

FX CONSENSUS FORECAST

A LOOK AT THE MONTH AHEAD

June 2022

moneycorp ✦

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QUICK GLANCE



Significant uncertainties cloud the future for the U.S. and the global economies over the month of May. Russia's war against Ukraine has interrupted trade in energy, grains, and other commodities, driving up fuel and food prices considerably. China's rigorous Covid breakout has also hampered the world's second-largest economy's growth and exacerbated global supply chain bottlenecks. According to the most recent estimate, the U.S. economy decreased in the first three months of the year, despite individuals and businesses continuing to spend at a steady pace. The Commerce Department estimated that the GDP - the broadest measure of overall output - decreased by 1.5% annually from January to March, a modest downward revision from its previous estimate of 1.4%.

The economic activity fell for the first time since the second quarter of 2020. A higher trade deficit and delayed restocking of items in stores and warehouses contributed to the decline. The country spent more on imports than on exports to foreign countries. The trade deficit reduced GDP by 3.2 percentage points in the first quarter. With the economy showing contraction, consumer spending provides hope, and analysts predict the economy to resume rising in the current April-June quarter. In the meantime, the Federal Reserve May raised the benchmark rate by half a basis point and has announced to increase the rate by the same magnitude in upcoming meetings in June and July, however, the monetary policy path down the lane remains unclear.

Although the country remains stuck in the agony of excessive inflation, which has wreaked havoc on lower-income households, in particular, consumer spending, the lifeblood of the economy, remains strong - from January to March, it expanded at a 3.1% annual rate. Additionally, business investment in equipment, software, and other items aimed at increasing productivity increased at a healthy 6.8% annual rate in the last quarter. A thriving job market also provides people with the money and confidence to spend. The government reported earlier this month that U.S. firms added 428,000 jobs in April, bringing the unemployment rate to 3.6%, slightly above the lowest level in a half-century. In the midst of the greatest inflation in four decades, employers have added at least 400,000 jobs for 12 straight months.

In the same line, the only thing hotter than the U.S. employment market was inflation. Earlier in May, the government revealed that U.S. producer prices rose 11% year on year in April, indicating that high inflation will continue to be a hardship for consumers and businesses in the months ahead. Also, consumer prices rose 8.3% year on year in April, slightly below 8.5% in the previous month, although remain four decades high. Furthermore, Russia's invasion and accompanying events increased inflationary pressures and are likely to weigh on economic growth. In an effort to manage inflation, the Fed decided to go all-in with blazing guns, employing monetary policy instruments to decrease inflation and ensure a "soft landing" for the economy. Having said that, the Federal Reserve hiked interest rates by a half percentage point at its meeting in early May, its most aggressive move since 2000. Furthermore, the central bank has signaled that it would continue to raise rates by 50 basis points in June and July, however, ruled out the possibility of an aggressive hike of 75 bps and above.

Furthermore, inflation also leads to the political risk for President Joe Biden and democrats as the midterm elections approach. According to a poll conducted this month by The Associated Press-NORC Center for Public Research, Biden's approval rating has reached its lowest point of his presidency, with only 39 percent of people approving of his performance, with inflation regularly named as a contributing factor.

By most measures, the economy looked healthy on a broad level, albeit certainly weakening. Economists anticipate that the economy will have resumed growth in the current quarter and is expected to finish the Q2 with an expansion of 2.3%, which is still lower than their previous forecast of 4.2% in February.

Finally, with inflation, investors are worried about two scenarios in short term. First is, Fed's soft landing commitment, on which many economists are pessimistic that the central bank won't be able to pull down inflation without tipping the U.S. economy into recession. Secondly, investors are also worried about Fed's slowing down after two consecutive hikes, given that, consumer spending remains steady and price pressures are still at record highs. The time will show how Fed manages either soft landing or retracement and its effect on economic growth.

With the current uncertainties, the U.S. dollar index closed the month down by 0.90%, breaking a four-month streak of gains. The greenback is losing steam following a blistering start to the year, as risk appetite rose in May due to favorable economic data and the Fed's less aggressive signals. Furthermore, rising interest rates abroad are reducing the dollar's advantage. Despite this, the U.S. dollar is still up 6% for the year. Meanwhile, even though the threat of record-high inflation persists, consumer spending figures for April indicated higher-than-expected outcomes, fueling risk appetite. Positive risk sentiment was also influenced by robust labor market data. Furthermore, the Fed's preferred measure of price pressure, the PCE (Personal Consumption Expenditure) index, showed a sign of alleviation in April when compared to the previous month. With that, investors have reduced their expectations for Fed rate hikes due to suggestions that the central bank may slow or perhaps halt its tightening cycle later this year after boosting interest rates sharply during the next two months. Moving forward, given that major central banks are becoming more hawkish in order to contain price pressures, there will be a certain level of selling pressure around the U.S. dollar. With the recovery in major global stock indices witnessed in the last week of May, it's expected that the U.S. dollar would remain bearish throughout the first week of June.

The stock markets in the United States remained gloomy in May, but they saw dramatic swings and formed a V shape across the month. The S&P 500 index concluded May in the red, down 0.30%. Concerns about rising inflation and the effects of rate hikes on economic growth fueled the market fall. Also, the Eurozone inflation report, which shows no signs of peaking and triggers a more hawkish tone from the European Central Bank, adds to concerns about runaway price growth. In addition, markets were shaken by a Crypto meltdown in mid-May, when the stable token TerraUSD lost its dollar peg. The stock market also had a 15% drop in US technology in the first 20 days of the month, before regaining 12%. Having said that, there were a few factors that enabled the stock market to breathe a sigh of relief and stage a comeback. The three major U.S. stock indices averages soared on the back of strong retail earnings, robust consumer spending, and a lowering inflation report for the U.S. economy. Going forward, economists say that for the stock market to recover, there must be a clear indication of the monetary policy stance and consequences for the growth momentum.

EUR/USD

The Euro has broken its downward trend and finished the month in the green, gaining 1.8 % against the US dollar. The thought of the ECB proposing hikes that will lift interest rates above zero, or at least away from being in the negative, has helped the Euro rebound from its 5-year bottom by mid-month and keep it afloat.

The Eurozone Consumer Price Index increased by 8.1%, exceeding the 7.8% expectation, giving the ECB the green light to ensure an interest rate increase in July. Elsewhere, the EU agreed to ban Russian oil imports brought in by sea, with an exception for pipeline imports, to appease countries such as Hungary which opposed a full ban.



What To Watch For This Month

06/08/2022 GDP Q1

Eurostat will announce the GDP for the quarter ending in March to show results of value generated by all goods and services provided by the country. Expected 5.1% yearly.

06/09/2022 ECB interest rate decision

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

06/30/2022 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.

Economic Indicators

European Central Bank Forecast

Forecast	2020	2021	2022	2023
Real GDP (YOY%)	-6.4	5.3	3.7	2.8
CPI (YOY%)	0.25	2.6	5.1	2.1
Unemployment (%)	7.97	7.7	7.3	7.2

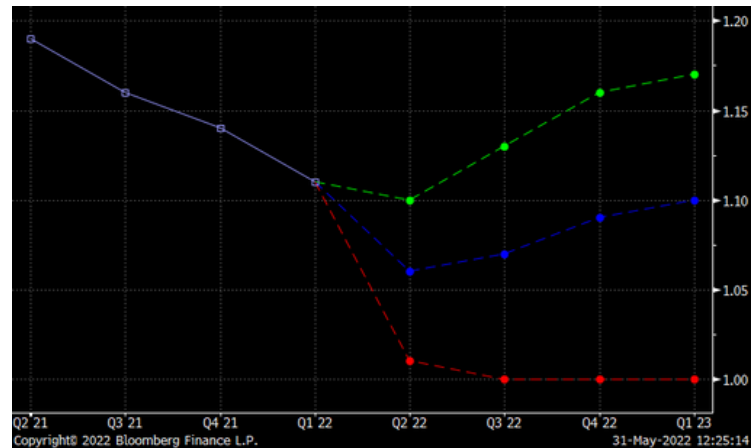


Historical Rates

EUR/USD

Market Consensus & Forecast

	Q2 22	Q3 22	Q4 22	Q1 23
Mean	1.06	1.07	1.09	1.1
High	1.1	1.13	1.16	1.17
Low	1.01	1	1	1



Forecast by Institution

	As of:	Q2 22	Q3 22	Q4 22	Q1 23
Australia & NZ Banking	05/31/22	1.09	1.1	1.12	1.13
Amdocs Development Ltd	05/30/22	1.1	1.11	1.13	--
Commerzbank	05/30/22	1.1	1.13	1.16	1.15
Morgan Stanley	05/30/22	1.06	1.03	1.05	1.07
BBVA	05/27/22	1.07	1.06	1.1	1.14
Capital Economics	05/27/22	1.05	1.02	1	1.03
Nomura Bank International	05/27/22	1.06	1.08	1.12	--
TD Securities	05/26/22	1.05	1.08	1.12	1.14
ING Financial Markets	05/25/22	1.05	1.05	1.08	1.1
CIBC	05/24/22	1.06	1.07	1.08	1.1
Rabobank	05/23/22	1.03	1.04	1.06	1.09
Swedbank	05/23/22	1.05	1.07	1.08	1.1
SEB	05/18/22	1.04	1.02	1.07	1.09
ABN Amro	05/17/22	1.07	1.06	1.05	1.06
Danske Bank	05/17/22	1.03	1.02	1.01	1
DZ Bank	05/16/22	1.05	1.04	1.08	1.08
JPMorgan Chase	05/16/22	1.02	1	1.01	1.02
Mizuho Bank	05/12/22	1.07	1.09	1.11	1.12
NAB/BNZ	05/10/22	1.06	1.02	1.01	1.02

USD/JPY

The Yen finished this month with gains of more than 1% against the US dollar, reversing a two-month pattern of negative closing.

The Japanese yen benefited from the weakening global economic outlook. Investors are skeptical that central banks can raise interest rates without affecting economic development.

Furthermore, global supply chain disruption contributed to higher consumer costs, dampening investors' desire for risky assets. This was obvious in a sea of red across global equities markets, forcing investors to seek sanctuary in traditional safe-haven assets.



What To Watch For This Month

06/08/2022 GDP Q1

The Japanese Cabinet office will release the GDP for Q1 2022 to show results of value generated by all goods and services provided by the country. Expected to contract by 1% annually.

06/17/2022 BOJ interest rate decision

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

06/24/2022 Tokyo CPI

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

Economic Indicators

Bank of Japan Forecast

Forecast	2020	2021	2022	2023
Real GDP (YOY%)	-4.58	1.80	2.90	1.90
CPI (YOY%)	-0.02	-0.25	--	--
Unemployment (%)	2.78	2.82	2.70	2.70

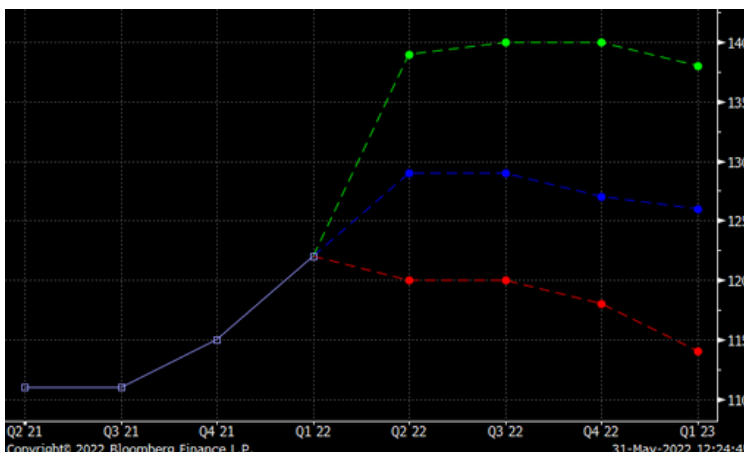


Historical Rates

USD/JPY

Market Consensus & Forecast

	Q2 22	Q3 22	Q4 22	Q1 23
Mean	129	129	127	125
High	139	140	140	138
Low	120	120	118	114



Consensus Forecast

Forecast by Institution

	As of:	Q2 22	Q3 22	Q4 22	Q1 23
Commerzbank	05/30/22	130	131	130	128
Morgan Stanley	05/30/22	130	133	132	131
BBVA	05/27/22	124	121	118	117
Nomura Bank	05/27/22	125	123	120	--
TD Securities	05/26/22	130	128	125	120
CIBC	05/24/22	132	135	130	128
Rabobank	05/23/22	132	131	130	128
Swedbank	05/23/22	128	130	132	130
ABN Amro	05/17/22	127	126	124	124
Danske Bank	05/17/22	129	128	126	123
Westpac Banking	05/17/22	129	128	126	125
JPMorgan Chase	05/16/22	130	131	132	133
Banco Santander	05/03/22	128	125	126	129
BNP Paribas	03/31/22	125	124	123	121
Barclays	03/30/22	120	118	116	114
Citigroup	04/13/22	125	126	126	125
Silicon Valley Bank	02/28/22	115	115	114	--
Emirates NBD	04/27/22	125	130	128	125
MUFG	05/05/22	127	125	124	123
Sumitomo Mitsui Trust Bank	05/10/22	129	126	123	120

GBP/USD

The British Pound has ended its streak of pessimistic sentiment and concluded the month with a 0.34% gain versus the US dollar. The Pound has reached its highest level in a month, although retreated slightly as a result of lowered forecasts and concerns that Brexit-related trade challenges may harm the economy.

Furthermore, Chancellor Rishi Sunak unveiled a new £15 billion support package to promote consumer expenditure. Britons have been dealing with inflation at 40-year highs, and the most recent data pointed to recession risk, leaving the BoE with less room to boost rates further.



What To Watch For This Month

06/13/2022 GDP (Apr)

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

06/16/2022 BOE interest rate decision

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

06/22/2022 Consumer Price Index (May)

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

Economic Indicators

Bank of England Forecast

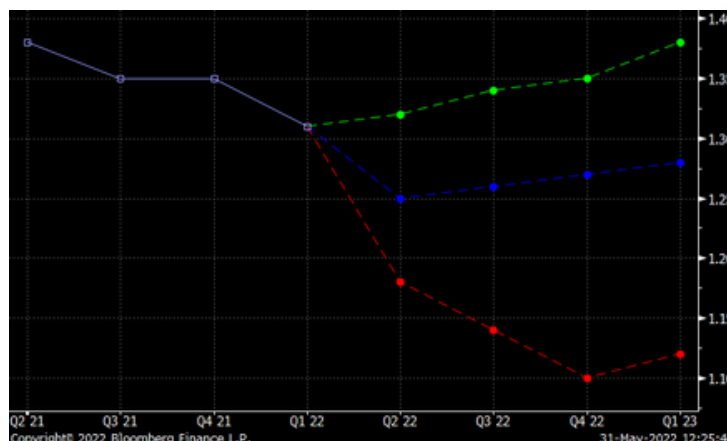
Forecast	2020	2021	2022	2023
Real GDP (YOY%)	-9.28	--	3.75	-0.25
CPI (YOY%)	0.85	2.58	10.25	3.50
Unemployment (%)	4.42	4.59	3.50	4.25



GBP/USD

Market Consensus & Forecast

	Q2 22	Q3 22	Q4 22	Q1 23
Mean	1.25	1.26	1.27	1.28
High	1.32	1.34	1.35	1.38
Low	1.18	1.14	1.1	1.12



Consensus Forecast

Forecast by Institution

	As of:	Q2 22	Q3 22	Q4 22	Q1 23
Australia & NZ Banking Group	05/31/22	1.3	1.28	1.28	1.29
Commerzbank	05/30/22	1.29	1.31	1.33	1.34
Morgan Stanley	05/30/22	1.25	1.22	1.24	1.26
BBVA	05/27/22	1.27	1.29	1.34	1.36
Nomura Bank International	05/27/22	1.26	1.29	1.32	--
TD Securities	05/26/22	1.25	1.27	1.29	1.29
ING Financial Markets	05/25/22	1.24	1.24	1.26	1.28
CIBC	05/24/22	1.22	1.22	1.23	1.26
Rabobank	05/23/22	1.21	1.2	1.22	1.24
Swedbank	05/23/22	1.24	1.23	1.23	1.25
ABN Amro	05/17/22	1.26	1.24	1.22	1.23
Danske Bank	05/17/22	1.21	1.19	1.19	1.19
Westpac Banking	05/17/22	1.23	1.24	1.26	1.28
JPMorgan Chase	05/16/22	1.18	1.14	1.15	1.16
MUFG	05/05/22	1.23	1.26	1.3	1.32
Banco Santander	05/03/22	1.29	1.28	1.25	1.25
Credit Agricole CIB	04/29/22	1.27	1.29	1.32	1.32
Citigroup	04/13/22	1.28	1.29	1.29	1.3

USD/CHF

The Swiss currency reversed its downtrend momentum and recovered from a three-year low this month, owing to a risk-on attitude and a signal from the Swiss National Bank to raise interest rates. The SNB indicated tightening monetary policy if inflation remained above the central bank's goal range of 0-2% in the medium run.

The signal represents a shift in language from the SNB, as Chairman Jordan previously indicated that current levels of inflation were transitory.

In the latest reading, Swiss inflation in April reached a 13-year high of 2.5%, in line with projections, giving the SNB a reason to deploy rate hikes.

What To Watch For This Month

06/02/2022 CPI (May)

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

06/16/2022 SNB interest rate decision

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

06/23/2022 KOF (June)

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

Economic Indicators

Swiss National Bank Forecast

Forecast	2020	2021	2022	2023
Real GDP (YOY%)	-2.50	3.83	3.00	1.70
CPI (YOY%)	-0.73	0.58	1.90	0.70
Unemployment (%)	3.24	2.98	2.10	2.00

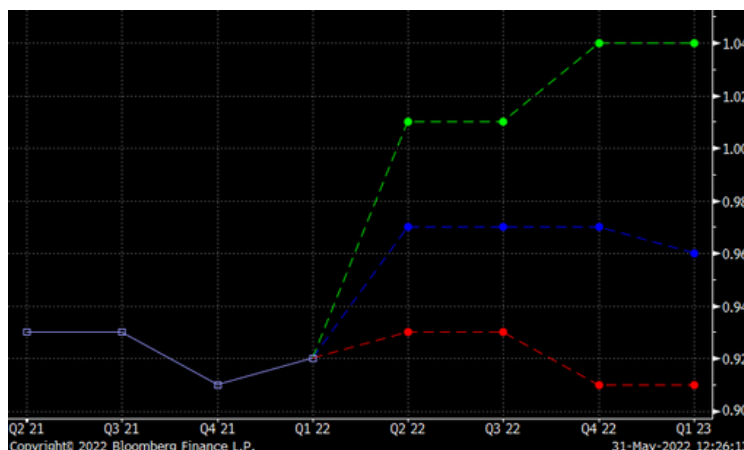


Historical Rates

USD/CHF

Market Consensus & Forecast

	Q2 22	Q3 22	Q4 22	Q1 23
Mean	0.97	0.97	0.97	0.96
High	1.01	1.01	1.04	1.04
Low	0.93	0.92	0.91	0.90



Consensus Forecast

Forecast by Institution

	As of:	Q2 22	Q3 22	Q4 22	Q1 23
Australia & NZ Banking	05/31/22	0.94	0.95	0.94	0.93
Commerzbank	05/30/22	0.95	0.93	0.91	0.91
Morgan Stanley	05/30/22	0.96	0.98	0.98	0.97
BBVA	05/27/22	0.97	0.99	0.97	0.95
Nomura Bank International	05/27/22	0.96	0.95	0.94	--
TD Securities	05/26/22	0.98	0.96	0.94	0.93
CIBC	05/24/22	1	1	0.99	0.98
Rabobank	05/23/22	0.99	0.99	0.97	0.97
Swedbank	05/23/22	0.99	0.99	0.99	0.98
ABN Amro	05/17/22	0.95	0.97	0.98	0.98
Westpac Banking	05/17/22	0.99	0.97	0.96	0.95
JPMorgan Chase	05/16/22	1	1	1	1
MUFG	05/05/22	0.97	0.95	0.94	0.94
Banco Santander	05/03/22	0.99	0.96	0.94	0.95
Credit Agricole CIB	04/29/22	0.98	0.98	0.98	1
Emirates NBD	04/27/22	0.95	0.94	0.94	0.93
Citigroup	04/13/22	0.94	0.95	0.95	0.96
CICC	04/06/22	0.93	0.92	0.92	--
BNP Paribas	03/31/22	0.93	0.92	0.92	0.92
Barclays	03/30/22	0.95	0.94	0.92	0.93
Silicon Valley Bank	02/28/22	0.92	0.91	0.91	--

USD/CAD

The Canadian dollar advanced against a broadly weaker U.S. Dollar over May as appetite for riskier assets increased with optimism over China, which eased some Covid curbs to boost its economy. Canada's Central Bank is fighting against inflation, amid an overheating economy.

The bank's policy interest rate, which began the year at a record low of 0.25%, is expected to hit 2% at the next meeting in July. It's a front-loading of force aimed at convincing households and companies the inflation spike won't last before they start recalibrating their expectations higher for wages and prices.

What To Watch For This Month

06/01/2022 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.

06/22/2022 Consumer Price Index (May)

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

06/30/2022 GDP (Apr)

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

Economic Indicators

Bank of Canada Forecast

Forecast	2020	2021	2022	2023
Real GDP (YOY%)	-5.23	4.75	4.20	3.20
CPI (YOY%)	0.73	3.40	5.30	2.80
Unemployment (%)	9.58	7.43	--	--

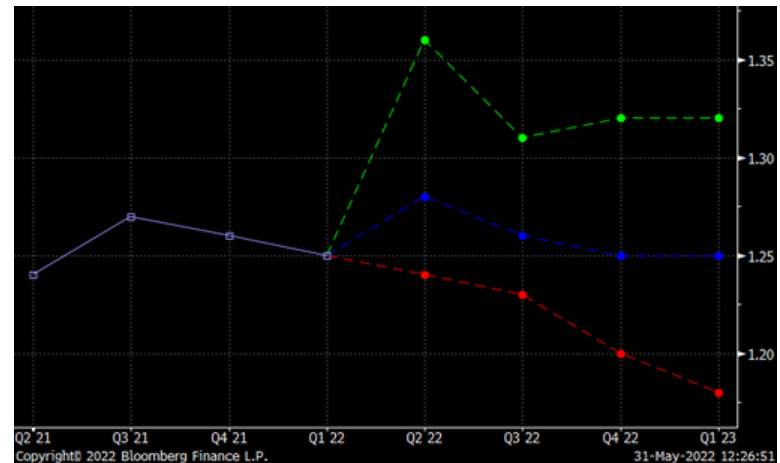


Historical Rates

USD/CAD

Market Consensus & Forecast

	Q2 22	Q3 22	Q4 22	Q1 23
Mean	1.28	1.26	1.25	1.25
High	1.36	1.31	1.32	1.32
Low	1.24	1.23	1.2	1.18



Forecast by Institution

	As of:	Q2 22	Q3 22	Q4 22	Q1 23
Commerzbank	05/30/22	1.28	1.27	1.27	1.26
Morgan Stanley	05/30/22	1.27	1.26	1.23	1.21
BBVA	05/27/22	1.26	1.25	1.24	1.23
Nomura Bank International	05/27/22	1.27	1.26	1.26	--
TD Securities	05/26/22	1.27	1.25	1.26	1.28
CIBC	05/24/22	1.31	1.28	1.27	1.28
Rabobank	05/23/22	1.32	1.3	1.28	1.27
Swedbank	05/23/22	1.28	1.25	1.24	1.22
ABN Amro	05/17/22	1.24	1.23	1.22	1.22
Westpac Banking	05/17/22	1.28	1.26	1.25	1.24
DZ Bank	05/16/22	1.28	1.25	1.26	1.26
JPMorgan Chase	05/16/22	1.3	1.3	1.3	1.3
MUFG	05/05/22	1.29	1.26	1.24	1.22
Landesbank Baden-Wuertt.	05/04/22	1.36	1.3	1.27	1.27
Banco Santander	05/03/22	1.24	1.25	1.26	1.29
Credit Agricole CIB	04/29/22	1.25	1.23	1.21	1.2
Emirates NBD	04/27/22	1.24	1.23	1.2	1.18
Citigroup	04/13/22	1.23	1.24	1.25	1.25
BNP Paribas	03/31/22	1.24	1.23	1.2	1.2
Barclays	03/30/22	1.25	1.24	1.23	1.22

USD/CNY



The Chinese Yuan has resumed its downward trend versus the greenback this month, closing over 1% lower. Concerns about China's economic recovery have grown in the aftermath of Shanghai's lengthy lockdown, impacting consumption, industrial production, lending, foreign trade, and other elements of the economy.

Chinese Premier Li Keqiang admitted that the country's current economic issues are worse than those faced in 2020. The positive for Yuan in the short term is that the Shanghai administration is aiming to relieve the city's lockdown, with an action plan consisting of 50 policies and measures to assist promote the economy beginning June 1st.

What To Watch For This Month

06/01/2022 Caixin Manufacturing PMI (May)

The National Bureau of Statistics will announce manufacturing PMI to show the business conditions of Manufacturers in the nation. Expected 47 for May.

06/10/2022 CPI (May)

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

06/20/2022 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	2020	2021	2022	2023
Real GDP (YOY%)	2.20	8.1	4.70	5.05
CPI (YOY%)	2.51	0.92	2.20	2.30
Unemployment (%)	4.24	- -	4.00	3.70

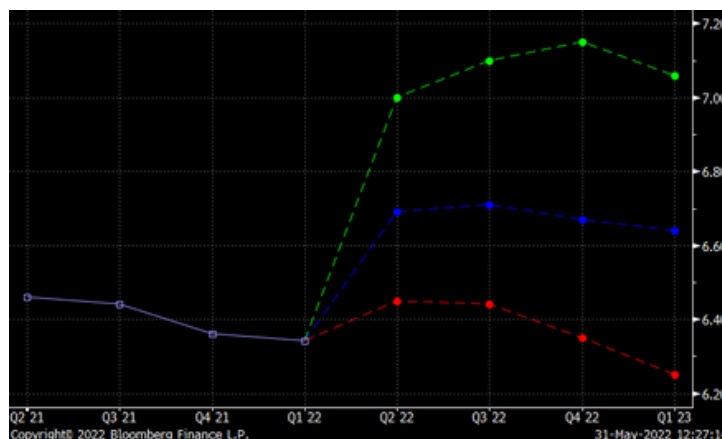


Historical Rates

USD/CNY

Market Consensus & Forecast

	Q2 22	Q3 22	Q4 22	Q1 23
Mean	6.68	6.71	6.68	6.66
High	7	7.1	7.15	7.1
Low	6.45	6.44	6.35	6.25



Consensus Forecast

Forecast by Institution

	As of:	Q2 22	Q3 22	Q4 22	Q1 23
Australia & NZ Banking	05/31/22	6.55	6.6	6.5	6.48
Commerzbank	05/30/22	6.6	6.65	6.7	6.73
Morgan Stanley	05/30/22	6.75	6.85	6.65	6.58
BBVA	05/27/22	6.66	6.78	6.61	6.63
Nomura Bank International	05/27/22	6.9	6.8	6.7	--
Rabobank	05/23/22	6.65	6.72	6.77	6.82
Credit Agricole CIB	05/19/22	6.9	7	6.7	6.65
ABN Amro	05/17/22	6.5	6.5	6.6	6.6
Westpac Banking	05/17/22	6.65	6.5	6.35	6.25
JPMorgan Chase	05/16/22	6.85	6.9	6.95	6.95
Mizuho Bank	05/12/22	6.65	6.7	6.7	6.73
MUFG	05/05/22	6.6	6.65	6.7	6.65
Landesbank Baden-Wuertt.	05/04/22	6.94	6.79	6.71	6.61
CICC	05/03/22	6.65	6.65	6.65	6.7
Citigroup	04/13/22	6.42	6.46	6.5	6.33
Barclays	03/30/22	6.3	6.45	6.5	6.5
BNP Paribas	03/29/22	6.5	6.55	6.65	6.61

USD/BRL



The Brazilian Real breached important levels over May, which opened the way for an additional appreciation toward levels not seen since March this year. Traders have been pricing in further hikes in rates in the next BCB meetings. Persistent inflationary pressure has forced the bank to extend the tightening cycle

longer than expected. Looking ahead, the higher fuel prices are set to increase tension between President Bolsonaro's government and oil-state-run Petrobras - its shares declined substantially with the view that political pressure will block the company from aligning its prices with the international market

What To Watch For This Month

06/02/2022 GDP Q1

The IBGE will release Q1 GDP results to show the value generated by all goods and services provided by the country. Expected at 1.8% annually.

06/09/2022 IPCA Inflation (May)

The IBGE will release the consumer price index for May. Expected at 0.99% for May.

06/16/2022 Interest rate decision

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

Economic Indicators

Brazil's Central Bank Forecast

Forecast	2020	2021	2022	2023
Real GDP (YOY%)	-3.87	4.80	0.80	1.50
CPI (YOY%)	3.21	8.29	9.0	4.80
Policy Rate (%)	2.00	9.25	13.40	9.25

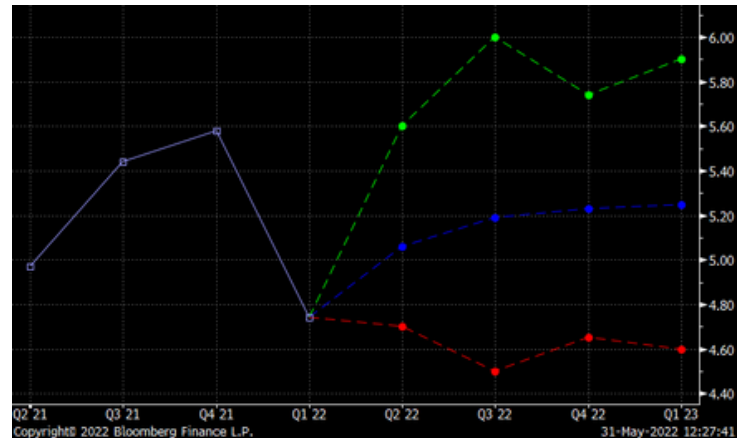


Historical Rates

USD/BRL

Market Consensus & Forecast

	Q2 22	Q3 22	Q4 22	Q1 23
Mean	5.02	5.18	5.22	5.24
High	5.6	6	5.74	5.9
Low	4.35	4.5	4.65	4.6



Forecast by Institution

	As of:	Q2 22	Q3 22	Q4 22	Q1 23
Morgan Stanley	05/30/22	5.2	5.4	5.25	5.3
BBVA	05/27/22	4.7	5.15	5.2	5.25
Nomura Bank International	05/27/22	5.6	6	5.6	--
TD Securities	05/26/22	4.85	4.77	4.65	4.6
CIBC	05/24/22	5.5	5.7	5.7	5.9
Rabobank	05/23/22	5	5.22	5.33	5.3
ABN Amro	05/17/22	5	5	5	4.9
JPMorgan Chase	05/16/22	5	5.2	5.3	5.3
Mizuho Bank	05/12/22	5.05	5.3	5.2	5.1
MUFG	05/05/22	5	5.35	5.6	5.58
Landesbank Baden-Wuertt.	05/04/22	5.44	5.47	5.74	5.78
Citigroup	04/13/22	4.81	5	5.19	5.18
Scotiabank	03/30/22	5.71	5.72	5.68	--
BNP Paribas	03/29/22	4.5	5	5	5.05
Silicon Valley Bank	02/28/22	5.2	5.18	5.15	--
Commerzbank	10/08/21	5.3	5.2	5.3	--
Swedbank	03/04/21	--	--	4.4	--
UBS	05/19/17	--	--	3.42	--

USD/MXN

The Mexican Peso continued to record important gains against the U.S. Dollar in May, closing the month 3.62% higher. Surging commodities prices due to China's slight recovery in its economic activity data, as well as lockdowns against Covid being reduced, have acted as positive factors. Overall, the MXN's positive rally is also due in part to the

weakening of the greenback, which allows EM currencies to rebound. Looking ahead, although market participants believe that MXN could continue to appreciate in the short term, there are two drivers that can impact the Mexican peso: (1) risk aversion in global markets and (2) the future of U.S. Monetary Policy.

What To Watch For This Month

06/09/2022 12-Month Inflation (May)

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. Expected 8.18% annually.

06/16/2022 Banxico Interest rate

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

06/28/2022 Jobless rate (May)

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

Economic Indicators

Banco de Mexico Forecast

Forecast	2020	2021	2022	2023
Real GDP (YOY%)	-8.20	4.80	1.80	2.00
CPI (YOY%)	3.40	5.68	7.00	4.50
Unemployment (%)	4.43	4.14	3.90	3.75

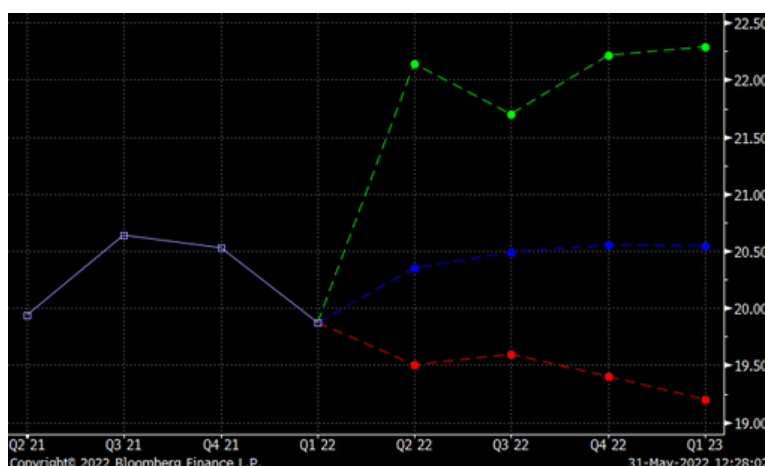


Historical Rates

USD/MXN

Market Consensus & Forecast

	Q2 22	Q3 22	Q4 22	Q1 23
Mean	20.33	20.49	20.56	20.55
High	22.14	21.7	22.22	22.29
Low	19.5	19.6	19.4	19.2



Forecast by Institution

	As of:	Q1 22	Q3 22	Q4 22	Q1 23
Morgan Stanley	05/30/22	20.5	21	20.5	20.35
BBVA	05/27/22	19.5	20.05	20.25	20.38
Nomura Bank International	05/27/22	20.3	20	19.8	--
TD Securities	05/26/22	20	19.75	19.8	20.3
CIBC	05/24/22	21	21.5	21.5	21
Rabobank	05/23/22	20	20.67	21	21.33
DZ Bank	05/16/22	20.34	20.5	20.5	20.5
JPMorgan Chase	05/16/22	20.9	21.2	21.4	21.6
Mizuho Bank	05/12/22	20.5	20.8	20.9	20.8
MUFG	05/05/22	20.5	20.65	20.8	21
Landesbank Baden-Wuertt.	05/04/22	22.14	21.7	22.22	22.29
Citigroup	04/13/22	20	20.4	20.8	21
Barclays	03/30/22	20.5	20.2	20.1	20
BNP Paribas	03/29/22	19.4	19.3	19.2	19.3
Silicon Valley Bank	02/28/22	20.27	20.07	20.17	--
Commerzbank	10/08/21	21	21	21.5	--
Swedbank	03/04/21	--	--	19	--

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