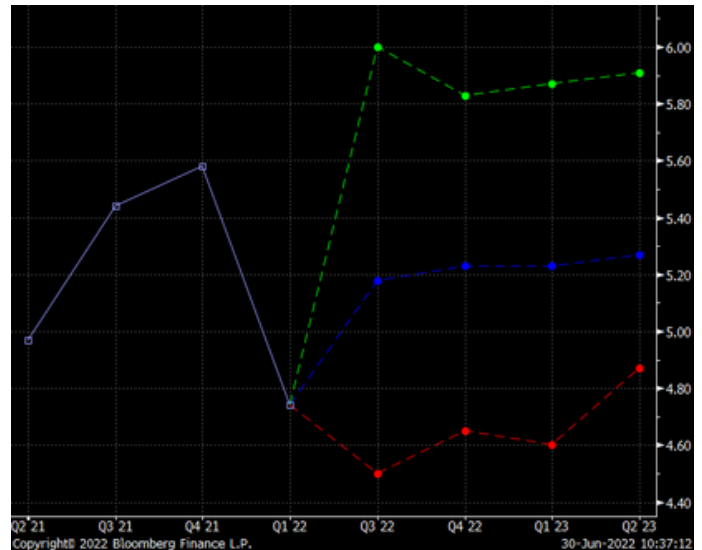


Historical Rates

USD/BRL

Market Consensus & Forecast

	Q3 22	Q4 22	Q1 23	Q2 23
Mean	5.18	5.23	5.23	5.27
High	6	5.83	5.87	5.91
Low	4.5	4.65	4.6	4.87



Consensus Forecast

Forecast by Institution

	As of:	Q3 22	Q4 22	Q1 23	Q2 23
Skandinaviska E. Banken	06/30/22	5.1	5.2	5.25	5.3
Barclays	06/28/22	5.3	5	4.95	4.9
JPMorgan Chase	06/28/22	5.1	5.3	5.25	5.25
L. Baden-Wuerttemberg	06/27/22	5.57	5.83	5.87	5.91
Nomura Bank International	06/24/22	6	5.6	--	--
Rabobank	06/24/22	5.25	5.3	5.35	5.3
BNP Paribas	06/13/22	4.85	4.85	4.9	4.95
MUFG	06/07/22	5.35	5.6	5.58	--
Standard Chartered	06/06/22	5.6	5.55	5.45	5.45
Mizuho Bank	06/01/22	5.2	5.2	5.05	--
BBVA	05/31/22	5.15	5.2	5.15	--
Morgan Stanley	05/30/22	5.4	5.25	5.3	5.4
ABN Amro	05/17/22	5	5	4.9	--

USD/MXN



The Mexican Peso erased previous gains in June, in line with broad US Dollar gains, amid fears of potential global stagflation.

In general, worries about runaway inflation in developed and EM countries and a potential recession have whipsawed FX markets throughout June.

However, Peso losses were capped after Mexico's Central Bank decided to hike rates by 75bps to 7.75%. This was the seventh hike in an attempt to curb the persistent levels of inflation, which is putting in check the income of households and the recovery of the Mexican economy.

What To Watch For This Month

07/07/2022 12-Month Inflation (Jun)

The Bank of Mexico will release 12-month inflation to show a measure of price movements by the comparison between the retail prices of a representative shopping basket of goods and services.

07/21/2022 Retail Sales (May)

The INEGI to release retail sales figures to show the performance of the retail sector in the short term.

07/28/2022 Jobless rate (Jun)

The INEGI will announce the monthly unemployment rate results for June.

Economic Indicators

Banco de Mexico Forecast

Forecast	2021	2022	2023	2024
Real GDP (YOY%)	4.80	1.80	1.90	2.15
CPI (YOY%)	5.68	7.30	4.50	3.90
Unemployment (%)	4.14	3.69	3.60	3.90

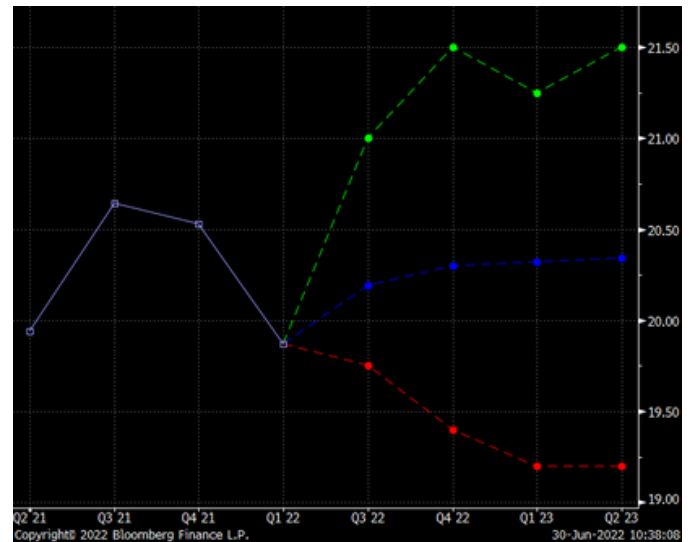


Historical Rates

USD/MXN

Market Consensus & Forecast

	Q3 22	Q4 22	Q1 23	Q2 23
Mean	20.19	20.3	20.32	20.34
High	21	21.5	21.25	21.5
Low	19.75	19.4	19.2	19.2



Consensus Forecast

Forecast by Institution

	As of:	Q3 22	Q4 22	Q1 23	Q2 23
Barclays	06/28/22	20.25	20	19.75	19.5
JPMorgan Chase	06/28/22	20	20.25	20.5	20.75
L. Baden-Wuerttemberg	06/27/22	20.75	20.83	21.1	21.36
Nomura Bank International	06/24/22	20	19.8	--	--
Rabobank	06/24/22	20.5	21	21	21.5
BNP Paribas	06/13/22	19.9	19.8	19.8	19.9
MUFG	06/07/22	20.15	20.3	20.5	--
Standard Chartered	06/06/22	19.8	19.4	19.2	19.2
Mizuho Bank	06/01/22	20.2	20.4	20.5	--
BBVA	05/31/22	20.05	20.25	20.38	--
Morgan Stanley	05/30/22	21	20.5	20.35	20.2
ING Financial Markets	05/25/22	20.5	20.5	20.5	--
Canadian I. Bank of Comm.	05/24/22	21.5	21.5	21	--
DZ Bank	05/16/22	20.5	20.5	20.5	--
Citigroup	04/13/22	20.4	20.8	21	21
Silicon Valley Bank	02/28/22	20.07	20.17	--	--
Commerzbank	10/08/21	21	21.5	--	--
Swedbank	03/04/21	--	19	--	--

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